

Gartner for Supply Chain

Simplify Supply Chain Work Design

Build a More Agile Workforce,
A Gartner Executive Report Excerpt

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Introduction

There is a continued societal obsession with minimalism and simplicity. We're interested in adopting a less-is-more lifestyle, focused on throwing out old things, downsizing our home, reducing our daily tasks or even clearing our minds through meditation.

Why are we so focused on less? The complexity we all feel in our work life bleeds into our home life. It leaves us craving simplicity.

The average supply chain organization was complex even before the coronavirus

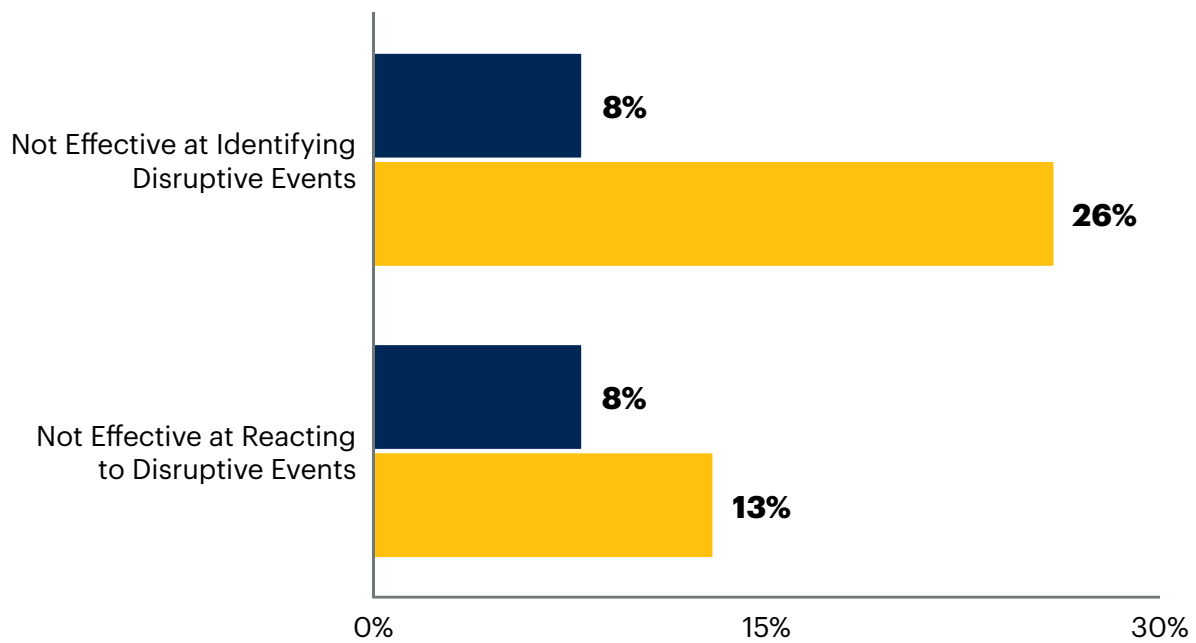
pandemic. Some organizations operate in up to 24 different time zones and 195 countries, and across multiple languages, global partners or customers. For example, one high-tech supply chain organization manages roughly 16,000 suppliers and more than 50,000 unique goods and services as part of its daily operations. COVID-19 introduced new levels of complexity, where many supply chain leaders needed to better identify and respond to exponential ramifications — disruptions to suppliers' suppliers or impacts to the organization's customers' customers.

This pandemic highlighted the inherent weaknesses in sense and response capabilities in many organizations, and CSCOs are now recognizing the implications of such a highly complex operating environment. Although a vast majority of supply chain organizations felt that they were capable of identifying and reacting to disruptive events prior to COVID-19, the pandemic's arrival quickly invalidated or called into question this assertion for many (see Figure 1).



Figure 1. Handling Disruptive Supply Chain Events
Percentage of Respondents

■ Prior to COVID-19 ■ After COVID-19



n = 223

Source: Gartner Supply Chain COVID-19 Special Interest Group Poll (March 2020)



“Agility” is a buzzword that has garnered little consensus on definition but elicits eager and unanimous head nods. Agile — the quality of managing change in supply chain through effective sense and response capabilities — is a concept that many supply chain leaders struggled with replicating and scaling within their organizations even prior to COVID-19.¹ Agility can be attained, but it requires CSCOs to take a deeper look at the way in which work is designed in their organizations. It also requires CSCOs to simplify what workflows and what tasks are handed to supply chain employees.

Evaluating work will also require CSCOs to identify the people capabilities necessary to support new and more digital workflows. Many companies are still maintaining their digital objectives or even accelerating their digital strategies in automating work within supply chain. Our research shows that, although CEOs have a primary interest in cost management, they will also increase the speed of their digital initiatives in order to find innovative ways to drive growth. As a result, hypercompetition for technology skills will continue. The share of jobs requiring AI skills has grown 4.5 times since 2013, and machine learning, deep learning and natural language processing skills are now the three most in-demand skills on Monster.² Rather than fighting to compete, many CSCOs will look to make do with what they have and work to improve the digital dexterity and data literacy of their existing workforce.

Given that most CSCOs will have a primary focus on enhancing and retaining the current workforce, supply chain learning and development programs will gain increased importance in building new capabilities. However, emphasis will need to be placed on learning interventions that are primarily experiential in nature as well as simplified and targeted to employee needs.

This report discusses the talent-related challenges and opportunities that CSCOs will need to address in their efforts to remain competitive amid an ever-changing environment and to develop the supply chain practitioner of 2025. It explores the best practices and actions taken by leading organizations to get the most out of the talent they have within and outside their organizations.



Simplify Work Design to Allow for a More Agile Supply Chain Workforce

Most CSCOs fail to see that the way work is designed today makes every component of agility difficult for their employees. It's difficult for employees to embody customer-centricity when they're buried in their email inbox and every task and to-do is marked as urgent.

It's hard for them to anticipate and prepare for changing customer needs when there is no mechanism or appetite for reevaluating whether priorities should shift. And, it's hard for them to adapt to these changing requirements and others when they have no

real authority to change anything.

We see individual contributors in supply chain as being closest to customer priorities and the issues we face as an organization. However, they often feel they must go through layers of approval to move forward

with a decision (see Figure 2). Even when they have been successful in identifying the right way forward, they often can't act immediately.

Employees are not currently empowered to act with agility. If CSCOs truly want to build an agile workforce, then they need supply chain employees to know customers well in order to anticipate changes in customer needs and adapt to evolving needs by reallocating resources and changing direction. This will require CSCOs to employ work design strategies — the combination of role structure, workflow design and system enablement — to allow employees to better respond to changes in their environment.

At the heart of this effort is simplicity — simplifying the work that we do so that employees have time to think more critically or strategically. How can they pick their heads up and look around if they're buried in tasks that are already obsolete and don't serve the business? Simplicity will be a CSCO's new mandate when it comes to the work that goes on within their organization.

Design Work That More Employees Can Easily Perform

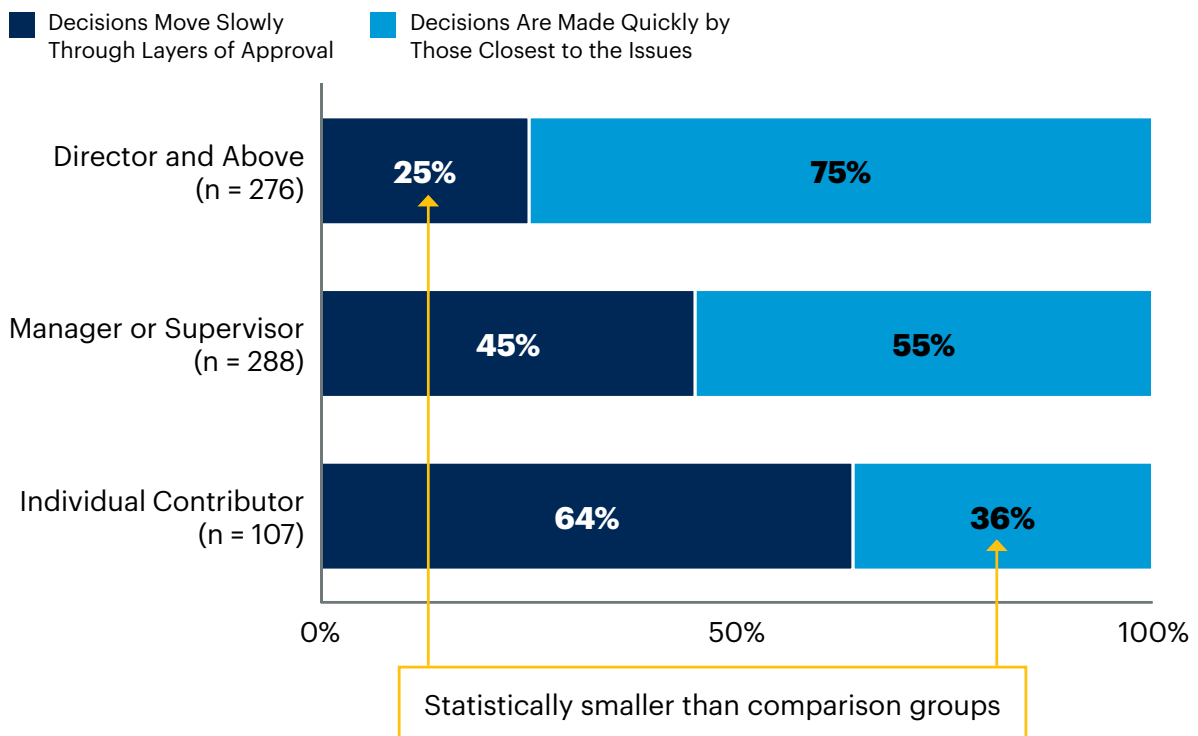
Work design is the evaluation of role structure, workflow design and system enablement. It allows us to understand and determine how work is done and by whom. Effective work design strategies ensure that the right people are in place in the supply chain organizations and that work models are created to produce valuable work outcomes. In fact, effective work design has nearly three times the impact on the organization having all the talent it needs for current and future requirements than traditional hiring and development approaches.³

To maximize the impact of work design strategies, CSCOs must address the three key elements of work design and should leverage the most impactful tactics for each (see Figure 3):

- **Role structure** — The responsibilities and resulting mix of skills, competencies and experiences that make up a role. The most impactful tactic is to eliminate less

Figure 2. Culture of Organization: Individual Contributors See Decisions as Slow-Moving

Percentage of Respondents, Excluding “Don't Know”



Q. For each pairs of statements, please select the one that best describes your organization's culture in general.

Source: 2018 Gartner Supply Chain Talent and Organizational Pulse Survey

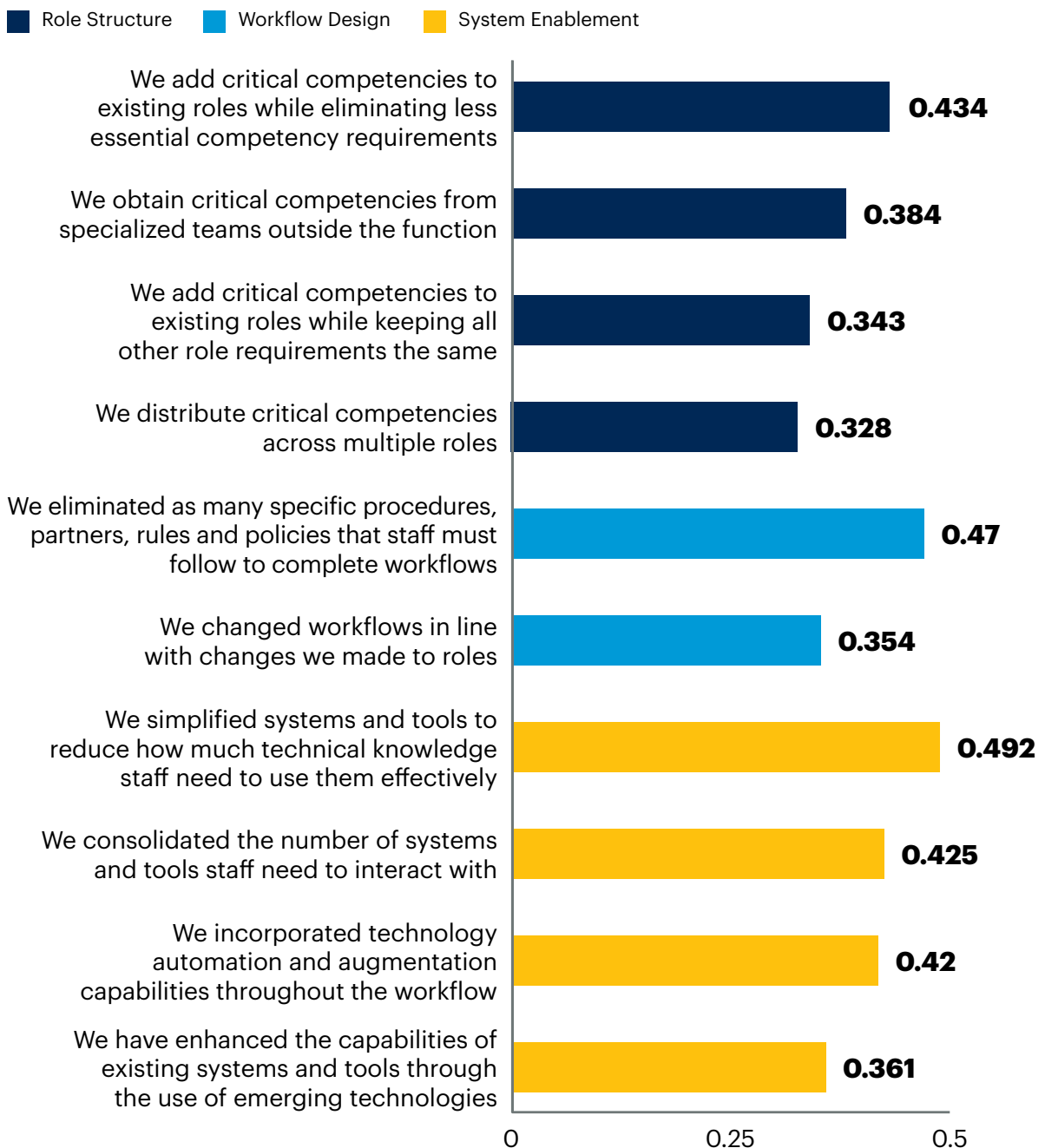
essential competency requirements of a role when new, critical competencies are added in order to not overload the requirements.

- **Workflow design** — The processes, systems and tools that make up a workflow. Those who focus on ruthlessly eliminating specific procedures, partners, rules and policies that staff must follow to complete workflows or achieve specific work outcomes see the most impact.

- **System enablement** — The design and capability of the systems and tools used to support roles and workflows. Leaders see the most impact when simplifying systems and tools and using advanced solutions, such as AI, to reduce the need for supply chain staff to have a high degree of technical expertise.

All three of the most impactful work design strategies are focused on

Figure 3. Correlation With Having All the Talent Needed to Meet Current and Future Requirements



n = 241 supply chain leaders

Source: 2019 Gartner Digital Talent Gap Survey

simplification and elimination. We eliminate less essential competency requirements, we remove elements of a workflow, and we simplify or consolidate systems and tools that our employees have to use. When we design work to be simple and, thus, reduce complex expectations of talent, it will be easier for us to plug employees into work throughout the organization.

When we create complex workflows for our organization, supply chain employees often have to navigate their way around them. Leading CSCOs will often appoint a center of excellence (COE) — either as a full time or virtual team — to evaluate these complex workflows throughout the organization. COEs will partner with HR to remove nonessential activities from workflows, identify the needed competencies for remaining tasks and build flexible staff

allocation processes to align staff with tasks based on who has the competency, regardless of role. CSCOs should enlist COEs to formalize breaking down roles into small tasks in order to align existing skills with tasks rather than strictly aligning roles with entire workflows. This will ensure that supply chain staff members have a general understanding, rather than mastery, of end-to-end workflows while still being able to easily apply their unique competencies.

A good example of this is Unilever's efforts in breaking work down into component tasks and specific work outcomes. In doing so, they can better choose work models that will allow them to source and meet only the competencies that are required to complete the work. (See the Unilever Case in Point for details.)





Unilever Breaks Down Work and Unbundles Roles Into Competencies

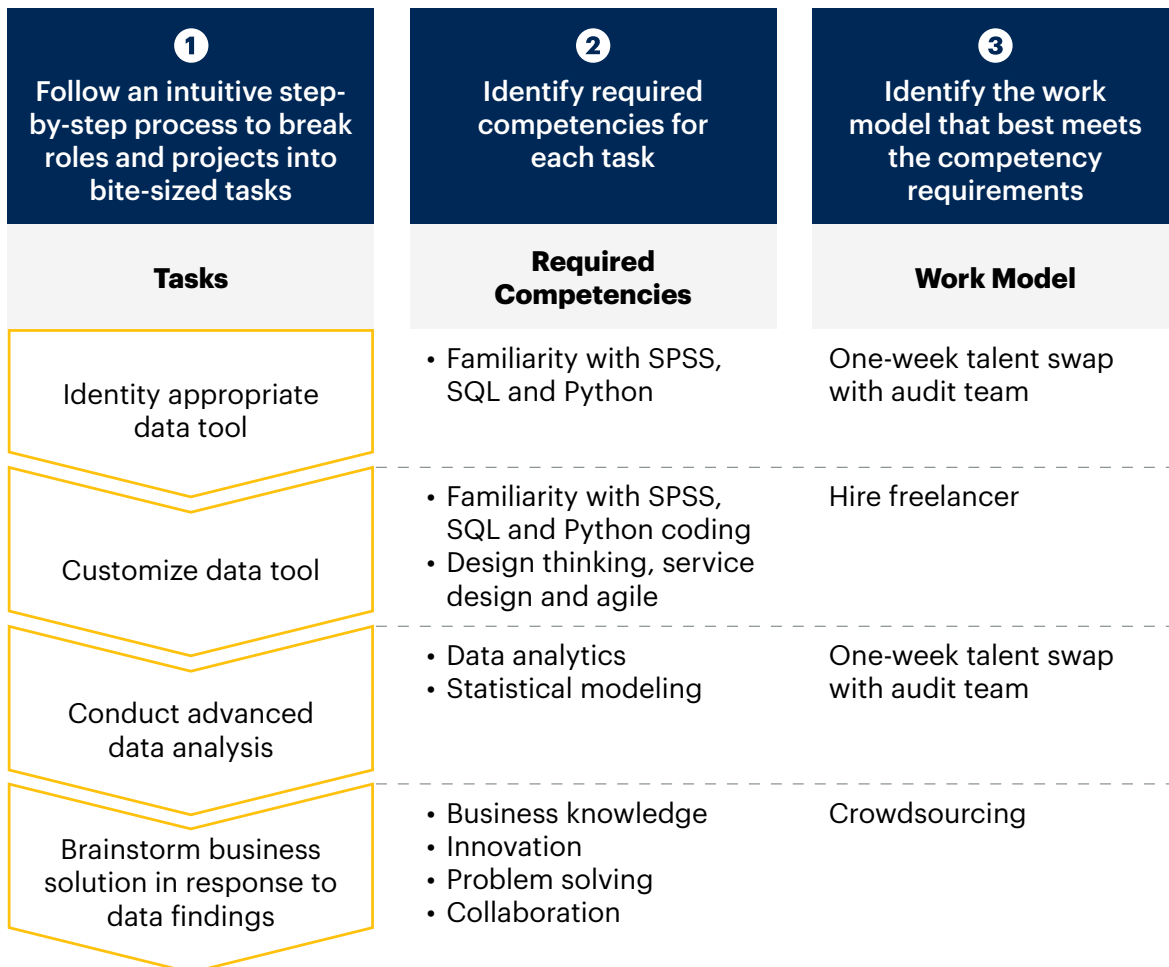
Unilever breaks down large-scale projects into their component tasks to determine how to allocate resources (see Figure 4). The company then determines which competencies are required for each individual task. By approaching each task in a workflow individually, supply chain leaders can determine the appropriate resource requirements.

For example, identifying the appropriate data tool requires a familiarity with SPSS, SQL and Python. For conducting the data analysis,

however, competencies in data analytics and statistical modeling are required. Looking at staffing options, the supply chain function could decide to hire a freelancer to customize the data tool. In addition, it could hold a one-week talent swap with the data analytics and statistical modeling experts within the supply chain team to complete the advanced data analysis and then brainstorm some business solutions through crowdsourcing.

Rather than try to find someone who can do everything on a project or in a workflow — that rare and elusive unicorn — Unilever is able to take a more dynamic approach. The company does this by resourcing each of the individual tasks together to form the project or a workflow.

Figure 4. Unilever’s Role Unbundling
 Illustrative Example: Process to Staff a Project



Source: Adapted From Unilever

Conclusion

Responding more effectively to future global pandemics and any other economic, social, geopolitical, environmental or competitive adversities deeply depends on the agility or responsiveness of the supply chain organization and its people.

Evidence

1

The Agile Supply Chain Imperative: Defining How Companies Can Sense and Respond to Change, Gartner.

2

The Ultimate Tech Age — A Book Extract, World Economic Forum.

3

The 2019 Gartner Digital Talent Gap Survey (supply chain n = 241): This research is drawn from a cross-function survey of more than 2,800 leaders and managers for organizations with at least \$500 million in revenue, supplemented by interviews with more than 25 functional leaders. Unless otherwise stated, the data included feature results from this set of corporate executives. Supply-chain-specific data encompasses results from more than 240 supply chain, manufacturing, operations, quality control and quality assurance leaders.

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This research is drawn from the Supply Chain Executive Report “Developing the Supply Chain Professional of 2025,” by Caroline Chumakov, Principal Analyst, Gartner for Supply Chain.



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