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Entropy Busters™ Series

The Zero Unemployment Effect
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What is zero unemployment? Is your organization prepared for the potential long-term effects of zero unemployment? Let's start with the definition: the condition in which virtually all who are able and willing to work are employed. This not intended as a discussion or debate about "Is Zero Unemployment real or ideal?" It's about rethinking several areas: the critical areas of your enterprise that add value and your team's intellectual capacity that define your competitive advantage.

Every organization I visit has key/critical vacant positions that have been left unfilled for too long. We are now starting to see job jumping/skipping tendencies that have been absent since 2000. Team members are working

harder with longer hours while utilizing better technology and still struggling to keep up with their work load.

If we are going to reverse this trend we need to think of our team as intellectual property; E.g. a data center of supercomputers, or a high-precision machining center. When you shift your perspective to this viewpoint, would you have a high-value asset wasting valuable



resources completing mundane tasks? I would want them doing the “heavy lifting”, the complex analysis that their years of experience provides.

For years leaders have emphasized employee development by creating job enrichment with challenging tasks with the understanding that an employee doesn’t leave a job, they leave a manager or unrewarding roles.

With the zero-unemployment effect, we as leaders need to ask ourselves what arena / area is our competitive advantage, what sets us apart from the competition? If it’s designing and building industry-leading capital equipment then our focus must be directed toward achieving the highest results possible. During the past 18-24 months the organizations I’ve worked with are increasingly struggling with this effect. The successful are now outsourcing tasks once unheard of. It’s no longer just about cost, it’s now about protecting and focusing your teams core strengths toward your true value. We are all aware of integrators such as Optimas, Fastenal and Worth and their management programs for fasteners, hardware and MRO. They provide an excellent value proposition to manage commodities where they are the industry experts. Thus, allowing your team to shed itself of low and non-value add task to refocus their resources on more critical processes.

Once a sacred cow of the Supply Chain Management, organizations are now outsourcing Demand, Replenishment Planning and Inventory Optimization. On the surface this sounds ludicrous, however, with a little deeper thought it makes perfect sense. Smaller and medium enterprises don’t have the budgets and the team member

bandwidth to implement high powered solutions like Logility or ToolsGroup. It's now open discussion among industry leaders as a solution to focusing teams on high value-add tasks.

ToolsGroup's "Business Processing Outsourcing-BPO" offering helps companies achieve outstanding business results with minimum upfront investment. Compared to a traditional "implement and learn" approach, ToolsGroup's BPO accelerates time to value and provides greater flexibility than working with a large consulting firm. "BPO for supply chain planning is great way to help clients manage the challenge of finding/keeping/training advanced planning skills. On the client side, the outsourcer handles infrastructure and interpretation of system results, so instead of cleaning and massaging data the customer can focus on their business - a better use of their human capital. On the outsourcer side, the specialized resources can be managed as a shared pool that ensures coverage in case of attrition – but that also provides a unique set of opportunities that are often more attractive for ultimately retaining these resources...a win-win for everyone" - Matt Wavering, ToolsGroup, Inc. Principal Consultant.

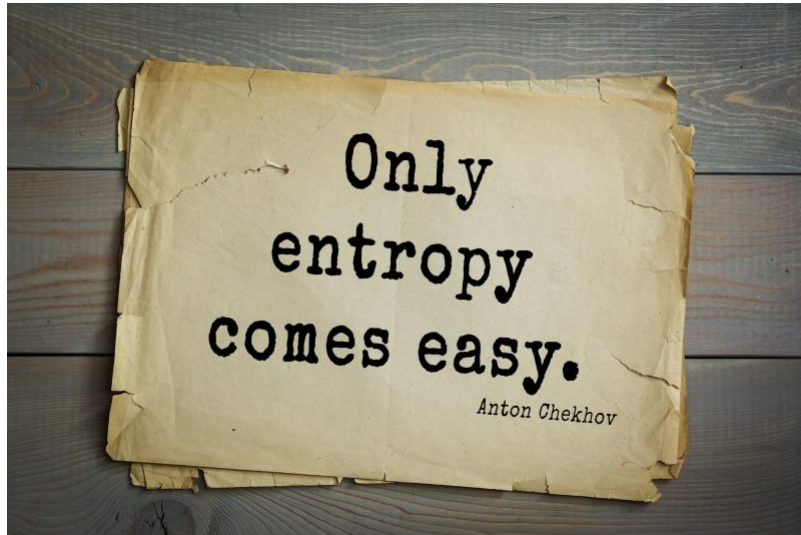
en · tro · py /'entrəpē/ noun.

Lack of order or predictability; gradual decline into disorder.

We as leaders should not underestimate the need to attract and retain the best and brightest within our industry. We must break paradigms and continue to find unique solutions to unlock the team's intellectual capacity. Don't let the entropy of vacant positions dictate how your organization is managed. Reshape your perspective of the team's role in intellectual property. It's no longer about cost!

en · tro · py bust · ers™ /'entrəpē 'bəstər / noun.

Person or persons that breaks, destroy, or overpowers the lack of order, predictability or gradual decline into disorder.



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always, thanks for being a loyal
client. Looking forward to helping
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