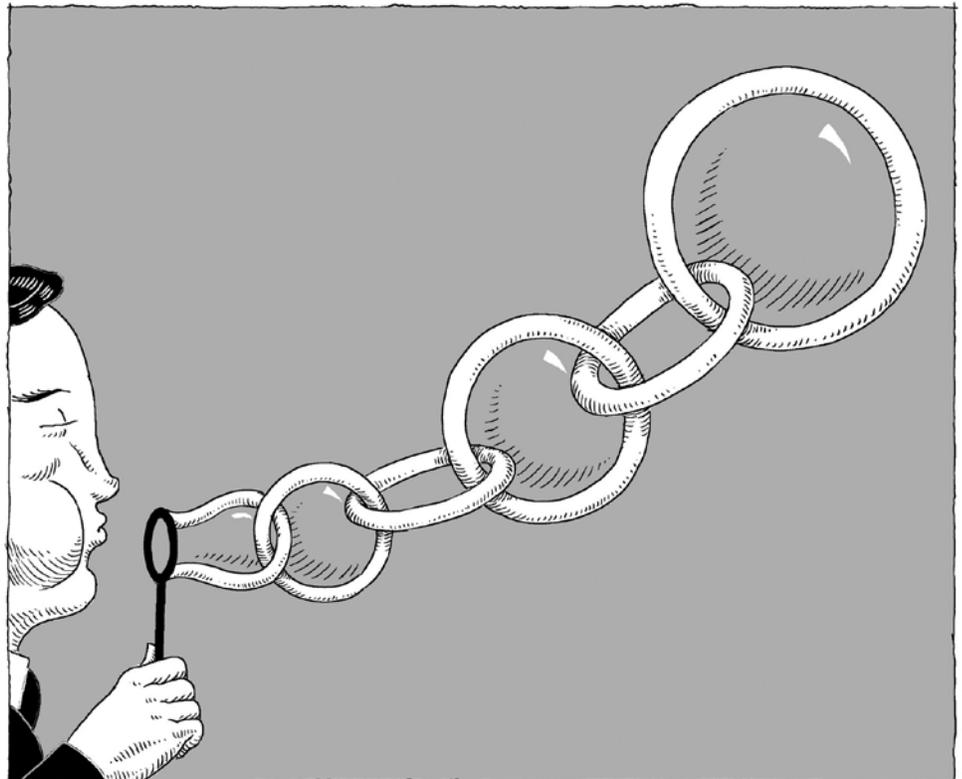


Supply Chain Leaders of the Future

One effect of the global financial crisis has been to demonstrate with great clarity how interconnected the world today really is. In supply chain terms, this means supply chain partners can exist virtually anywhere. Throw a handful of giant, fast-emerging economies into the mix, and you have a complex new world placing challenging new demands on the leaders of organizations. In this article, we look at the attributes of future supply chain leaders in this more interconnected and complex reality. A version of the article was first published in *Supply Chain Asia* magazine.

The role of the supply chain leader is more important than ever given the impact of the supply chain in driving the success of modern organizations. In many respects, it can be argued that the future supply chain leader will be one and the same as the chief executive officer of the organization. Supply chain leaders today are at the cusp of having to oversee all aspects of the business of their organizations—from internal capacities and capabilities to external supply chain operations—and understanding how these serve evolving business models.

We need to ensure we are developing the right supply chain leaders for the future—leaders who can deal with a high level of complexity, who understand different markets, both developed and emerging, and who can work efficiently and effectively across multiple cultures and nationalities. Following is a list of the key skills and experiences that future supply chain leaders will require.



Wesley Bedrosian

a) The ability to understand all aspects of an end-to-end supply chain

It is essential for leaders to understand the complete supply chain. In a consumer food supply chain, this would refer to all

activities that take place from “farm gate” to “consumer plate”. In a manufacturing supply chain, it would refer to all processes from initial sourcing of raw materials through to product manufacture and value-adding

activities that take place up to the point where the product reaches its final destination. It is neither possible nor appropriate for any one organization to try to acquire and control a complete “end-to-end” supply chain—it is about collaboration amongst key partners that clearly understand their different value offerings and can align on purpose and objectives. Supply chain leaders of the future must recognize this reality and understand the capabilities, needs and objectives

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of each key supply chain partner so the supply chain operations continue to be effectively realized.

b) Experience across all major aspects of the end-to-end supply chain

In order to truly appreciate the value and role of each part of the chain, it is essential that future leaders have experience and knowledge across many parts of the chain. Traditionally in a retail supply chain, for instance, the supply chain leader would likely have spent his/her full career in the retail section of the chain and have little direct experience in other key areas. Future leaders will have spent periods of their

careers in manufacturing, logistics/distribution and retail. Such a broad level of experience and exposure will make them much better qualified to understand the full chain, identify potential risks and, therefore, address issues effectively as they arise. When Russell Reynolds Associates recently assisted an international fast fashion retailer to appoint a global supply chain leader, the end result was the successful appointment of someone who had some retail experience but also direct experience in manufacturing in China and global distribution. The lesson here is companies are looking for more lateral experience and broader capabilities.

c) Experience living and working in multiple regions and cultures in both developed and emerging markets

In light of the growing impact of emerging economies on industries

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and organizations worldwide, it is clear that future supply chain leaders need to understand intimately the challenges involved in operating in geographies with different socio-economic

backgrounds. Many leaders who are extremely effective in sophisticated and developed economies struggle significantly in emerging markets, where what they would consider to be basics—such as infrastructure and communications—are at such a relatively underdeveloped stage that the leaders have great difficulty achieving their goals. This is an increasingly important factor given the pace at which we are seeing countries such as India and Brazil engage more in world trade and global supply chains. If you consider how the consumers of these markets will affect supply chains going forward, it is clear that future leaders need to understand these markets and the habits and cultures of their populations. Russell Reynolds Associates recently completed a review of the supply chain leadership capabilities of a large multinational corporation. The importance of ensuring current talent has experience in both developed and emerging markets was put at the top of the list of requirements for succession and development plans.

d) Ability to foresee future market changes, to adapt quickly to new business models, and to understand where value is being created and re-created

When you consider how much markets and organizations have

changed over the past 10 years as a result of the Internet and other technological developments, it is important that future leaders are thinking at least 10 to 20 years ahead. This is common practice in many Asian cultures. The idea is that your organization is either the one leading the changes or, at the very least, the one with enough visibility to spot them coming in order to react and adapt quickly. Consider the automotive industry, where business models have been transformed due to competition and changes in the location of capabilities. Today, a Japanese company like Toyota has a significant level of design done in India, manufactures in a range of different markets, including China, and distributes vehicles all over the world. Toyota is a good example of a company that has adapted very quickly to the interconnected and virtual nature of today’s global marketplace. Future supply chain leaders will need to be able to drive the speed of change and put in place teams and capabilities to adapt and innovate quickly.

e)Continually question and assess markets and opportunities

If there is one thing that supply chain leaders will be required to do in the future, it is to continue to ask questions, provoke different thinking and assess opportunities based on their

experiences as developed through the four key areas of development outlined above. The CEO of any organization in effect becomes the head of supply chain of that organization. He or she is always focused on the internal supply chain but also on the role the organization plays in an external supply chain. How may this supply chain change over time and where does the organization add the best value? Who should be the key collaboration partners and how should relationships develop? At the end of the day,

“ The CEO of any organization in effect becomes the head of supply chain.”

future supply chain leaders need to create opportunities and ensure the organization continues to evolve.

The future supply chain leaders need to understand they operate in a virtual world, with an appetite for speed and continual change. They need to intimately understand and ideally experience all aspects of end-to-end supply chain management and do so across multiple boundaries. They need to continuously travel and be “citizens of the world”. And with Asia fast becoming the supply chain headquarters of the world for leading players in industries

from mining and resources to information technology, consumer goods and logistics/distribution, we need to ensure that our supply chain leaders are as innovative and dynamic as the region in which they may very well be residing.

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