

# Supply Chain Talent: State of the Discipline

by David Aquino and Lucie Draper

198 organizations surveyed against AMR Research's Supply Chain Talent Attribute Model displayed enormous span-of-control diversity, which has hindered the definition and establishment of a common supply chain professional curriculum—until now.

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## Executive Summary

*"I don't think enough people see supply chain talent in the same light as some of the other risk management issues. I am not worried about the organization farming me out to another country, but there is significant risk in not having a sufficient experience base to hire and support our business objectives."—Large consumer products executive*

Supply chain excellence is a competitive differentiator across industries. Analysis of our Supply Chain Top 25 shows that an investment in these companies yielded an average return of 17.89% in 2007 compared with returns of 6.43% for the Dow Jones Industrial Average and 3.53% for the S&P 500.

In other words, if making more money is in your interest, then supply chain management expertise matters. A growing number of companies have recognized the need to develop this expertise. However, companies face a giant obstacle to achieving this goal: the shortage of trained supply chain management professionals at all levels. The fast evolution of this discipline from its logistics heritage, an ever-increasing scope of responsibility, and a perceived insurmountable diversity of span of control has hindered the establishment of a more standardized university curriculum.

Recognizing the urgency of this problem, **The Global Supply Chain Professional Development Committee**, a sub-team within the **Supply Chain Council** that includes industry leaders like **Procter & Gamble**, **Intel**, **IBM**, and **Boeing**, commissioned AMR Research late in 2007 to study supply chain talent management. Over the last five months, AMR Research interacted with and surveyed 198 organizations spanning 15 industries. Respondents were at the upper levels of their organizations, with 76% at the director level or above.

After combing through the mass of data the study yielded, five conclusions are clear:

- **No two supply chains are alike.** Very few companies define the supply chain in the same way. Of the supply chain leaders with which we spoke, almost all had different spans of control. This contributes significantly to a lack of clear priorities for standards and for consistent curriculum development at universities.

- **Leaders view supply chain management as a business discipline.** Overall, supply chain management is still very engineering centric. Few companies include manufacturing and new product development within the definition and span of control of supply chain, which is a differentiator among leading companies. The dearth of companies with this view also makes clarity of priorities a challenge.
- **Globalization has created urgency.** A general flattening and global broadening of supply chain organizations has boosted the need for a more extensive set of complex skills and competencies within company ranks. In addition, a trend toward a more centralized supply chain structure has heightened the need for broader skill-sets and faster ramp-up time.
- **A common supply chain talent model is the foundation for improvement.** For supply chain management professional development to evolve into a more universal body of capabilities, industries and academia need to adopt a shared, modern, comprehensive model that incorporates the growing depth and scope of the discipline. To this end, AMR Research has developed and tested a model through this research.
- **Universities have an opportunity to take a leadership role.** Schools can lead the way in providing more universal supply chain management skillsets. Truly comprehensive programs, covering the full talent attribute model, would gain strong support from the industry. This partnership model, with industry providing access for students to gain real-world experience, is a starting point for reducing the talent gap.

Clearly it is both critically important and not at all impossible to have candid discussions about moving supply chain organizations from cobbled-together activities to a part of a more integrated, strategic discipline. The framework provided will facilitate these discussions as well as contribute to the construction of the necessary curriculum that will support all organizations along their evolution continuum.

All of the data from this research is provided in the Appendix to this Report.

A 2008 Accenture study conducted showed that 67% of C-level executives cite an inability to attract and retain the best talent as one of the top five threats to their business.

The Global Supply Chain Professional Development Committee, which includes Procter and Gamble, Intel, Boeing, IBM, and Molson/Coors among other organizations, has been actively working this issue and has engaged AMR Research to conduct a research project that seeks to determine the following:

- What is the current span of control that supply chain leaders are responsible for managing? Is it growing or contracting?
- Are there specific functional predispositions that organizations are trying to acquire talent to support?
- What targeted supply chain competency areas are current or future priorities, gaps, or concerns?
- Which universities are organizations using to acquire talent? What is the quality and depth of the talent given the competency requirements?

This study is the first element of a broad cross-industry and research-based campaign to specifically highlight the needs, gaps, and issues surrounding securing sufficiently trained supply chain professionals.