

# August 2018 Insights

## Survey Results: Supply Chain Leader of the Future

### Background

#### DOING MORE WITH LESS

Our healthcare supply chain is at the base of an unprecedented mountain of change. The M&A frenzy shows no signs of slowing down. The impact of these deals is transforming care delivery, enticing new market entrants and increasing the size and complexity of IDNs.

Supply Chain is often the tip of the spear to deliver the expected M&A synergies. These activities alone can often distract (or defer) teams from their own transformation journeys.

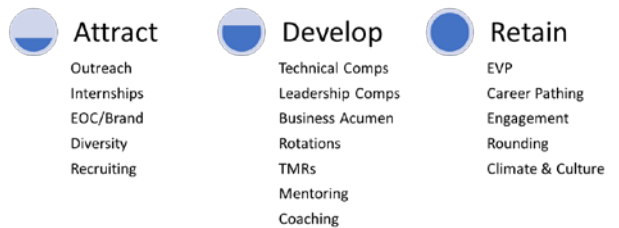
Shifts to value-based care and population health also make the scope of the healthcare supply chain much broader. The C-suite is already challenging supply chain to provide CQO-based solutions across an extended continuum of care, for an expanding range of healthcare services, impacting a wider geography of more educated patients.

Supply chain teams are under enormous pressure to deliver increasing results while understaffed and often misunderstood in the eyes of the C-suite. Supplier organizations are growing increasingly frustrated and discouraged as they struggle to advance meaningful solutions with what's become the bottlenecked supply chain customer.



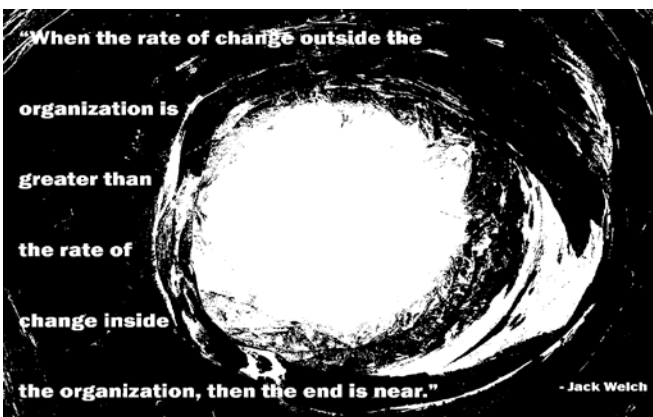
#### A TALENT MANAGEMENT CRISIS IS BREWING

People are the most important resource in any supply chain function. People perfect practice, drive operational improvement and generate the desired results. Talent management is an intentional, disciplined approach to attracting, developing and retaining the very best people:



The current talent management symptoms are alarming:

- Inconsistency in attracting top talent from supply chain degree programs
- Unprecedented number of high-profile Chief Supply Chain Offer retirements
- Succession plans not consistently in place and/or successors not perceived as "ready" by C-suite
- C-suite not comfortably embracing supply chain leaders from industries beyond healthcare
- Peer mentoring programs lacking (coaching is a relatively untapped resource)
- Training & development investments are declining



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### Survey Approach

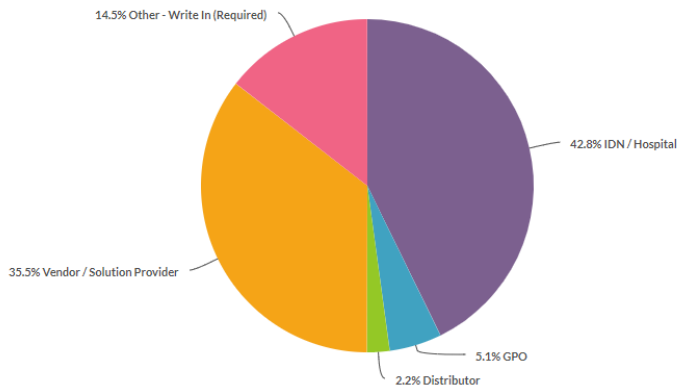
While there are many important aspects of talent management, the intent of this survey was to help identify the skills necessary for the **Supply Chain Leader of the Future**. Specifically, the objective is to help the industry **prioritize the leadership training and development opportunities**. Our healthcare supply chain future depends on the collective preparedness of our incumbent leaders, emerging leaders and next generation leaders.

Respondents were asked to rate the importance of various leadership competencies and attributes, with the a Supply Chain Leader of the Future in mind. Respondents were subsequently asked to rate the average proficiency level (or behavior modeling) of hospital system supply chain leaders. Competencies are specific skills, which can be learned and mastered over time. Attributes (or traits) are specific patterns of behavior we develop based on our personal and professional experiences. For clarity, this survey assumed supply chain leaders already have the necessary technical supply chain competencies.

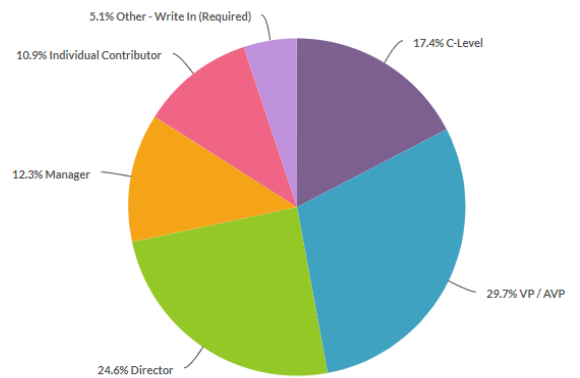
### Respondent Demographics

138 complete responses

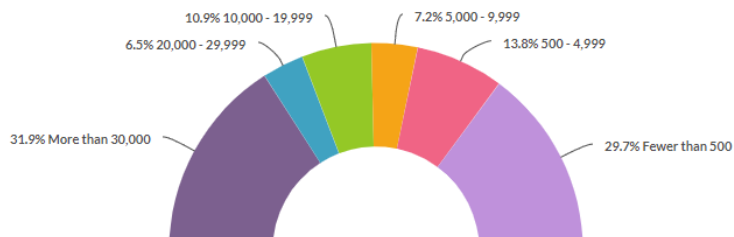
#### Organization Type



#### Position Level



#### Organization Size (in employees)



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### Leadership Competencies: Importance vs. Preparedness

5 = critically important

5 = very well equipped

Leadership Competencies	Importance for Supply Chain Leader of Future?	How Well Equipped is Typical Supply Chain Leader?	Gap
Strategic	4.7 (H)	2.5	2.2 (H)
Talent Development	4.6	2.6	2.0
Cultivate Innovation	4.2	2.3 (L)	1.9
Communications	4.6	2.8	1.8
Influence & Persuasion	4.6	2.8	1.8
Change Management	4.5	2.7	1.8
Relationship Building & Collaboration	4.7 (H)	3.0	1.7
Emotional Intelligence (EQ)	4.3	2.8	1.5
Business Acumen	4.3	3.1 (H)	1.2
Data-Driven Decisions	4.1 (L)	3.0	1.1 (L)

## Observations

1. **Strategic** competency perceived as biggest gap across all survey respondents; imagine the impact of more effectively advancing the strategic agenda of supply chain with the C-suite?
2. **Talent Development** competency perceived as significant gap; this may be a leading indicator for the proficiency level of competencies.
3. **Data-Driven Decisions** perceived as least important competency relative to others; surprising given the emphasis on big data, cognitive insights and CQO.
4. **Cultivating Innovation** perceived as lowest level preparedness; what might be the financial, operational and clinical implications of this deficit?
5. **Business Acumen** perceived as lowest gap; curious that “knowledge” and “understanding” were two of the most requested additions to list of missing competencies/attributes.

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### Leadership Attributes: Importance vs. Demonstrated

5 = critically important

5 = a model for others

Leadership Attributes	Importance for Supply Chain Leader of Future?	How Often Demonstrated by Typical Supply Chain Leader?	Gap
Growth Mindset	4.5	<b>2.7 (L)</b>	<b>1.8 (H)</b>
Courage	4.4	<b>2.7 (L)</b>	1.7
Grit	4.5	2.9	1.6
Bias for Action	4.3	2.8	1.5
Curious & Inquisitive	4.3	2.8	1.5
Integrity	<b>4.9 (H)</b>	<b>3.6 (H)</b>	1.3
Values Inclusion	4.4	3.2	1.2
Humility	4.0	2.8	1.2
Purpose Driven	4.4	3.3	1.1
Empathetic	<b>3.8 (L)</b>	2.8	1.0
Goal Driven	4.5	<b>3.6 (H)</b>	<b>0.9 (L)</b>

## Observations

- Growth Mindset** may be the most significant area for growth (no pun intended); concerns regarding complacency and risk aversion were included in the supporting comments .
- Courage** is perceived as one of the most significant growth opportunities; courage is not the absence of fear, but choosing to move forward despite the fear and uncertainty.
- Empathy** is perceived as least important attribute; recent research suggests empathy (and EQ) may be the differentiating superpowers of future leaders; empathy unlocks connection with team members, leaders, suppliers and customers.
- Cultivating Innovation** is lowest level of perceived preparedness; what might be the financial, operational and clinical implications of this deficit?
- Integrity** is most important and routinely demonstrated by supply chain leaders; integrity is perceived as binary by many people.

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### Additional Competencies & Attributes We Should Consider?



### Anything Else to Help our Industry with this Effort?

"Supply Chain should evolve (into Logistics, Non-Labor or Resource Management)"

"Health Care calls their processes Supply Chain but it is really "Price Chain?"

"Leaders should focus more on purpose of the "why" of the business"

"Capabilities of leaders at critical access hospitals do not match larger facilities"

"#1 problem for leaders is articulation of a vision and getting support to implement"

"The framework and approach toward addressing key elements of talent development is needed"

"We talk Partnership, however supply chain is still too transactional"

"Don't underestimate the technical skills. Many technical development opportunities too."

"Too many zero sum games"

"RFP process is overused as a means of leveraging savings with incumbent."

"Relationships are often under-valued & under-developed."

"While leadership at the highest levels is important, leadership at the lowest levels seems to be overlooked."

"Supply Chain executives need to balance clinical and financial needs for facilities."

"Many supply chain leaders are near retirement and do not wish to take risks."

"Putting items on a spreadsheet and doing a cost analysis can be considered "Data Driven"

"Would be interesting to baseline and track/trend how many organizations implement a talent development program."



## Download an Electronic Version of Survey at Website



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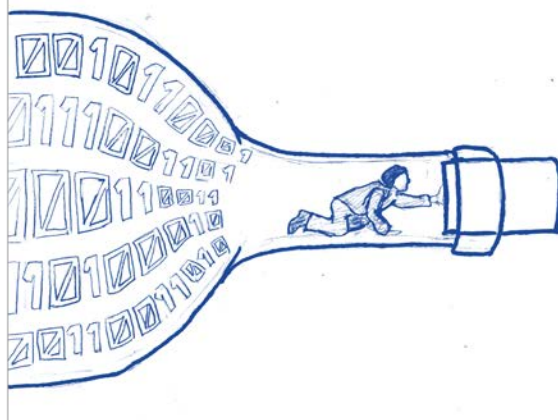
[www.supplychainsherpas.com](http://www.supplychainsherpas.com)

We are unlocking the transformative potential of our bottlenecked supply chain, for care providers and suppliers

Many innovative suppliers are frustrated and discouraged by the bottleneck that has become the healthcare supply chain

AND

Suppliers need to adjust their go-to-market strategies to earn the limited attention credits of their customers



Providers are facing unprecedented complexity, revenue compression, cost pressure and opportunity surplus

AND

To “pop the cork” on the bottleneck, supply chain functions must transform their infrastructure and operations...starting with talent

Sales & Biz Dev Optimization

Supply Chain Transformation

Executive Coaching & Talent Management Solutions