

Welcome to the RA Stahl Company Executive S&OP Newsletter

November 2017

Issue: 6

www.RAStahlCompany.com

HELLO AGAIN!

It's hard for me to believe that my last newsletter was a year ago. Time really flies when you're having fun. Recently, a couple of things have happened for me in the meantime - one personally and one professionally.

On the personal side, after 42 years in New England, we've finally relocated to where it's warm all year round - Vero Beach, Florida. For the summers, we'll be living in Derry, New Hampshire, in an in-law apartment with our kids and grandkids. How lucky are we!?!

On the professional side, I've taken responsibility for the book publishing business.



In This Issue

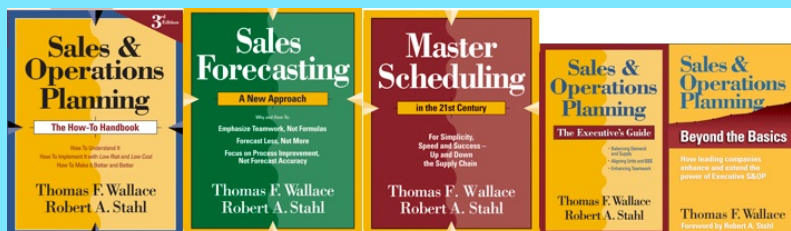
[Book Publishing](#)

[Bullet From Bob](#)

[Join Our Mailing List!](#)

[Order Books](#)

BOOK PUBLISHING



We made some significant changes to the management of our book publishing business to keep our highly popular legacy books available to those practitioners dedicated to improving their supply chain practices - and in particular their executive Sales & Operations Planning (eS&OP) processes.

Since Tom Wallace is now fully retired, with Tom's help, I decided to take over this business from a company that had been managing it for the last few years. We've partnered with a book printing company that does order fulfillment with zero inventory -- they "print on demand", which is just as quick as shipping from stock - that's something we've been promoting for years with the many manufacturing companies we've worked with! We are now practicing what we preach.

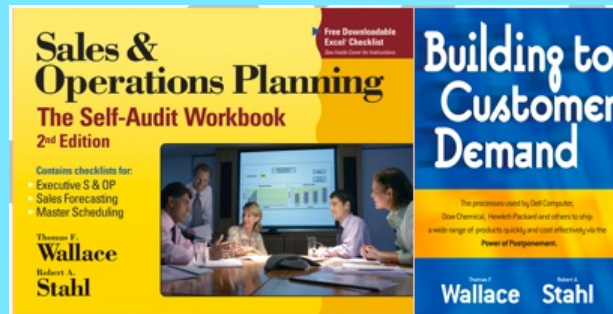
Several months ago we completed the transition and are fully in business for these legacy books shown above. As part of this, Tom and I have combined our websites to make getting a hold of our books simple. You can order any of our legacy books from any of the links below. Tom's website address will redirect you to my website where you can order our books, or you can also order directly from Amazon.

www.RAStahlCompany.com

www.TFWallace.com

www.amazon.com

In addition to our legacy books shown above, we've got a residual physical inventory of the below two books. We also have a substantial residual physical inventory of some of the legacy books. If you wish to acquire either of the two books shown below, or wish to order a large volume of one of our legacy books at a deep discount, send me an eMail at RStahlSr@aol.com.



A BULLET FROM BOB

Technology & the Supply Chain

Recently, I've been reading, listening, and thinking a bit about the impact of technology on the management of data, and its impact on our field of managing the supply chain.

The Evolution

In a recent article published by the McKinsey & Company's Quarterly Report, entitled, "Where is technology taking the economy," [1] it helpfully bucketed the progression of data management innovation. It categorized progress into three 20-year buckets. They were:

1. **70's & 80's:** Microchips that miniaturized and greatly speeded calculations, allowing robotics to come to be.
2. **90's & 00's:** Connection of digital processes, allowing expansion and globalization of data sharing, supporting outsourcing, and mass customization of products.
3. **10's - Current:** sensors, including face & voice

recognition, and inductive inference, giving rise to artificial intelligence.

The Consequence

There is no question that each of these technological advancements has brought about workplace disruption, causing economic, social, and political responses. Initially, it was thought that automation (robotics) of routine repetitive tasks would eliminate people doing work, reducing the human workforce. I can even recall early on, people talking about the "dark factory" -- there would be no need for lights because the factory would have no people.

This, of course, did not happen because we found that these technological advances did not eliminate work nor replace people, but it did change and improve their work toward jobs of greater contribution and compensation. While lower level jobs were eliminated, an equal or greater numbers of higher-level jobs were created - a good thing.

The Solution

Entrepreneurial innovation, coupled with proper commercial and governmental leadership, helped ease the transition by staying out of the fog of complexity and focusing on the re-education and re-training of the workforce.

It seems that with the latest increment of technological progression toward "artificial intelligence," that theme of job elimination has returned. I even listened to a talk entitled, "How we'll earn money in the future without jobs." I, of course, do not believe this predicted job loss any more today than I did the first time around. That's because in practice we've learned that technology does not replace the need for human activity but it does enhance and change human activity. Through technology, we've become capable of doing things not before possible, which is a good, necessary, and unavoidable thing in competitive industry.

Through this evolution so far, we have learned a few important things:

1. Technological advancements clearly disrupts the status quo, but does not eliminate the human element of things. The best use of technology is when it is used to enhance and expand the human element, not eliminate it. The role of government and entrepreneurial innovation will continue to become more and more important.
2. Technology has clearly made the world a smaller place on both sides of our business - demand and supply. We now do business not just down the block but also around the world, for both small and large companies.
3. With this global environment, the focus of matching

supply to demand expands to become as equally focused on distribution as it is on production - that is, how do we get things from production to customers.

The Continuing Role of eS&OP

The role of eS&OP through all of this technological evolution has gotten stronger, more popular, and more important. That's because it remains focused on keeping top management out of the weeds (the *Suicide Quadrant*), focusing on:

- Simplifying and staying focused on the big picture - remember that ultimate sophistication IS simplicity
- Not getting lost in the fog of complexity and detail
- Being focused on re-training and re-educating as necessary, so people can make the transitions that are required.

Good luck & thanks for reading,

Bob Stahl

[1] McKinsey Quarterly, October 2017, by Brian Arthur

Note: If you'd like more information on anything in this newsletter, don't hesitate to contact me.

Robert Stahl
RA Stahl Company
508-226-0477
RStahlSr@aol.com

www.RAStahlCompany.com