

Are You a Quality Option?

6 Things a Supply Chain Leader Must Deliver Top 8 Must Have Competencies

Today the “Supply Chain” is in a quandary. On the one hand it can be argued that it is ‘coming-of-age’, and seen as a profession, with MBAs and PHDs in Supply Chain being offered by universities and even a chair in the C-Suite. But... on the other hand, we are being inundated with articles, blogs and white papers on trends pointing to the growing scarcity of Supply Chain Leaders.

Mark Oldfield, Partner with Camden Partners and head of the Supply Chain Practice takes a close look at the decline in Supply Chain Leader numbers and identifies the growing list of what a Supply Chain Leader must have and must deliver according to leading global companies.

Years of reductions in head count, cuts to training budgets and the retirement of the highly skilled and experienced Baby Boomers have all taken their toll on Supply Chain talent. It is not just about the reduction in the talent pool; it is also about the quality of those remaining and the new talent coming through to replace them.

Losing talent with decades of experience can be a massive blow to a business and yes, many struggle to find a replacement of the right calibre. This may continue for a while as there are no real long term succession strategies in place – yet.

Whilst long term succession strategies are not yet common place, companies are definitely thinking about the quality of the talent that they need as it is even more important now for companies to hire the best talent for financial, operational and reputational reasons.

With the aim of hiring that *perfect person* for the role, companies are becoming more refined in their search, thus there is more pressure on the hiring manager and HR department to go deeper and wider to find the ideal candidate. This includes more rigorous interviews to ensure the candidate will not only ‘do the job’ but will also achieve the desired outcomes, and no less importantly, it is critical that candidate fits into the culture of the company and works well with their boss.

I expect you
to be an
independent,
critical thinker
who will always
do what I say...
oh... and you
must have a ‘can
do’ attitude!!!!



This pressure is often relieved by companies utilising the services provided by agency recruiters (contingent) and better still, by professional executive search firms (retained).

But hiring companies and candidates must both be cognoscente that agency recruiters and executive search firms use different methodologies and practices. Executive Search is best used for senior management, director and other mission critical roles as it is imperative that the hiring organisation “gets-it-right” the first time. Agency recruiters are better used at the blue collar up to line management roles where the outcome of the hiring decision is not as critical.

With this support, companies are indeed better able to get the person they require i.e. with the desired skills, experience, qualifications, attributes and attitudes. So the onus remains on the candidate to ensure they are considered a quality option, rather than a commodity with their résumé lost behind all the others.

THINGS ARE A-CHANGING

The supply chain is not what it was 10 or even as little as 5 years ago.



As Lora Cecere, the founder of Supply Chain Insights and author of the blog - Supply Chain Shaman states, “A supply chain is a complex system, with complex processes, with increasing complexity”.

Many in senior positions grew with the supply chain by being involved, acquiring experience, skills and knowledge on their journey to where they are now. They know supply chain from its traditional through to its contemporary form, meaning that they could anticipate and solve many of the issues and problems they would encounter.

And now... today’s supply chain needs to be even faster, more responsive, reliable and viable. There are also variables being added that have not been expected, considered or even contemplated

before. New technologies and systems are changing the landscape. Consumer expectations are continually changing regards products, service, price and each will be different for each channel.

We are all aware of “improved” or best practice systems and processes such as Pick-to-Light and Pick-to-Voice, we have better visibility for shipments coming from and going to, anywhere in the world, consumers can place an order on their computer in Australia and get a delivery within days from China. These are part of today’s supply chain but in reality are already old hat; they have been around for years.

Companies today and in the foreseeable future will, fundamentally, compete on their supply chain capabilities. So to be a leader in the supply chain – you must be a leader of **Tomorrow’s Supply Chain**.

We now work virtually, in a global market. Companies are in the process of learning how to use Big Data. 3D printing has changed the concept of manufacturing to being another part of the logistics process that is, being ‘manufactured’ during delivery. Driverless delivery vehicles are becoming a reality as are flying delivery drones.

We also have other services and support facilities that Supply Chain Leaders must be knowledgeable of, such as Supply Chain Finance.



We will even move away from classical IT systems, as Vignesh Arumugam, Director Fulfilment and Logistics for Dell (Australia) envisions, “In the long run ERPs, CRMs and MRPs, etc. will all be obsolete and replaced by a cloud based multiple device/multi-platform plug and play software architecture with algorithms and security right at the centre of it”.

Even with the improvements, many of the challenges of the contemporary supply chain have not diminished; rather they have changed and morphed into other challenges. Reverse logistics could be considered a typical example; because of consumer expectations and competition, reverse

logistics is a huge cost within the supply chain and the bane of many companies as few do it well, some of those that have, have turned a financial sink-hole into a marketing bonanza.

ARE YOU A QUALITY OPTION?



"I agree you do have drive, ambition and self-confidence, but what we're looking for is competence."

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Supply Chain was traditionally partitioned and vertical, typically, procurement, customer service, manufacturing, logistics, distribution and R&D where all thought of separately and as very separate functions. But an improvement for one was often at a cost to another 'silo'.

Companies with the best performing supply chains are viewing their supply chain more holistically by empowering executive-level leadership with end-to-end span of control.

Being a leader in supply chain involves knowing the whole value chain, understanding it, working with it and helping it perform well for all stakeholders.

Individual leaders may come from different streams within the supply chain, as each company or industry may have a different emphasis on which primary or core skill is needed, still, it is imperative that the Supply Chain Leader learn to view the supply chain as one entity – from planning, sourcing and making, to delivering of goods, to determine their costs, quality and agility to gain overall, maximum benefit for the stakeholders.

To achieve these goals, current and new Supply Chain Leaders must stay apprised of new strategic

and operational challenges and thus be conversant with the latest:

- Company results and performance
- In-house systems and processes
- Global supply chain practices
- Customer needs and desires
- Competitor capabilities
- Local, State, Federal and international Regulations
- ICT such as RFID, Optimisation software, Visualisation software, Mobile Tech, tags, other advanced analytics and more.
- Immediate and ongoing supply chain risks including technical geographical, political, environmental, commercial, etc.

Being able to "execute" in the supply chain is now no longer enough. Having great skills in the traditional range of source, make, deliver, and return is just the foot in the door; it's your entry ticket.



Supply Chain leaders at all levels, in all companies must also have skills, as Joseph Roussel of PwC maintains, in "Planning" which supports the development of execution plans in line with overall business priorities. He adds that they must likewise must have "Enabling" abilities. These support the Planning and Execution such as the management of business rules, product and master data, performance measurement and compliance and risk.

TOP 6 THINGS A SUPPLY CHAIN LEADER MUST DELIVER

1. **DEVELOP STRATEGIES DIFFERENTIATING SUPPLY CHAINS TO UNIQUE MARKET SEGMENTS.**
2. **COLLABORATE ACROSS FUNCTIONS, SUPPLIERS AND CUSTOMERS USING ACTIVITIES AND DATA.**
3. **BUILD INNOVATION CAPABILITIES, FUELLING LONG-TERM, SUSTAINABLE GROWTH.**
4. **ASSESS AND ADOPT EMERGING AND POTENTIALLY DISRUPTIVE TECHNOLOGIES.**
5. **DEVELOP STRATEGIES ALIGNED WITH SUPPLY CHAIN BEING A STRATEGIC FUNCTION.**
6. **LEADING AND DEVELOPING OTHERS WHILST MANAGING GLOBAL AND VIRTUAL TEAMS.**

Joseph Roussel finishes by observing that to achieve the top 6 deliverables foremost companies now expect Supply Chain Leaders to have 8 competencies.

TOP 8 Competencies

1. HIGH TECHNICAL COMPETENCY IN ANALYTICS
2. COMPLIANCE AND REGULATORY EXPERTISE
3. PROCESS (RE)-ENGINEERING
4. SOURCING AND PROCUREMENT PRACTICES
5. PLANNING AND SCHEDULING PRACTICES
6. LOGISTICS AND DISTRIBUTION PRACTICES
7. PRODUCT DEVELOPMENT PRACTICES
8. MANUFACTURING AND OPERATIONS PRACTICES

With all these goals and expectations it will be difficult for leaders at any level to stay current, stay aware, be successful and stay sane, if they just follow the crowd.

Whilst the “originals” worked their way through the supply chain gaining these competencies and acquiring academic qualifications later on in their career, more recent entrants to supply chain management are (usually) required to have formal academic qualifications; which can often be an MBA - yet they have no ‘real’ experience.

The most sort after supply chain executives not only have in depth supply chain experience and understand core supply chain processes but they also have an intimate experience working with, or within, other functions such sales, marketing, finance and engineering. And at an ever increasing frequency, they are coming from different industries and geographies.

Also to be noted: Recent research indicates companies are looking for “executive” leaders in general who can collaborate, coordinate and facilitate the success of the company as a whole and not just their own function/department (silo).

With all this in mind, Supply Chain Leaders do not, cannot and never have worked alone (or in a silo).

They MUST work with their teams, peers, suppliers and customers. Therefore, my belief, is that to be a good Supply Chain Leader you must also be a great:

- Interpreter
- Negotiator and
- Diplomat



Toby Gooley of the CSCMP’s Supply Chain Quarterly wrote a do-it-yourself approach to filling the supply chain talent shortage, “... as is well known, there is a direct correlation between supply chain talent and a company’s future success,” so she suggests companies and industries must take the bull by its horns and consider whether an industry-specific educational model would help fill their own supply chain talent gap.

But have you, as a Supply Chain Leader (*or potential leader*) taken stock of your situation and made plans on where you are going to position yourself. Are you a member of leading organisations such as the International Association for Contract and Commercial Management (IACCM) or CILT or APICS or CIPS (*just to name the major ones*)?

Do you work with Executive Search companies who are themselves members of the only globally recognised authoritative body, the Association of Executive Search and Leadership Consultants (AESC)?

Are you continually expanding your business and academic capabilities, maintaining the latest “thoughts”, not only on supply chain but across the whole commercial spectrum?

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But take care with your choice of university, be deliberate with your selection of qualifications, for as Kevin O'Marah, chief content officer of SCM World, a US supply chain research organisation,

explained on the business of manufacturing web site www.industryweek.com, universities topping the list for supply chain talent appear to be biased toward those able to keep pace with industry, *"Unlike many disciplines taught in universities, thought leadership in supply chain usually comes from the field, not academia"*.

So, irrespective of where you find yourself now, if you want to remain current - and succeed - in supply chain, I would suggest an "Experience and Education" plan be drafted.

This plan will help you define your career direction and what experiences (primarily jobs) and education (through industry associations and academic institutions) you believe you will need to acquire and complete whilst on your journey. This plan should also be considered a 'live' document, being reviewed and updated annually.

And remember, as supply chain talent becomes more difficult to source and acquire, the companies who have the right talent will be the successful ones; they will be outstripping their competitors on the last point of differentiation – **service**. So will you be the one they are looking for to help define and manage their differentiation, their vision of tomorrow.



The last issue of Thought Supply discussed various supply chain trends and provoked many responses from clients as well as from our local and global readers.

If you wish to submit your views on anything you have read in this issue of Thought Supply just write to mark@camdenpartners.com.au Camden Partners will only publish with your permission.

Although I am not directly involved in the Warehousing and Distribution side of Supply Chain, my observation is that it is very difficult to be able to hold onto people in management roles for a reasonable amount of time due to the stress of a FMCG environment.

My experience is that these people will normally walk into a role finding that there is quite a lot needing attention and together with trying to cope with the normal, day-to-day activities, it presents quite a few challenges.

From the Planning and Scheduling of FMCG perspective, I often find it interesting that those who have not actually done any study quite often have worked their way up to these positions from the factory floor and appear to have a much better understanding of the environment, end to end.

I think this gives people a better perspective and view of another part of the business. Whereas those who have only studied Planning and Scheduling sometimes tend to look at everything in "text book" terms.

Understanding how the factory runs, understanding the idiosyncrasies of each of the resources and being able to visualise this whilst cutting a plan is a great advantage.

Coming from the factory floor myself, I have no formal training. I have been lucky to have been exposed to some very talented people, including some of my managers.

From a recruiting perspective, sometimes formal training is great but there is a lot to say for people who have had more "on the job" experience.

Of the people I have trained in Planning and Scheduling through to MRP, I have had the most success in training people who have actually worked on the factory floor.

Looking to recruit people who have not had formal training but a proven track record in their field may give a surprising result.

Tania Zylstra-Hutton
Supply Planning Manager
Tip Top - a division of George Weston Foods

I enjoyed your perspective on Rob's comments. I agree, lean and agile support each other.

Regarding talent acquisition, I find there are few in this part of the world that take a holistic approach to supply chain. Our industry is still very siloed.

I think there are many reasons for this, but mostly it's a disconnect between the supply chain industry and higher education.

Try asking a university vice chancellor which facility should teach supply chain.

For this reason, most supply chain leaders are self-educated and home grown and very variable.

George Bearzot
Supply Chain Director, New Zealand
Lion

You are onto a key trend being collaboration in the supply chain.

Many people talk about doing this. But very few actually try it.

Robert Bolton, Director,
Certified Demand Driven Planner (CDDP)
Real Capacity

I enjoyed your newsletter, particularly the way it probes Rob's perspectives. I also liked the definition of tomorrow's supply chain leader.

It's that approach that has led me into such a wide ranging role at a truly vertically integrated company such as Tegel.

Austin Laurensen
General Manager, Business Improvement
Tegel, New Zealand



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Mark Oldfield
Partner, Supply Chain

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Mark is a Partner with Camden Partners and leads the firm's Supply Chain practice which focuses on the sourcing of professionals exclusively at the senior and mission critical levels.

He has 25 years of senior supply chain management and consulting across industries including FMCG, Aerospace, Medical Devices, Storage and Distribution, Industrial and Durable Goods.

"Finding the right talent is not a case of grabbing a whole lot of resumes then checking the key words that match the job description.

*It's about understanding... **the sort of understanding that can only come from having worked in supply chain.**"*

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