Lisa Anderson's Profit Through People® Newsletter

LMA Consulting Group

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Welcome from Lisa

February went by in a whirlwind as usual. As promised, you'll notice a new "look and feel" for our Profit through People newsletter so that it is mobile friendly. I had a devil of a time getting pictures into this new format without screwing up the titles, and so I'll call upon the experts so that we have a few more in next month's edition.

I'm most excited to share that we launched our "Manufacturing & Supply Chain in the New Normal: 2019 Predictions from Manufacturing & Logistics Executives" report. There were some intriguing predictions and trends. Download your free report **here**.

Thus, this month, my articles are going to focus on topics related to the predictions and those we are seeing as "hot topics" for client success. Since mobile-friendly template versions don't have a table of contents (or at least one that is visible to me!), in this issue, we'll cover why ERP has become a strategic priority, 2019 predictions from manufacturing and logistics executives, 5 ERP selection pitfalls, and the talent transformation (people or robots?). We always encourage your feedback and ideas.

I'm thrilled to have received a few accolades:
- Named "Best ERP Twitter Influencers to Follow" by Solutions Review
- Nominated for "Community Bridge Builder" by NAWBO Inland Empire.

We had a fabulous Manufacturers' Summit with the theme WeLoveManufacturing! We will be sharing innovation award speeches as well as interviews with winning executives and keynote speakers over the next few months. In the interim, please join us at APICS-IE's executive panel and networking symposium on "The Talent Transformation: People or Robots?". We have another impressive lineup of panelists to discuss this hot topic.

IN THE NEWS
Check out my latest speeches, articles & quotes:
- Published two articles in *HVAC Distribution's The News*, "Is Your Supply Chain Ready for Growth?" and "The Amazon Effect: Why We Must Pay Attention to Our Customers"
- Quoted in the *Society for the Advancement of Consulting's* "Hiring Top Talent with Passion and Enthusiasm Key to Beating Talent/ Skills Gap".
- Featured as the Innovation Awards Chair at the Manufacturers Summit.
- Quoted in several articles about the Manufacturers Summit including "IE Manufacturer's Summit to Include: Tesla, Fender, Nobel Prize Laureate, NAM, CMTA and more", "Phenix Technology Wins Innovation Award for Human Capital & Talent", and "Phenix Technology Wins Prestigious Manufacturing Award".
- Our predictions report was publicized widely as well in PR Newswire, Business Insights, and in InlandEmpire.US.
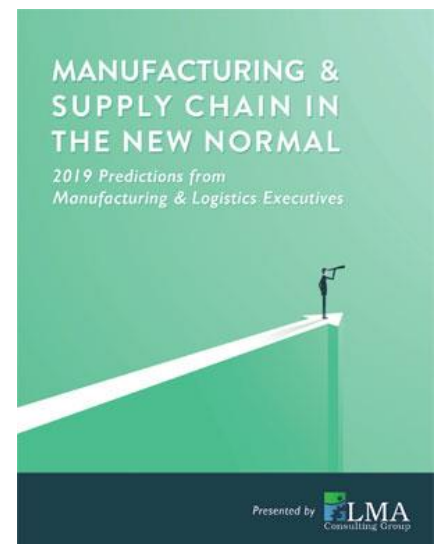
- Presented at the Executive Luncheon: Increasing Demand
- Published an article, "The Resilient Supply Chain: Do We Have Vendors or Partners?" in *Part Procurer*.

Enjoy!
Lisa

Email
LMA Consulting Group, Inc.

P.S. If you know of anyone who is interested in achieving scalable, profitable growth, please refer them to us.

Eagle Eye
ERP Selection: Why It Has Become a Strategic Priority

In today's **Amazonian environment**, customers expect rapid delivery, over and beyond from cradle to grave, collaborative service, 24/7 accessibility and last-minute changes. Executives are realizing they must upgrade their technology infrastructure to meet and exceed these customer expectations while driving bottom line improvement.

Your **ERP decision** will be one of the most significant investments your company will undertake, and these projects are wrought with risk. 80% fail to achieve the expected results yet waiting "too long" can put you out of business.

Selecting an ERP System is a Strategic Priority

Because of the significant customer and bottom-line benefit and steep, unintended consequences associated with these projects, the most successful clients realize they must be a strategic priority. By no means should the decision by relegated to a technical expert or project manager. Involve your best and brightest on the team and ensure your executive team is on top of preparation, progress, and the inevitable pitfalls. Beginning with preparation:

- **Understand business processes:** Start by understanding what occurs on a day-to-day basis. One of the top failure points is to assume that people can make the leap from current processes to what every ERP provider claims to be "best practices" on day 1 with no roadmap.
- **Gain strategic and cross-functional input** – Since all systems will perform the basics well, success will boil down to what drives your strategy and supports your cross-functional and cross-organization collaboration.

- **Identify critical requirements** - Countless hours wasted on typical business requirements (which all systems generally cover); instead, focus 80% of your attention on the requirements unique to your business, industry, and company. Think customer differentiation & profit drivers.
- **Prepare data and be realistic evaluating your process disciplines** – No matter how well you prepare, your system will only be as good as your **data** and process disciplines.
- **Dedicate appropriate resources** – Be an exception. Supplement your resources, bring on appropriate expertise early on and be willing to invest in what will ensure success and mitigate your risk.

5 Critical Factors in Selecting ERP Software

As complicated as most companies seem to make it, the critical factors in software selection boil down to a select few:

1. **Your business objectives** - Don't worry about everything required in every module to run your business. Instead, take a step back and focus on what you need to meet your grow and profit plans.
2. **Cloud or not?** It depends. Dig into the details. Develop your own spreadsheets with paybacks. Consider your technical resources, adeptness with topics like cyber security and the latest technology, and your ability to navigate disruption and risk.
3. **Understand your culture** - what are your cultural norms when it comes to change? Do your employees have an entrepreneurial spirit or do they require strict procedures? These answers will be integral to aligning culture and technology.
4. **Think about design upfront** – Not thinking through down-the-line implications will derail the best of projects. Incorporate design and a holistic systems-view upfront.
5. **Ballpark estimates and ranges –** Get a ballpark upfront, and never accept the first estimate. It's typically too low! Worse yet, two suppliers that should be within 10% of one another can be 100% different. Ensure you are comparing apples to apples, and remember implementation, not software, is the 80-pound gorilla of ERP success.

ERP is a tough topic! Clients worry they are "too small" or it will be "too expensive", and in the interim, the competition passes them by since having the technology that supports a superior customer experience without breaking the bank is a "must", no matter your size or industry. With that said, we have seen clients ready to "throw out" a perfectly suitable ERP system as they think it is the system, not the process or people that is the issue when it isn't. If you'd like an expert to assess your situation to partner with you to achieve these types of results, **contact us**.

Did you like this article? Continue reading on this topic:
Supply Chain Management is Evolving: How Will It Affect Your Enterprise?

The Strongest Link in Your Supply Chain
2019 Predictions from Manufacturing & Logistics Executives

Economic volatility and uncertainty are the new normal. Instead of lamenting, manufacturers have a unique opportunity. There has never been a better time to stand out from the crowd with a superior customer experience amidst the chaos.

Not only has the **Amazon Effect** driven customers to expect customized product and service offerings with rapid response - creating a greater demand for local manufacturing - it has also made **innovation** a cultural norm. There is a trend towards near-sourcing, vertical integration and agile strategies to proactively address these elevated expectations as well as to meet customers' insatiable need for last minute changes.
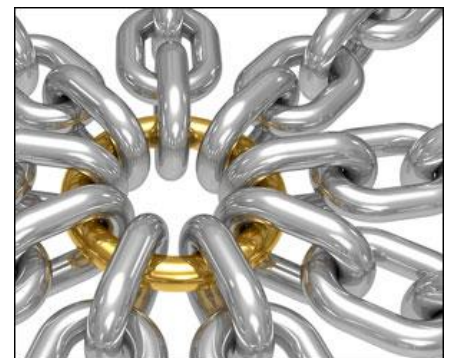
With the **rise of e-commerce**, increasing transportation costs and global risks, sourcing experts are re-evaluating their global supply chains. Logistics is gaining in relevancy as transportation costs increase, sustainability efforts expand and managing inventory becomes a hot topic as accelerating cash flow becomes more relevant.

Drones, robotics, IOT, artificial Intelligence, big data predictive analytics and additive manufacturing are transforming

entire industries while providing the tools to create a customer-centric, resilient supply chain. However, technology alone will achieve nothing. With a differentiated strategy and the right talent, the opportunities are endless.

We asked business owners and executives for their predictions for 2019. From aerospace and defense to food and beverage to building products, the perspectives may be different, but the outcome is the same: Opportunity Abounds.

Find out how to navigate disruption and achieve peak performance. Download our free report **here**.

Did you like this article?   <u>Continue reading on this topic:</u>
What's Ahead for Business?

Do You Have a Resilient Supply Chain?

Do you have a resilient supply chain? In today's disruption-intensive business environment, a resilient supply chain is a "must"!

Find out how to navigate disruption and achieve peak performance.

Check out our new video & articles series

The Systems Pragmatist
5 ERP Selection Pitfalls

We get "too many" calls to help resolve problems associated with system upgrades and/or new system implementations. How can some of these **disasters** be avoided upfront?

1.   **Navigating ERP sharks** - ERP software suppliers must be some of the most aggressive salespeople I've seen. Even when you are careful, they'll likely focus more on the bells & whistles of their system than important details of key functionality needed to drive results.
2.   **Standard functionality** - Standard functionality is the downfall of ERP selection projects. In my experience, 20% of the time should be spent on standard functionality since core suppliers will have it. Reverse the order and spend 80% on unique functionality.
3.   **Lopsided team** - Although there will be some functions more interested than others in the selection project, if they decided for everyone, you shouldn't be surprised if you end up with a great system in that particular area with the rest left to luck.

4. **Losing track of features** - Although it seems obvious while sitting in the demo, it becomes amazingly difficult to figure out which feature went with which software a few days later. Note follow-up questions and compare notes immediately following the demo.
5. **Focusing solely on functionality** - Don't get lost in functionality and forget that the software supplier will be your business partner. They will make or break your success.

Interested in avoiding these pitfalls? Check out our **ACE ERP proprietary process** to avoid these pitfalls and achieve endgame results.

Did you like this article? Continue reading on this topic:
How to Know if Your Old System Is Just Fine

Profit through People
The Talent Transformation: People or Robots?

No matter the industry and geography, the topic of "People vs. Robots" is a hot topic! Certainly, manufacturing has been focused on technology and automation for quite some time to navigate the path to thrive in the modern environment of high costs, regulations, and elevated customer demands. The Manufacturing and Technology Expo is Pittsburgh is going back to the theme of the 1939 World's Fair, "The World of Tomorrow". The Manufacturing sector has seen positive job growth not seen in 79 years. As **Industry Week says**, "We don't have smoking robots but we have ones that perform lung surgery."

Our **APICS Inland Empire Chapter** is hosting an executive panel and networking symposium on just this topic, "**The Talent Transformation: People or Robots**?" on April 13th at Harvey Mudd. We have an intriguing panel of executives and experts to discuss automation, robots, IoT, AI and much more. How do we co-exist successfully? **Join us** to learn more and probe further.

In logistics circles, there is quite a bit of worry and opportunity. According to a University of Redlands **study**. Most large metropolitan areas are subject to losing 55% of their current jobs due to automation. In Inland Southern CA, that number expands to 62%. However, it depends on your thought process. UPS automated a section of their facility that reduced the number of people they needed by 100 yet they ended up hiring as they absorbed additional volume. Additionally, it depends on whether you are furthering your education and skills. We find proactive employees and employers in our Association for Supply Chain Management (ASCM)'s **APICS certification classes** who want to learn and grow.

For Inland Southern California, we have a particularly unique opportunity or challenge, depending on how you want to look at it. According to a **Brookings study**, we must focus on advancing the capabilities and competitiveness of local firms in opportunity-rich manufacturing and logistics industries. What an opportunity for us to leverage technology hand-in-hand with talent to THRIVE.

If you are interested in discussing whether your organization is prepared to leverage these opportunities and what priorities should emerge, **contact us**. We are experts and would love to see the U.S., California and the Inland Empire take advantage of this tremendous opportunity to enable scalable, profitable growth.

Find out how to navigate disruption and achieve peak performance.

Did you like this article? Continue reading on this topic:
Industry Week's Salary Survey Finds Good Morale Yet Not Higher Wages
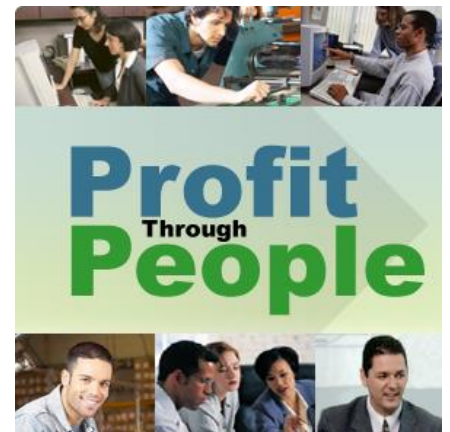
Connections

- My nephew graduated from a top rated computer boot camp and is a full stack developer with a specialty in Node. If you know anyone in Southern CA looking for a developer, please ***contact him***.
- A recent University of LaVerne graduate in computer science is interested in combining her knowledge of computer science with logistics for a job in the supply chain field. Please ***contact her*** with opportunities or connections.
- A bright, young mechanical engineer is looking for a job in the Inland Empire or surrounding areas. His wife just joined Harvey Mudd. He has received high accolades. ***Contact him*** if interested.
- Do you know a top notch IP, family law or litigation attorney in the Inland Empire or surrounding area? And/ or how about a healthcare benefits resource? My ProVisors group has an opening for these professions, and we have lots of referrals for these professions on a regular basis. Please introduce ***me***.

NOTE: To submit an item for this section, please send me an email with a short description of your needs and an email address. Please note that NOT all requests will be published as it must fit the guidelines and align with the Profit through People brand.

What is *Profit through People*?

I've used the Profit through People brand since my newsletter's inception in 2006 as it resonated with me. Although I consult on topics within each of my service lines--Eagle Eye Strategic Focus, The Strongest Link in Your Supply Chain, the Systems Pragmatist & Profit through People--I find that people are key to success in every situation. If you are interested in elevating your business performance, please contact us.

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