



May 2013 - Issue #87

In this issue:

- E-Commerce is No Longer an Option
- Lisa's Tips: Goals
- Recommended Reading
- Connections

E-Commerce is No Longer an Option

Are you offering e-commerce options for your customers? If not, you'll be left in the dust! It is no longer an option for companies if success is an objective. E-commerce eliminates time and distance as barriers - who can afford not to offer customers a way to get "what they want when they want it"? Better yet, it is often at better margins to boot! For example, according to Modern Distribution Management's 2013 State of E-commerce in Distribution, the number of distributors whose e-commerce revenue comprises 5-10% of total revenue has grown by 50% since last year. Substantial!

E-commerce has been popping up all over lately. Not only have I been working with several clients who require e-commerce solutions but I've also recently completed quite a bit of research on e-commerce to prepare to sit on a panel to discuss its impacts. As important as e-commerce is to business success, there are many considerations to consider. A few key ones include: 1) Start with strategy. 2) Become a generalist - rapidly. 3) Systems design & integration is paramount

1. Start with Strategy: As with most business topics, it makes sense to start with the big picture. What products and services do you want to sell via e-commerce? What are your customer requirements? Do they expect delivery in 1 week? 1 month? 6 months? Or 8 hours? Which channels do you utilize? Are omni-channel fulfillment strategies required? How does this fit in with the rest of your business? What is your business strategy? Is your organization ready?

There are countless questions; however, the most important first step is to take the time to think about strategy. Although you cannot take "too long" as undoubtedly, you'll be left in the dust, it is equally important to develop your e-commerce strategy in a deliberate manner vs. backing into it. Recently a key contact chose this approach and put critical projects aside to consider the new business environment.

2. Become a generalist - rapidly: I'm sure you've heard the advice to specialize, specialize, and specialize. When it comes to e-commerce, you must be an expert generalist. Oxymoron or not -we better get good at it!

Manufacturers will need to make rapid changeovers and quickly respond to customer needs. Flexibility and agility are key to success.

Distribution centers and even smaller warehouses must re-design their warehouse to simultaneously support multiple channels - traditional distributors, retail, e-commerce, etc. Typically the optimal warehouse process and layout is different for each of these, and so you must find a way to support all of these customers efficiently and effectively.

Planning & transportation will also change. You'll need to optimize cost, service, and speed for all of these types of customers on the fly. If you have multiple facilities, you'll want to dynamically optimize across your network (known as dynamic optimization).

3. Systems design & integration: In order to stay ahead of these changes and be an expert generalist, it will be of paramount importance to leverage technology. Are you able to redesign processes on the fly? Do you even know what they are? If not, do not despair - you are far from alone. However, immediately, find out, document, leverage experts, build flexibility into your processes and get on top of it.

Do you have the latest systems which will help you cut across multiple channels and business processes in an efficient and effective manner? Which critical business requirements must your system have? Are your people ready for this transition? What skills and experiences do they need to succeed in this new environment?

How many purchases do you or your family members make over the internet? How does this compare to 5 years ago? The opportunity of e-commerce will pass us by if we do not jump aboard. What are your next steps?

Goals

Although there isn't a bad time to talk about goals, it can be especially important as quarters wind down. Half the year is almost over. Have you thought about goals lately?

1. **Fit with strategy** - Of course, the first order of business is to determine fit with strategy. What is the point of accomplishing goals which do not fit with strategy?
2. **Collaborative** - Undoubtedly, those goals established in a collaborative manner will not only be more meaningful but also more likely to be achieved.
3. **Quarterly** - Do NOT just set yearly goals. It's the kiss of death! How will you chunk your goals into milestones? Think about them quarterly at a minimum.
4. **Limited #** - One of the most common mistakes I see is executives having a plethora of goals. Limit it to 3. In my experience, 3 is a reasonable number to focus on at any one time to ensure success.
5. **Measurable** - How will we know if progress has been made? Quarterly is far too long to wait to know if you've veered off track. Goals don't have to be quantifiable in numbers yet there must be a way to gauge progress.

Recommended Reading

[Top 10 Rome](#) by Frommers - looking forward to seeing whether I get feedback on this one..... As travel and vacations pop up frequently during the summer season, I thought I'd pass on one of my favorite travel books (the Top 10 series) - and one of my favorite places (Italy). I went late last year and had a fabulous time. Don't miss Rome's hidden treasures.

Connections

Connections and relationships are the 80/20 of success! Please see this month's requests:

- A key contact wants to find a position in San Diego as an Operations leader or General Manager as he has experience in both. He's currently VP of Operations at an IE manufacturer and is keenly interested in improving the quality of life (avoiding the commute from San Diego). He would be a great find - great experience & relationship focus. Please feel free to contact him directly at bwkernan@gmail.com
- My APICS (Association of Operations Management) Inland Empire Chapter is looking for a few exceptional speakers and/or tour opportunities - our goal is to provide jam-packed value, and so we are always looking for ideas. [Email me](#).
- My Ontario ProVisors group of trusted advisors is searching for three types of attorneys - immigration, environmental and employment law. If you know anyone who fits the bill, please refer them to [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.

LMA Consulting Group

2058 N. Mills Ave, PMB 532

Claremont, CA 91711

Main: 909-630-3943

Fax: 909-625-5603

www.lma-consultinggroup.com

landerson@lma-consultinggroup.com