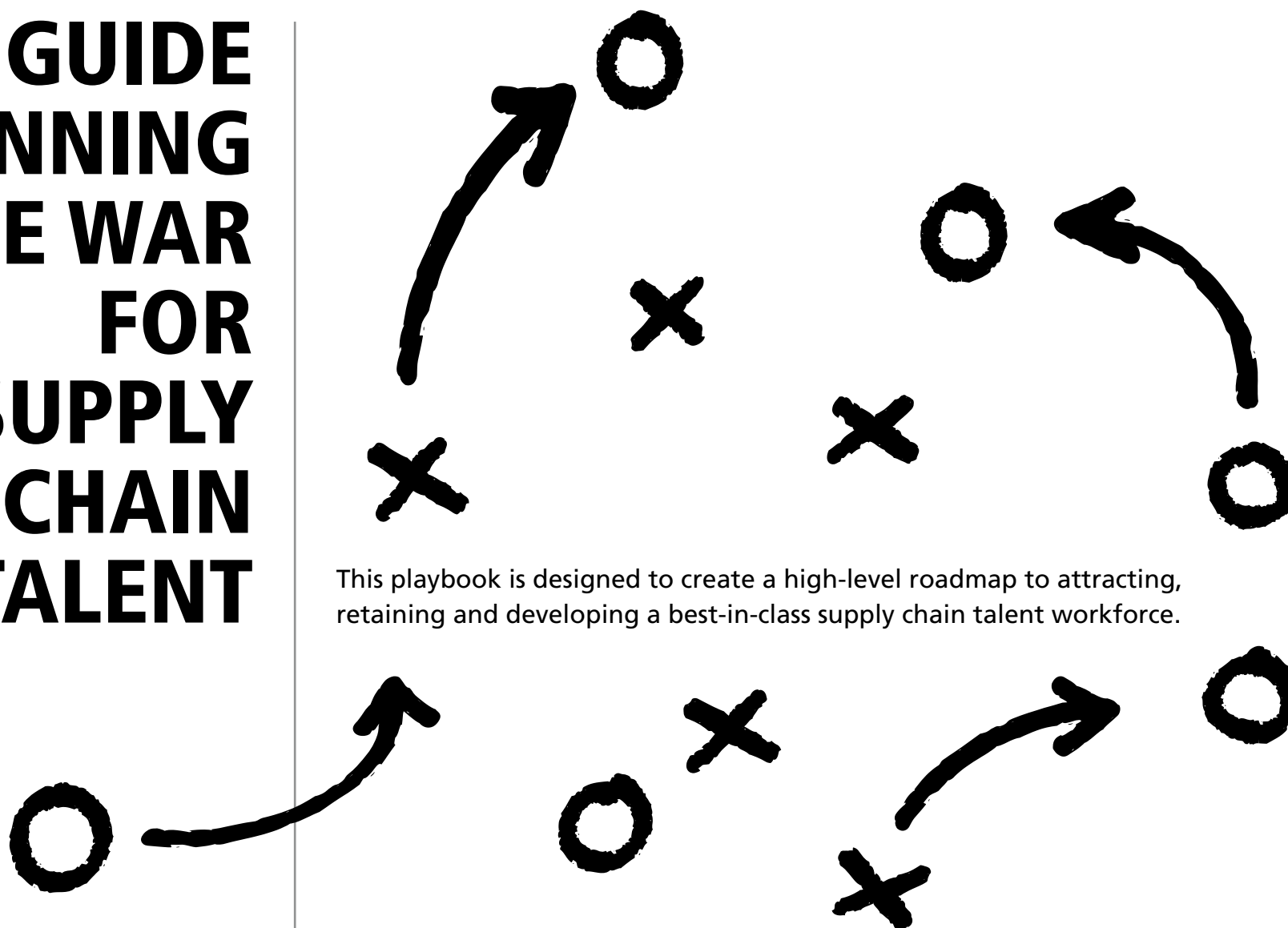


PLAYBOOK

WINNING THE WAR FOR TALENT

DHL Supply Chain

A GUIDE TO WINNING THE WAR FOR SUPPLY CHAIN TALENT



THE SUPPLY CHAIN SHORTAGE

WHAT IS HAPPENING TO THE SUPPLY CHAIN TALENT?

The supply chain sector is facing an unprecedented global talent shortage – one that is steadily worsening at all levels of management. In some industries and geographies, the shortage is so acute that there may be serious implications for companies' performance.

Two factors are driving the talent scarcity. First, demand is outstripping supply, and will continue to do so for the foreseeable future. Secondly, the profession's rapidly changing job requirements are creating a competency gap, thus aggravating the situation.

The fact is, the supply chain education system is failing to keep up with these new skillsets. It is essentially training people in "last year's" skills.

A survey by Deloitte confirms this assertion. Just 38 percent of supply chain executives in the study were confident their people have the required competencies today. Looking ahead five years from now, only 44 percent of executives said they were confident their people would have the skills they required.¹

Businesses that solve the talent crisis reap powerful benefits. According to a study by the Boston Consulting Group, companies with the strongest leadership and talent management capabilities increase their revenues 2.2 times faster and their profits 1.5 times faster than talent laggards.²

1) "Supply Chain Talent Crisis Looms." Deloitte. 2017. 1.

2) 'Leadership and Talent Management Pays Off.' Boston Consulting Group. 2015.

<https://www.bcg.com/en-mx/d/press/16mar2015-global-leadership-talent-index-improve-capabilities-create-value-850>

"Competencies in hard analytical skills are no longer sufficient, managers must also excel in soft skills such as leadership and creativity."

David Closs,
Professor of Supply Chain Management
Michigan State University

WINNING THE WAR FOR SUPPLY CHAIN TALENT REQUIRES A TWO-PRONGED APPROACH:

This playbook provides a high-level blueprint for implementing this blended approach – with one mission: To drive competitive advantage and profitable growth.



Develop a clear,
comprehensive talent
strategy and “map”



Define and execute
the strategy via three
structured pillars

TOP THREE SKILLS FOR 2020

What top three skills will the supply chain manager of 2020 need to do his/her job?

1. SKILL



Technical, multi-function expertise **plus** advanced analytical skills

2. SKILL



Strategic management skills **plus** leadership, creativity and imagination

3. SKILL



Global, end-to-end supply chain focus and knowledge

THE NUMBERS: THE SUPPLY-DEMAND IMBALANCE

26 percent is the rate of supply chain job growth between 2010-2020³

9:1 ratio at which demand for supply chain professionals will exceed supply

46 percent of global companies having trouble filling middle-level management positions⁴

73 percent of multi-nationals having trouble finding senior-level supply chain leadership

3) "A Strategic Solution to the Global Supply Chain Talent Shortage." <https://www.linkedin.com/pulse/strategicsolutionglobalsupplychaintalentmark>. 2016. p 2

4) DHL Supply Chain Talent Survey, 2016.



talent
strategy
& "map"

STEP 1: DEVELOP A CLEAR TALENT STRATEGY AND "MAP"

The most profitable companies approach managing their talent pipeline with the same process and practice rigor they use to manage their global supply chains. They view talent acquisition, development and retention as the "product" in this context and value it as a core and fundamental part of the supply chain.

Leading supply chain organizations are very clear on their talent mission. They align it directly with corporate strategy to ensure that their efforts fully support the company mission. They view attracting, developing and retaining the right people as the essential enabler of the company's growth.

There are three steps companies take to support this overarching talent strategy:

1.

Create a supply
chain "talent map"

2.

Manage demand
and supply

3.

Monitor for change
– constantly

THERE ARE THREE STEPS COMPANIES TAKE TO SUPPORT THIS OVERARCHING TALENT STRATEGY:

1

Create a supply chain “talent map.” Identify and define all the positions within the organization to create a clear “talent map” that covers every facet of the supply chain, at all echelons – from entry level to senior leadership. This map is continually updated as existing positions evolve, emerge or are eliminated. Skills requirements are identified for each position, with salaries and benefits ranges being set. This talent map is used to design succession planning, future recruiting, and employee development initiatives.

2

Manage demand and supply. Forecast current and future talent demand to populate the succession plan, drive recruiting efforts and guide employee development activities. Using these forecasts, the current talent inventory is tracked to determine whether it can/will meet demand. Supply risks and gaps are identified, and a strategy along with tactics are created to address those risks and gaps.

3

Monitor for change – constantly. Talent needs evolve as the business develops, grows and changes. Assess how these commercial dynamics affect the kinds of skills and people you need to run your supply chain – today and in the future. Adjust your strategy and tactics accordingly to reflect this evolving environment.



execute
three
pillars

STEP 2:

DEFINE AND EXECUTE THE THREE PILLARS OF SUCCESS

With a clear strategy and talent map in hand, the next step is to build out the execution/tactical model to support it. These tactics fall into three areas: Attract, retain and develop. These are the three pillars of sustained talent management success.

ATTRACT

RETAIN

DEVELOP

ATTRACT

PILLAR #1: ATTRACT

Competition for great supply chain talent is fierce. The best people want to work for companies that offer the most engaging and rewarding career opportunities. They can pick and choose their employers. How then do you gain an edge in the talent acquisition game? Here are five essential practices:

- Recognize the value of supply chain as a strategic profession – one that is critical to your company's success. Clearly communicate this attitude often, across all levels of the organization. Not just in words, but in deeds – policies and practices.
- Be an employer of choice. Develop and offer clear career paths and opportunities for advancement for prospective supply chain employees.
- Offer effective training and mentoring, a diverse and empowering corporate culture, an engaging work environment and job stability.
- Offer competitive salaries and benefits at every level in the supply chain. And make your offerings competitive with other departments within your organization – e.g., manufacturing, marketing, finance. Benchmark your offering with other companies in your region, and clearly define what makes your supply chain organization a better opportunity.
- Support work-life balance – flexible schedules, flexible work environments and family-friendly policies.
- Offer job rotation programs for entry-level people; provide functional cross-training – e.g. procurement/sourcing; production; transportation management; distribution center operations; planning; and, forecasting. Cross-training not only expands an individual's breadth of knowledge and experience, but also promotes a fuller understanding of how all the disciplines within the company work together to create a whole.

VALUING SUPPLY CHAIN

- Only 25 percent of supply chain professionals say their company views supply chain as **equally important** as other disciplines
- 20 percent of companies in the survey still see supply chain talent as an **operational commodity**

RETAIN

PILLAR #2: RETAIN

The industry needs to do more to incentivize people to stay in supply chain. This comes not just from providing competitive salaries and benefits, but from developing a portfolio of benefits and programs that encourage employees to remain “invested” in the supply chain organization.

- Establish well-defined, attractive career paths, with clear opportunities for advancement. Supply chain should never be perceived as a “fallback” position. Clear career paths with opportunities for advancement prove that it is not.
- Create succession plans. Provide the education, support, mentoring and coaching to grow successors at all levels of the organization.
- Integrate “old and new” ways of working to embrace differences in how generations of people – e.g. millennials, mid-career – want or expect to work, the kind of environment they’re willing to work in, and how they expect to be managed.
- Recognize and reward accomplishment.
- Offer graduated perks, benefits and compensation schedules.



PILLAR #3: DEVELOP

A winning talent development program is top priority for supply chain leaders. They use continuous readiness assessment programs to ensure their people have the skills they need to manage the business for growth. They continually work on developing great leaders. The DEVELOP phase is frequently the most complex of the three pillars, and includes three core components.

Develop personalized, metrics-based career plans

- Map individual employees' strengths and weaknesses, and develop personalized learning and growth plans to address them. The plan should encompass building expertise in many functional areas of the end-to-end supply chain. It should focus on building strategic supply chain skills as well as technical/functional expertise.
- Support the employee in pursuing this personalized growth plan and all its components. Make sure the plan is well-rounded, and covers the gamut of skills required today and for the future – i.e., advanced supply chain analytical skills, strategic/critical thinking, leadership and innovation. The supply chain manager of the future needs high-level aptitude in these areas.
- Track and measure employees' progress toward achieving their milestones. Provide a robust improvement support infrastructure to help supply chain talent develop in all aspects of their career.



PILLAR #3: DEVELOP

Formalize knowledge transfer

- Establish a formal knowledge transfer program to preserve and share knowledge. This means capturing the “institutional knowledge” that resides in mid- to upper-level supply chain management, and creating formal methods for transferring that knowledge to rising employees through teaching, mentoring, job shadowing and other means. This transfer mechanism prevents the knowledge drain that often happens when senior people leave the organization. In supply chain, it is particularly critical not to lose the specialized knowledge gained from managing supply chains across channels, geographies, products and customers.
- Capture knowledge, solutions and best practices in a digital knowledge bank or library. This library could include everything from detailed descriptions and process maps for supply chain solutions – e.g., a network redesign or new-market start-up – to articles on new warehousing technologies.
- Develop formal and informal knowledge sharing tools and systems. These can be off-the-shelf applications, a digital library or social media offerings.



PILLAR #3: DEVELOP

Invest in learning and development

- Adopt a comprehensive learning strategy. Deliver education through a blended learning architecture, based on formal and informal learning opportunities. Make education “easy to consume” – providing it via multiple channels, including social media.
- Consider developing a “corporate university” or tap in to industry education programs. Best-in-class supply chain “academies” offer education and training in all facets of supply chain operations, planning, technology, external partner collaboration and management, and so on. Many such programs are built on the supply chain operations reference (SCOR) model of “plan, source, make, deliver and return.”
- Support employees in attaining industry certifications as a path to professional development – e.g., certified supply chain professional, certified production and inventory management professional. Industry groups such as APICS, the Council of Supply Chain Management Professionals (CSCMP), and the Institute for Supply Management (ISM) all offer certification programs.
- Develop leadership programs that educate people in new skills and ways of working, all results-oriented and aligned with corporate strategy. New skills include advanced supply chain analytics and big data, virtual collaboration platforms, rapid response product or solution prototyping; new ways of working include virtual and augmented reality, robotics, Internet of Things and artificial intelligence.



THE PAYOFF

Winning the war for supply chain talent is an ongoing battle. It requires imagination, commitment from the top down, and bottom up, and close partnerships with internal stakeholders and external business partners. It also requires talent acquisition, management and development programs expressly tailored to age groups, demographics, cultures, geographies and industries.

But as the Boston Consulting Group study indicates, the effort is well worth it.

10 TALENT QUESTIONS TO ASK YOUR 3PL

Like every other industry, the third-party logistics (3PL) sector is challenged to find the talent it needs to serve customers and grow. How can you tell whether your 3PL is a talent leader or laggard? Here are ten questions to ask them.^{5,6}

- 1 What is your employee turnover rate? Stable, tenured employees lead to legacy knowledge of your account, adding value.
- 2 How and where do you recruit talent? Do you recruit from alternative sources - e.g. military leavers?
- 3 Have you analyzed your positions and mapped out role requirements, compensation and benefits?
- 4 Do you have an employee development program with clear career path opportunities? What does it look like? How successful is it?
- 5 Do you have a continuous learning program in place and what does it entail?
- 6 Are you investing in acquiring new talent to move your company forward to make sure you'll have the people you need five years from now?
- 7 Do you identify "fast track" managers and give them extra training, coaching and mentoring?
- 8 What is your succession program across regions?
- 9 Are you working with colleges, or other academic institutions, to influence changes to the curriculum to ensure tomorrow's supply chain graduates have the skills that are needed for the new roles?
- 10 What are you doing to overcome the negative image problems that are often associated with working within the supply chain function?

5) "The Essential Guide to Third Party Logistics: What is a 3PL, Considerations for Hiring, & How to Select & Implement a 3PL." Cerasis. 2016.

6) Robert C. Lieb. "How to fix the 3PL talent problem." <http://www.supplychainquarterly.com/topics/Strategy/20131104-how-to-fix-the-3pl-talent-problem/>. Supply Chain Quarterly. 2013.

EXCELLENCE AT A GLANCE

UNILEVER'S TALENT STRATEGY

Unilever's successful talent development program has helped propel the global consumer goods giant to the number one slot in Gartner Inc.'s Supply Chain Top 25 for the past two years. And, as the company notes on its website, "Our status as an employer of choice is at an all-time high, which has great benefits and helps us to attract, retain and engage talent."

The company's talent strategy is elegant in its simplicity, and perfectly clear in its direction. Here are some highlights, based on Unilever's corporate website.⁷

We have a clear plan

To help us achieve our vision, our strategy document called 'Compass' sets out a constant and clear path. With our ambition in mind, Compass defines four crucial commitments. These are: winning with brands and innovation; winning in the marketplace; winning through continuous improvement; and of course, winning with people. We believe attracting, developing and retaining the right people is crucial to our growth strategy.

We develop strong talent

We prioritize the development of our employees. Through continuous improvement assessment initiatives, we design and implement strong programs to build an agile, diverse and flexible organization. We also continually work on developing great leaders.

We assess readiness

Our Talent and Organization Readiness Assessment Program ensures that our people have the skills they need to manage the business through periods of growth. This approach allows us to assess and improve areas of our organization and, ultimately, helps us to accelerate growth and success. So, from improving our core processes to changing internal structures, we make sure that we have the right talent, skills and capabilities in the right places.

We invest in learning

Nurturing talent is crucial to our growth ambition... In our ever-changing world, skills need updating more rapidly and that's why our learning strategy must deliver effective education that's engaging and easy to consume.

We develop leaders

Empowering people to become leaders is critical to our core purpose... Our leadership program, UL2020, is designed to develop leaders with the insight to anticipate the challenges we may face in the future-world of 2020.

We believe in employee engagement

It's important to us that our employees understand our mission and their role within it. Equally, we also want to engage with employees to find out what they believe needs to change to achieve our ambition. Which is why, every year, we run our Global People Survey to measure employee engagement.

We keep it simple

We simplify work practices and cut out any unnecessary bureaucracy. This helps us to be agile and allows our employees to focus on what inspires them most – building and growing our brands. We believe that this approach to work is critical to driving a culture of inclusion, where everyone can feel inspired to reach their true potential.

7) <https://www.unilever.com/careers/graduates/why-unilever/learning-and-development/>. Accessed July 5, 2017.

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valid: 08/2017