

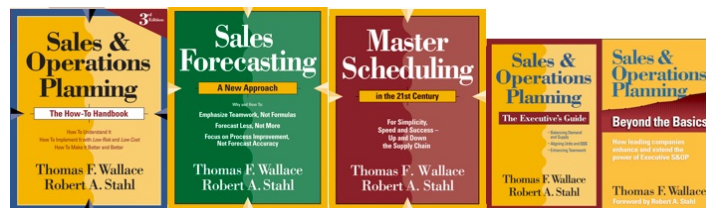
# Welcome to the RA Stahl Company executive S&OP Newsletter

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Hello,

This Newsletter is a bit long, but I hope well worth reading. It's taken me a while to find the words that express what I'm thinking about the situations we're all in. Through the blizzard of confusion, however, I think I've come up with some worthy thoughts. Enjoy!

## Worst of Times/Best of Times

Many of you will notice that I have reversed the opening line of Charles Dickens famous book "*A Tale of Two Cities*." This is because in today's troubled world, it's awfully difficult to put BEST before WORST. Despite the horrific things happening over that last two years or so, I'm going to try my best to be positive in this Newsletter . . . even though . . . it's not easy! (A good friend & mentor, Tom Asacker, has been working hard to keep me in that mode.)

My wife and I recently spent a weekend visiting our son and his SO in Waukesha, Wisconsin, where some horrific events took place while we were there. It was a weekend of such mixed emotions and happenings that brought me to some clarity – THESE TIMES may indeed turn out to be the BEST of times, despite the very WORST of times that we are currently experiencing.

A few weeks ago, I listened to a very experienced and famous gal present a talk that was full of optimism – she indicated that what separates America from all the rest

is . . . **resiliency**.

She pointed out that about every forty (40) years throughout our history, America has experienced a renewing of itself for the better -- correcting issues and problems . . . and that the bigger the turmoil, the bigger the change. That means we're in for a BIG change this time. This speaker said this change will be for the good and that we WILL come out of this better than ever before . . . just like all of the other 40-year cycles. She has a new book, and if you want to know the title, let me know.

## Keeping Your Head...

Another author of long ago, Rudyard Kipling, in his poem 'IF' said ---(Pardon me for relaying the entire poem, but I couldn't decide what part to leave out):

*If you can keep your head when all about you are losing theirs and blaming it on you,*

*If you can trust yourself when all men doubt you, but make allowances for their doubting too,*

*If you can wait and not be tired by waiting,  
Or being lied about, don't deal in lies. . .*

*Or being hated don't give way to hating  
And yet don't look too good, nor talk too wise*

*If you can dream -- and not make dreams your master*

*If you can think -- and not make thoughts your aim*

*If you can meet with Triumph and Disaster, And treat those two impostors just the same*

*If you can bear to hear the truth you've spoken Twisted by knaves to make a trap for fools,*

*Or watch the things you gave your life to, broken And stoop and build 'em up with worn-out tools*

*If you can make one heap of all your winnings and risk it on one turn of pitch-and-toss*

*And lose, and start again at your beginnings And never breathe a word about your loss*

*If you can force your heart and nerve and sinew To serve your turn long after they are gone*

*And so hold on when there is nothing in you **Except the Will which says to them;***

## Hold on

*Then yours is the Earth and everything that's in it.*

It seems as though Kipling could have written these words YESTERDAY. They are as valid today as they were in 1920 when he wrote them -- likely during one of our 40-year American transitions. As Kipling put it, I hope we all can retain the **WILL** to "hold on." Perhaps Kipling, and the speaker I heard a few weeks ago, are on the same page about our cycles of excellence. I hope and pray so!

My Dad hung this poem on our bedroom wall when we were kids growing up (late '40's and early '50's) – I still have the original copy on my office wall, although reframed. It is more meaningful to me today than it was then.

## We the People

Of one thing I'm very certain . . . this time the solutions that will bring us out of this abyss will NOT come from our American Political Leaders. This time, the solutions will come from and by the American People themselves. They will not only use their votes, but they will also use their sense of values, ingenuity, energy, self-determination, freedom, and courage, to bring about the unity so many just talk about today.

Throughout my career, I've helped hundreds of companies develop processes that give their organization the ability to bring collaborative reconciliation to disagreement and controversy. When this happens, Human Energy is aligned, allowing people to accomplish things not before possible.

This alignment of Human Energy happens because collaboration gives everyone their shot at influencing a decision, and even if they would have decided differently, they will energetically support the final decision. Deprive them of this opportunity to influence, and there will NOT be 100% support.

Properly done, these cross-functional, collegial, collaborative, consensus building processes create **positive** NOT **negative** energy from disagreement. These organizations recognize that honest disagreement is the best way to bring about better decisions through conflict resolution.

Further, I found that gaining consensus in any organization was NOT a matter of luck, random actions, nor the determination of one person (or group) with one mindset. It is the work of many, looking for and working on gaining collaborative consensus. There is no single process that is the "magic wand." I've learned, however, that when there's a **WILL** to find reconciliation and unity, there's a **WAY**.

## 10/30/60 Rule of Success

My early work in the supply chain started out by learning how to use the computer and data to better manage the practice of balancing demand and supply. But . . . I quickly realized that it was not technology that made good things happen – it was people and human behavior. Clearly, data and technology are necessary but not sufficient.

Much of this early work that brought me to this conclusion was with S&OP. I quickly learned that technology and science can be a distraction to real understanding. With the help of Lora Cecere (a supply chain research person), I formulated what I call the 10/30/60 Rule of Success. It says that:

- 10% of success is due to data/technology
- 30% of success is due to a defined and disciplined process
- 60% of success is due to changes in human behavior

This is because “step-change” does not come from doing what you do better, but from doing things differently to be better. That’s what the 40-year transitions have done for America – they’ve caused changes in what we do, not just doing more of the same. This one will be no different. This process of effectively making change is true for any organization (public, private, government, or commercial) and it creates discomfort and risk – we certainly know that.

Everyone today is using S&OP in one form or another. So many, however, see it only as a means to balance demand and supply, tying to financials, and not much more. BUT it is so much more! Properly done it can and does align Human Energy, through a defined and disciplined process that is cross-functional, collegial, collaborative, and consensus building. This might be called, *strength through disagreement*. I think that our Political Leaders need to learn this from **We the People!**

## Wealth of Nations

At the beginning of our great Union, a brilliant man (Adam Smith) wrote a book named the *Wealth of Nations* (1776). In that original book he indicated that the wealth of a nation was dependent on managing its Land, Labour, & Capital. The “labour” part was the use of human beings to add value (wealth) to materials – we call that “manufacturing” today.

Unfortunately, we have “outsourced” much of our manufacturing to foreign countries (justified by cheaper labor) and given away a major source of wealth. This list includes, among many other things: computer chips, pharmaceuticals, energy production, “green” equipment (batteries, windmills, solar panels), etc. We are now suffering the ultimate consequence of those decisions . . . becoming Victims of Circumstance (transportation & control), losing our ability to be Masters of our own Destiny.

That must change!

# Call to Action

Today there is much written about the perils of our present situation. Not all, however, provide a solution. I wish to NOT follow that pattern.

**Here's my "Call to Action":** If you have not already done so, establish an executive mandated initiative to define and create an executive-lead process to align disagreement into a competitive set of strategies, policies, and tactics that will give your company (and our nation) the ability to be the Master of our Own Destiny. We must not wait on the Government to do this for us – it just won't happen.

You can call doing this anything you'd like, but in my work, I call it the *executive component of S&OP*. So many today have written much on this topic – me included. Delay no longer – start using S&OP to do much more than just bring balance to demand and supply – use it to align human energy with a cross-functional, collegial, collaborative, consensus, building a set of policies, strategies, and tactical plans that give you (and our country) the ability to once again become the Masters of our own Destiny.

In my opinion, the private sector (not the government) will lead this effort and the government will then follow -- [We the People!](#)

Good luck . . .

Stay safe and healthy!

Bob Stahl

## Podcast Interviews

### Bob's Podcast: Transform Your Business with the Executives' Guide to Sales and Operations Planning

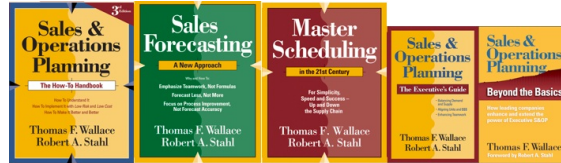
In this podcast with Natalia Hernandez-Prysiak, Bob Stahl explores Executive S&OP and how beneficial it can be for all industries. Bob has spent twelve years in the manufacturing industry and his company was awarded the Oliver Wight's Class A recognition for supply chain excellence. Since then, Bob has been an independent consultant to many of the world's leading corporations making improvements to their supply chains practices and introducing them to Executive Sales and Operations Planning (a process to help balance demand and supply).

### Bob's Podcast: Is S&OP Still Relevant?

In this interview with Mark Gandy from CFO Bookshelf.com, Bob Stahl, one of today's S&OP thought leaders, will respond to where executive S&OP is today, and expand on the fundamentals laid down in his many books about S&OP.

For more insights about what eS&OP is and how to successfully implement it, refer to my website for free downloads and order any of our books:

<http://rastahlcompany.com>



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Us

**Bob Stahl** has spent 50-plus years as a practitioner and counsel to manufacturing companies. He is a teacher, writer, eS&OP Executive Coach, and an Expert Witness in litigation. He has coauthored six books, including *Sales & Operations Planning--The How-To Handbook, 3<sup>rd</sup> Edition*, and *Sales & Operations Planning--The Executive's Guide*. Three of his books have been used for professional certification, and several are translated into seven languages throughout the world. Bob is a past S&OP Editor and Columnist for the International Institute of Forecasters' (IIF) *Foresight Journal*. He has guided many of the world's leading manufacturers in their pursuit of eS&OP.