



# **Mega-Trends in Supply Chain Management: The Role of Talent on Supply Chain Performance**

**Presented to:  
Midland Research Institute in Value Chain  
Creation**

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## Overarching Research Questions

**“What emerging trends or developments will shape the future of supply chain management?”**

**“Why are some firms more successful with strategic supply chain management than others?”**

**(even when they possess similar tools, systems and practices)?”**



## Michigan State University Team

- David J. Closs, Ph.D.
- M. Bixby Cooper, Ph.D.
- Patricia J. Daugherty, Ph.D.
- David J. Frayer, Ph.D.
- Stanley E. Griffis, Ph.D.
- Nick Little, MCIPS
- Steven A. Melnyk, Ph.D.
- Gary L. Ragatz, Ph.D.
- Judy M. Whipple, Ph.D.





# Project Outline

- Phase I: In-depth interviews with 50+ medium and large firms
  - Manufacturers, retailers, and service providers across North and South America, Europe, Asia, and Africa
  - Enabled broad understanding of strategic initiatives being undertaken and capabilities firms were developing
- Phase II: Online survey
  - Predominantly manufacturer and North American based
  - Examines linkages between competencies, capabilities and performance



# Online Survey Research Process

- Survey development
- Overall survey response (336 total responses)
  - APICS/MSU
  - Market research firms
- Various demographic information
  - Respondent job title and scope of responsibility
  - Type of firm
    - 70% manufacturers
  - Size of firm (sales and employee)



## Insomnia

- Integrated solutions
- Talent and leadership
- Complexity and risk
- Threats/challenges
- Compliance
- Cost/purchasing issues





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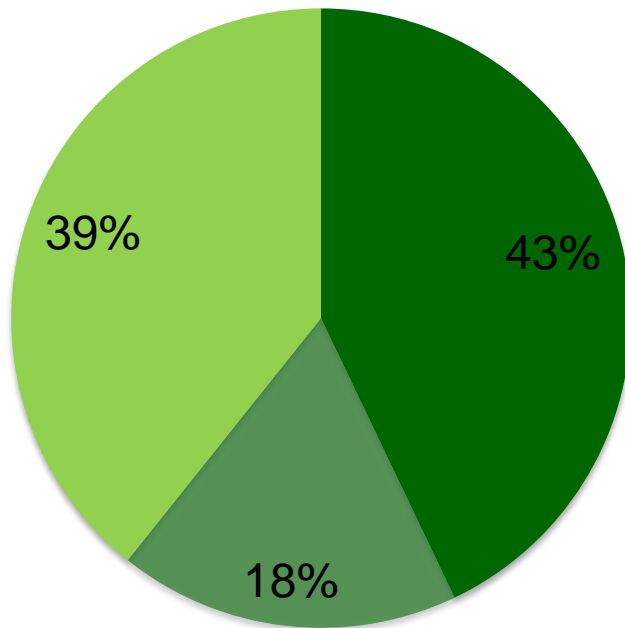




# Respondent Information

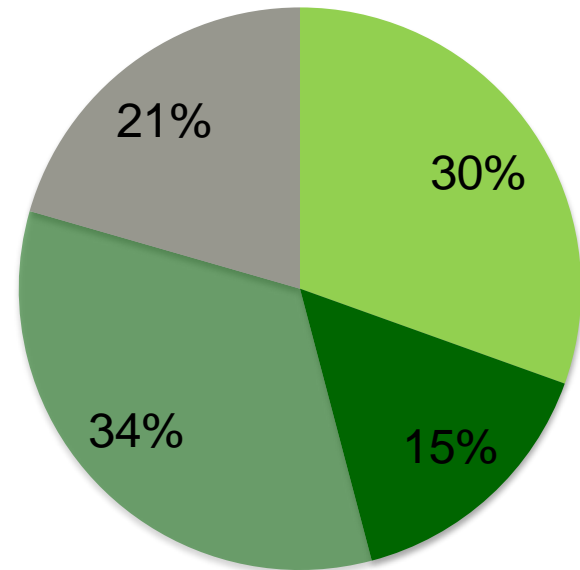
## Level of Respondent

■ President ■ SVP ■ Director



## Scope of Responsibility

■ Logistics ■ Purchasing  
■ Production/Mfg ■ SCM



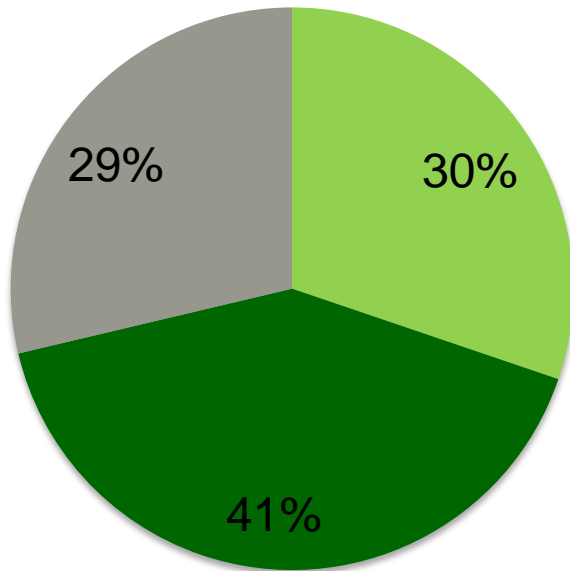




# Firm Information

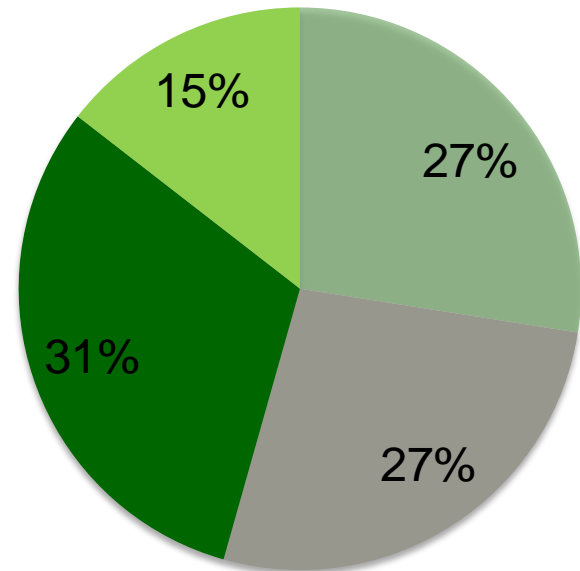
## Annual Sales

- Under \$250m
- \$250m-1B
- Over \$1B



## No. of Employees

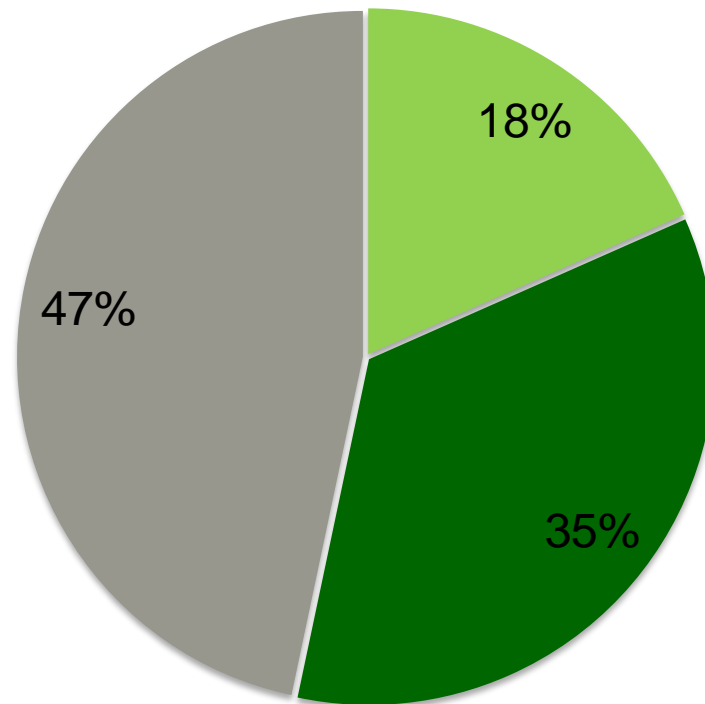
- Under 250
- 250-1000
- 1001-10,000
- over 10,000





# Corporate Strategy

■ Cost ■ Differentiated ■ Mixed



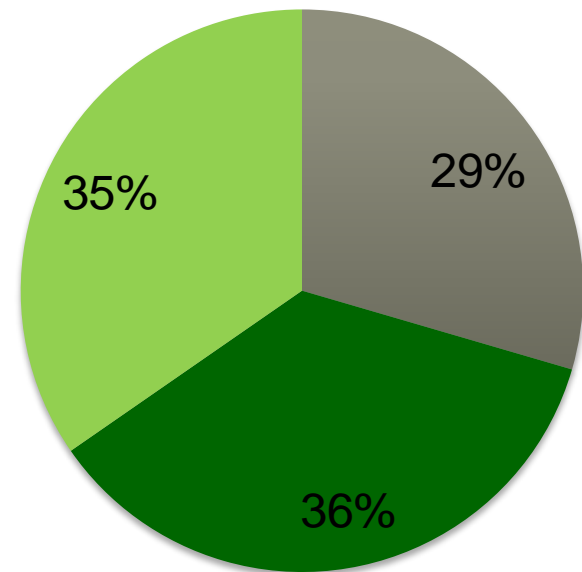


# Organizational Reporting Structure

- Centralized – SCM function reports to CEO
- Decentralized – each unit has its own SCM function or several units share a SCM function
- Matrix – SCM function has unit and corporate responsibility

## Reporting Structure

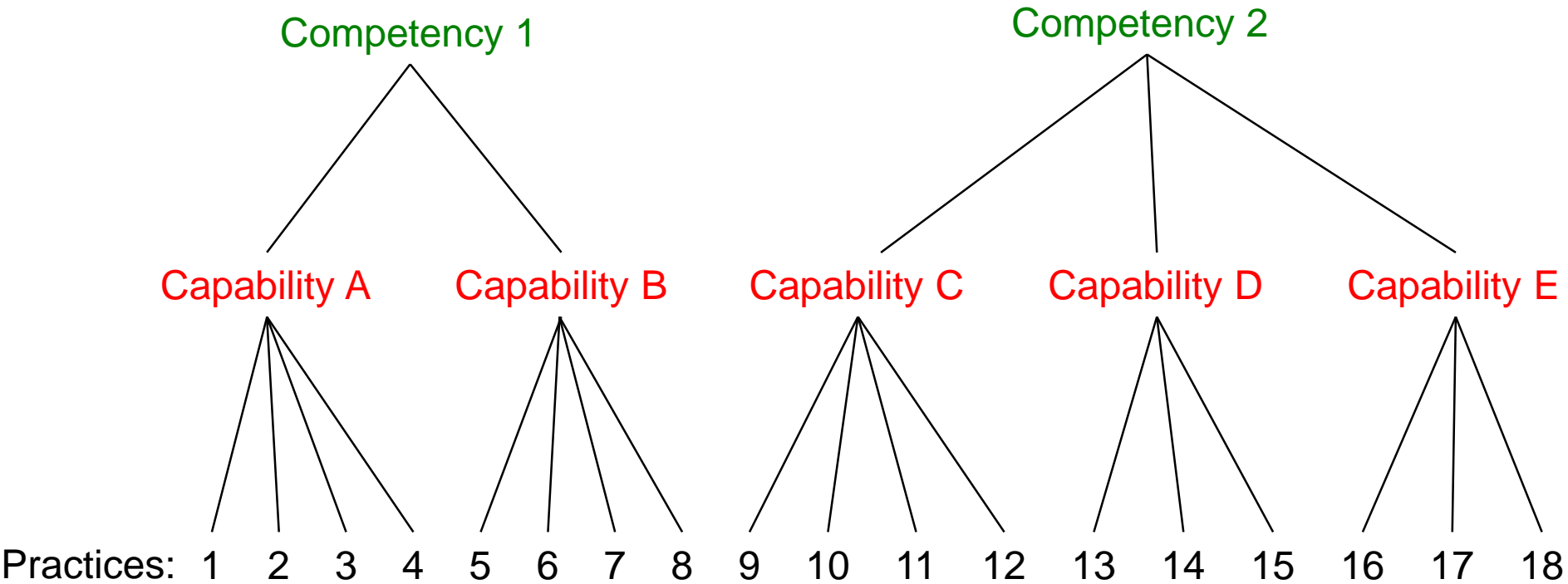
- Centralized
- Decentralized
- Matrix





# Practices, Capabilities & Competencies

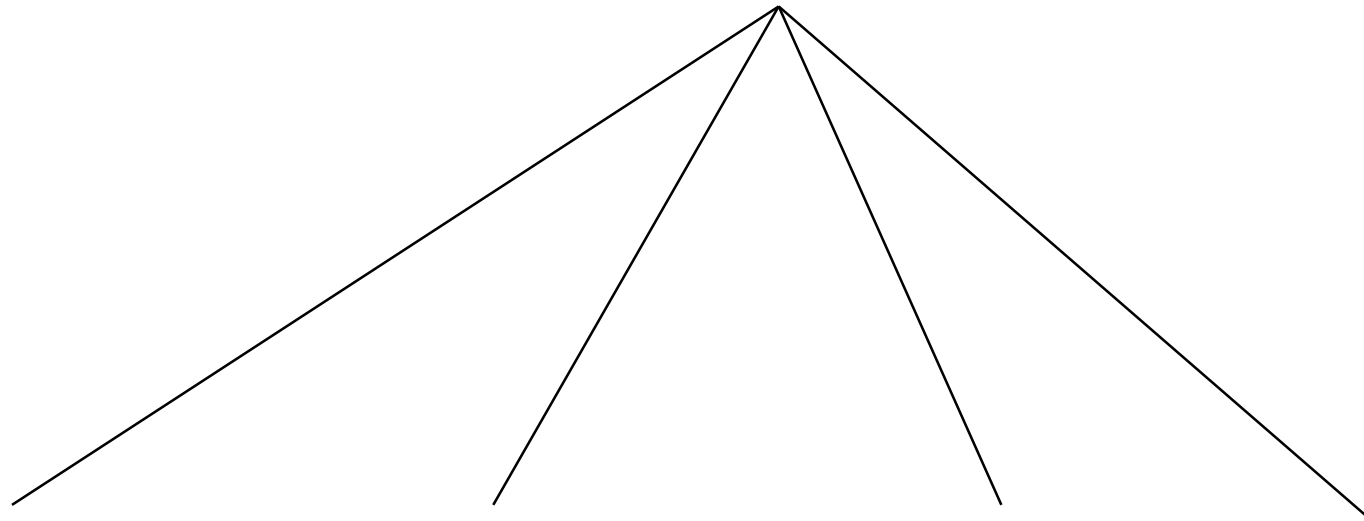
- **Competency** is the specific activities, skills, and knowledge that an organization has to achieve and sustain its goals and objectives





# Practices & Capabilities (An Example)

## Risk Management



Practices:

Firm's senior management views supply chain risk management as necessary for protecting our brand or reputation

Firm has a corporate level strategy to address risk management concerns

Firm's senior management views supply chain risk management as a competitive advantage

Firm's senior management supports supply chain risk management initiatives



# Capabilities

- Complexity Simplification
- Corporate Strategic Integration
- Customer Segmental Focus
- Information Connectivity
- Information Management
- Internal Process Connectivity
- Internal Process Simplification
- Customer Communication
- Customer Relevancy
- Customer Responsiveness
- Risk Management
- Structural Adaptation
- Supply Chain Planning Responsiveness
- Supplier Collaboration
- Supplier Management
- Supplier Strategic Alignment
- Talent Management



# Competencies

## Corporate Strategic Integration

- Set of abilities of the organization to promote senior management support and ensure compliance with strategic vision

## Customer Integration

- Set of abilities of the organization to segment and communicate with customers, while promoting relevancy and responsiveness

## Internal Integration

- Set of abilities of the organization to adapt structure, reduce complexity, and increase internal process connectivity



## Competencies (continued)

### Resource Management

- Set of abilities of the organization to secure and manage critical resources, including materials, services, and talent

### Supplier Integration

- Set of abilities of the organization to manage the supply base, collaborate and strategically align with important suppliers

### Technology/Planning Integration

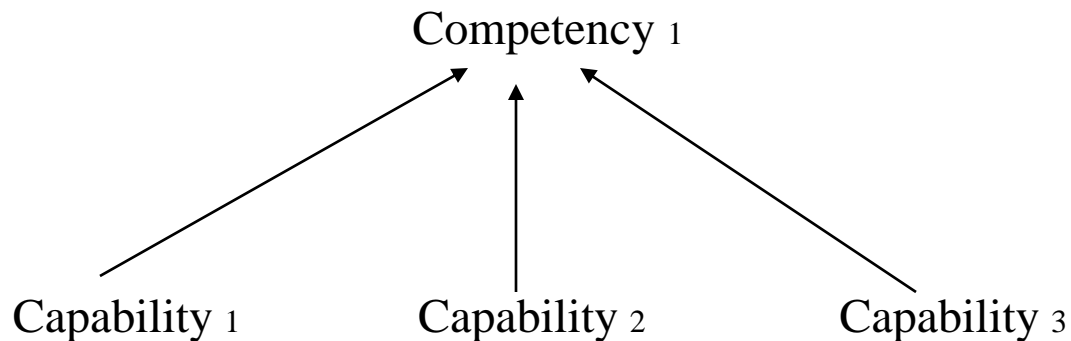
- Set of abilities of the organization to manage information, promote technologic connectivity, and plan the supply chain





# Key Considerations: Capabilities and Competencies

- **Capability** – the infrastructure, processes, systems, assets, and resources to develop a specific competency
- **Competency** – the broad set of skills, knowledge, and aptitude that create and sustain a secure supply chain



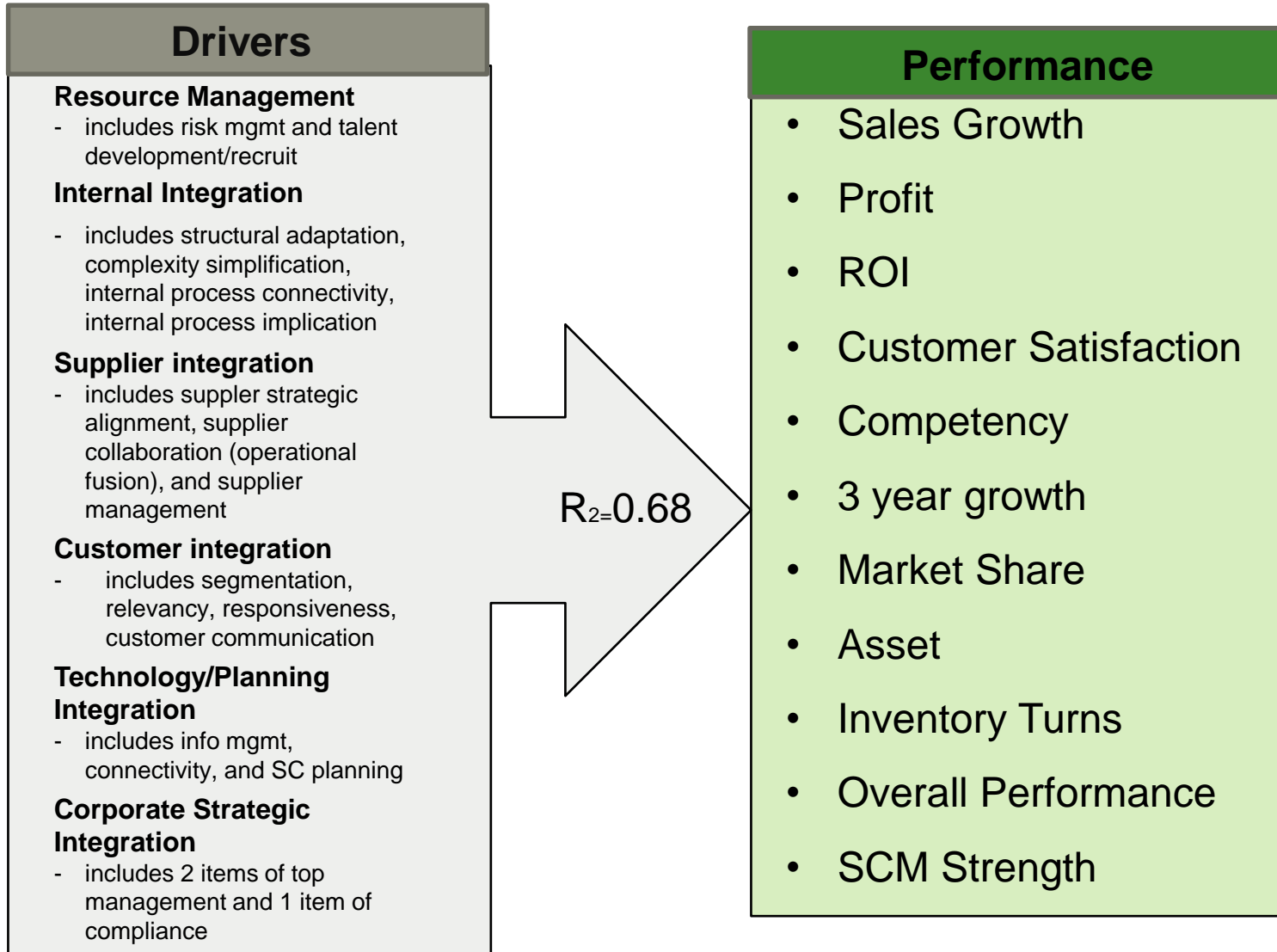


# Do Competencies Influence Performance?

	Sales Growth	Profit	ROI	Customer Satisfaction	Competency	3-year Growth	Mkt Share	Asset	Inv. Turns	Overall Perform	SCM Strength
Resource Mgmt	1	2	2		3	2	1	2	2	2	2
Internal Integration			1	2				1	1		
Supplier Integration	2				1						
Customer Integration		1		1	2	1	2		3	1	
Tech/Plan Integration											1
Corporation Strategic Integration			3					3		3	
<b>R<sup>2</sup></b>	.50	.55	.57	.52	.58	.51	.53	.56	.56	.68	.34



# Supply Chain Performance Drivers





# Conclusions

- In the minds of today's SCM executives, talent and resource management are the primary drivers of SC performance.
- Firms are beginning to use different employment models as a means to develop a talent competitive advantage.
- Increase SCM collaboration with sales to understand cross-functional requirements and to provide increased value to customers.
- Increase consideration of T-shaped skills for employment acquisition and development.



## Conclusions

- Increase cross-functional collaboration (ex. SCM with sales) to understand requirements.
- Sell benefits of S&OP beyond planners to understand the requirements for integration
- Firms' real talent needs must become top-of-mind to students and primary suppliers (universities and training programs).



# The Future Outlook for SC Talent

- Demand
- Supply





# The Future Outlook for SC Talent

- Demand
  - **Brian McNelis**, VP, Procurement, North America Bayer HealthCare
  - **Wendy Leakeas**, VP, Enterprise Sales & Ops Planning Ingersoll Rand
  - **Madelyn Bricco**, Supply Chain Strategy Director, The Dow Chemical Company
  - **J. Donald Sheets**, Vice Chairman, Dow Corning Corporation



# The Future Outlook for SC Talent

- Supply
  - **Cheryl Dalsin**, Director Academic Outreach, APICS
  - **Judy Jacobs**, Director Corporate and Student Relations, Supply Chain Management, Michigan State University
  - **Teresa Carroll**, Senior VP & GM, Global Talent Solutions Kelly Services
  - **Evan Raubacher**, President – MSU Supply Chain Management Association





# Questions?!?!

