



NEXT PRACTICE - HALPIM CONFERENCE

Supply Chain Management and International Business

Future Trends and Opportunities -Skills and Leadership

Professor Alan Waller OBE

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The Chartered Institute of
Logistics & Transport

International

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Board Member, European Logistics Association



President, Leaders in Supply Chain (UK and Benelux)



Chairman, ELUPEG
(European Logistics Users, Providers and Enablers Group)



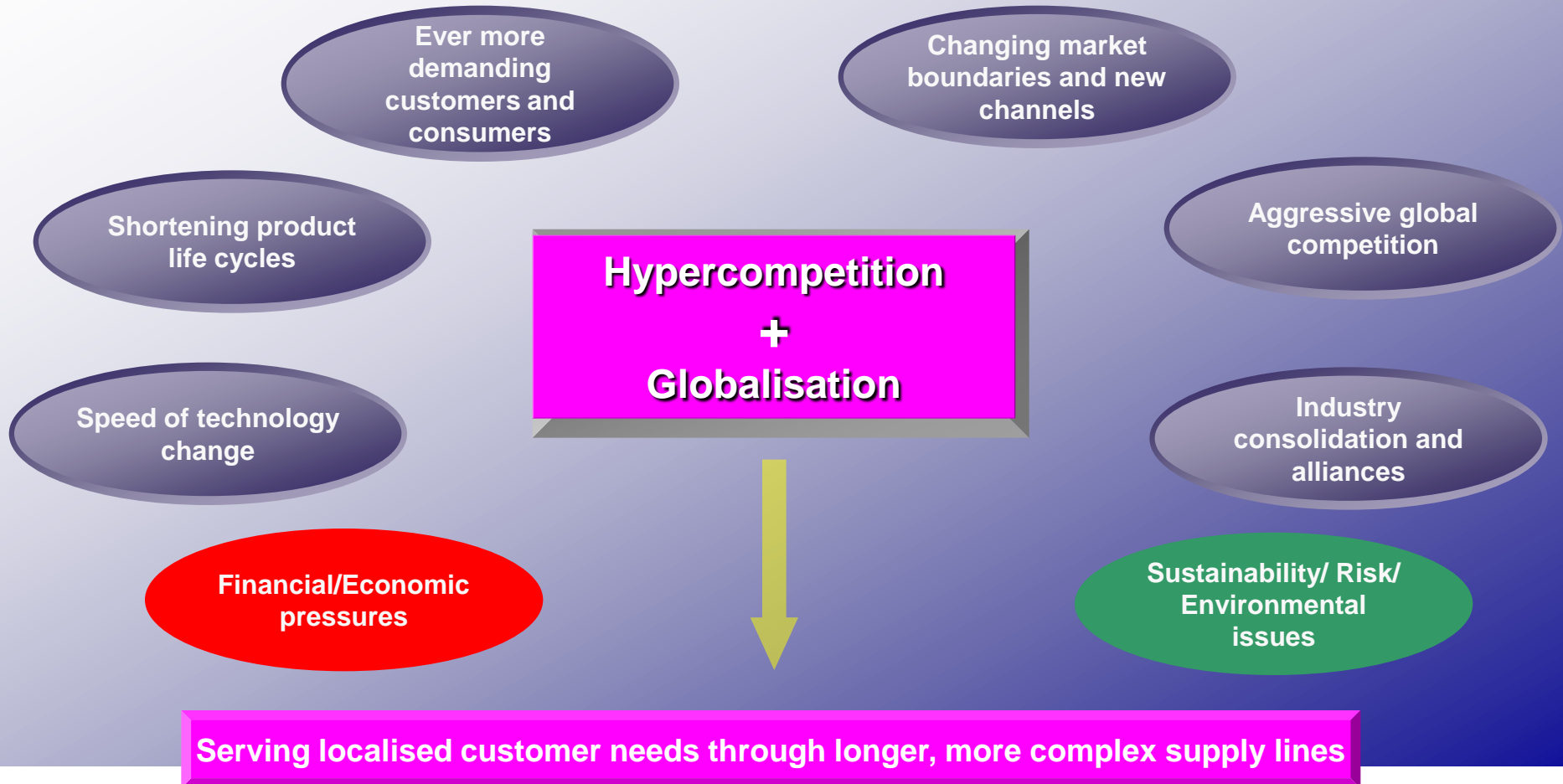
Director and Trustee, Transaid





Supply Chain Management in a Global World

Competitive Pressures in the Supply Chain





AGENDA

- Understanding the implementation gap
- Understanding the role of technology
- Understanding the role of people
- Understanding the barriers to change
- Understanding the organisation of the future
- Understand the manager of the future
- Understand the way forward



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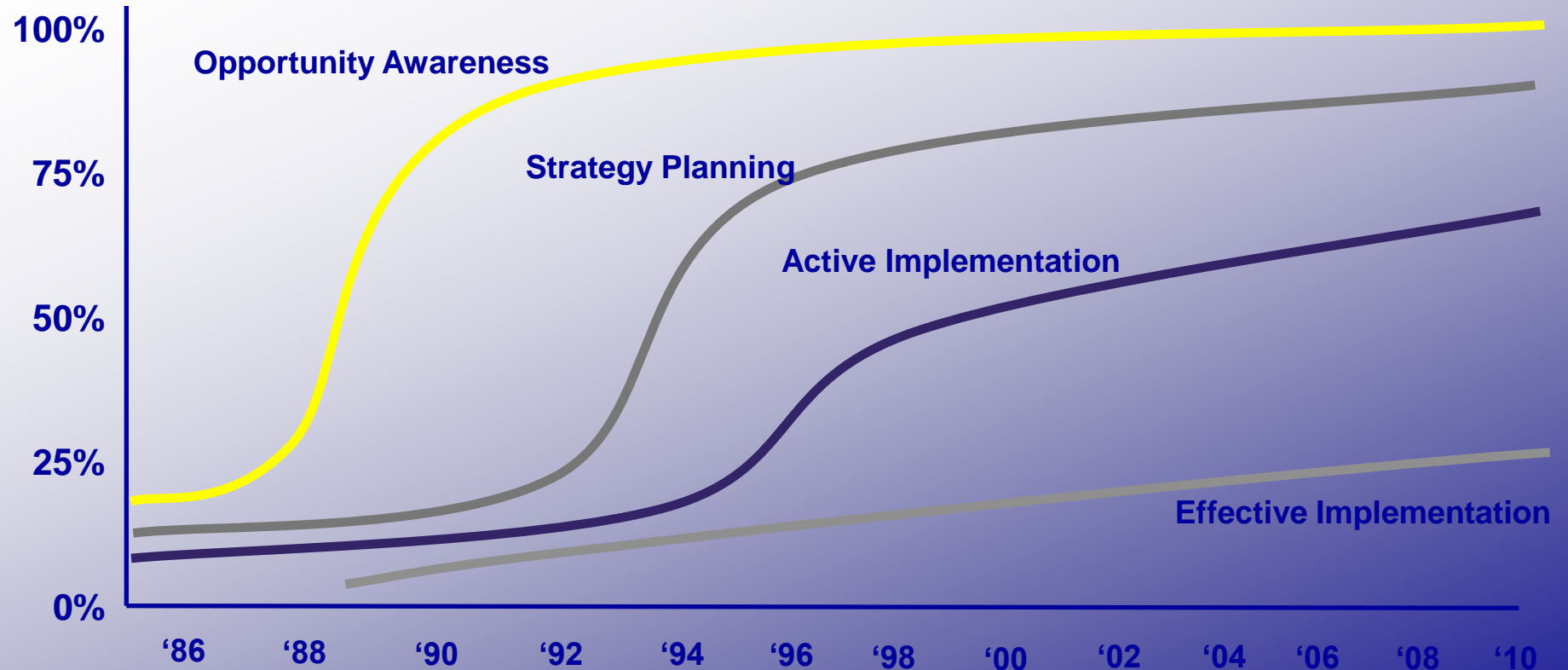


Bridging the Implementation Gap-

There are major challenges in translating vision into reality

Pan-regional supply chain integration

% of Companies

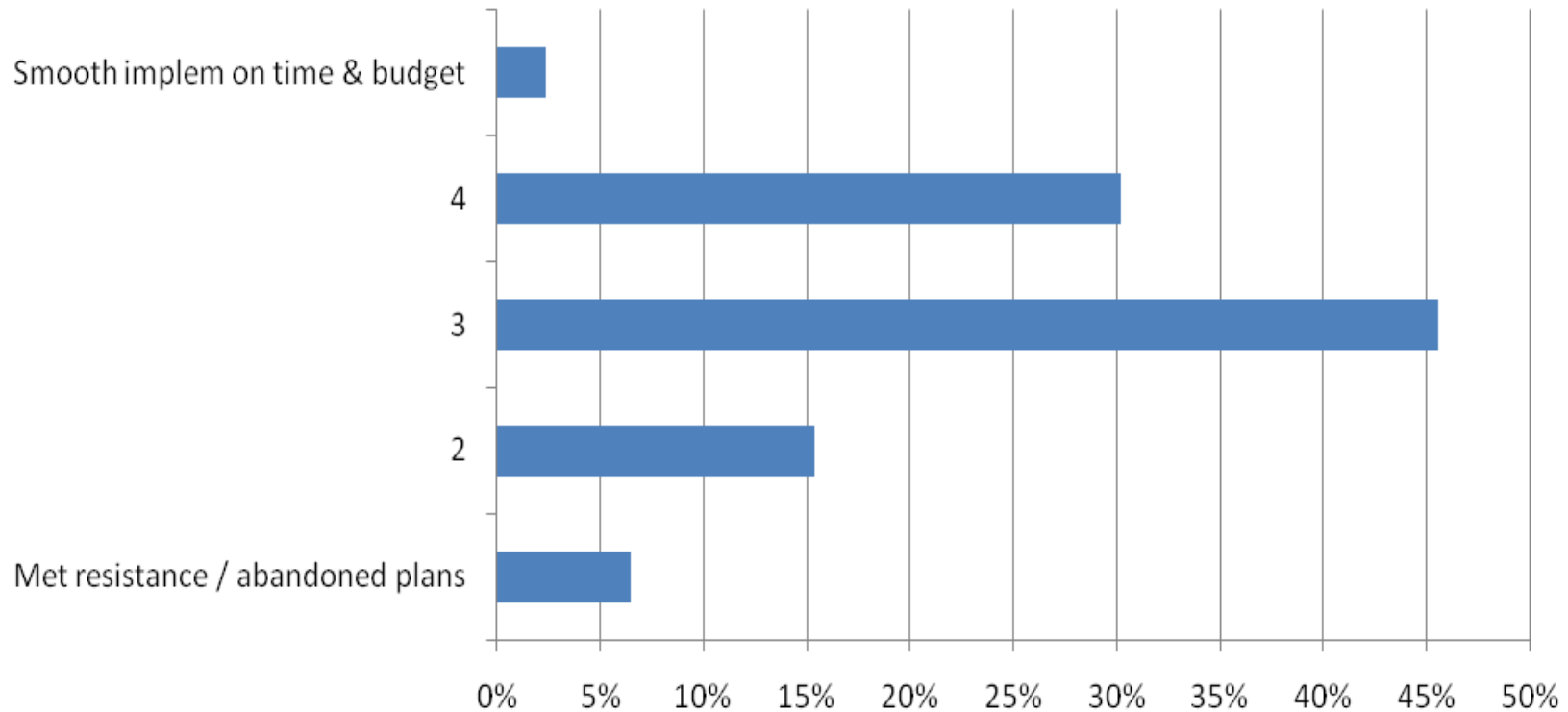


Source: A Waller Surveys 1992, 1994, 1996, 2002, 2004 and 2009



Solving Efeso/Cranfield School of Management Supply Chain Strategy in the Boardroom Survey 2010

Success of Supply Chain Strategies



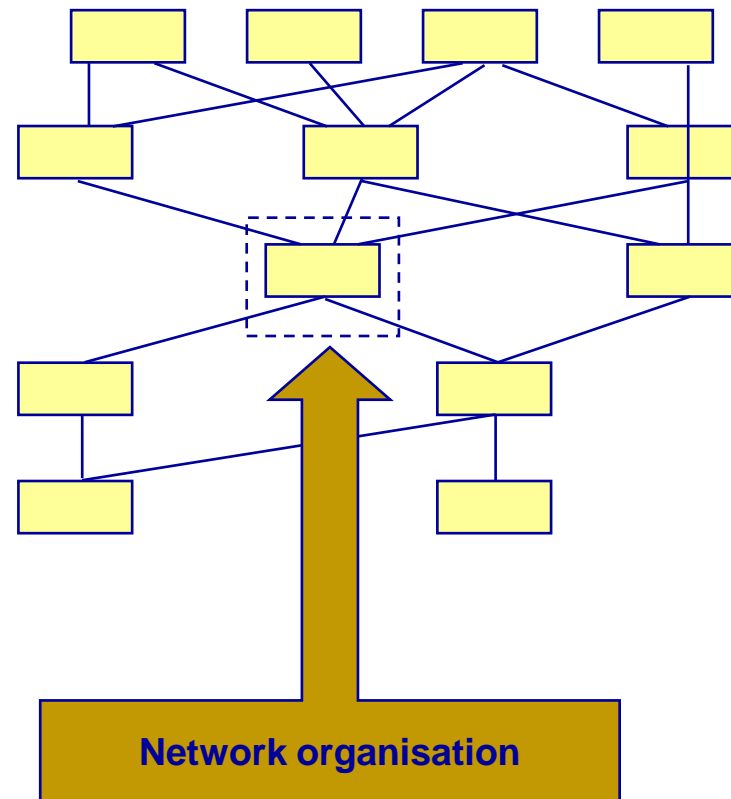
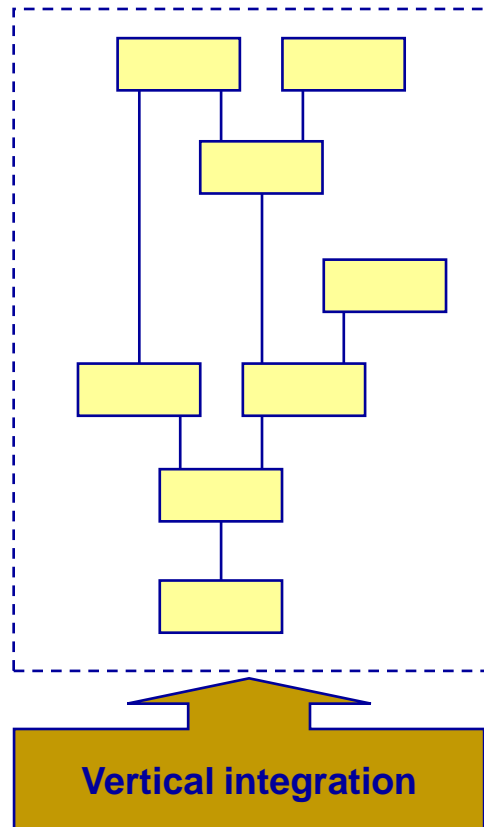
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- ❑ Only 2% were smoothly implemented on time and budget
- ❑ 32% were implemented with relatively minor problems
- ❑ 7% were abandoned completely
- ❑ 23% were abandoned or had severe implementation difficulties



Change from Supply Chains to Demand Webs- Implementation is also an external issue

Businesses are responding by focusing on core competencies and outsourcing non-core activity creating networked organisations



Source: Chatham House Forum



Do we control our total supply chain?

“From 2005, over half of SCM functionality is provided from outside the enterprise ”

Gartner Group



How can businesses ensure the success of their Supply Chains when they only own a part?

- **They must work in real partnership with the other businesses that are key to this success**
- **The key tools to enable this are-**
 - Technology**
 - Collaboration/Partnership**



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Putting technology in perspective

- **European Surveys pre-2000 - technology was the major implementation barrier**
- **European Surveys post-2000 – people skills are the major implementation barrier**

Source: A Waller Surveys 1992, 1994 , 1996, 2002, 2004 and 2009



Putting Technology into Perspective

“We have all of the technology that we want and need for today’s - and tomorrow’s – supply chain.

The real question is:-

“Have we got the people we need to manage this technology?”

Source: European Council on Global Supply Chain

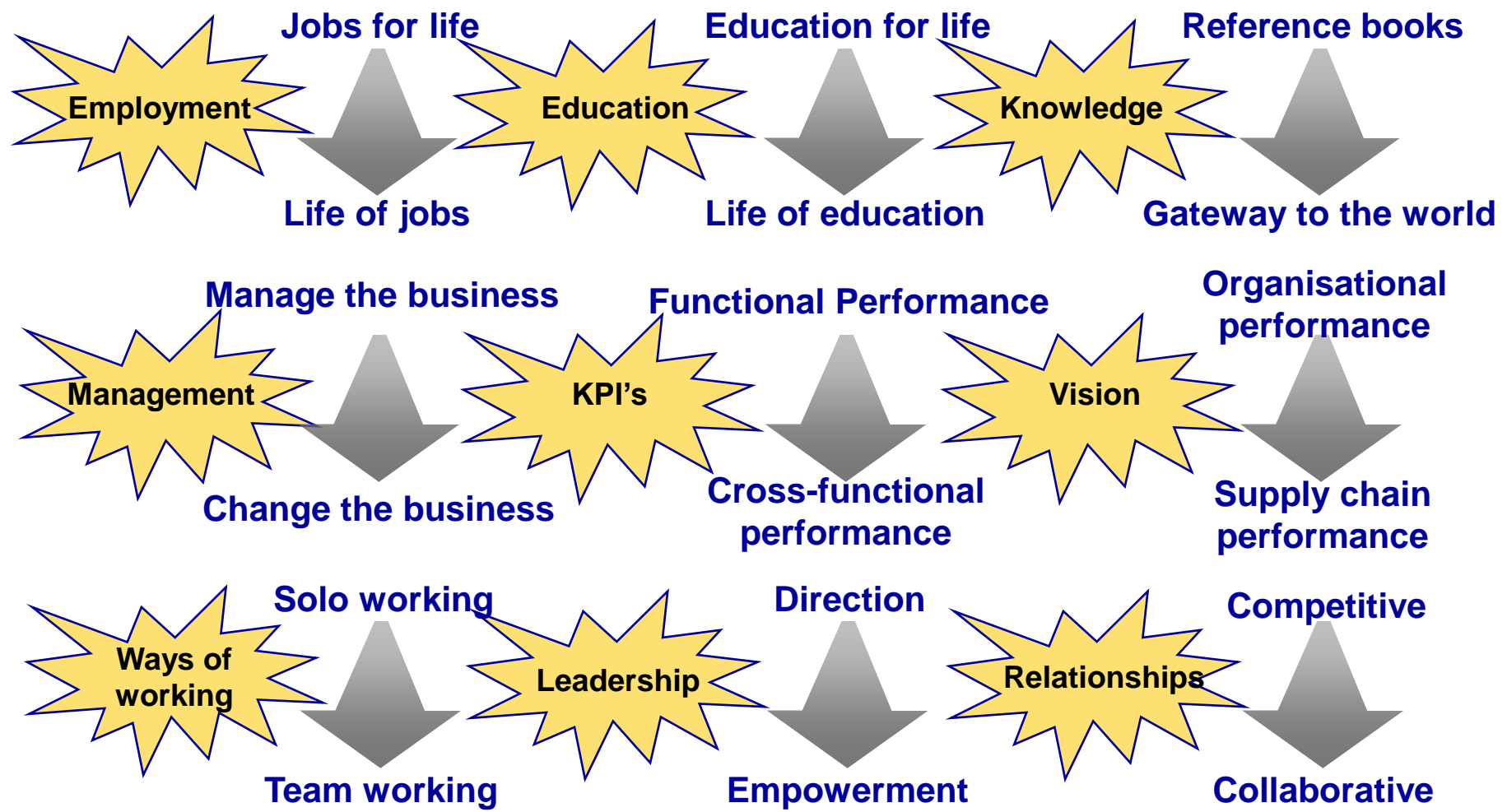


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Business pressures are radically changing the management skills needed to succeed



Managers will need to be focused but flexible - for life



What are the most critical skills you need TODAY?

- 1 Communication skills**
- 2 Decision-making skills**
- 3 People Management/Leadership skills**
- 4 Co-ordination/co-operation skills**
- 5 Analytical skills**
- 6 Negotiation skills**
- 7 Logistical skills**
- 8**

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The VLG Supply Chain Manager Survey 2008

What are the most critical new skills you will need TOMORROW?

- 1 Knowledge on Environmental Issues**
- 2 Knowledge on Laws/Regulations**
- 3 Knowledge of International Business Practice**
- 4 ICT skills**
- 5 Negotiation skills**
- 6 Technical skills around product/process**
- 7 Logistic expertise**
- 8**

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New mindsets and management behaviours are required – A new skill-set !



For many this is a major shift away from today's functional ways of working



Solving Efeso/Cranfield School of Management Supply Chain Strategy in the Boardroom Survey 2010

Company culture, lack of senior management leadership and lack of information are the top 3 barriers to overcome

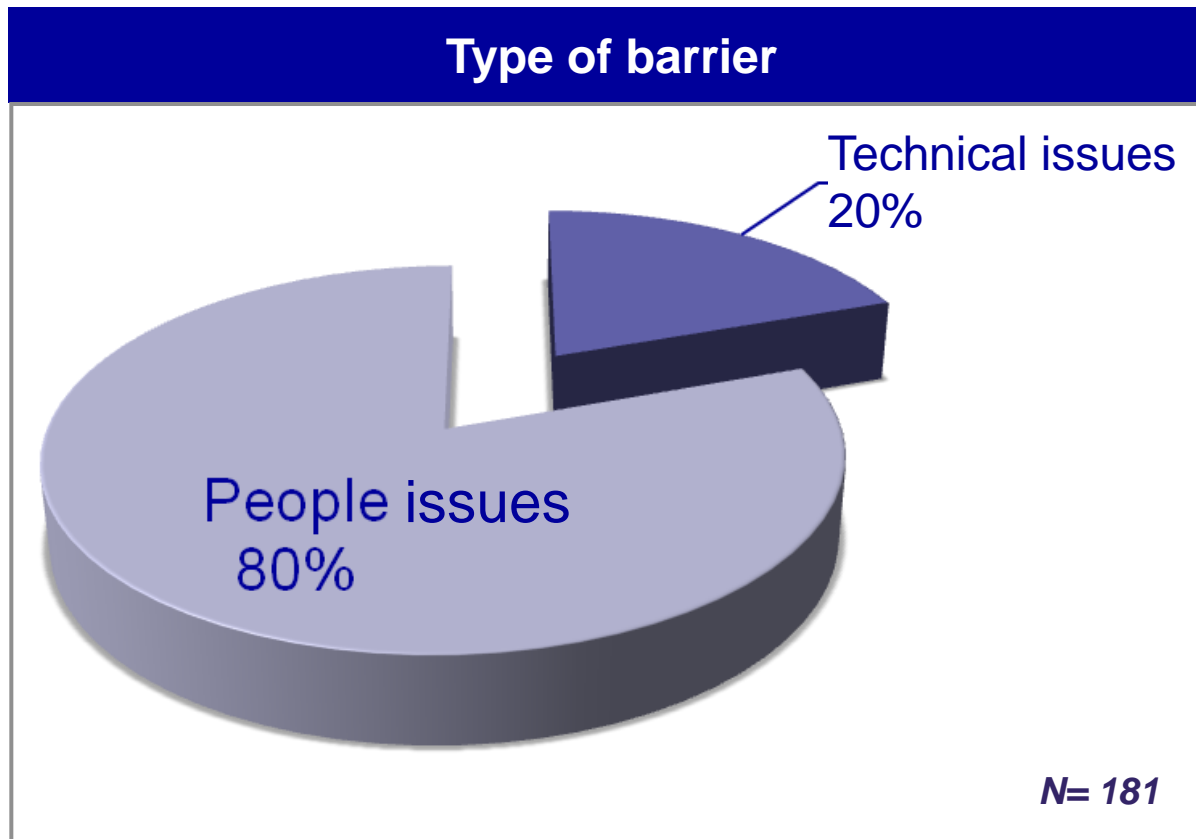
Rank	Barrier to success
1	Company culture
2	Senior management lack of leadership
3	Lack of information along the Supply Chain
4	CEO lack of support
5	Management skills inadequate
6	Lack of clear goals
7	Lack of IT systems
8	Inertia/Lack of urgency
9	Lack of resources
10	Lack of KPIs and tracking
11	Fear of change
12	Too many conflicting priorities
13	Over ambitious timeline
14	Change overload
15	Lack of IT skills
16	Inappropriate performance mechanisms

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Solving Efeso/Cranfield School of Management Supply Chain Strategy in the Boardroom Survey 2010

People barriers are much higher than technical barriers



*'No technical barriers or restraints, the issues are around **change management**. The situation is improving with implementation successes which feed to accelerate the implementation process.'*

*'The main constraint is the **speed of change**. We reckon that we are not very good at change management - the culture doesn't let us be fast enough.'*

Sum of scores for people related vs technical related barriers



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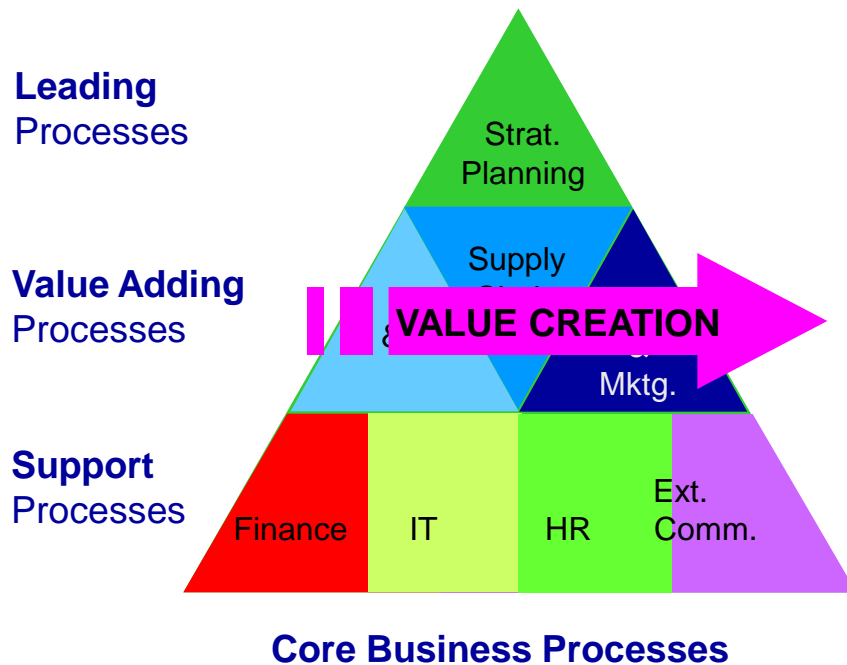
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ORGANISATION OF THE FUTURE.

SUPPLY CHAIN MANAGEMENT IN THE BOARD ROOM

Supply Chain Management coordinates the internal and external networked resources to drive **VALUE** through the business



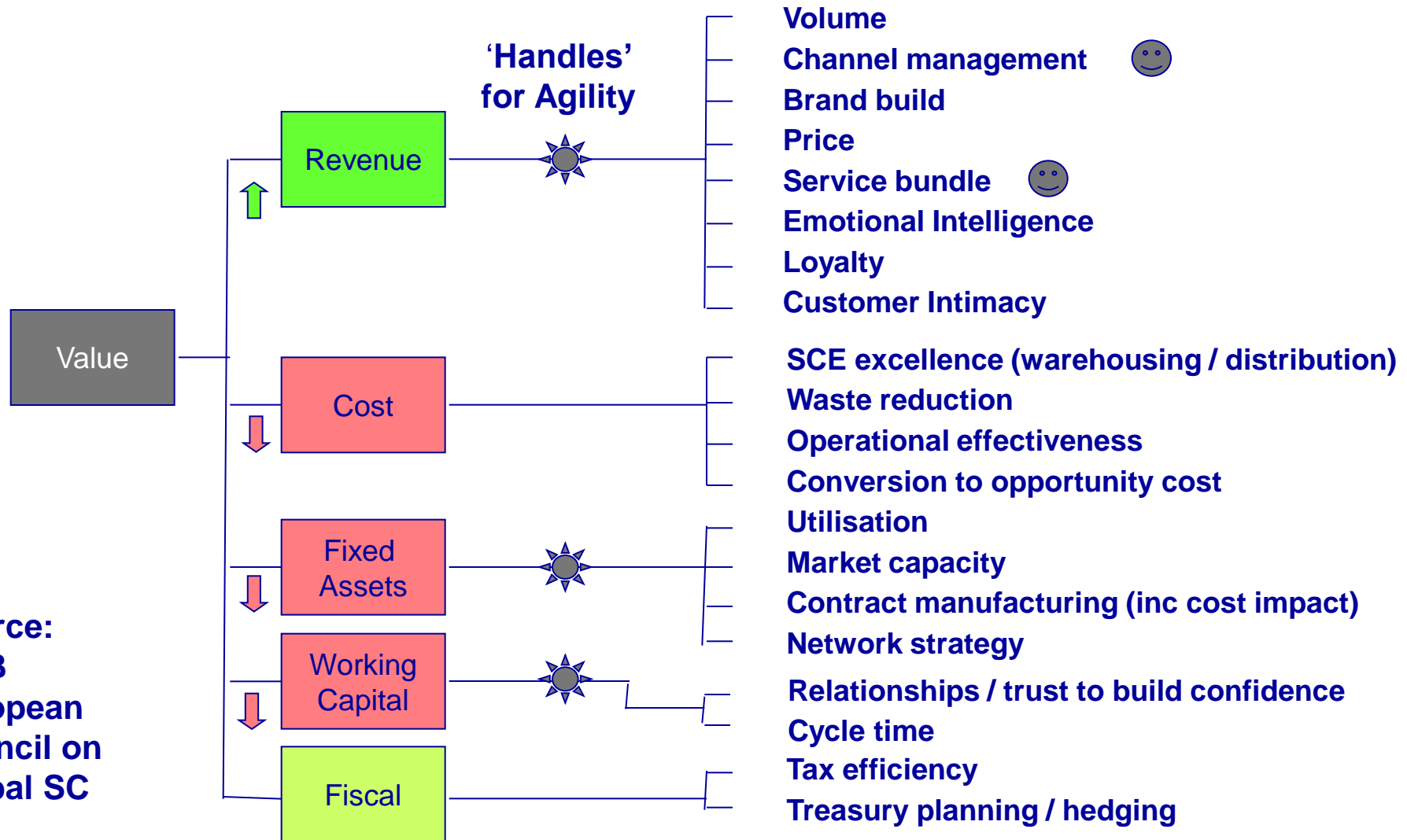
The Supply Chain **strategy** will complement and enable the overall business strategy for top line growth

Excellence in Supply Chain **execution** will deliver the bottom line results

SUPPLY CHAIN AS A FUNCTION-OR AS A PROCESS?



WHAT IS THE CONTRIBUTION OF SUPPLY CHAIN MANAGEMENT THINKING IN THE BOARD ROOM?



Source:
TCB
European
Council on
Global SC



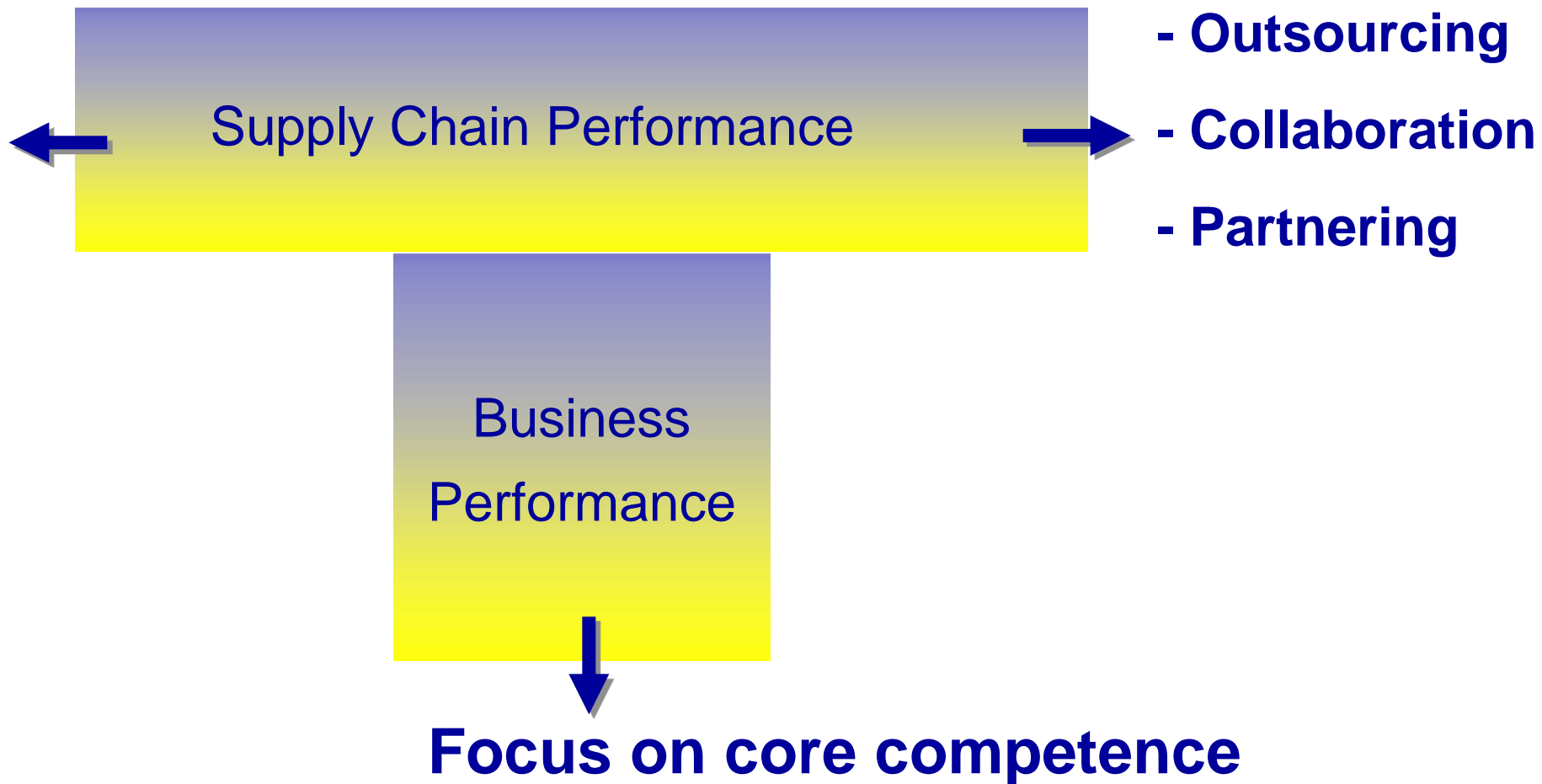
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The Manager of the Future needs to support the Organisation of the Future

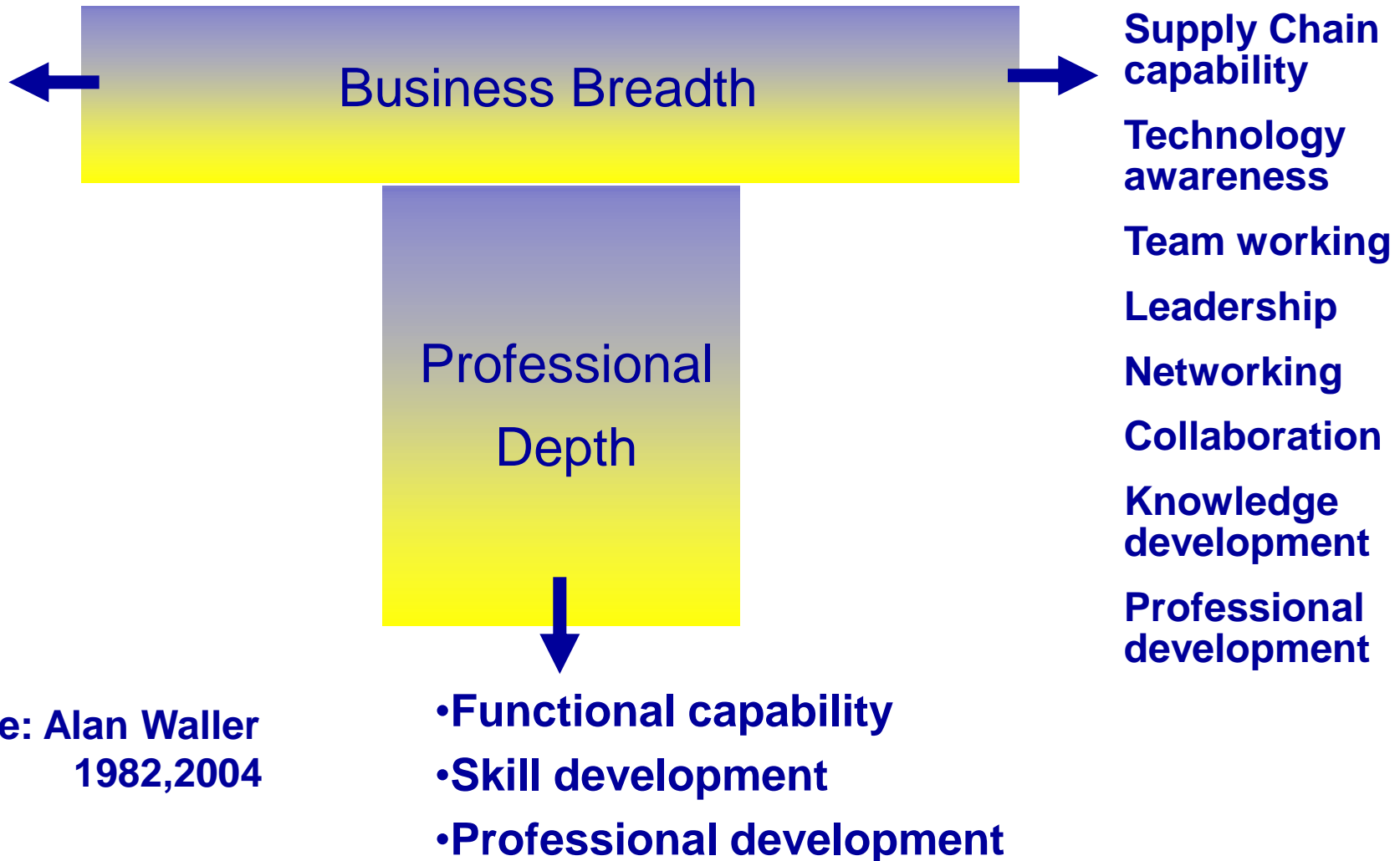
The organisation of the future:



Source: Alan Waller 2004



The manager of the future



Source: Alan Waller
1982,2004



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The Way Ahead

Leverage Supply Chain in the Board Room

Supply Chain leaders need to be T-Shaped

- **Broaden Existing Supply Chain Managers**
- **Recruit into SC from other functions**
- **Promote the ZIG-ZAG career**

Top Management need to promote a culture of collaboration and not just competition

Managers need to be equipped with the technology and motivation to communicate and network outside as well as inside their organisation



Conclusions

Manufacturers/Retailers/Distributors face major opportunities and challenges in the globalised world

Supply Chain Performance is a critical element in realising these business opportunities

Companies are facing major barriers in turning vision into reality

Technology and the right People skills must develop to meet the challenge.

The technology is available-the people skills are not

We need the right people skills at all levels

We need to promote a culture of collaboration

We need to equip managers with the necessary communication and networking capabilities



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