



SPOTLIGHT / FEATURE

It's hard to focus when there is an 800 lb. gorilla in the room, and for supply chain executives, the ongoing discourse about a dearth of supply chain professionals in the workforce pipeline is becoming a major distraction. Reports and warnings about the looming "talent shortage," "skills gap," and the very-ominous "supply chain talent perfect storm" have bombarded human resource and supply chain management professionals in recent years. But, as any good supply chain pro knows, whether you are securing product or information, you should always qualify your sources. And, when we pull back the curtain on some of the data points supporting the shortage claims, the talent menace suddenly looks a lot less intimidating.

For example, an oft-cited estimate is that "demand for supply chain professionals now exceeds the available talent pool by 6 to 1." It's an incredibly provocative statistic. The problem is, this exact phrase has been cited in various supply chain publications as recently as [March 25, 2015](#)

(http://www.dhl.com/content/dam/downloads/g0/logistics/white_papers/dhl_dgf_a_automotive_whitepaper_solving_the_talent_crisis_2015.pdf) and as far back as [2010](#) (<http://www.supplychainbrain.com/content/general-scm/education-professional-development/single-article-page/article/the-secret-society-of-supply-chain->

[management/](#)). And, in the 2010 reference, the “fact” is credited to an aerospace manufacturer’s materials manager, with no supporting research cited. How many supply chain professionals would architect an inventory management strategy based on unverified data that was five years old? Why should their talent management strategy be any different?

How many supply chain professionals would architect an inventory management strategy based on unverified data that was five years old? Why should their talent management strategy be any different?

The Boom Goes Bust



<http://avtsupplychain.staging.wpengine.com/article/april-2015/voices-of-the-future/#kirkland>

What about the mass exodus of the baby boomer generation from the workforce? There is no question that sooner or later these individuals will, indeed, retire. However, citing this fact as evidence of an imminent talent drought is, at best, misleading. According to the U.S. Census Bureau, the oldest members of the boomer generation began reaching retirement age (65) in 2011, and the youngest members of the cohort

during which these individuals could retire. Despite the dire forecasts, the “silver tsunami” has failed to materialize. According to an in-depth series on baby boomers from Gallup Inc., “Baby boomers aren’t leaving their jobs in droves as originally expected. But they are leaving at a steady pace.”

When they do, there is no evidence to suggest that an inordinate proportion of this population is represented in the supply chain profession. In fact, the [Labor Shortage Index](https://www.conference-board.org/press/pressdetail.cfm?pressid=5266) (<https://www.conference-board.org/press/pressdetail.cfm?pressid=5266>) introduced by the Conference Board in 2014 identifies those occupations most at risk in the coming years as: healthcare, skilled labor and certain STEM fields (civil, environmental, biomedical and agricultural engineering). Truth be told, there wasn’t a purchaser, supply chain analyst, operations manager, V.P. of procurement, materials manager or logistics coordinator in the mix.

Investing in the Future

Although reports of supply chain talent’s demise may have been greatly exaggerated, demand for more robustly skilled supply chain professional is clearly growing. Factors including globalization, growing awareness of supply chain’s contribution to business outcomes and the adoption of more sophisticated tools and processes to manage complex, multinational supply chains have not only fueled the need for a greater number of supply chain professionals, but individuals with a broader range of business skills as well. “There is good competition for talent and sometimes it is difficult to find the right person with the right skill for the tasks,” said Hans Ehm, Lead Principal, supply chain management and head of supply chain innovations for Infineon Technologies. “But, I don’t think there is a ‘war for talent.’”

“There is good competition for talent and sometimes it is difficult to find the right person with the right skill for the tasks, but I don’t think there is a ‘war for talent.’”

Ehm oversees Infineon’s internal Supply Chain Academy, a program first established in 2008—after a major reorganization of the Infineon supply chain organization—to

assure a globally consistent level of supply chain process know-how. The Academy's academic framework is based on the SCOR source, make, deliver, return and enable model, which provides a "common language" for Infineon supply chain professionals around the world, Ehm explained.

Are You Soft Enough for Supply Chain?

These three "soft" skills will be crucial for success in supply chain management in the coming years, according to Avnet Electronics Marketing's Vice President of Global Supply Chain Operations Lalit Wadhwa.

Ability to manage ambiguity and uncertainty:

Demand volatility, supply issues, risks across the entire ecosystem, information latency, working capital constraints and rate of obsolescence are just a few factors that inject extreme ambiguity in most high-tech supply chains. Successful supply chain managers must be able to recognize patterns when presented with incomplete or conflicting pieces of data, and use standard operating procedures as a guiding factor, while remaining flexible enough to navigate through multiple options and possible end results to formulate an effective course of action.

Problem solving through collaborative engagement:

Modern supply chains cannot be managed through the traditional cost-cutting lens. Inter-enterprise process design in extended supply chains must ultimately be optimized to serve the needs of all stakeholders. Skills that allow clear definition of issues and identification of common interests are not easy to teach, but can be learned over time.

Understanding the big picture:

The ability to understand the interdependence between the multiple partners in a supply chain, and leverage that to resolve tactical and strategic issues in the least possible time, is critical for supply chain professionals. Trainings, internships and job rotations are great ways to expose students and new hires to the "big picture."

Infineon's supply chain talent management and development efforts include the internal Academy program, which offers access to approximately 90 different eLearning modules, as well as a trainee program, internships and an external continuing education program developed in conjunction with the University of

Limerick. Employees are encouraged to pursue either a diploma (bachelor) or a specialist diploma (master's level) in Supply Chain, available through Limerick's online degree program. Those participating in the distance learning programs are given 10 hours off a week, and are required to dedicate an additional 10 hours per week of their free time to the program.

While process strength is a core focus of Infineon's Academy curriculum, problem solving and emotional intelligence are also critical skills for today's supply chain professionals and probably the "biggest challenge" in supply chain talent development, Ehm noted. "Every supply chain manager has a lot of interactions with suppliers and customers," he said. "To effectively manage these contacts, these individuals need to be able to manage complexity and recognize the opportunities in what may appear to be a problem." Many naturally bring these aptitudes to the job; some don't, which is why companies relying on their supply chain to provide a competitive advantage must "invest in life-long learning of their employees."

Battle for Hearts and Minds



<http://avtsupplychain.staging.wpengine.com/article/april-2015/voices-of-the-future/#banderet>) Like Ehm, Hewlett-Packard Director of Supply Chain Strategy Ray Ernenwein also believes the talent crisis is generally "overblown," though he, too, has had first-hand experience with an increasingly competitive market for supply chain talent. "There are a lot of quality prospects graduating from supply chain programs; but we are seeing them being very aggressively recruited by sectors that have not typically

analytical and quantitative skills to help build a competitive supplier ecosystem to support their emerging businesses, according to Ernenwein.

In this more dynamic environment, companies must rethink not only their talent development and recruitment methods, but their core supply chain priorities as well. “New hires have a significant appetite for continuing education, they want to be stimulated in their jobs and they want their work to be meaningful,” Ernenwein said. “But the traditional cost-conscious, operations-minded focus of most supply chain organizations does not lend itself to bringing out the innovative characteristics these young professionals are encouraged to offer. It’s a real philosophical battle taking place in supply chain today.”

“The traditional cost-conscious, operations-minded focus of most supply chain organizations does not lend itself to bringing out the innovative characteristics these young professionals are encouraged to offer. It’s a real philosophical battle taking place in supply chain today.”

The battle will be won, Ernenwein believes, by those progressive supply chain leaders who recognize the need to not only invest steadily in learning and development, but also to also empower their people—whether they are new graduates or veterans nearing retirement—to continually embrace innovation. ([Click here to read more about HP’s innovative Supply Chain Academy talent development program](http://avtsupplychain.staging.wpengine.com/article/april-2015/talent-development-next-frontier-for-supply-chain-differentiation/) (<http://avtsupplychain.staging.wpengine.com/article/april-2015/talent-development-next-frontier-for-supply-chain-differentiation/>.)

Millennial Myth Busters

In addition to misleading statistics, the flames of fear about what’s to become of the supply chain profession have been further fanned by the depiction of the incoming millennial workforce as individuals who “[loathe authority, believe in the power of the](#)



[individual and care far more about what their friends say than what their boss thinks.](#)

[\(http://www.inboundlogistics.com/cms/article/career-solutions-closing-the-talent-gap/\)](http://www.inboundlogistics.com/cms/article/career-solutions-closing-the-talent-gap/)”

It’s an unfair stereotype that has proven to be largely unfounded, according to Jennifer Grove, supply chain learning and development lead for Seagate Technology. Grove noted that, in general, millennials working at Seagate have shown a tremendous interest in learning, being challenged and supporting the team. “Millennials are the first generation to broadly pursue supply chain as a career path,” she added. While they can be somewhat impatient with the progress of their careers, “they have a healthy respect for the field and are brimming with ideas to innovate and optimize supply chains.”

Recruiting supply chain students is an imperative for Seagate, according to Joe DiIorio, senior director of Seagate’s supply chain transformation team. “In the next five to 10 years, a number of our senior supply chain leaders will likely be retiring. We need to begin the process of transferring their 20-30 years of Seagate know-how to the younger team members.” As for the criticism that students graduating from various University supply chain programs are under-prepared for the real world of supply chain, Arnold Maltz, Associate Professor, [W.P. Carey Supply Chain Management at Arizona State University](https://wpcarey.asu.edu/supply-chain-management-degrees) (<https://wpcarey.asu.edu/supply-chain-management-degrees>) said, “The reality is, it is not likely that any academic program can ever fully prepare students for the multitude of challenges they will face on the job. But, we are all adapting as quickly as we can, adding new programs to address changing needs.”

Seagate’s Principal Program/Project Manager, Supply Chain Management Keith Kramer offered another perspective. “So many of us in the field today just fell into

students trained in supply chain principles and processes, that can only be a positive for the advancement of the profession.”

Baptism by Fire

Still, there is no substitute for experience, which is why more supply chain organizations are implementing student internship programs and job rotations for new hires.



<http://avtsupplychain.staging.wpengine.com/article/april-2015/voices-of-the-future/#sheng>) Marie Koulikoff-Souviron, professor of Supply Chain Management at the [SKEMA Business School](http://www.skema.edu/) (<http://www.skema.edu/>), France, said that more than half of the students in SKEMA’s supply chain management program participate in corporate internships. These internships are not the typical “gopher” positions. Koulikoff-Souviron related that one of her first year students recently completed an internship in which he was tasked with resolving a complicated bullwhip inventory situation. “He was able to match the theories he learned in class with the practical situation, and came up with a really impressive solution.”

In addition, job rotation programs are an increasingly common vehicle for introducing entry-level supply chain employees to “the real world.” At Intel Corp., supply chain rookies must rotate through four separate supply chain functions within the first two years of employment, said Cheryl Dalsin, Supply Chain Program Manager, Intel. ([Click](#)

[here to read about Intel's innovative Supply Chain Outreach talent development program.](http://avtsupplychain.staging.wpengine.com/article/april-2015/intel-replaces-3rs-of-education-with-scor/) (<http://avtsupplychain.staging.wpengine.com/article/april-2015/intel-replaces-3rs-of-education-with-scor/>)

Similarly, after spending six months in their hiring department, new hires at Seagate go through two 6-month rotations overseas. “This gives them an in-depth view and appreciation for not just the supply chain processes, but what it takes to manufacture and market our products,” said DiIorio.

A Matter of Survival

Whether programs deal with grooming new recruits, upskilling mid-level personnel or establishing an executive succession pipeline, there is a common theme in these efforts that is aptly summarized by SCM World Chief Content Officer Kevin O'Marah in his blog, [The Supply Chain Learning Engine](http://www.scmworld.com/columns/beyond-supply-chain/the-supply-chain-learning-engine/) (<http://www.scmworld.com/columns/beyond-supply-chain/the-supply-chain-learning-engine/>).

“Supply chain is a discipline crystallizing before our very eyes and, unlike pure science or the classical arts, cannot really ever be ‘mastered.’ We should instead approach supply chain learning as a game, the rules of which change because we make them change. Continuous learning isn’t just a good idea; it’s the only way to survive.”

More insights and supply chain talent best practices in this section include:

1. [Supply Chain Talent in Emerging Markets: Key to Feeding Tiger Cub Economies](http://avtsupplychain.staging.wpengine.com/article/april-2015/supply-chain-talent-key-to-feeding-the-tiger-cub-economies/) (<http://avtsupplychain.staging.wpengine.com/article/april-2015/supply-chain-talent-key-to-feeding-the-tiger-cub-economies/>)
2. [Applying Supply Chain Principles to Talent Management](http://avtsupplychain.staging.wpengine.com/article/april-2015/applying-supply-chain-principles-to-talent-management/) (<http://avtsupplychain.staging.wpengine.com/article/april-2015/applying-supply-chain-principles-to-talent-management/>)
3. Best practices in supply chain talent management from [Intel](http://avtsupplychain.staging.wpengine.com/article/april-2015/intel-replaces-3rs-of-education-with-scor/) (<http://avtsupplychain.staging.wpengine.com/article/april-2015/intel-replaces-3rs-of-education-with-scor/>) and [Hewlett-Packard](http://avtsupplychain.staging.wpengine.com/article/april-2015/talent-development-next-frontier-for-supply-chain-differentiation/) (<http://avtsupplychain.staging.wpengine.com/article/april-2015/talent-development-next-frontier-for-supply-chain-differentiation/>)

Related Resources:

- Video: [Infineon Internship Program @ Corporate Supply Chain](http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=0CDAQtwIwAw&url=http%3A%2F%2Fwww.youtube.com%2Fwatch%3Fv%3DuljcT2KYv44&ei=qbDvVPLfH4qVNtzBgqAH&usg=AF0jCNEf4g7LGghOytEKKvsJ8xoNU4_nXA&sig2=7Gjt0j6axzkFbj_bDURFZA&bvm=bv.86956481.d.eXY)
(http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=0CDAQtwIwAw&url=http%3A%2F%2Fwww.youtube.com%2Fwatch%3Fv%3DuljcT2KYv44&ei=qbDvVPLfH4qVNtzBgqAH&usg=AF0jCNEf4g7LGghOytEKKvsJ8xoNU4_nXA&sig2=7Gjt0j6axzkFbj_bDURFZA&bvm=bv.86956481.d.eXY)
- White Paper: [ZVEI Guideline Supply Chain Management in Electronics Manufacturing](http://www.zvei.org/Publikationen/Guideline-Supply-Chain-Management.pdf) (<http://www.zvei.org/Publikationen/Guideline-Supply-Chain-Management.pdf>)
- [Gartner 2014 Top U.S. Supply Chain Graduate University Programs](https://bus.wisc.edu/~media/bus/mba/specializations/supply%20chainmanagement/top%20us%20supply%20chain%20graduate%20269751.ashx)
([https://bus.wisc.edu/~media/bus/mba/specializations/supply%20chainmanagement/top us supply chain graduate 269751.ashx](https://bus.wisc.edu/~media/bus/mba/specializations/supply%20chainmanagement/top%20us%20supply%20chain%20graduate%20269751.ashx))