



"Technology is nothing. What's important is that you have a faith in people, that they're basically good and smart, and if you give them tools, they'll do wonderful things with them. It's not the tools that

you have faith in — tools are just tools. They work, or they don't work. It's people you have faith in or not."

Steve Jobs - Rolling Stone , June 16th 1994

The words of the man who revolutionised the tools we use to run our lives. However, Steve Jobs understood that it was the quality of the people at Apple, and their intuitive understanding of their job, that transformed Apple into the world's most valuable brand.

The Law of the Hammer

In 1966 Abraham Maslow said (roughly) – "If all you have is a hammer you treat every problem as a nail."

We are in an industry obsessed with tools – or more specifically one tool, ERP – last year alone nearly \$8 billion was invested globally in SCM software (Gartner, May 2012).

As a result we think training means – "which button to press to make this happen" – or in other words how to hold the hammer in order to hit things.

We recruit highly educated Graduates and then expect them to understand how Supply Chains work, either through some instinct written into their DNA or by osmosis through sitting next to the previous generation of managers (who also received little formal training).

Surely we must break this cycle. That's what this article will explore - and yes, this time Sequoia are selling something, so be warned!

Sequoia Spotlight

Supply Chain Tools Vs. People (with a little help from the late, great Steve Jobs)



People create a difference

Given most FMCG companies now have access to more or less the same tools we must look to our people, and their capabilities, if we wish to create a differential between us and our competitors.

That means investing in the development of Supply Chain skills and business knowledge that will allow our managers to be critical thinkers and add value to our Supply Chains:

- Understanding the economics and statistics that should driving decision making;
- Recognising the inter-connected elements that define our Supply Chains and the need for a cross-functional view;
- Giving the skills required to optimise and make explicit trade-offs, rather than simply administer, the Supply Chain;
- Equipping our Supply Chain teams to communicate and work together effectively;
- Empowering them to action and to manage change for the benefit of the company.

"A computer frees people from much of the menial work. Besides that, you are giving them a tool that encourages them to be creative. Remember, computers are tools. Tools help us do our work better."



Time to think

In an ideal world, every Supply Chain Manager should be able to explain why their Supply Chain looks like it does – but in reality work life is often too busy for us to step back and even think about the why?

In talking to Supply Chain managers on our training courses, the most common message we hear is that their jobs have become a set of tasks to execute and the ever expanding complexity of their product portfolios and the globalisation of the markets they serve has left them in a state of perpetual fire-fighting. We aren't creating the space for them to think.

Numerically Assisted Thinking

A proven process to alleviate this problem is to mechanise the 80% that can be mechanised (with tools), freeing up (people's) time to focus on the 20% that needs critical human thinking capabilities. In Sequoia we call this Numerically Assisted Thinking. This gives them some precious moments to view the bigger picture and ultimately allow them to think "creatively" about how to

Images:

Steve Jobs 1955-2011 by segagman (2011) <https://www.flickr.com/photos/8010717@NO2/6216457030/> Attribution (<http://creativecommons.org/licenses/by/2.0/>)

Steve Jobs by hetaxhaven (2011) <https://www.flickr.com/photos/83532250@N06/7651001862/> Attribution (<http://creativecommons.org/licenses/by/2.0/>)

improve things.

However, the current mode of operation has also created a lack of perspective of the end-to-end process. It is essential that we look out from the top of our functional silos and start to view things from a cross-functional perspective.

Cross-functional Supply Chain Training

There are relationships between each element of the Supply Chain that are interconnected and weave together like a web (not a chain). This results in each decision we make having a consequence somewhere else in the web, and we need to understand where this will happen and what its significance is.

In recognising this, Sequoia have created training programmes to support the development of these fundamental skills, for both the Supply Chain community and beyond, to other business functions that are stakeholders in the Supply Chain.

Giving Grads the best start

But wouldn't it be better if we addressed some of these issues at the start of our careers, even before we are dropped into the realities of work life?

FMCG companies regularly appear high up in the listings of top companies for graduate employment and Gartner's 2011 report on SCM Talent supports the fact that the industry has no difficulty in attaining high calibre people with great analytical and team working skills.

Yet it also shows how they appear to fall short when it

comes to their problem solving abilities - which is seen as the biggest and most important skills gap by Supply Chain leaders.

But there again, how can we expect them to be problem solvers if they have a limited conceptual understanding of the world they are working in?

Graduates and MBA students are coming into the FMCG industry with a good grasp of Supply Chain concepts – but at a very broad level. If we are lucky we find those with some relevant work experience, but this is not the norm. We can help to address this through induction training that is focused on our industry:

- Understanding the economics and statistics that define our Supply Chain;
- How this can be quite different by product category;
- How this is affected by the growing complexity of our product portfolios;
- How this is affected as we move into emerging markets.

If we could give this early opportunity to gain a cross-functional perspective of the basic economics and statistics that drives our Supply Chain's end-to-end design – our graduates gain a clear understanding of the capabilities and limitations of the Supply Chains they are working in.

This will put their day to day into context, enable them to think creatively and give them a fighting chance of being the problem solvers & critical thinkers we need.

"Design is a funny word. Some people think design means how it looks. But of course, if you dig deeper, it's really how it works [...] To design something really well, you have to get it. You have to really grok what it's all about."

Steve Jobs - Wired, Feb 1996

