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**SPOTLIGHT / EXECUTIVE COMMENTARY**

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## Applying Supply Chain Principles to Talent Management

*By John Healy, Vice President and Managing Director, Kelly OCG*

FOR DECADES, COMPANIES HAVE BEEN USING SUPPLY CHAIN MANAGEMENT PRINCIPLES TO streamline operations, mitigate risk, and create competitive advantage in the marketplace. Applying the principles of supply chain management to talent, however, provides an entirely new framework for workforce management—a framework that is quickly being adopted by top brands around the world.

This adoption is being driven by a tough labor environment with an increased skills shortage among a geographically dispersed pool of talent. Talent supply chain management, also called holistic or integrated talent management, enables a company to develop a workforce strategy that aligns with its business objectives and draws upon talent from all labor categories, including full-time and temporary employees, freelancers, independent contractors and service providers, as well as alternate sources of workers like retirees, alumni, interns, and online talent community participants.

Note that there is no “one size fits all” strategy to finding the right mix of employees to meet business objectives. Moreover, in many organizations, HR, operations, and procurement each work independently to secure talent, which often forms the biggest barrier to designing a holistic talent supply chain.

Companies that incorporate a unified talent supply chain management approach are creating a competitive advantage through greater efficiency and insight into their talent strategies. They're better positioned to obtain the workforce mix they need to accomplish business goals, and here are a few reasons why:

**Better workforce planning.** Evaluating *all* labor categories facilitates better workforce planning decisions. This is especially beneficial in areas of high demand and low supply like STEM, where successful companies engage talent across all labor categories with flexible work arrangements.

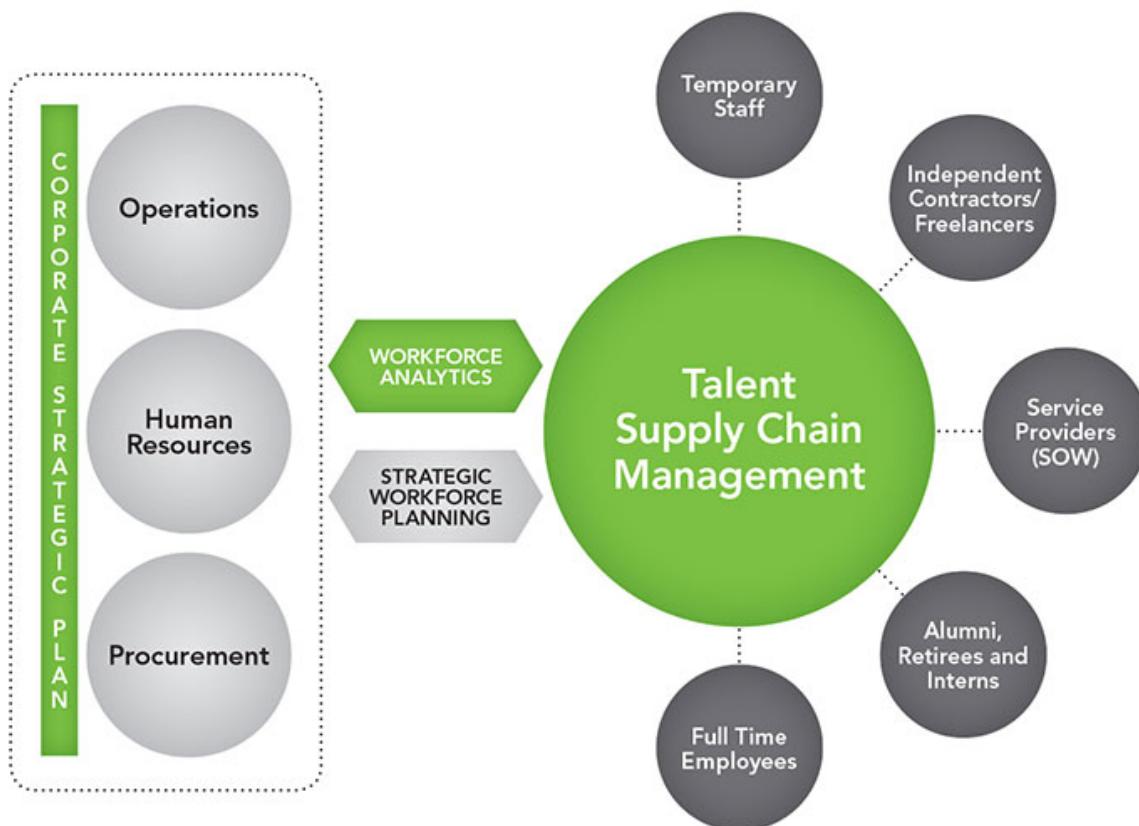
**Visibility.** Data drives well-informed workforce planning. When labor data combines with external supply and demand data, a new big picture emerges of where a company's talent is arrayed.

**Future talent needs.** By aligning workforce planning with workforce analytics, gaps and future needs across all labor categories become apparent, and companies are better positioned to make strategically proactive decisions. For example, a company preparing to use new technology can plan to attract and engage appropriately skilled IT workers.

**Mitigated risk.** Experts estimate that on average, up to 50 percent of a company's workforce is contingent. Moreover, many companies are uninformed as to the identity or location of contingent workers. This implies that half of all talent might not be tracked by any HR system. This lack of visibility puts a company at great risk. This is why organizations need to be more aware of potential risks and compliance issues associated with engaging contingent workers.

**Broader access to talent.** Increasingly, workers choose how they want to work. Accommodating freelancers, independent contractors, alumni, interns and project workers for difficult-to-fill positions and establishing a network of suppliers across a larger geography helps expand recruitment pipelines and improves access to qualified talent.

Talent supply chain management isn't a quick fix. Instead, it's a journey well worth taking to create an ongoing competitive advantage.■



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John Healy is vice president and managing director of Global Talent Supply Chain APAC OCG for Kelly Services, Inc., where he is responsible for integrating data analytics with strategic workforce planning and supply chain principles to drive proactive management of workforce strategies across directly hired and outsourced labor categories. John is a frequent presenter on topics ranging from workforce strategy, offshore market considerations, workforce analytics and workforce management technology to such organizations as the Institute of Supply Management (ISM). In 2013, he was named to Supply & Demand Chain Executive's annual "Pros to Know" list.