

# Lisa Anderson's *Profit Through People*<sup>®</sup> Newsletter

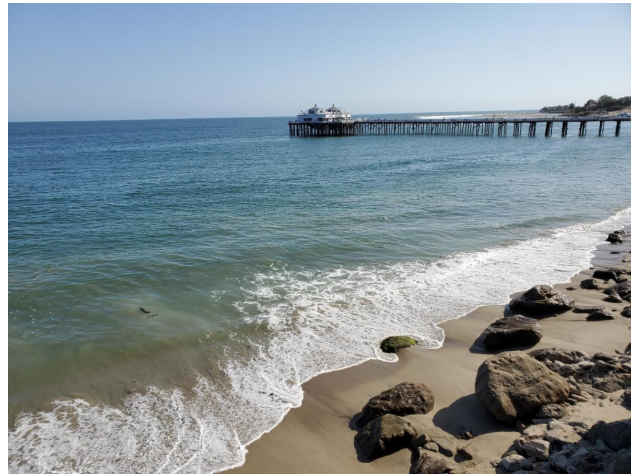


Enabling Scalable, Profitable Growth No 179, May 2021

*As our inaugural newsletter from LMA Consulting's founding in 2005, Profit through People remains our flagship brand because although most clients call us because of our manufacturing, supply chain and technology expertise, the 80/20 of success goes straight to people!*

## Lisa's Note

I enjoyed taking a road trip to see my Mom and family for Easter and headed to Malibu for a short jaunt a few weeks later. As you can see, the beach is beautiful and the sound of the waves is quite relaxing. Certainly a stark difference to being under lockdown last year!



Clients are growing, interested in scalability, focused on how to attract and retain top talent and are navigating through significant supply chain disruptions. Read about the latest trends

and insights in our newly released special report "[Emerging Above and Beyond: 21 Insights for 2021 from Manufacturing, Supply Chain & Technology Executives](#)".

## IN THE NEWS

In addition to my "[21 Insights for 2021](#)" eBook, I'm most excited about being quoted in the *Compass* special report "[Building a resilient future: Manufacturers react to disruption quickly with virtual technology](#)."

And it was a value-packed time period for my latest speeches, articles & quotes:

- Quoted in *Brushware Magazine* on "[Post Pandemic: People or Robots?](#)" (page 20)
- Featured in [Cal Poly Pomona's Technology & Operations Management Newsletter](#) on Women in Supply Chain
- Quoted in *ACHR* article "[Distributors Must Embrace Change to Keep, Add HVAC Contractors](#)" and in *IAAPA* article "[Coping with Supply Chain Challenges](#)"
- Featured on the *Manufacturers Network Podcast* on "[The Importance of Taking Care of Your Customers' Customers](#)"
- Spoke on *Industrial Insights* podcast "[How Consultants Can Help Your Manufacturing and Distribution Business](#)"
- Facilitated an *APICS-IE* webinar with John Tulac, international business attorney, on "[What's Going on in China and Mexico](#)"
- Published a [press release](#) on *Above and Beyond: 21 Insights for 2021* which was picked up in [Brushware](#), [Today's Medical Developments](#), [Quality Digest](#),
- Published a [press release](#) on manufacturing as a service which was picked up in *CSCMP's*

### [Supply Chain Quarterly.](#)

- Featured in a press release on [Supply Chain Comes of Age Post Pandemic, Global Business Opportunities Now Springing Up Everywhere](#), and [Newly reimagined awards now also honor creativity and innovation](#)
- Participated with a group of global consultants on a webinar about [Creating Resiliency in 2021](#) and on *Interlinks* on [Supply Chain Strategic Challenges and Opportunities in 2021](#)
- Interviewed by SAP Ariba for a special report [Close collaboration that goes beyond transactions](#) and a post on [supplier performance](#)

Happy summer!

Lisa

### [Email](#)

[LMA Consulting Group, Inc.](#)

P.S. Know anyone who is interested in increasing the value of their business? Refer them to [us](#).

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## Global Supply Shortages & Why SIOP Matters



Demand is soaring but supply is scarce. There is no doubt that we have a serious issue of limited supply. The pandemic created volatility in both demand and supply, causing a significant overload of ships at the L.A. and Long Beach ports early this year as Chinese factories caught up with production, e-commerce demand skyrocketed and longshoremen were out due to COVID. And that was just one incident.

At first, they hoped they'd catch up by the summer but it appears as though we are simply in a new normal. Of course it created a ripple effect with bulging warehouses in Inland Southern California, lack of warehouse space and rising logistics costs throughout the area. Ocean freight and transportation costs are also soaring. If you aren't a customer of choice, you are likely at the back of the line and paying high prices.

Shortages abound, starting with semiconductor chips. There isn't enough foundry capacity yet demand is booming with cloud infrastructure providers as well as smartphone makers during the pandemic while automotive is ramping back up. When automotive cancelled orders during the pandemic, suppliers found other customers. The issue is significant, and so there is a rush to open new foundries. Intel is spending \$20 billion to build two foundries in Arizona, TSMC is building new foundries in Taiwan, and Samsung is also building foundries. In the interim, there are extended lead times and shortages.

Next, the freeze in Texas caused significant delays and shortages in oil and gas related products as well as surging demand in building products which were already high as people made home improvements while at home during the lockdown. For example, the price of lumber is ridiculous and prices have gone up 375% since a year ago. Clients supplying the building and construction products industries are having a very hard time keeping up with customer demand, and their suppliers' lead times are extending 3 and 4 fold. One of the industries most impacted by the Texas storm was automotive. It caused temporary closures of semiconductor chip production, creating further shortages of chips.

It that wasn't enough, a ship got stuck in the Suez Canal causing all sorts of delays and complications on another major shipping route. The ship blocked a major waterway accounting for 12% of global trade (preventing 50 ships a day from passing) for about a week. It reverberated

throughout the supply chain with congestion at ports, ships not where they were supposed to be when they were supposed to be there and ships being rerouted on longer routes. The impacts will last months.

On a final note, there are extensive shortages of people throughout the supply chain. Companies cannot find people to fill key roles. Some people are retiring; others are leaving for better opportunities; yet others are changing careers as the pandemic caused many to rethink their career and life. In addition to a shortage of materials, there is a shortage of people to manufacture, process, transport, distribute and respond to changing customer needs.

### Why SIOPI Matters

SIOPI (Sales, Inventory and Operations Planning) helps to better forecast demand including partnering with customers to gain a clearer and more timely view into end customer demand to align with supply. Simply gaining a better view into demand by key customers and/or core product lines can give you the 80/20 required to determine a directional view of manufacturing capacity, long lead-time materials / supply items and information for offload / insource decisions. We have seen a dramatic increase in interest for SIOPI programs to create predictability and flexibility while reducing risk.

SIOPI aligns demand and supply to enable growth with increased customer service, profitability and accelerated cash flow. Refer to our [blog](#) for many articles on SIOPI. Also, read more about these types of strategies in our eBook, [Future-Proofing Manufacturing & Supply Chain Post COVID-19](#). If you are interested in talking about what it would take to pursue the SIOPI journey in your business, [contact us](#).

[Did you like this article? Continue reading on this topic: Sales Forecasts are Rising Fast. Do You Have Capacity?](#)

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### Interlinks Podcast Causes and Effects of Global Supply Shortages



### Emerging Above & Beyond: 21 Insights from 2021

Check out our [eBook](#) on what is relevant in 2021 according to manufacturing, supply chain and technology executives.



## Supply Chain, Materials & Logistics Disruption & Upcoming Webinar of Top Notch Global Consultants



### Supply Chain Disruption

The pandemic certainly brought supply chain disruptions to the forefront. People who never gave supply chain a thought were suddenly focused on the topic. Early in the pandemic, I was interviewed on [Rip City Sports Radio](#) about toilet paper and later by [Bloomberg](#) about supply chain disruptions and the potential for reshoring. As the semiconductor chip shortage and global disruptions such as the Suez Canal debacle hit the scenes, it has only increased the focus. But, what can we DO about these issues?

### Join Global Supply Chain Experts for a Panel Discussion

As part of the [Society for the Advancement of Consulting](#), I participate with a special interest group of top notch supply chain consultants from around the globe with expertise and clients from Europe to North America to the Pacific Rim. We support clients ranging from small and medium size closely held businesses to private equity backed companies to global enterprises and advise them on strategies to successfully navigate the changing global landscape.

In addition to the most recent and obvious disruption caused by the pandemic, there have been many others. For example, the Fukushima earthquake and tsunami, the Icelandic volcano and ash cloud, US-China trade wars and Brexit created significant down-the-line impacts. There is no telling what the next disruption will be yet we better get prepared. What prevention, mitigation and contingency measures do you have in place? Join us for two free webinars with panels from Europe/ North America and Pac Rim/ North America to discuss and debate these topics.

[Learn more](#) and register for one or both panels:

1. [June 2nd](#) at 7am Pacific - Europe/ N.A.
2. [June 16th](#) at 4pm Pacific - Pac Rim/ N.A.

If you register, you will receive access to the archives as well.

What would you like to ask about supply chain disruptions? Feel free to [contact us](#) with your questions and input as well.

[Did you like this article? Continue reading on this topic: Supply Chain Disruptions Driving Prices Up](#)

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## Emerging with Supply Chain Strength Webinar Series

LMA is sponsoring a webinar series with experts on successfully emerging from COVID.



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## Adaptability and Resiliency: Trends to Emerge Above and Beyond in 2021

In our eBook [Emerging Above & Beyond: 21 Insights for 2021 from Manufacturing, Supply Chain & Technology Executives](#),

many executives discuss the critical importance of adaptability and resiliency. The pandemic kicked off with volatility of customer demand (toilet paper and hand sanitizer were in scarce supply whereas aerospace and hospitality fell of the cliff as the lockdowns started). During the pandemic, customers changed buying patterns (moving to e-commerce, trying new channels). Buying behaviors evolved with changing customer perceptions. And the supply chain tried to keep up.

Executives tried to adjust to the changing conditions. Some laid off employees; others pulled back on production schedules and found new projects to keep employees involved while the rest could barely keep up and were challenged to find enough people to keep up with customer demand. If they thought ahead, they innovated and found ways to create new products and service offerings to meet changing needs. Proactive clients explored new technologies to support adaptability and resiliency, rapidly re-evaluated their supply chain network, thought about insourcing and reshoring, and took action to reconfigure their supply chain with a regional focus.

Michael Smith, President and Managing Director at George Fischer Signet talked about the fact that 2020 highlighted the need for adaptability and cooperation. He said that continuing to develop the company culture and aligning with processes and systems will be key to success. He also talked about the importance of adopting new technologies and new solutions to foster growth and set a strong foundation for the future.



Peggy Hosking, Partner at Best, Best & Krieger believes resiliency, creativity and innovation will be winning themes for 2021. She said attracting and retaining key talent will become more critical especially where in-person presence isn't required, and she mentioned the need to retool and redeploy existing employees to create resiliency. Companies with creative, forward-thinking problem solvers will flourish.

The supply chain world is a buzz about resiliency and the lack of talent. Clients focused on progressive ways to retain and attract top talent are definitely pulling away from their competitors. The ones who are innovating and implementing technology to enhance visibility, efficiency, effectiveness and customer responsiveness are succeeding. Most importantly, clients that are resilient are providing a superior customer experience whereas the rest are struggling to stay alive. If you are interested in creating a resilient manufacturing and supply chain, [contact us](#) for assistance.

[Did you like this article? Continue reading on this topic: Collaborative Partnerships & Creating Resiliency](#)

## Connections

### THIS MONTH'S REQUESTS:

- I am aware of a few graduating students (undergrad and graduate degrees) who are interested in manufacturing and supply chain careers. [Contact me](#) if you have positions available.
- If you have a supply chain or operations position, post it on our Association for Supply

Chain Management Chapter (ASCM/ APICS) [website](#).

- A few clients and colleagues are looking for production and inventory planners. If you are interested, check our [ASCM website](#).
- Do you know a top notch labor law, trial attorney or bankruptcy attorney in the Inland Empire or surrounding area interested in growing his/her business and meeting top-notch trusted advisor colleagues? 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.

[\*Check out our new video & articles series\*](#)

