



October 2015 - Issue #116

## Welcome from Lisa

October feels like it didn't even exist. I went to AZ for my Dad's birthday on October 2nd, and just a few days later I received a call from my Mom while speaking at APICS 2015 that he was unresponsive. I hopped on a plane to AZ, and it turned out that he had a stroke (his 6th over the last 17 years) and couldn't wake up. Thus, he ended up going to hospice and eventually passing away. I couldn't ask for a better dad, and I'm glad I've been going to AZ frequently to spend time with them. Here's a picture of us at the Rose Bowl the last time the Illini were in it as he loved his alma mater.



It's good timing to remember my Dad today because he bought flowers for my Mom every Halloween since they started dating over 50 years ago as it was the anniversary of their first date.

My focus during October was on family; however, I did fit in two speaking engagements. My speech at APICS 2015 on *Priming Your Supply Chain for the Amazon Effect* was great - we ended up having good discussions on what it could mean across your supply chain. Then I spoke at *ISM Orange County* on Supply Chain Trends. Of course the Amazon Effect emerged as a key one.

## **IN THE NEWS**

Please check out my latest speeches, articles & quotes:

- Quoted in Camcode's article "*51 Tips on Inventory Control Methods*".
- Published an article "*10 Ways to Stay Focused on the Critical Path*" in *Project Times*.

I'm very excited for my APICS Inland Empire's Nov 14th executive panel and networking symposium on the topic of "*Growth: the Good, the Bad and the Ugly for Manufacturing & Logistics*". We have an amazing panel of manufacturing and distribution executives, the 2015 Chair of APICS, a key member of the Southern California Roadmap 2025 and more. I'd love for you to join us! For the first 3 Profit through People newsletter subscribers to register, you will attend for free as my guest. Just drop me an email as you register and select pay at door.

Enjoy,  
Lisa

### Email

LMA Consulting Group, Inc.

P.S. Please think of me if you should know anyone who would like to elevate their business performance.

Eagle Eye

## **Put Your Eagle Eye on What's #1 to Success - Leadership**

Leadership will make or break your business. Put your eagle eye on ensuring success in this arena and you'll thrive. The two core tasks of a leader are 1) to set strategy, and 2) to execute the strategy - not seemingly complex or daunting. However, the excellent leaders stand out in the crowd by translating these two core activities into results. How?

There are four keys to an effective leader who drives not only profitability and cash flow through these two core tasks but also engages employees, customers and suppliers: 1) Clear vision. 2) Effective communication of the vision. 3) A focus on results. 4) Performance management commitment.

**1. Clear vision:** Throw out those vision statements which "look great and sound great" yet when the rubber meets the road; they are not tangible and meaningful. For example, does your vision statement say something about being "world class" with "superior customer service" and "quality" etc.? 80% of the vision statements I see with my clients say something like that but what does it mean? Can the person in Accounting understand what it means? How about the shop floor? For that matter, how about the Executives?

Instead, the leaders who have a clear vision of where the company is headed and why it matters are those who deliver results. For example, I knew a CEO who talked non-stop about the vision. Although his one track mind could be a deterrent at times, there was no doubt as to the direction the company was headed - and he got there!



**2. Communicate the vision:** Communicate, communicate, and communicate. It might seem redundant yet it is those who continue to articulate the vision in various ways and through different mediums until it becomes a part of the everyday culture and understood by not only employees but also customers, suppliers, bankers, investors etc. are the ones who will succeed. Translate the vision so that it's tangible.

For example, in one client project, although the Executive thought he made the vision clear, when discussed in more detail, clarity was lost. Unfortunately, he quickly lost credibility and was perceived as an empty suit - presenting fluffy and big picture ideas without substance supporting it.

Interestingly, this occurs more frequently than you'd think - I'd estimate it to be 50% of the time. Although it is a common place understanding that for effective leaders, communication skills are vital, I've found that achieving effective communication skills is not as simple as it sounds. Being a cheerleader is not enough. Dictating the path forward is not enough.

Instead, those leaders who are successful need to have a good enough understanding of the details behind the vision to be able to effectively communicate the whys in a high enough level format to be clearly understood by multiple levels of management. Similarly, those leaders who have enough of a grasp of the details associated with the strategy for achieving the vision are able to carry on brainstorming type conversations, encourage debate on the optimal strategies/ paths to achieving the vision, ask probing questions, envision potential roadblocks etc. My most effective clients ask thought-provoking questions and then shut up and listen - much harder to do than it sounds.

Interestingly, the most respected communicators do not spend much time talking; they listen, ask insightful questions and provide support.

**3. A focus on results:** It's not what you say; it's what you do! There are countless examples of people who are good talkers with fancy PowerPoint slides who rarely deliver results. The leaders who focus on fluff, level of activity or time units without regard to productivity and results will lose in the long run, whereas, those leaders who focus time, attention and resources on results will succeed.

My most successful clients focus on results with simplicity - the questions the leader asks, the metrics the leader tracks and the conversations and praise given communicate the priorities. For example, in one client example, the leader said he wanted process disciplines to be #1; however, each time a difficult decision arose in relation to process disciplines, he communicated through his decisions that process disciplines were not as important as a myriad of other priorities such as "getting product out the door quickly". Even though 8 of 10 decisions didn't support a process discipline focus, he continued to say and perceive that he communicated their importance. Yet no one listened, as they knew it would be reversed on the next decision.

In another example, an Executive told his management team "results are the priority" (and communicated some specific project priorities) and yet asked no questions about them. Instead, he tracked the time that his managers spent at the office. What his team heard was "time" is the priority - not productivity or results.

In another example, the CEO communicated with each conversation, decision and question that a new product launch was #1. He not only supported it when it was "easy" but he supported it when it was a downright challenge, thus providing hard evidence of the priority. For example, when the Board of Directors questioned the capability of the Operations leader when efficiencies declined due to the testing and rollout of the new product line, he went out on a limb to support her, as he knew it was a direct and expected result of the #1 priority. Thus, the new product launch was a success - delivered on-time and on-budget while reducing product cost and increasing product performance.

**4. Performance management commitment** - Last but not least, performance management drives success. It cannot be an afterthought; instead, it must be a priority.

Performance management begins by translating the vision into what's important for each employee - how do they add value? How does what they do matter to achieving the vision? Then, performance management becomes blocking and tackling - it must be just part of the everyday culture. Is each person

aware of their top two or three priorities? Are they on the same page with their manager? Does the manager provide immediate and continual positive and constructive feedback? Does the manager encourage feedback and solicit ideas?

In my experience, 100% of the successful leaders make performance management a priority.

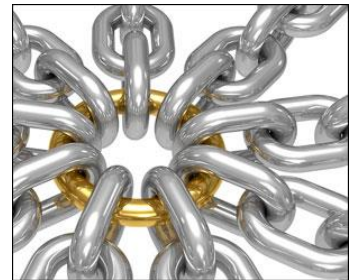
When I've been involved with a business with leaders with these qualities, amazingly, the business just seemed to "fall into place" - sales, profits, and cash flow increased. Yet, in the exact same industry with a similar situation, the opposite occurred - the only difference was leadership. Leadership can make or break your business.

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[\*\*\*Can Anyone Become a Leader?\*\*\*](#)

The Strongest Link in Your Supply Chain

## Why My Best Clients Focus on Responsiveness

I've been working on my book [The Amazon Effect](#) lately, and it brings to mind the critical importance of responsiveness. There is no doubt that a large part of Amazon's success is due to responsiveness - quick deliveries, Amazon Prime within 1-2 days with no freight, Sunday deliveries, same day deliveries and now they are even looking at options to deliver in hours or minutes.



I work with a cross-section of manufacturing and distribution clients.

Aerospace and building products industries have been a focus area of late as both are growing. I work with the best and help make them even better. What I've seen is that these clients prioritize responsiveness. Speed matters!

For example, one client in the building products industry turns around a vertically-integrated manufactured product within 24 hours as a worse case scenario. The vast majority leave their facility on the same day they are ordered. This is one of the reasons they are #1 in their particular industry.

Another client in the building products industry delivers within 2 days, and 80% are actually shipped within one day. It is obvious that one of the reasons their customers continue to order from them is their rapid delivery. Everyone is geared to this end. In a third example, another building products industry client also ships within 24 hours. In their case, they are upgrading their system to better support this continued focus as they continue to double their business every few years.

My aerospace clients sing the same song yet lead times are longer with these more complex products. For example, in one aerospace manufacturer of items in the cockpit, customers are demanding quicker deliveries. Although their lead times can range from 13 weeks to 9 months, demands for radically reduced time frames continue to occur. In another aerospace client that produces door frames and larger parts of the plane, they won new business partially because customers knew they could support increased volumes on quick lead times for their industry. The aerospace industry is quite collaborative; thus, supply chain partners work together to reduce the overall supply chain lead time.

What metrics can we use to measure responsiveness? Typically cycle time metrics rule the day in this area. I find that order fulfillment cycle time is the best measure of success.

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[\*\*\*Slashing Lead Times to Support the Amazon Effect\*\*\*](#)

As several of my clients are building their systems infrastructure to better support their aggressive growth, it just so happens I've spent quite a bit of time thinking about design lately. Design will make or break your ERP success. Today's systems have come a long way - they have a more simplified "front" with extreme complexity and flexibility built in behind the scenes. Thus, it is important to start with the optimal design in order to avoid serious complications down-the-line.



System design is similar in concept to the foundation of the house. If it isn't solid, no matter how pretty the accessories, you'll still have an issue.

Worse yet, it is much more expensive to fix the foundation later. For example, one of my clients didn't put enough thought into the system design upfront, and so they called me to see how they could best move forward. Once they figured out that there were changes they'd like to make, the problem was that it was going to be quite costly to make the changes - double the price. And, it was a challenge to figure out how to make the changes without negatively impacting other areas of the operation. Of course we determine a plan forward; however, it would have been much better if they were able to design these in upfront. Of course, it isn't that anyone sets out to skimp on design; however, it requires thinking several steps ahead, knowing what you might need several years down-the-line, having a cross-functional team involved and spending some money upfront to ensure complete information and review of options - each of these elements at a minimum should be incorporated. It is also the best time to design in best practice processes.

A current best practice that achieves results while keeping speed and flexibility in mind is to review how the system works for each functional area while discussing requirements. That way, it is a hands-on view to options and possibilities and stirs thoughts. It is also good to involve a cross-functional team as you'll want to consider needs and impacts across the organization. I cannot think of a system transaction that affects only one department or functional area. Make sure to involve all key people in design decisions and supplement your process expertise if possible to ensure success.

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[\*\*\*The Critical Importance of Design\*\*\*](#)

Since today is Halloween, I've been thinking of the value of tradition with your people. Yesterday I went to a client that has an amazing people culture, and although the people were committed to the important session we were conducting, they all wanted to go to the Halloween pot luck at lunch. It was a fun and vast tradition - my client said that grazing started right away and lasted all day. Everyone looked forward to it, and it has become one of the few traditions that is meaningful in their culture. I have to say the food looked amazing!

This morning, I went to my hair person, and she told me that they really enjoyed having kids in costumes parade through the salon yesterday for Halloween. Next, I went to Ihop to get some multi-grain pancakes with chocolate chips, and everyone there had very cool costumes. They seemed to be really enjoying the Halloween spirit, and the customers seemed to enjoy it as well.

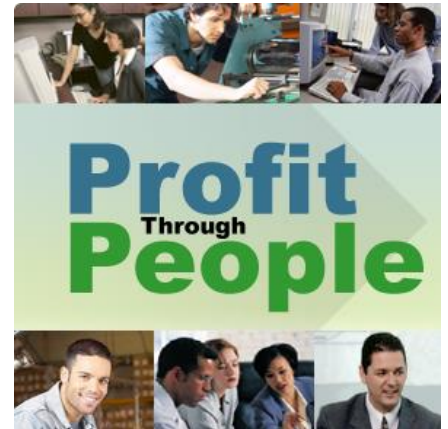
My Dad also got flowers for my Mom every Halloween, and so this Halloween is bittersweet since he just passed away. I liked that idea of tradition, and so the last two years, I ordered her flowers from him as he couldn't do that anymore due to his Parkinson's. Nice to receive flowers for over 50 years every Halloween!

These types of traditions can pull people together. We are much more likely to collaborate with those we like and trust than anyone else. Do you have any traditions at your company? Can you create one? How about in your department? Or with your group? Silly and fun traditions can yield great results. For example, one of the groups I belong to had a bowling competition, and even those who are not bowlers enjoyed the competitive spirit. Another group (a women's professional group) really enjoyed a cooking class and bottles of wine. Who wouldn't? I got to know several of the women much better that evening. And they found out I attended because I value relationships and like to eat!

Be creative and think of ways to start or build upon a tradition. There's no need to spend money or ask for approvals. Find something that is enjoyable and would pull people together. Ask your colleagues for ideas. You'll be surprised how a silly Halloween costume could have folks talking for days to come....

**Did you like this article?** Continue reading on this topic:

[\*\*Labor Day Parades and the Value of Tradition\*\*](#)



## Connections

Connections and relationships are the 80/20 of success!

### THIS MONTH'S REQUESTS:

- My APICS Inland Empire Chapter Board of Directors would like to invite you to our upcoming executive panel and networking symposium on Nov 14th. [Reserve your seat](#) to participate in the discussion and debate about growth.
- My Ontario ProVisors group of trusted advisors is looking for a real estate attorney. Please [email me](#) with ideas.



- An excellent Supply Chain Manager with expertise in inventory management, systems, business processes, and project management with a specialty in aerospace in the Wichita area is looking for her next career opportunity. Please contact [her](#) with referrals and ideas.
- I know of an exceptional Planning and Logistics Leader who is interested in making a change for the "right" opportunity in the Inland Empire. Please email [me](#) if you have referrals.
- I know an Operations Leader who is interested in potential opportunities in Southern California or Arizona, if you have leads for him, please email [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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