

RESULTFOCUSED

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Looking forward...are you ready?

By Anton Nieuwoudt

I recently read a white paper published by Kewill, a US based multimodal transportation management software provider. The paper focussed on what we can expect in the logistics environment by 2020, and highlights a number of key areas which is of particular importance to LSPs. One of these areas is technology, and more specifically Data as a Service (DaaS) obviously enabled by the exponential growth in cloud technology.

With DaaS LSPs have begun to exchange data as they previously did with other assets such as staff, warehouses, trucks, etc, improving efficiency and reducing costs. This is partly driven by a desire to improve the quantity and quality of data shared and partly by necessity as road carriers in particular partner and sub-contract one another with greater frequency. This allows LSPs to differentiate

themselves and move beyond the commoditised services they provide.

Some other related points are strategic supply chain planning for simulating network design and sourcing decisions; improved planning on multimodal transportation to meet both green and efficiency targets and handle hub-and-spoke networks; Track and trace visibility to provide end-to-end visibility of the supply chain from factory to the end customer or consumer; mobility of systems to be quick and easy to rollout, with flexible set-up and configuration, to cope with new customers, new routes, new regions, partnerships and alliances, mergers and acquisitions; and Standards and interoperability to increasingly connect supply chains to enable the sharing of information with customers' and subcontractors' systems as well as connections to industry Hubs.

From the paper it is clear that technology will play a major role in both driving and supporting logistics companies to achieve success by 2020. The question is are you ready to unlock success by embracing advances in technology and improved processes?

In this month's edition of RESULTFOCUSED we use a case study of an unfamiliar brand - Papa John's Pizza - to highlight the importance of inventory visibility and accuracy. We look at among others supply management techniques for improved supply chain design, a potential alliance by three major shipping lines later in 2014, and how four simple steps can jumpstart your S&OP process. Finally we leave you with some 'Brain Tattoos' from Robin Sharma.

The foundation stones for a balanced success are honesty, character, integrity, faith, love and loyalty. - Zig Ziglar



PAPA JOHN'S DELIVERS FRESHER, FASTER WITH NEW SUPPLY CHAIN SOLUTION

By Unknown
(manh.com)

Lack of Visibility and Increased Costs

Papa John's International, Inc. is the third largest pizza company in the U.S. and one of the largest in the world with more than 3,000 restaurants. PJ Food Service provides one-stop shopping for virtually all the ingredients and supplies used in Papa John's restaurants through its 10 Quality Control Centers.

A major challenge was inventory visibility and accuracy—Papa John's lacked the carrier relationships necessary to gain visibility and to ensure the highest level of quality control. According to Eric Hartman, senior director of logistics, "A DC would place an order over the phone rather than electronically, increasing the potential for error either on our side or on the vendor side. The vendor then selected a carrier, freight was prepaid and we often wouldn't know what carrier was coming. If we had concerns regarding the load, product quality or the temperature during transit, we had to go back to the vendor, who had to go back to the carrier to get that information." In addition to achieving visibility, Papa John's goal was to reduce manual processes and increase efficiencies to better control costs and increase shareholder value.

Manhattan Selected Based on Supply Chain Expertise and Ease of Integration

"Manhattan's expertise in planning and procurement, along with its carrier and fleet management offerings, was what made the decision for us," said Hartman. Another key reason Papa John's selected Manhattan was for the integration between solutions—Replenishment, Warehouse Management, Transportation and Performance Management. "We didn't have to build interfaces and that's a huge win. We were also impressed with Manhattan's capabilities and ease regarding the customisation we needed to support our unique requirements." The Papa John's

organisation understands the power of technology as a means of providing enhanced communication and visibility. "The ability to present a cost-benefit analysis of that enhanced visibility makes it achievable."

Phase Approach

The transportation and demand planning implementation projects kicked off simultaneously and took about nine months to complete. Hartman explained, "We implemented the Replenishment solution for centralised inventory management. On the transportation side, we've fully implemented our inbound capability and are in the early phases of the outbound project. Later this year, we'll begin implementing Warehouse Management."

For inbound, the majority of Papa John's product comes from U.S. facilities. The limited amount of import product is primarily vendor managed. "Right now, everything we're managing in the system from a collect standpoint is domestic—approximately 4,500 truckloads a year."

"We did an initial freight bid last year. Our goal was to establish a foundation first with truckload and we'll bid out additional freight this year for LTL and intermodal. Selecting the 12 carriers and the contract preparation process was seamless. We use Manhattan's solution to select carriers based on rating tables from the procurement process. The tools provided in the solution support effective shipper-carrier relationships and network alignment. Manhattan helped us through the procurement process to establish transportation planning and execution functionality." Papa John's has established a solid foundation in its vendor and carrier relationships, providing better visibility and enabling carriers to schedule appointments. EDI will be tied in to further reduce the administrative workload on both vendors and carriers—a win-win for everyone.

"We started with no inbound transportation capability—it simply didn't exist," said Hartman. "The fact that we completed the project within a year speaks volumes about the talent here at Papa John's—and speaks just as loudly about the capabilities and the ease of use of Manhattan's products. Having the Replenishment and Transportation solutions in place gives us a solid foundation to now pursue the more tactical projects—distribution and audit and payment."

End-to-End Visibility, Increased Accuracy and Reduced Freight Spend

"With new visibility, we know when a PO was created all the way to delivery at our DC—that's invaluable," said Hartman. "Manhattan's Replenishment and

Transportation solutions allow us to manage inventory levels accurately and efficiently—it's more dynamic and based on actual need. We can allocate in-transit product to outbound orders even before it arrives at our facility. The improved visibility has also allowed us to reduce the amount of inventory."

Papa John's direct relationships with carriers provide essential data on shipments—such as temperature during transit—often in real time. Once EDI is fully implemented, the data will be available in real time. "From a food security standpoint, the visibility to our product and to our carriers enables us to monitor product temperature while it's in transit, so we can deliver quality product to our restaurants," said Hartman.

A convenient feature of the system is that fuel surcharges are already included in the freight tender to the carrier. The miles are laid out for carriers, including any additional miles that may be required for an added pickup. Stop-off charges and the base rate are included so when the invoice comes in, it's a quick matching process.

"We were able to reduce freight spend after just six months of live runtime on the system, achieving our goal of a 10-15% reduction."

Eric Hartman, Senior Director of Logistics Papa John's

According to Hartman, "One of the biggest benefits is the increase in inbound service levels based on our relationships with carriers. We've also seen a reduction in OS&D claims. Because we have visibility to issues as freight comes in, we can work directly with the carrier and the vendor to determine a solution. For example, we have product coming from Green Bay, Wisconsin, that was showing up damaged. Working with the carrier, we determined that loading wasn't properly configured and were able to come up with a low-cost solution—and that cost was more than offset by having inventory that wasn't damaged."

A primary goal for Papa John's in automating transportation procurement was to deliver greater value to the company's shareholders by reducing costs. "We were able to reduce freight spend after just six months of live runtime on the system, achieving our goal of a 10-15% reduction."

- RF



SUPPLY MANAGEMENT TECHNIQUES FOR IMPROVED SUPPLY CHAIN DESIGN

By Dr Ernst van Biljon
(smartprocurement.co.za, October 2013)

“Don’t even try to argue with Dr. John Gattorna that supply chains really just boil down to a system of distribution centres, procurement processes, technology tools, and transaction routes. You won’t win,” says the respected supply chain thought-leaders’ website.

“I argue that supply chains are driven by people and their behaviour, all along the supply chain, rather than just the hard assets and technology that most people seem to think is the case.”

Dr. Gattorna spoke to Smart Procurement Review about viewing supply chains as ‘living ecosystems’ whose behavioural aspects we need to better understand in order to select suppliers.

“We must analyse our supply base from a behavioural perspective, in the same way that we analyse our customers in order to understand’ their preferences. This is the way forward because understanding supplier preferences enables us to choose different suppliers for different supply situations.

This is necessary, says Dr. Gattorna, because the movement towards global procurement over the last decade has “been a bit of a disaster, unleashing procurement people at the back-end of an organisation who are driven by KPIs that have nothing to do with the front-end of the business.” They have been trying to reduce spend in certain categories, using segmentation methods that “are completely out of date”, for instance, by whether they are buying a commodity or a strategic/key/standard item, and then looking for suppliers who can provide these at a generally lower cost.

Dr. Gattorna argues that one must examine this process from the other direction by looking back into one’s supply base and categorising one’s suppliers based on their preferences vs. what the supply situation requires: collaborative value, a transactional approach, an opportunistic

response or an innovative solution.

Suppliers who offer collaborative value are those who want a genuinely close working relationship with team work and information sharing; who prefer a long-term partnership with regular business. “This is the type of supplier you will rely on as a stable source of supply for many products, be they commodity, key or strategic,” says Dr. Gattorna.

Suppliers with a transactional mind set do not exhibit the same type of selling expectations as collaborative-value suppliers. Transactional suppliers tend to have less of a relationship mind set: they do not wish to share information and can at times be quite adversarial. However, they are driven by standard processes and the risk of loss, so they want tight contracts and regular orders. “This is the type of supplier you go to when you have a large order with a long lead time and you will get a low cost from them, mainly because they offer greater volume at the lower cost,” explains Dr. Gattorna.

“...supply chains are driven by people and their behaviour, all along the supply chain, rather than just the hard assets and technology that most people seem to think is the case.”

Dr. John Gattorna

Another group of suppliers Dr. Gattorna names opportunists. This type of supplier has the capability to respond rapidly or might have extra capacity to meet volatile demands. “They are useful when we need a quick follow-up order for products previously bought from a transactional supplier, but which we cannot get from the transactional supplier because it may require a smaller product run, or the transactional supplier may not have the capacity.” The opportunist offers only their capacity in response to urgent demands; they look to results, do not worry too much about processes and are very commercial, for which you pay a premium – but that might be quite acceptable to us in the given situation. Opportunists do not want a relationship.

“UK retailer Marks & Spencer (M&S) applied this very successfully in the UK over the years; they had many domestic suppliers to satisfy orders, but if they needed

a quick top-up order because items had sold better than expected there were suppliers in that same domestic market could respond quickly and supply the item.” However, when M&S moved all their procurement offshore to China and India “it was a disaster”. M&S no longer had the opportunity to quickly go back to the suppliers to get top-ups, and lead times became so long that it could be a year from placing the order to receiving the garments, by which time consumer preferences (and the season’s fashionable colours) could have changed. “For ‘trendy’ products with short lifecycles you want to procure from a closer-to-home supplier base. For products that are less seasonal or trendy, that have a longer lifecycle, you can go further afield.”

Lastly, Dr. Gattorna’s innovative solutions type buying behaviour: This type of supplier, probably not one of the previous types, puts greater emphasis on creativity and innovation. “When you have a particular problem – perhaps a technical problem with your product or it may require amendment – you approach this type of supplier for a new design or prototype. Your goal is to solve the problem for your customer downstream so price is of little concern, if a concern at all.”

Looking at your supply base in the way Dr. Gattorna has described above differs from “the typical procurement mind set of trying to squeeze price (except for the transactional type). Procurement people seem to automatically assume that their raison d’être is to chop the budget and reduce spend. My argument is that understanding the preferences of the players in our supply base enables us to decide which supplier is best suited to a supply situation.”

Behavioural segmentation is one of the next developments within supply chain thinking that will improve overall business and network performance, says Dr. Gattorna.

“At the customer/demand end, we need to adopt behavioural segmentation methods to inform supply chain design. Similarly, at the supply end we need to use techniques to better understand suppliers’ expectations, and feed this into the network design as well.”

“In the middle, we must overcome the complexity of global logistic networks by using network optimisation modelling to identify the best pathways for specific product categories to move through the network, from supply-side to customer-side. It is a matter of joining all the dots, even if it involves inter-disciplinary thinking, because that is the new reality of business.”

“In effect, multiple supply chains (or pathways) run through the enterprise, and taken in aggregate represent the business overall.” - RF



ALLIANCE OF TOP THREE SHIPPING LINES COULD START IN MID-2014: MAERSK

By Ole Mikkelsen
(reuters.com, March 2014)

An alliance of the world's top three container shipping firms which could control more than a third of the market is likely to start operating in mid-2014, No.1 player Maersk Line said after the tie-up was approved by U.S. regulators.

The industry has been battling overcapacity since the financial crisis because new vessels ordered before the downturn have flooded the market. This has driven rates on the main route between Asia and northern Europe to loss-making levels.

The proposed alliance is between Maersk Line, a unit of A.P. Moller-Maersk, Switzerland-based MSC Mediterranean Shipping Company and France's CMA CGM.

To cut costs, they have agreed to pool about 250 ships which will operate on three trade routes: Asia-Europe, trans-Pacific and trans-Atlantic. This would allow the firms, which currently run many of their vessels only partly laden to run larger ships - which are more fuel efficient - fully loaded.

The grouping has been criticised by cargo owners and shippers' groups because of fears it could dominate the key routes, pushing out smaller carriers and potentially driving up prices.

The so-called P3 alliance will have more than 40 percent of Asia-Europe and trans-Atlantic trade and 24 percent of the trans-Pacific market, according to industry estimates.

The approval from the U.S. Federal Maritime Commission (FMC) takes effect from Monday but will apply only to routes to and from U.S. ports. The alliance still needs approval from Chinese and European regulators before it can become fully effective.

Maersk Line said it expected to receive Chinese and EU approval before the middle of this year. "We expect that the P3 can be started mid-2014," it said.

However, a spokesman for Joaquin Almunia, the European Competition Commissioner said the EU was still assessing the proposed alliance because it would exceed the 30 percent market share allowed for shipping consortia. He could not give an indication of when a decision would be made.

Shares in A.P. Moller-Maersk opened up 2.5 percent after news of the U.S. approval, and were up 1.3 percent at 1527 GMT, outperforming the main Copenhagen index which was down 1.3 percent. "North America and the U.S. in particular is a key shipping market. Therefore, the decision by the FMC is a very important step towards overall approval of P3," a Maersk spokesman said.

Central Hub

With a global market share of around 15 percent, Maersk Line is the world's biggest container shipping company, while MSC with around 13 percent and CMA CGM with around 8 percent are number two and three respectively.

The three shipping firms plan to commit all vessels deployed on the three routes into a joint vessel operation centre located in London that will operate the combined fleet independently.

The U.S. Shippers Association says the aim of the tie-up is to drive out weaker carriers and increase market share. "In the case of the trans-Atlantic, it is a short step to the 50 percent mark and beyond, where the P3 would have a controlling share of the market, which would be a very dangerous and detrimental situation," it wrote to the FMC last year.

"It is just a matter of a short time before the P3 controls the trans-Atlantic market," it said.

Analysts from investment bank Alm. Brand Markets forecast the tie-up could lower Maersk Line's costs by up to 6 percent.

The lower costs would mainly be driven by bigger and more energy efficiency vessels, they said.

Maersk has ordered 20 super-size vessels from South Korea's Daewoo Shipbuilding & Marine Engineering. Four of them were put into service on the busy route between Asia and Europe last year, helping to lower costs per unit.

An additional 16 of the Triple-E class vessels are scheduled for delivery during 2014-2015.

Lars Jensen from maritime analysis company SeaIntel said the alliance operating with larger vessels and maximising utilisation would result in significant improvements in their unit costs compared with their competitors.

He estimates the alliance will operate with vessels that on average are 2.000-3.000 TEU (twenty-foot equivalent unit containers) bigger than competitors. - **RF**



FOUR SIMPLE STEPS TO JUMPSTART YOUR S&OP PROCESS

By Christopher Russell
(supplychain247.com, February 2014)

Continuous business plan alignment creates greater visibility of corporate performance, consistent accountability across the organisation and more flexibility to adapt quickly to dynamic market conditions.

The 70% Enigma

I recently read a roundup of all the research Gartner Group has published around S&OP. I'm struck by the fact the research points to 70% of companies are at a maturity level of 2 or lower even after 30 years of S&OP chest beating by the supply chain industry.

You can't help but ask the question, "Why are so many still struggling with S&OP after all this time and energy?"

It's not just consultants and software companies shouting in the proverbial wilderness. End users are searching Google and downloading every bit of S&OP material they can get their hands on. It is clear, real companies and real supply chain professionals are genuinely concerned and trying their hardest to learn about and implement pieces of the S&OP puzzle.

So, where is the disconnect? What can we do to close the gap?

Part of the disconnect is the maturity curve. In looking deeper into the curve, I often ask, "Is too much emphasis put on the higher levels of maturity? Can anyone really define how much value comes from each level or how much effort is involved to take each step?" With 70% of companies stuck at step 1 are levels 3 and 4 even theoretically measurable or actionable?

How do we pull value out of this gap?

If you can do these 4 simple things you have now joined the 30% of successful and mature S&OP companies. You did it by focusing on mastering the basics, not obsessing about maturity levels.

Basics!

Like all good coaches I'm going to advise you to refocus on the basics. Master the basics and you will position yourself to capture the higher levels of value.

The good news is that as I read through all the research and case studies there is a clear direction as to what basic elements of supply chain you need to focus on mastering to glean the highest value. These are the things, that across the board, practitioners and consultants alike will agree are actionable and provide big value to companies striving to move up the S&OP maturity curve.

1. Master Demand Planning

All sources agree that one of the first steps to prepare for a successful journey up the S&OP maturity curve is mastery of demand. This means really mastering the process and technology of forecasting demand, shaping demand and integrating the demand stream into the global planning process.

Can you truly say that your processes, systems and organisation represent a mastery of demand? If no then stop worrying about maturity curves and master demand!

2. Master Supply Planning

The next basic capability that follows close on the heels of Demand Management is Supply Planning. Have you mastered supply planning? Do you have systems, processes and organisation in place that can give you a realistic supply plan? Can you visualise the supply chain network? Can you plan for the real-life constraints across the supply network? As a part of this have you integrated and mastered the manufacturing planning processes? Do you know where your inventory is in this network? Do you

know why you are holding that inventory?

If you can't tell today what your supply plan is across your global supply process, then here is another basic area of mastery that needs attention before the ship of S&OP gets too far from the port.

3. Visibility to the Balance of Supply and Demand

You've got the basics of demand and supply planning in place. Now you need to shine the spotlight of organisational visibility on it. Can you see the supply and demand plan in one place? This is a simple and basic concept and capability, yet most companies struggle with it. Get your supply and demand plans on the same page and the gaps will leap out at you. Then you can start closing those gaps whether organisational, process and/or system. This is basic and actionable.

4. Turn the Dials with Scenarios

Now that you've got your demand and supply plan on the same sheet you can begin to play the scenario game. The simple ability to make very basic changes in demand and supply and see the results! This is how we steer the ship. Ask questions around supply and demand and get usable answers.

Beat the Odds

Guess what? If you can do these 4 simple things you have now joined the 30% of successful and mature S&OP companies. You did it by focusing on mastering the basics, not obsessing about maturity levels.

It is simple. It is basic. Maybe that's why 70% of the supply chain world can't figure it out. - **RF**



FORECASTING A SUPPLY CHAIN TALENT 'PERFECT STORM'

By Kusumal Ruamsook & Christopher Craighead
(supplychain247.com, January 2014)

In *The Perfect Storm*, Sebastian Junger chronicled the story of the six crew members on board the *Andrea Gail*, a swordfish boat out of Gloucester, as they battled a once-in-a-century meteorological cataclysm off the coast of Newfoundland in October 1991.

The devastating storm was created by

the confluence of three extreme meteorological forces: an icy cold high pressure system, a low pressure system, and the remnants of tropical Hurricane Grace. It was a colossal winter-summer collision of an Arctic storm and a tropical hurricane. When the low pressure system met the high pressure system, they formed a non-tropical Atlantic storm that later absorbed Hurricane Grace.

Such events are rare, but when they happen, they bring forth enormous amounts of destructive energy. During *The Perfect Storm*, gale force winds "blasted over the ocean at more than 100 mph. Ocean waves peaked at 100 feet, the height of 10-story buildings," wrote Beth Nissen, a reporter for CNN.com. As anyone who has read the book or seen the movie knows, the ship and crew succumbed to the power of the wind and waves.

Based on our research, which was supported by the Centre for Supply Chain Research (CSCR) at the Smeal College of Business, at The Pennsylvania State University, we believe a supply chain talent perfect storm could be in the offing.

Our conclusions were drawn from a review of the literature, reports from key organisations, and a Supply Chain Leaders Forum (SCLF) sponsored in October 2012 by CSCR. The Leaders Forum brought together more than 70 top supply chain and human resource professionals from a variety of companies and industries to address the challenges stemming from supply chain talent.

Based on our review, we have observed a number of key emerging trends that individually create tension and potential disruptions in the supply chain talent pool. Either of those on their own can create challenges for a supply chain organisation similar to a hurricane or a severe winter gale. At the same time, like *The Perfect Storm*, there is the prospect of these trends colliding to create a supply chain talent "perfect storm."

The goal of this article is not to take a strong stance on if or when the storm will occur; like the weather, that is hard to predict. Rather, consider this paper a "storm warning." Just as serious seafarers knowledge of atmospheric conditions is a large part of seamanship, proactive organisations need to recognise the importance of understanding the vagaries of the business atmosphere in devising business strategies.

In the following, we describe key emerging trends in supply chain talent that individually create tension in the supply chain talent pools, along with strategic recommendations to weather and survive any coming storms.

A Tetralogy of Supply Chain Trends

At least four trends—a tetralogy—are forces of increasing magnitude that create strains in the supply chain talent pool. They include:

1. Industry Demand for New Supply Chain Talent
2. Supply Chain Talent Gaps
3. Supply Chain Profession Dynamics
4. Potential Business Faculty Shortages

Each of these four has an impact on the others.

1. Industry Demand for New Supply Chain Talent

The demand for supply chain talent has been on the rise across industries and types of logistics and supply chain positions. According to the U.S. Bureau of Labour Statistics jobs in logistics are estimated to grow by 26 percent between 2010 and 2020, an average growth rate that is nearly twice as fast as 14 percent of all occupations.

The supply chain job growth has been affirmed by a variety of industry associations. For instance, CSCMP's Career Centre reported "very strong" hiring activity and job postings for all types of logistics and supply chain positions in 2011 and 2012. Similarly, surveys conducted by the Institute for Supply Chain Management (ISM) indicated steady and strong climbs in hiring in both manufacturing and non-manufacturing sectors in 2011. Already, demand for supply chain professionals is estimated to exceed supply by a ratio of six to one, according to R.J. Bowman, author of *The Society of Supply Chain Management*,

2. Supply Chain Talent Gaps

The gap between the demand and availability of supply chain professionals is only going to get wider. Consider that there are an estimated 76 million Baby Boomers in the United States who are turning 65 at the rate of one every eight seconds, according to a report by Steve Minter in *Industry Week*.

At this rate, the US Census Bureau projects that more than 60 million Baby Boomers will exit the workforce by 2025. Given that there are fewer GenXers than Baby Boomers, only 40 million new bodies will enter the workforce. As a result of this demographic trend, talent shortages that already surfaced at most occupational levels in supply chain are most acute in mid-management positions (a "hollowed-out middle") and even senior-level management positions.

3. Supply Chain Profession Dynamics

It's not just that there is a smaller pool of potential professionals available for the future, there is also a growing skills gap that is exacerbated by the transition from

Key emerging trends that individually create tension and potential disruptions in the supply chain talent pool.

industrial economy to information/service economy.

By all accounts, today's business environment demonstrates less standardisation, higher complexity, longer learning cycles, higher dynamics, and higher degree of talent intensity. For evidence, consider that jobs requiring highly skilled professionals continued to grow even during the recent recession. Accordingly, supply chain as an industry is evolving as a highly educated sector rich in professionals with "hard" analytical skills.

However, the ongoing transition to a knowledge-based, globalised economy carries with it changing supply chain profession dynamics. In fact, it is projected that three out of four jobs in supply chain will change by 2015, and that 60 percent of all new jobs in the 21st century will require skills that only 20 percent of the workforce possesses. For supply chain as an industry, this means that being an industry rich in "hard" analytical skills is no longer sufficient.

On the contrary, a set of skills, leadership, and cross-functional competencies essential for supply chain professional and organisational success in the 21st century will continue to broaden and constantly evolve. Already, there is a shortage of highly skilled workers who possess those broader business skills.

4. Potential Business Faculty Shortages

What about the capacity of academia to create new talent? The outlook does not look sunny on that front either. According to the International Business School Data Trends published by the Association to Advance Collegiate Schools of Business (AACSB), the number of full-time business faculty in supply chain management, transportation, and logistics has been consistently below 1.5 percent of all-field business faculty both in the United States and worldwide.

With an average of just 365 U.S. supply chain business faculty members between 2009 and 2013, this relatively diminutive

body could shrink even further given the pending retirements of baby boomer-aged faculty. Adding to the predicament is the somber outlook for the number of new doctorate graduates available for faculty employment in U.S. universities, despite the fact that more than half of business doctorates graduated each year earned their degrees from U.S. schools. According to the Doctoral Faculty Commission, the shortfall of new business doctorates by 2014 is estimated at 2,500.

A number of factors are contributing to these shortfalls. For one, at least 15 percent of new doctorates choose to take government or industry positions rather than academic positions, while many others are hired to teach outside of the United States. For another, the number of new students accepted into business PhD programs in U.S. universities has been weakened by tough budget pressures. Finally, the PhD completion rate is lugubrious: Almost half of all new business doctoral students do not complete their degree programs, resulting in the perceivably slim number of business-doctorates-to-be.

The ramification of the latter two factors can be gauged from the National Science Foundation (NSF)'s 2011 Survey of Earned Doctorates from US Universities.

According to the survey, the number of doctorate recipients in business and management averages 2.8 percent of doctorate recipients in all fields of study during 2001–11 vs. approximately 16 percent in science and engineering fields.

The Supply Chain Talent Perfect Storm. The deleterious effects of each of these forces on the availability of supply chain talent are already individually at play. What happens if they collide and converge? They could create a supply chain talent "perfect storm" that could have severe repercussions:

- Breadth - The effects could permeate across all supply chain functions.
- Depth - The effects will be felt from top to bottom.
- Longevity - The effects won't simply blow over quickly.

In essence, organisations in the midst of the storm will find it increasingly difficult to simultaneously search for the right talents to back-fill those who retired or about to retire, raise the skill sets of existing talents to meet the needs of a changing environment, and groom high-potential talents into future supply chain leaders.

What's at stake here?

While the talent shortage could affect value creation, performance, and

competitive advantage in many ways, the underlying theme in all of them boil down to a single strategic asset: supply chain knowledge (SCK). That's the knowledge of the products, processes, and partners within the supply chain.

How important is SCK? Paramount!

For example, a recent meta-analytic study examined the data from 35 published academic papers on supply chain knowledge and performance. The authors concluded that SCK was a significant indicator of the performance of supply chain organisations.

"While firms most likely want to devote time and money to cultivating a variety of strategic resources," the authors wrote, "their investments in building SCK may offer particularly handsome returns."⁽¹⁾ Unfortunately, the ability of organisations to invest in SCK in the future may be significantly hampered by the perfect storm.

Five Strategies to Weather the Storm

While specific activities of talent management differ by organisation, talent management programs at organisations participating in the Supply Chain Leaders Forum have certain characteristics in common. The most important is that they have developed future-focused, integrated talent management programs that are aligned with corporate strategies. Underlying these programs are five strategies contrived to ensure that the organisations are prepared to stay afloat in the midst of the perfect storm.

Will the supply chain storms collide? And if so, when? We're not sure. However, the steps supply chain organisations take now could mean the difference between riding out the storm or sinking under the waves.

Strategy 1: Prepare the vessels by constituting employee value propositions

Sailors prepare for heavy weather by ensuring that the vessel is structurally sound, well provisioned, and outfitted with proper operating, maintenance, safety, and emergency gear and systems.

To prepare for the supply chain talent perfect storm, organisations' talent management programs need to have structurally sound employee value propositions that span opportunity, work, rewards, people, and organisation. Specifically, employees should be provided with a career roadmap and opportunities to acquire the skills they need to climb the leadership ladder and broaden their career potential.

These roadmap and opportunities, as well as compensation and incentive programs, should be designed to reflect individual skill assessment (to identify skill gaps), learning pace and style, and personal objectives such as progress in life and career. All activities must be accompanied by specific goals and timelines against which each individual is evaluated and development plan updated.

Strategy 2: Plot safe passage by mapping talent needs

When a storm is gathering at sea, the first and foremost strategy is to work out the vessel's current position and plot the safest course to sail through the stormy water. This action also means that one continues to keep an eye open for changing conditions that render the current forecast obsolete and revises the course as needed.

In a similar vein, mapping talent needs entails identifying the "must have" competencies required by an organisation. That is followed by an assessment that identifies the disparity between existing skill sets, must-have abilities and the skill sets that are integral to meeting business strategies. Such a competency framework needs to be future-focused and future-proofed by continuously reevaluating and updating the pivotal skills that will be required in the future to compete in an ever-changing business environment.

The goal is to ensure that talent is recruited, developed, evaluated, and compensated in line with the performance needs of the business. To achieve this goal, a flexible architecture of talent management programs is important for organisations' ability to adapt and revamp their approaches accordingly.

Strategy 3: Batten down the hatches by focusing on retention

In inclement weather, seafarers once used strips of wood called battens to secure

covers over the hatches, preventing the loss and damage of the precious cargo on board.

In general, supply chain executives expect their most talented employees to leave at some point. However, a tremendous amount of voluntary turnover is occurring today, despite an uncertain economy. The upward trend of voluntary turnover rates is likely to become even more pronounced in the future because of the free agent mentality—the willingness to leave current employer for more money and/or for a bigger career opportunity—particularly among young professionals.

In fact, voluntary turnover rates are increasing significantly in Generations X and Y that currently accounts for more than half of the U.S. workforce, compared to older Baby Boomer and veteran counterparts. Supply chain organisations that want to weather the storm need to batten down the hatches and protect their most valuable employees during inclement weather.

Strategy 4: Reef your sails by investing in talent and leadership development

To guard against the adverse effects of strong wind during heavy weather, seafarers reef their sails to reduce the area of a sail exposed to the wind. The rule of thumb is to reef before it is needed as it is always easier to reef the sails before rather than during a storm.

To reduce exposure to the supply chain talent perfect storm, professional development plans are increasingly used to convert a critical mass of "labor" into "talent and leadership."

This strategy is reflected in the fact that a particularly popular track for new entrants into the supply chain management and logistics field is professionals who earned non-logistics/SC-related undergraduate degrees and learned through their employers' development programs.

Not surprisingly, there has been a steady increase in investment in high-potential and leadership development, and increase career path opportunities. Certain traits distinguish heavy-weather talent development programs from traditional counterparts

First, heavy-weather development programs balance a mix of formal programs, such as university courses and expertise development and certification, and informal programs, such as on-boarding processes, on-the-job training and mentoring programs.

Second, the heavy-weather development programs shift from training to learning, and from traditional tower-focused to T-shaped talent development approach. The learning-based, T-shaped approach hones in on core supply-chain technical skills, while simultaneously embracing leadership and

globally integrated, cross-functional capabilities.

Commonly implemented programs are global mobility programs and job rotations or cross-functional assignments. The former, global mobility programs, help develop the next leadership generation by creating opportunities for individuals to become more culturally aware and apt in a globalised business world.

The latter, job rotations, aim to broaden the perspectives of functional specialists in terms of the roles and responsibilities as well as the opportunities and challenges inherent in managing diverse value-added activities throughout the organisation.

Unlike those in traditional programs, job rotations in heavy-weather development programs are not limited to related disciplines, such as procurement, manufacturing, and logistics, but also include nontraditional areas like human resources and marketing, to develop talents with domain knowledge and establish relationships in broader areas of the organisation.

As an example, Ingersoll Rand uses the “2 x 2 x 2” rule that a senior manager must meet; that is, she/he must work in at least 2 different business units, in two different functional areas, and in two different countries, according to Industry Week’s Steve Minter.

Strategy 5: Stem the tide by landing top talent early for the next decade

Nautically speaking, a ship stems the tide when she intentionally sails against the tide at such a rate that she is able to overcome its power, thus preventing the mounting force of the tide from stalling or capsizing the ship.

Stemming the tide in this context calls for the creation of a talent pipeline, notably for positions that are typically difficult to acquire, by collaborating with colleges, universities, and even high schools.

This strategy allows the organisations to introduce high school juniors and undergraduate seniors to supply chain careers, hence raising the level of awareness of the profession in order to encourage more young people to enter the field. In addition, the organisations are more actively engaged in various educational activities, such as the following:

- Participating in developing industry-driven curriculum.
- Offering scholarships to students based on scholastic achievement and interest in pursuing careers in the supply chain management field.

- Offering paid internships or sponsoring projects, consulting assignments, and/or research that provide real-world experiences and help foster development of future supply chain executives.
- Being “guest lecturers” to better disseminate insights from industry into supply chain programs to support the development of theory into practice.

In effect, this industry-academic collaborative relationship is mutually advantageous to both parties. The industry is able to land work-ready supply chain talents early for the next decade; while the academic institutions are able to stay informed about the changing educational needs of industry to auspiciously further growth and development of supply chain education programs. Conceptually, these efforts could be thought of as “customer managed inventory.”

Will the supply chain storms collide? And if so, when? We’re not sure. However, the steps supply chain organisations take now could mean the difference between riding out the storm or sinking under the waves. - **RF**



GOOGLE’S SCIENTIFIC APPROACH TO WORK-LIFE BALANCE

By Laszlo Bock
(blogs.hbr.com, 27 March 2014)

More than 65 years ago in Massachusetts, doctors began a longitudinal study that would transform our understanding of heart disease. The Framingham Heart Study, which started with more than 5,000 people and continues to this day, has become a data source for not just heart disease, but also for insights about weight loss (adjusting your social network helps people lose weight), genetics (inheritance patterns), and even happiness (living within a mile of a happy friend has a 25% chance of making you happier).

Upon reading about the study, I wondered if the idea of such long-term research could be attempted in another field that touches all of us: work. After more than a decade in People Operations, I believe that

the experience of work can be — should be — so much better. We all have our opinions and case studies, but there is precious little scientific certainty around how to build great work environments, cultivate high performing teams, maximise productivity, or enhance happiness.

Inspired by the Framingham research, our People Innovation Lab developed gDNA, Google’s first major long-term study aimed at understanding work. Under the leadership of PhD Googlers Brian Welle and Jennifer Kurkoski, we’re two years into what we hope will be a century-long study. We’re already getting glimpses of the smart decisions today that can have profound impact on our future selves, and the future of work overall.

This isn’t your typical employee survey. Since we know that the way each employee experiences work is determined by innate characteristics (nature) and his or her surroundings (nurture), the gDNA survey collects information about both. Here’s how it works: a randomly selected and representative group of over 4,000 Googlers completes two in-depth surveys each year. The survey itself is built on scientifically validated questions and measurement scales. We ask about traits that are static, like personality; characteristics that change, like attitudes about culture, work projects, and co-workers; and how Googlers fit into the web of relationships around all of us. We then consider how all these factors interact, as well as with biographical characteristics like tenure, role and performance. Critically, participation is optional and confidential.

What do we hope to learn? In the short-term, how to improve wellbeing, how to cultivate better leaders, how to keep Googlers engaged for longer periods of time, how happiness impacts work and how work impacts happiness.

For example, much has been written about balancing work and personal life. But the idea that there is a perfect balance is a red herring. For most people work and life are practically inseparable. Technology makes us accessible at all hours (sorry about that!), and friendships and personal connections have always been a part of work.

Our first rounds of gDNA have revealed that only 31% of people are able to break free of this burden of blurring. We call them “Segmentors.” They draw a psychological line between work stress and the rest of their lives, and without a care for looming deadlines and floods of emails can fall gently asleep each night. Segmentors reported preferences like “I don’t like to have to think about work while I am at home.”

For “Integrators”, by contrast, work looms constantly in the background. They

not only find themselves checking email all evening, but pressing refresh on gmail again and again to see if new work has come in. (To be precise, people fall on a continuum across these dimensions, so I'm simplifying a bit.)

Of these Integrators (69% of people), more than half want to get better at segmenting. This group expressed preferences like "It is often difficult to tell where my work life ends and my non-work life begins."

The fact that such a large percentage of Google's employees wish they could separate from work but aren't able to is troubling, but also speaks to the potential for this kind of research. The existence of this group suggests that it is not enough to wish yourself into being a Segmentor. But by identifying where employees fall on this spectrum, we hope that Google can design environments that make it easier for employees to disconnect. Our Dublin office, for example, ran a program called "Dublin Goes Dark" which asked people to drop off their devices at the front desk before going home for the night. Googlers reported blissful, stressless evenings. Similarly, nudging Segmentors to ignore off-hour emails and use all their vacation days might improve well-being over time. The long-term nature of these questions suggests that the real value of gDNA will take years to realise.

Beyond work-life balance there are any number of fascinating puzzles that we hope this longitudinal approach can help solve. For a given type of problem, what diverse characteristics should a team possess to have the best chance of solving it? What are the biggest influencers of a satisfying and productive work experience? How can peak performance be sustained over decades? How are ideas born and how do they die? How do we maximise happiness and productivity at the same time?

The best part is that, just like the Framingham researchers, we don't yet know what we'll discover. They worked for 20 years before trends began to emerge, and today those findings are among the clearest risk factors of heart disease we've got—think cigarette smoking, lack of exercise, and obesity. gDNA is still in its infancy, and is inherently limited because we're only including current and former Googlers. But already Googlers tell us that learning more about themselves has been eye-opening. In the future, we hope to find ways to share our data and findings more broadly. It's thrilling not just to reimagine work at Google but to get to work with academics and other partners who can bring new perspectives to help us think beyond our ranks.

People Science needs to be adaptive. By analysing behaviors, attitudes, personality

traits and perception over time, we aim to identify the biggest influencers of a satisfying and productive work experience. The data from gDNA allows us to flex our people practices in anticipation of our peoples' needs.

We have great luxuries at Google in our supportive leadership, curious employees who trust our efforts, and the resources to have our People Innovation Lab. But for any organisation, there are four steps you can take to start your own exploration and move from hunches to science:

1. Ask yourself what your most pressing people issues are. Retention? Innovation? Efficiency? Or better yet, ask your people what those issues are.
2. Survey your people about how they think they are doing on those most pressing issues, and what they would do to improve.
3. Tell your people what you learned. If it's about the company, they'll have ideas to improve it. If it's about themselves – like our gDNA work – they'll be grateful.
4. Run experiments based on what your people tell you. Take two groups with the same problem, and try to fix it for just one. Most companies roll out change after change, and never really know why something worked, or if it did at all. By comparing between the groups, you'll be able to learn what works and what doesn't.

And in 100 years we can all compare notes. - **RF**



BRAIN TATTOOS

By Robin Sharma
(March 2014)

Today I wanted to share 4 of the "brain tattoos" that have been creating exceptional results for members of my online courses as well as participants at my live presentations

around the world.

By reflecting on them daily, re-writing them in your journal and talking about them consistently, you'll wire them in as new core beliefs...

...and as you know: your deepest beliefs drive your daily behavior.

Brain Tattoo #1: No idea works unless you do the work.

A lot of winning starts with beginning. Ideas are awesome but you absolutely must start the process of acting on the ideas you learn to get the results. Otherwise, it's all just a fantasy.

Brain Tattoo #2: All change is hard at first, messy in the middle and gorgeous at the end.

Often, we start to install a new habit and then quickly retreat on the first sign of discomfort. But please remember that our growth--and mastery--is built around our discomfort, not our ease.

Change is hard at the beginning as you tear away old patterns and ways of being. And then it gets messy as you've let go of all you were yesterday for the sake of someone even better tomorrow. But--after 66 days (remember The 66 Day Rule of habit installation based on the recent research at University College London), you've reached automaticity. And the habit becomes automatic.

Brain Tattoo #3: The finest way to get respect is to give respect.

It also speaks to a beautiful truth: treat people incredibly well and you'll give them a reason to treat you incredibly well.

Brain Tattoo #4: To have what few have, do what few do.

To rise to world-class, each of us on this path we're on must leave the cult of mediocrity and enter The Club Of Mastery. And think, behave and live as very few are willing to do. Yes--the world will then call us eccentric and different. But all progress depends on those of us with the guts to pursue our own paths.

We need to aim for iconic in our fields, sweat the details, pursue a singular vision, be filled with optimism, passion and integrity. And be utterly devoted to our personal development and professional education. - **RF**

Note - All credit goes to the particular author and/or publication of the articles shared in this publication

Result focused logistics and supply chain advisory services

By Anton Nieuwoudt / Niels Rudolph

dasRESULTAT is a results focused logistics and supply chain management advisory company with greater than 30 years combined experience in various functional areas of logistics and supply chain management across diverse industries.

Our primary objective is to support our clients to reduce operational costs and increase their service offering to their clients through optimising their supply chain, by offering a wide range of services based on our own practical experience.

dasRESULTAT stands under joint leadership of Anton Nieuwoudt and Niels Rudolph.

Leadership

Anton has close to 15 years experience in logistics- and supply chain management across various industries.

Prior to co-founding dasRESULTAT as a boutique logistics and supply chain advisory company, Anton was at Accenture where he was involved in various projects in the Retail, Mining, FMCG and Energy sectors. Here he was able to expand and apply his fulfillment, supply chain management, supplier management, project management and business consulting expertise.

Anton also worked at DB Schenker where he gained experience in integrated logistics management, spare parts logistics as well as inbound- and outbound logistics solution implementation.

Anton holds a Bachelors degree in Marketing from the Rand Afrikaans University and a Masters degree in Logistics Management from the University of Johannesburg.

Niels has more than 20 years experience in logistics- and supply chain management mainly within the 3PL industry.

Prior to co-founding dasRESULTAT as a boutique logistics and supply chain advisory company Niels founded ORAscm as a specialised logistics consultancy company. He also worked at DB Schenker and PriceWaterhouseCoopers in Germany as a project consultant.

Niels spent the largest part of his career at DB Schenker in various roles in Germany,

Singapore, Malaysia and South Africa. During his last role at DB Schenker in South Africa, Niels was responsible for logistics development, reporting directly to the CEO. Here he applied and expanded his knowledge to develop logistics solutions across the local automotive, high-tech and retail industries.

Niels holds a Diplom Betriebswirt (BA) from Staatliche Berufsakademie, Mannheim (Germany).

Functional experience

Our functional experience include among others warehouse design & management, transportation management, inventory management, demand planning, supply planning, supply chain planning, supplier relationship management and project management.

Industry exposure

We have had exposure to industries such as retail, automotive, consumer goods and services, petrochemical, mining and defense aerospace.

Core offerings

Through our core offerings we can support our clients to achieve strategic, tactical and operational results. These offerings cover areas such as Strategic Supply Chain Planning, Fulfillment, Sourcing & Procurement, and Project Execution.

Credentials

Since founding the company in the fourth quarter of 2012 we've been involved in various engagements.

Our primary engagement in 2013 has been with a leading global third party logistics company. Here we've been tasked to support them in their turn-around of their contract logistics department, transportation management strategy and operating model design, Africa business development strategy, and procurement strategy development.

Secondary engagements during our first year of operations included a warehouse performance assessment at the Cape Town operations of a global apparel company, supporting a logistics service transition at a German automotive manufacturer, and providing warehouse implementation support for an agricultural equipment manufacturer.

We are currently supporting a transportation consulting company with project management at a South African FMCG company and with a supply chain assessment at a Durban based manufacturer of engineered wood products. - **RF**

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dasRESULTAT is a result focused logistics and supply chain management advisory company.

We partner with our clients to identify and unlock practical and sustainable solutions.

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