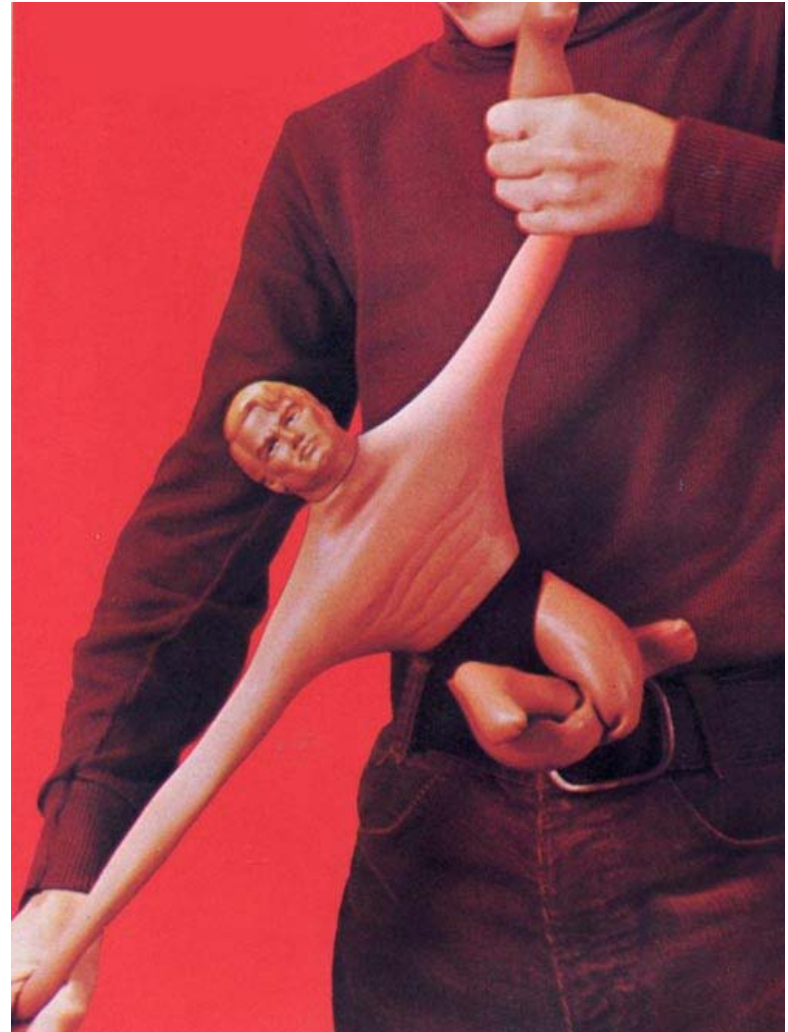# Building Future-Focused Supply Chain Talent

MedSC U.S. Fall Meeting
Westin Kierand, Scottsdale, AZ
November 6, 2013
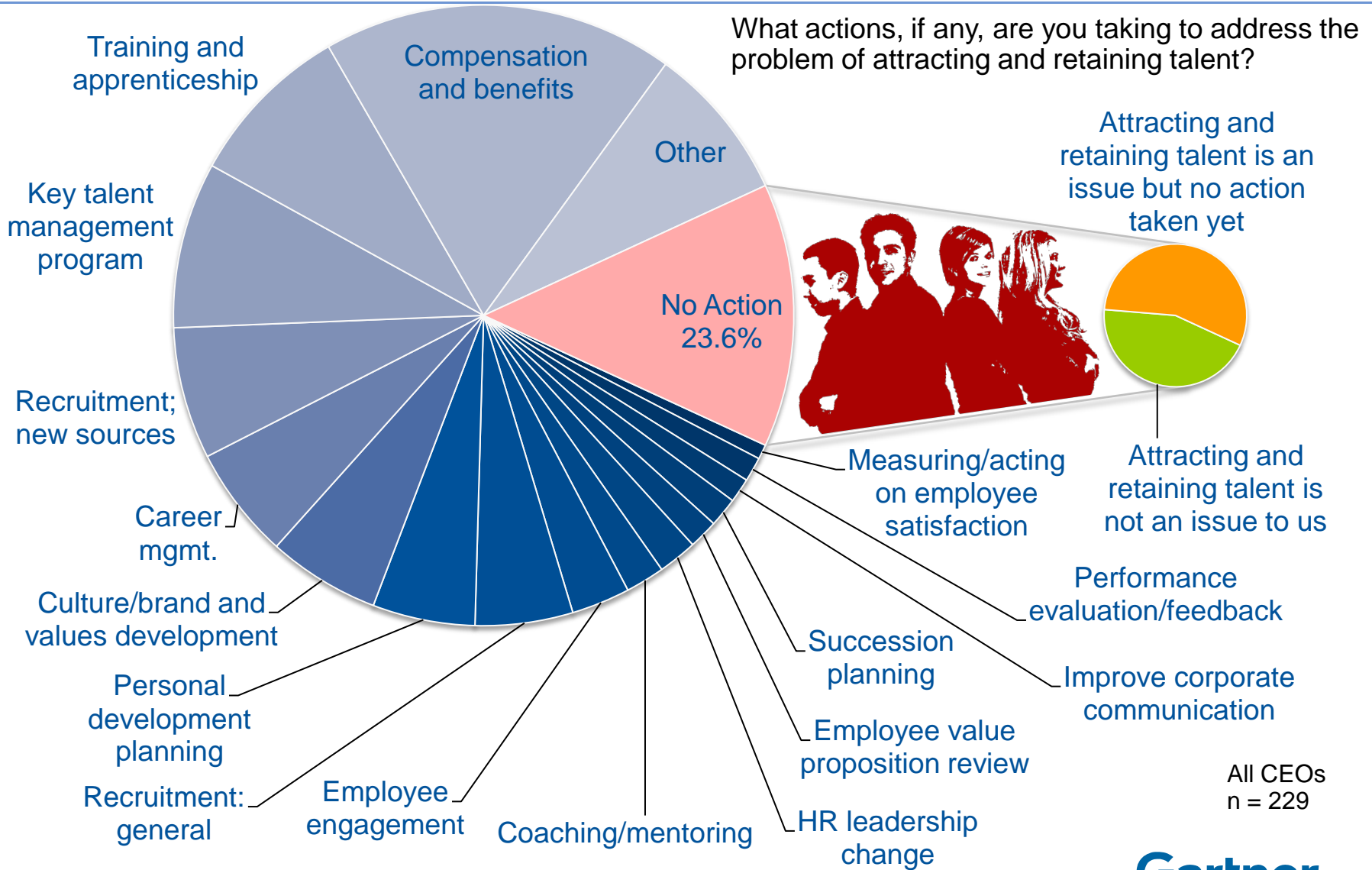
Todd Applebaum
Ken Chadwick
Dana Stiffler

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Supply Chain Talent:
Even the Leaders Are Anxious!

- External pressures are

  - Stretching supply chain's span of control

  - Elevating the status (and expectations) of supply chain within the organization.

- Impact: need for new skills in next-generation supply chain leaders
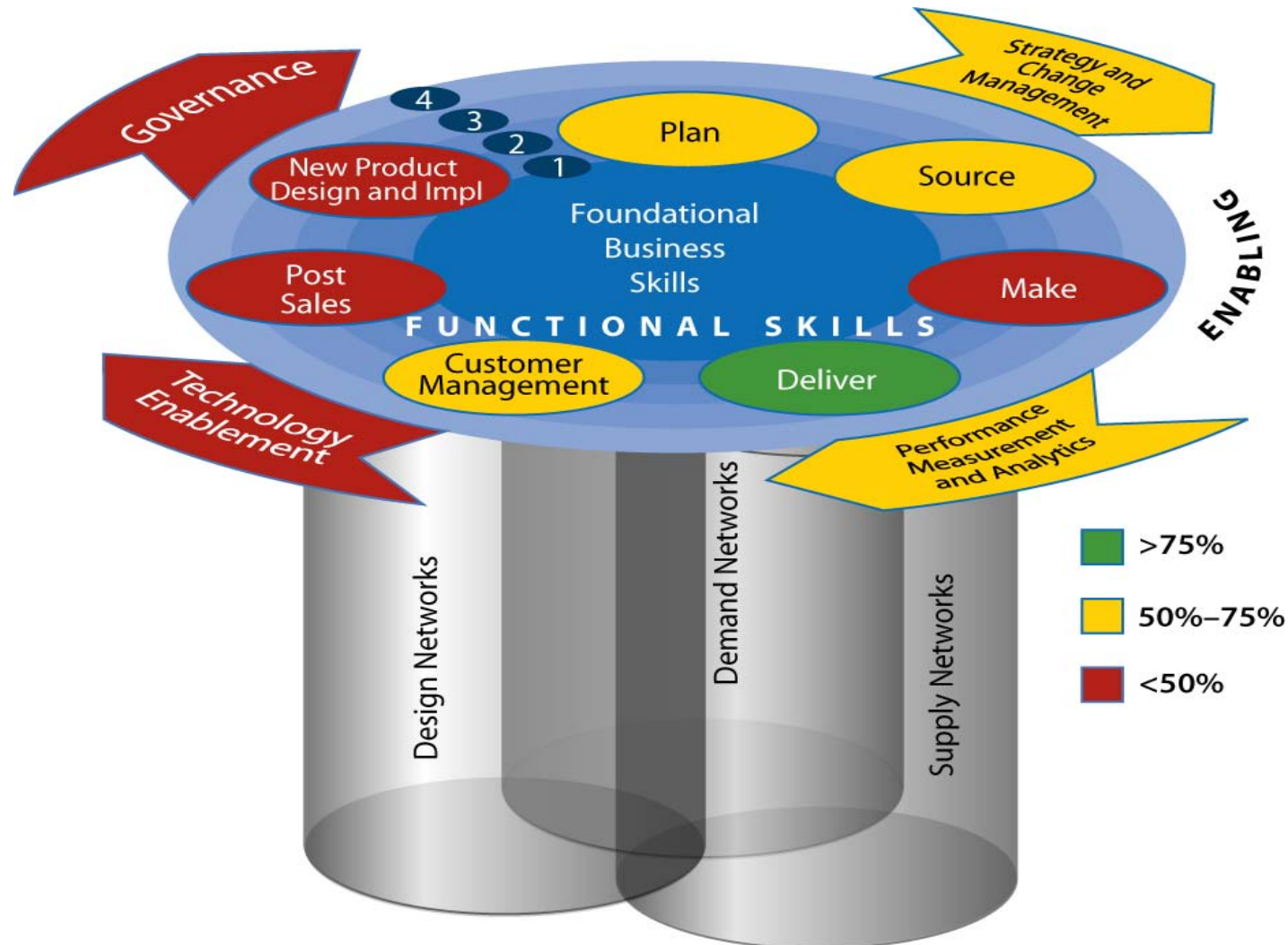
- Result: Top concern for CEOs and CSCOs

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CEOs' Fragmented Response to the Talent Problem. Is More Management SCIENCE Needed?

What actions, if any, are you taking to address the problem of attracting and retaining talent?

Pie chart labels:
- Training and apprenticeship
- Compensation and benefits
- Other
- Key talent management program
- No Action 23.6%
- Recruitment; new sources
- Career mgmt.
- Culture/brand and values development
- Personal development planning
- Recruitment: general
- Employee engagement
- Coaching/mentoring
- HR leadership change
- Employee value proposition review
- Succession planning
- Measuring/acting on employee satisfaction
- Performance evaluation/feedback
- Improve corporate communication

Inset pie chart labels:
- Attracting and retaining talent is an issue but no action taken yet
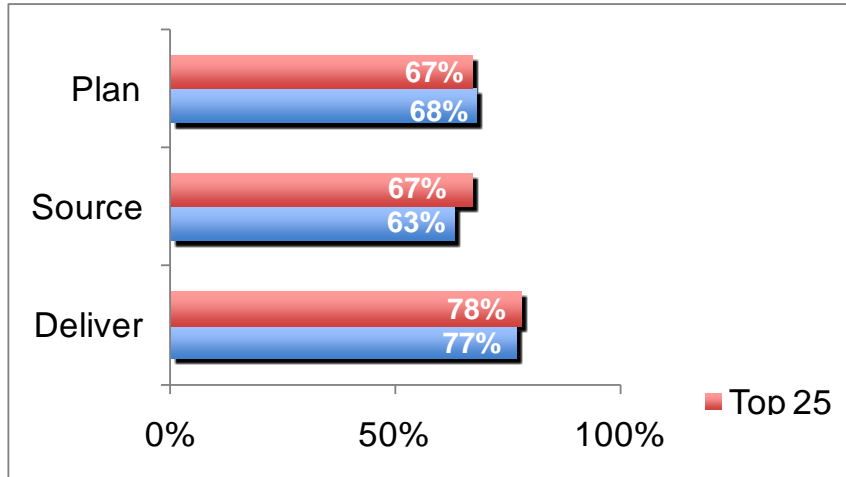- Attracting and retaining talent is not an issue to us
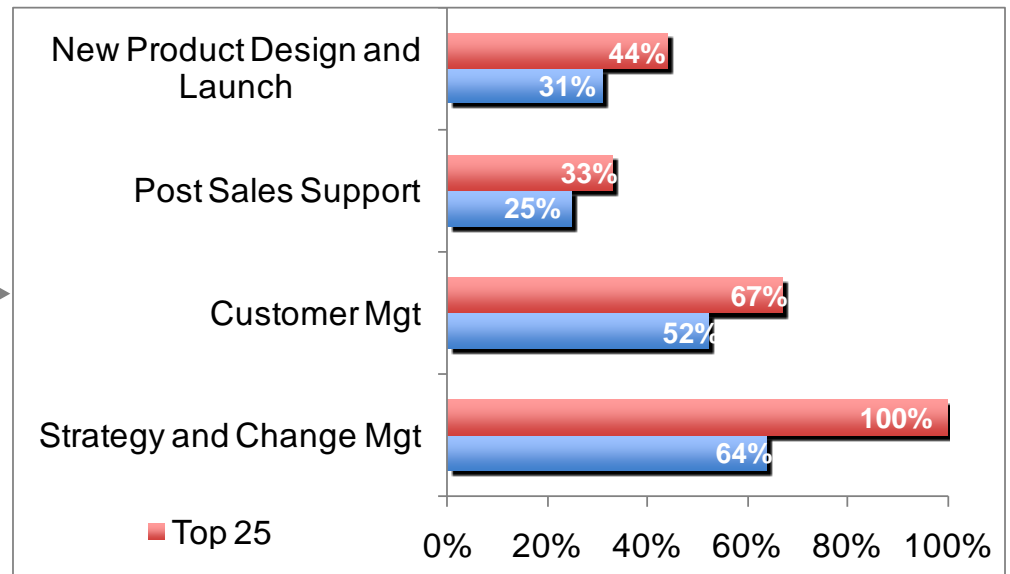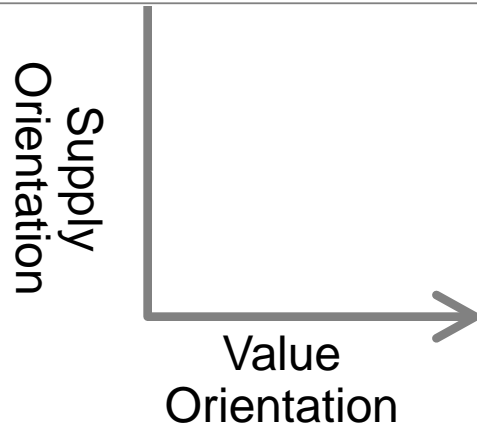
All CEOs
n = 229

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Talent Attribute Model Illustrates Span of Control and Interdependencies Necessary for Value Network

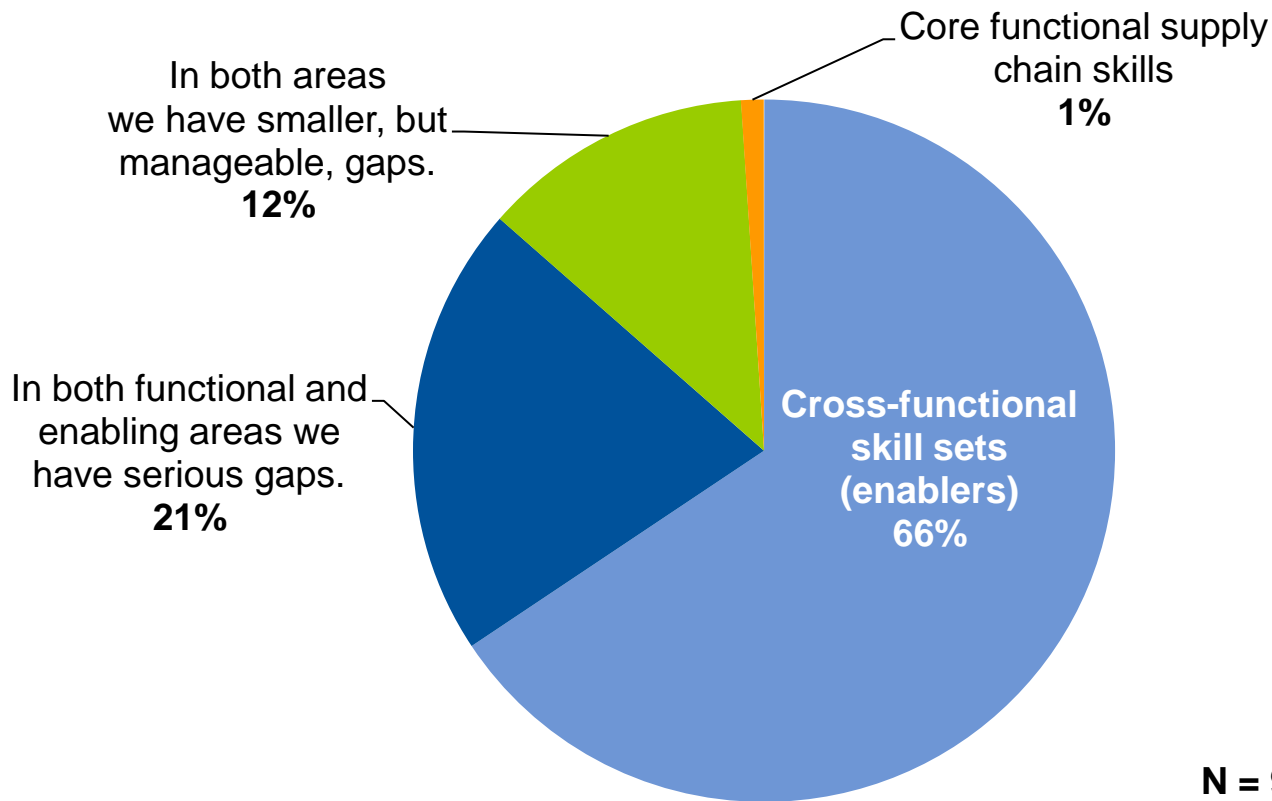# Leaders Are Changing, Redefining Supply Chains…

…as value chains.

Supply Orientation

Value Orientation

Plan — Top 25: 67%, All: 68%
Source — Top 25: 67%, All: 63%
Deliver — Top 25: 78%, All: 77%
Legend: Top 25

New Product Design and Launch — Top 25: 44%, All: 31%
Post Sales Support — Top 25: 33%, All: 25%
Customer Mgt — Top 25: 67%, All: 52%
Strategy and Change Mgt — Top 25: 100%, All: 64%
Legend: Top 25

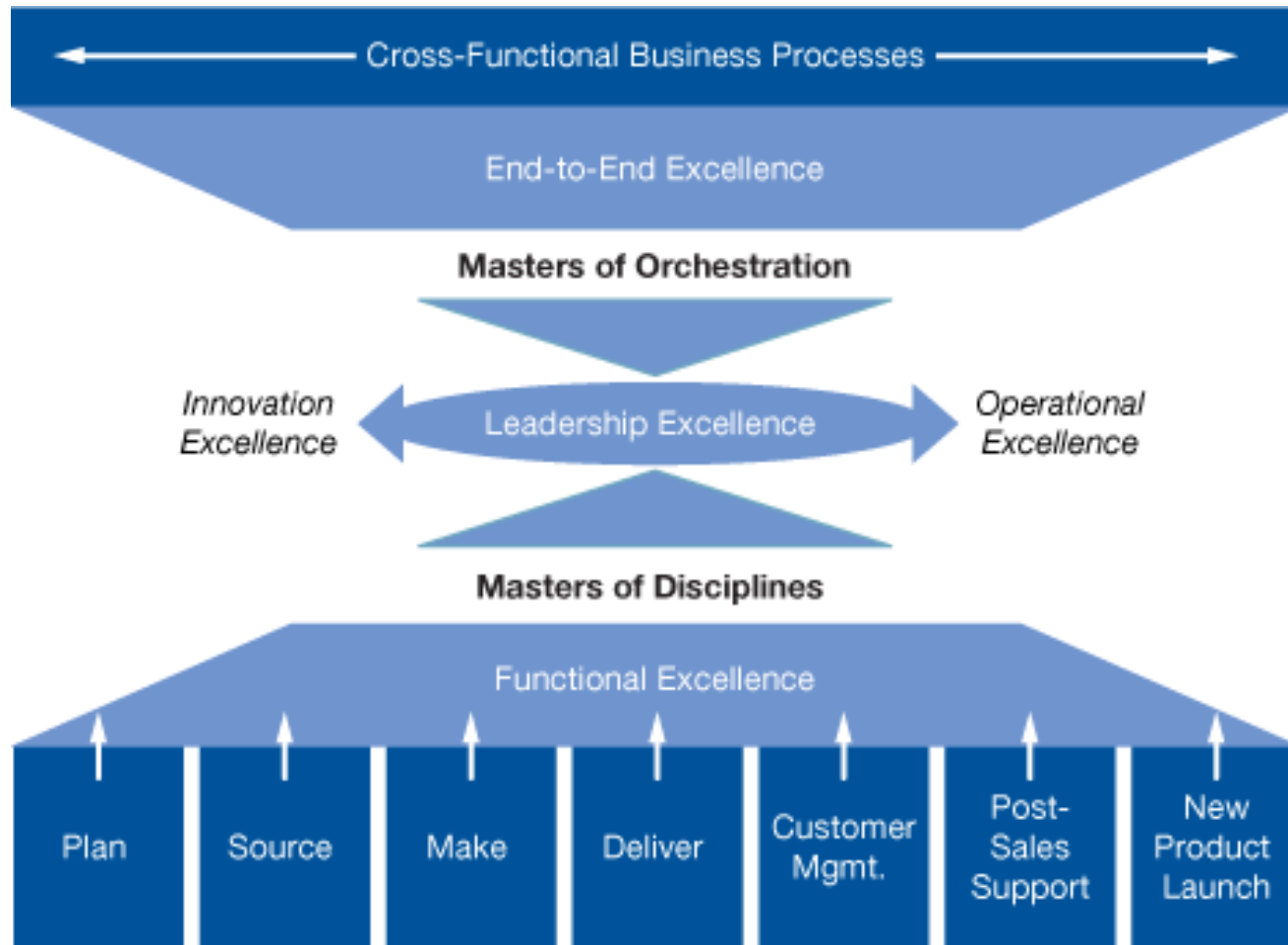**Top 25 versus all other companies**

Top 25 N = 9, All N = 198

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The Pain is Cross-Functional

From a talent perspective, where are the biggest gaps in your supply chain organization today?

Core functional supply chain skills
1%

In both areas we have smaller, but manageable, gaps.
12%

In both functional and enabling areas we have serious gaps.
21%

**Cross-functional skill sets (enablers)
66%**

N = 96 global respondents

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Dual Development Strategies Required

We Know What the Gap Is:
Masters of Orchestration Skill Sets

Orchestration.

Q: What are we doing about it?

A: The same old stuff.

Making Your Supply Chain Organization a Future-Focused Destination for Top Talent

3 Critical Capabilities…

I.   Competency Models

II. Career Path Architectures

III. Training and Development

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I. Competency Models

- The foundation for the rest

- Takes time and resources to build out properly

- No wheel reinventing, please

- A living, organic thing, not a one-time deliverable

- Need more future-focused content: success profiles rather than job descriptions

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Definitions
Competencies vs. Skill and Knowledge

- Skills and knowledge ("hard skills")

  - Capabilities-focused

  - The information needed to complete certain tasks:

    - Education (formal and other)

    - Skills training

    - Experience (work and other)

- Competencies ("soft skills")

  - Behavior-focused

  - How people interact within an organization to get things done

  - A "core competency" is behavior most often associated with people who are successful in a particular role

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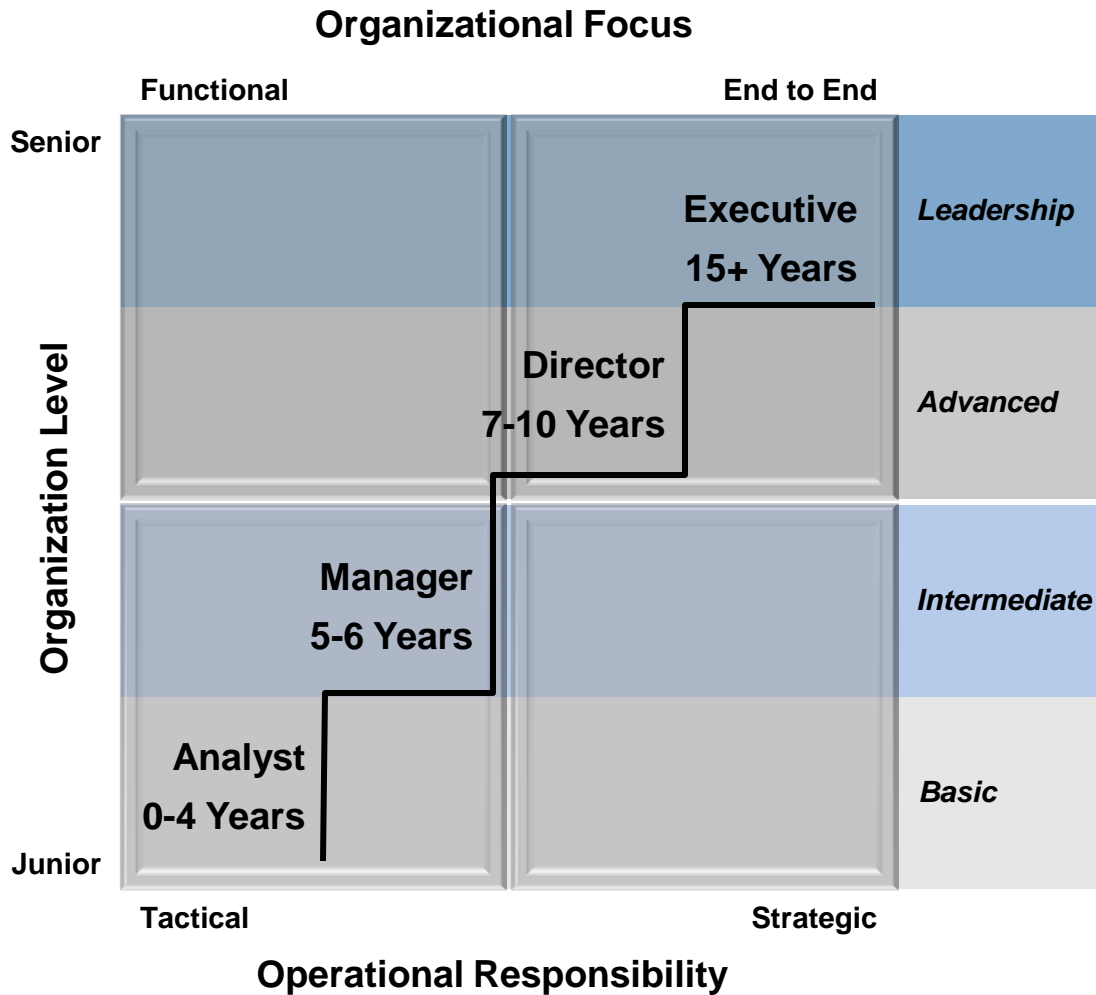
Competency Makeovers: New Words, New Hats

Then

- Purchasing

- Process quality improvement

- Regulatory compliance

- Cost reduction

- Vendor selection

- Develop, maintain documentation

Strategy development

Facilitating change

Program management

Requirements gathering

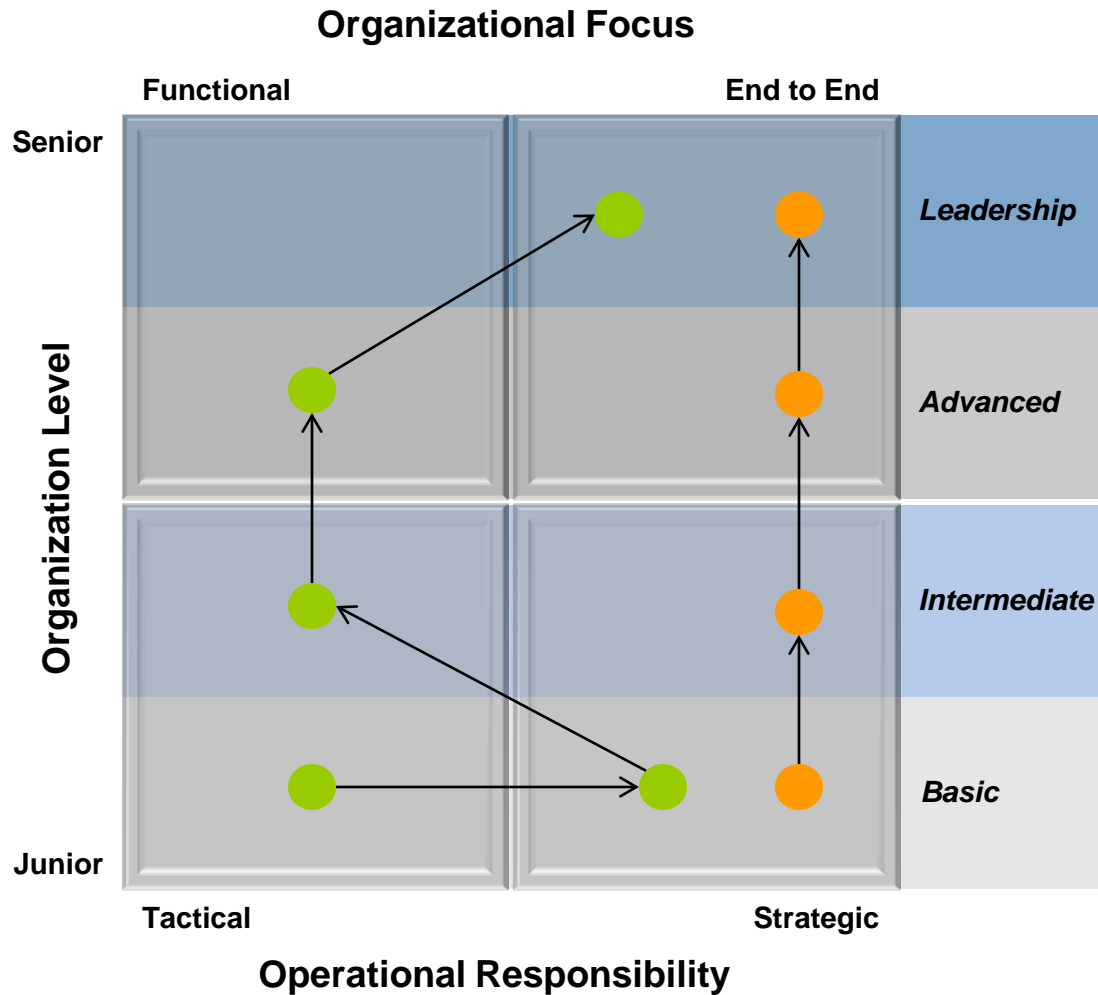Service-level management

Now

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II. Career Path Architecture

- The next big SC talent push after competency models

- Important to push ahead to this step: morale and attrition problems await those who don't

- Many companies have, but needs major overhaul in most cases

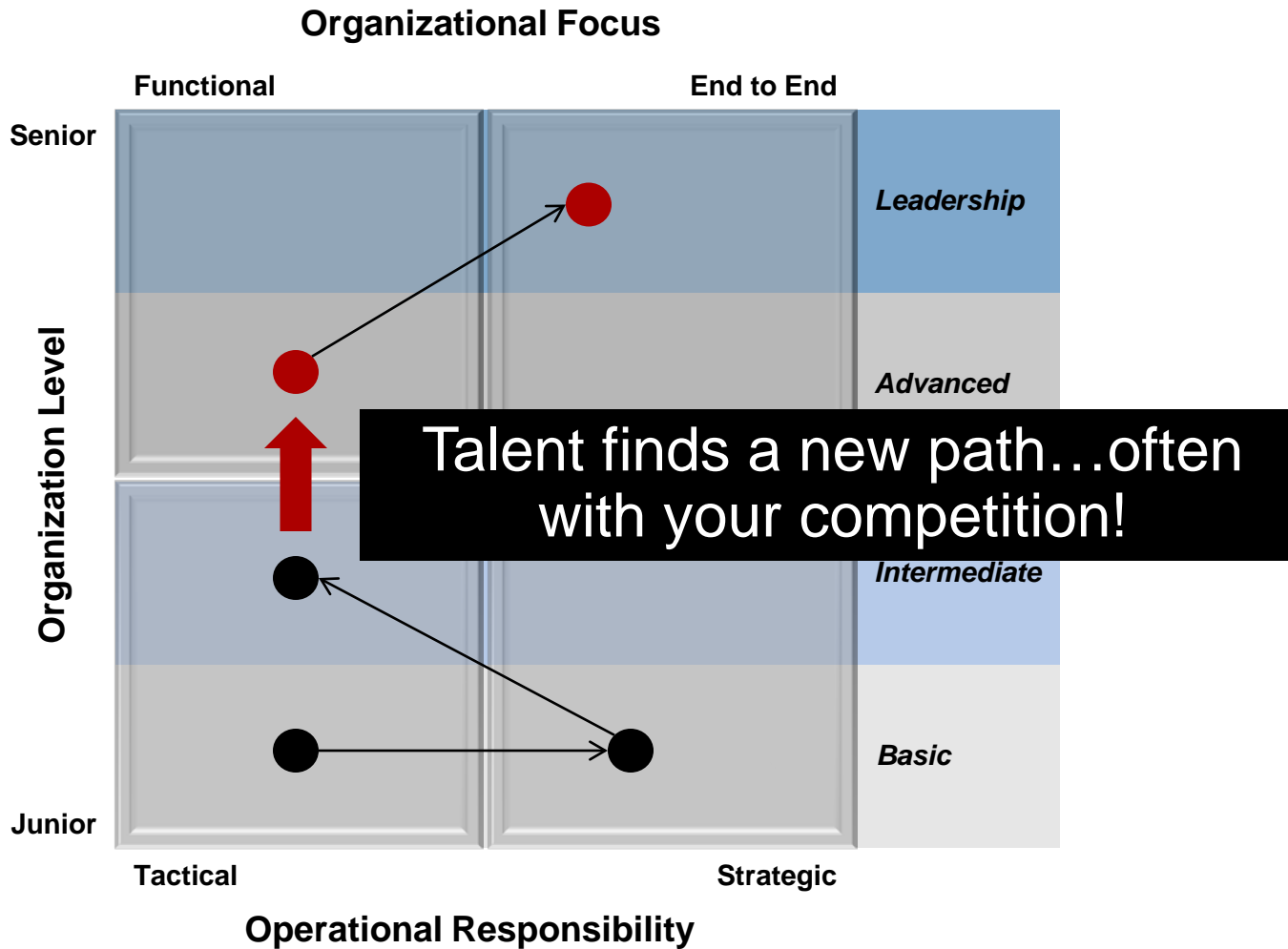- Leaders: this is more about options than paths

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Typical Career Ladder

Organizational Focus

Functional   End to End

Organization Level

Senior

Executive
15+ Years

Leadership

Director
7-10 Years

Advanced

Manager
5-6 Years

Intermediate

Analyst
0-4 Years

Basic

Junior

Tactical   Strategic

Operational Responsibility

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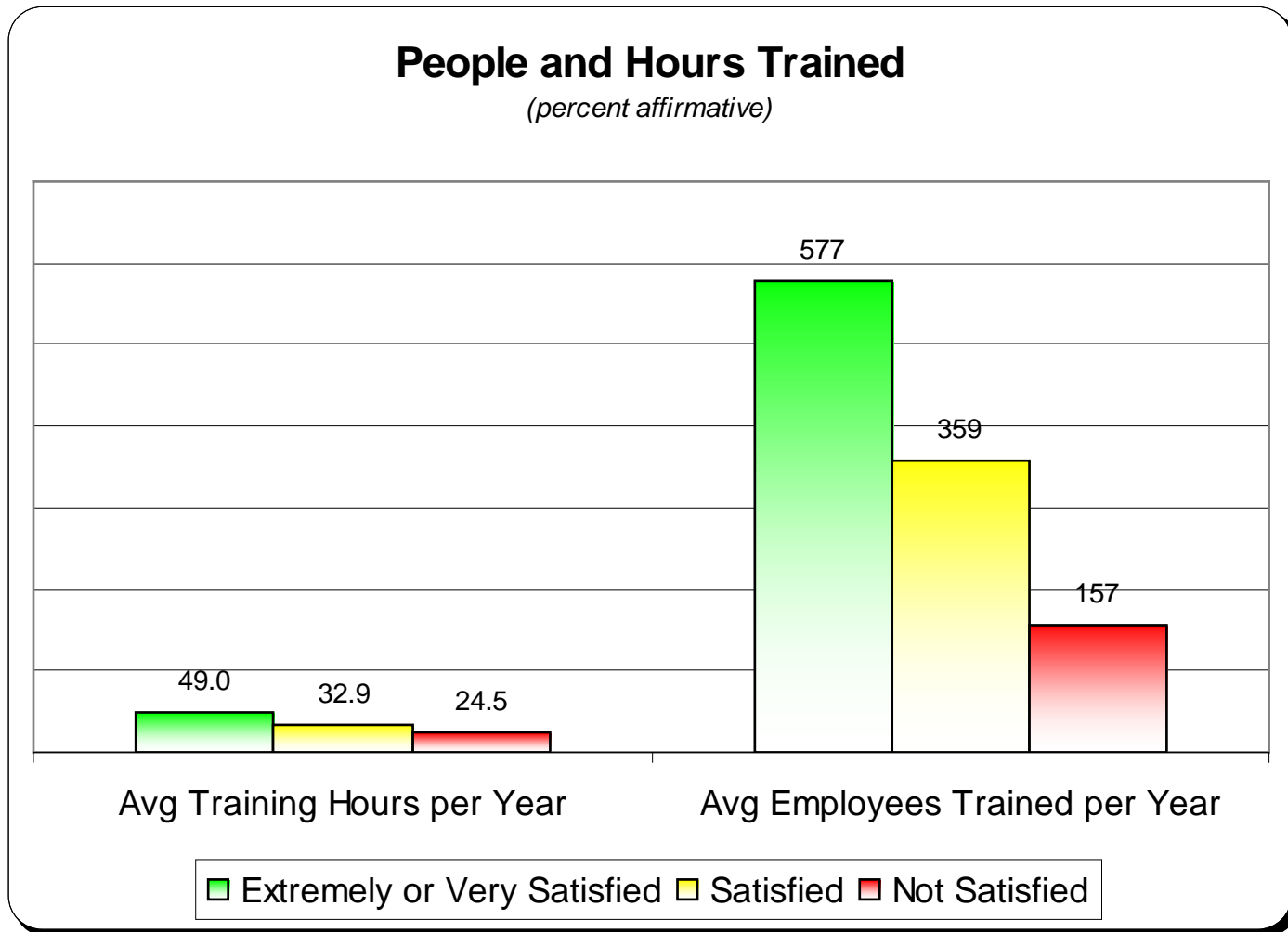
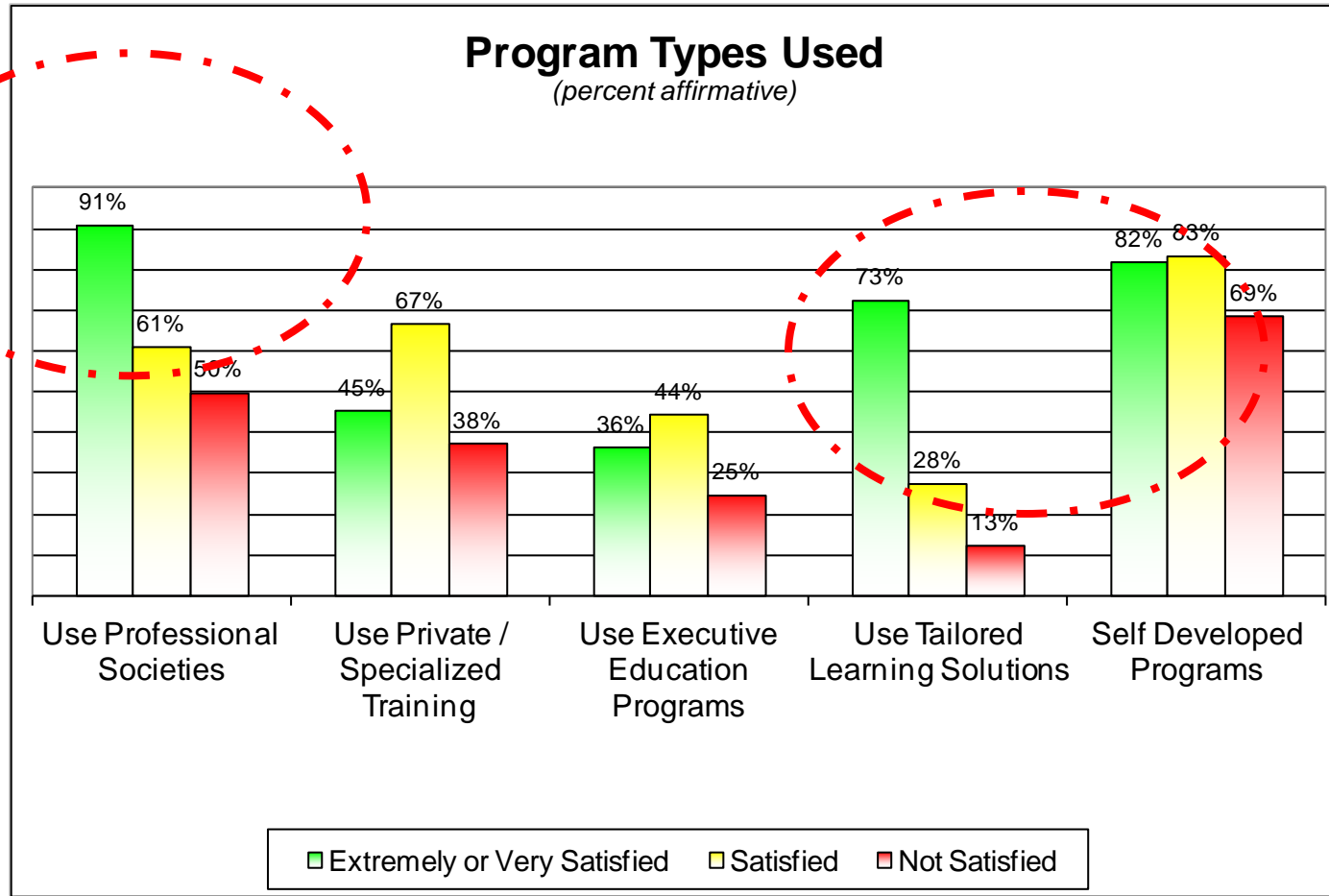# Changing Career Paths

When Paths Are Unclear…

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III. Training & Development

- The first stop for many supply chain organizations

- Excellent content resources available

- Often over-sponsored by HR -- not well connected to competency models or career path options

- Future: exploring new development constructs e.g. cross-enterprise rotations

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High Performers Train More, Longer

People and Hours Trained
(percent affirmative)

Avg Training Hours per Year: 49.0, 32.9, 24.5

Avg Employees Trained per Year: 577, 359, 157

Legend: ☐ Extremely or Very Satisfied ☐ Satisfied ☐ Not Satisfied

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Program Content/Type Matters

Program Types Used
(percent affirmative)

Use Professional Societies: 91%, 61%, 50%
Use Private / Specialized Training: 45%, 67%, 38%
Use Executive Education Programs: 36%, 44%, 25%
Use Tailored Learning Solutions: 73%, 28%, 13%
Self Developed Programs: 82%, 83%, 69%

Legend: Extremely or Very Satisfied | Satisfied | Not Satisfied

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Recommendations

✓ Include org design and development as central to strategy and risk management discussions.

✓ Reallocate budgets to focus on competency model renovation and solid career path architecture.

✓ Revise competency models to include the orchestrator role; look to other roles to build out.

✓ Co-ownership between SC and HR, but supply chain drives.

✓ Link training investments to competency models, career path architecture and overall supply chain strategy.

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Thank You!

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