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logistics and supply chain professionals

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CONCEPT AND DESIGN

THECONCEPTABLES

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Being prepared for the unknown resilient supply chain needs trust and teamwork

Resilience has been a hot topic during the Covid-19 pandemic but it's not something that can be switched on during times of adversity. The ability to absorb change, recover and grow has to be part of an organization's DNA and ingrained within its culture. Team members have to trust each other to carry out their role as they adapt quickly to new situations.



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Covid-19 has reshaped the mind but adverse events that disturb the supply chain are not new. In recent years fires, flooding, volcanos, earthquakes, cyber-attacks and the financial crisis have rocked supply chains and intensified scenario building and risk assessment. The difference is that whereas contingency plans were mostly based around expected scenarios, Covid-19 has accelerated the need to be prepared for the unexpected.

No one at the end of 2019 would have predicted a global lockdown due to a worldwide pandemic. "In the past, a company would create contingency plans for a long list of likely scenarios. Today it's about building a team that is sufficiently agile to adapt and deal with any situation, instead of working to a pre-planned solution," says Oskar Verkamman, of specialist executive search firm, Inspired-Search.

Situations change from day-to-day, hour-by-hour when having to deal with something like the Covid pandemic.

Some companies, such as those in air travel and tourism, have had their hands tied but others have flourished. They have been agile and found new creative solutions fast in order to keep supply chains moving. According to Oskar, this resilience requires a certain attitude and readiness to get ahead and, above all, trust.

Trust within the team

It starts with the company culture and equipping people to handle any difficulty, says business partner Edwin Tuyn: "When something happens you have to make decisions fast and adapt; that comes from having a certain flow in the organization." Importantly, it's about building teams who are able to work together and make decisions.

"It might sound obvious but everyone has to be on the same page, which is not always so," says Oskar. People often have different objectives - departmental, functional, personal - that prevent them from resolving the situation together. If office

politics are at play, and everyone is looking after their own interests, then the team is not going to be resilient or cope easily with new circumstances.

"In a well-functioning team everyone knows his and her role and responsibility and the responsibilities of each another," Oskar says. "The ability to move forward can only be achieved if team members trust each other to execute accordingly to resolve the situation. They believe in their collective capability and everyone in the team has to feel comfortable about putting forward a solution," says Oskar.

Diversity helps decision-making

How the team functions as a whole needs to be taken into account when recruiting and assembling teams, says Edwin. Supply chain professionals often have a technical background and tend to be structured and process orientated. While ideal for normal daily activities, these characteristics can impede their ability to be agile; they are often not comfortable about

making quick decisions when the usual structure and process disappears. "If the entire team is composed of 'technical people' it will struggle to make quick decisions. Therefore you need diversity. You need some people who are comfortable at making decisions, even if not all the data is available, and others who rely on in-depth information. Success and the ability to move forward will depend on having a balance of these people in the team," Edwin says.

Orchestrating change

The competencies of supply chain leaders have also become more visible during the Covid-19 pandemic. The crisis has highlighted the increasing need for supply chain leaders to be able to span boundaries and communicate with different disciplines within the organization. The majority of leaders already steered global teams from a virtual office and the technology to work remotely was in place. Nevertheless, the ability to interpret the whole picture and be able to quickly convince, perhaps sales, of the reasons for making changes in the production capabilities has been essential. "If you can't talk, span boundaries and build bridges then it will be difficult to make change rapidly and be resilient to the situation," says Edwin. "With supply chain's end-to-end visibility we see more and more often that initiatives to improve the organisation originate here."

The experts in executive search also note that the most successful leaders are those that lead and guide the discussion but at the same time give team members space and encouragement to do their jobs. "They allow team members to learn from mistakes and they don't apportion blame. Like the conductor of the orchestra, they allow the musicians to play their instruments while they communicate the strategy, keep tempo, listen and guide so that the whole is greater than the individual parts," says

Edwin. Teams tend to flourish and these leaders drive their companies to the next level.

Efficiency versus effectiveness

Unfortunately, the amount of time that companies spend on thinking about adversity, counter measures and resilience is tiny, says Oskar. "Over the last decade the focus has been on cost reduction. This took a lot of resilience out of organizations and hence their ability to deal with unexpected events," he says.

Some clients are now reconsidering their entire sourcing strategy and will start to source locally in addition to that from the Far East. Until recently this dual sourcing was unimaginable because the cost impact was too great. But people are realizing that while costs remain important, this competitiveness is irrelevant if you can't deliver at all, he notes.

"We see that companies have become very aware of the need for safety stock and are increasing their inventories. However, we wouldn't be surprised if they start to lower inventory again when Covid has blown over. This might be cost efficient but, if it becomes unacceptably low, will these companies be resilient to the next adversity?" asks Edwin.

Resilient culture

Maintaining a long-term vision may be difficult for some. Being resilience and prepared for the future does but not necessarily give a quick financial return and shareholders or investment companies might apply pressure to cut costs again. On the other hand some shareholders are agile in the way they operate and can bring in new funds: And while family companies tend to have a longer term plan, they can be very structured and offer no space to adapt. "We see that smaller companies tend to be more agile and resilient because communication lines are shorter, while larger

companies have to put in more effort. But, in the end, a lot comes down to culture," says Edwin.

The culture may need to change or even be completely broken down and rebuilt if a company wants to be more resilient in the future: Much comes down to attitude and awareness. "Some people can adapt and be made aware of the new culture while sometimes it is easier to hire new people," says Edwin. Also, a lot of people still think that they can reorganize the business by applying new IT tools. But you first need to get the procedures and processes in place and have capable people working them.

"It's no good having a great set of tools if you haven't got the right people with the right mindset in place who can deal with any adversity you throw at it. These days you have to be prepared for everything and anything."

FRANCESCA GAMBONI, SENIOR VICE PRESIDENT SUPPLY CHAIN, GROUPE PSA

“It’s my ambition to get supply chain represented on the board”

“The automotive industry is very challenging. It is extremely complex with a huge diversity in products and it’s very demanding from a cost management perspective. All in all, that makes it very exciting,” says Francesca Gamboni, senior vice president supply chain, of the Groupe PSA, the manufacturer of Citroën, Peugeot, DS, Opel and Vauxhall cars. In addition, the industry is going through a huge transformation. For example, all of Groupe PSA’s new models will be electric or plug-in hybrid by the end of 2020. “We are doing a lot to address sustainability and as we develop further we want to tackle this issue in an holistic way.”

Interview conducted by Martijn Lofvers and Oskar Verkamman, written by Helen Armstrong

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European car manufacturers face the biggest change since car manufacturing began. The commitment to reduce CO2 emissions and at the same time meet the unknown mobility requirements of tomorrow’s customers is complex and uncertain. The industry that employs millions of people and invests billions of euros is in transformation and the race to develop new fleets of sustainably powered vehicles is on. The Groupe PSA, Europe’s second largest car manufacturer after the VW Group, is no stranger to volatility. Five years ago it was on the verge of bankruptcy. Saved by investors, in 2016 it announced a rapid expansion strategy. That included the acquisition of Opel and Vauxhall in 2017. It currently has plans to merge with Fiat Chrysler later this year. In an industry that is a bastion of male dominance Francesca Gamboni stands out, not only for being female but in her call for fellow supply chain professionals to take responsibility and lead the way in driving sustainable supply chains. “This is an extraordinary industry. I love it for its complexity, challenges and its very smart people... but we need to do more,” she says.

Women in the automotive industry are rare. What attracted you (back) to this sector?

“It is a passion. Actually, compared with other industry sectors people work under more pressure and this stimulates intellectually the people who work in this sector to go beyond limits and think “out of the box”. You build a car by working together so there is also a lot of teamwork which creates a very strong feeling of belonging and solidarity. I have worked in many industries and for me the automotive industry is the most exciting for supply chain. I became involved in supply chain after joining PriceWaterhouseCoopers. I had recently graduated in industrial engineering and was working at the company where I did my thesis. PWC was looking to develop other fields than finance. I was not looking for a career in consultancy but I knew it would be a way to learn quickly. It gives you the opportunity to work in different industry sectors and provides access to a big knowledge database. Customers have high expectations so it is very demanding, very challenging, as you have to learn their business and their issues very quickly in order to begin adding value. In those

days supply chain was in its infancy and my male colleagues, who were more keen on manufacturing, were very happy for me to take on supply chain projects! I then worked for other industrial companies in varying supply chain positions before joining car manufacturer, Renault Nissan. After nearly six years I moved to L’Oréal to run its Nordic operations. Although this is a great company I jumped at the opportunity to return to the car sector in 2016. I wanted more challenges, more complexity. Since 2017 I’ve been responsible for the integration and turnaround of the Opel/Vauxhall supply chain and I currently manage a team of about 700 corporate staff and 15,000 functional staff.”

The automotive supply chain is very advanced with for example, just-in- time line feeding, but it can still takes six months to receive a new car. Compared with FCMG that is not very agile. Why not?

“Automotive supply chain is vast; from customer demand to measuring customer satisfaction and that transverses the entire company. We don’t have the monopoly of best practices through the entire chain. Our management of complexity, diversity and manufacturing is second to none. However, our demand management, for example, is probably more advanced in other industries. But that is changing. Until recently demand management was a function of sales, simply because supply chain originated from plant logistics. However, over the last two years both demand and supply planning have become a function of supply chain, which is allowing us to fully exploit our potential. We are the first automotive company to do this. It has allowed us to make huge progress because, by having both sides of the story, we can prepare the response to demand in the most efficient way. By having the tools, procedures and processes available we are able to make a more accurate forecast, rather than only one based on

ABOUT FRANCESCA GAMBONI

Francesca Gamboni was born in Chelmsford, England, but grew up in Italy and now lives between Paris and her family home in Lugano (Switzerland).

Education

Master of Science, Industrial Technology Engineering,
Politecnico di Milano, Italy.

Career

May 2016 – present Senior Vice President Global Supply Chain, PSA Groupe, Industrial Direction, Paris, France, Supervisory Board Member, Opel GmbH

Aug 2013 – Apr 2016 Direction General des Operations, Nordic Operation Director L'Oréal, Paris, France

Nov 2007 – Aug 2013 VP After-sales Logistics Renault, Paris, France, General Manager Inbound Logistics Renault- Nissan Europe/ Euromed/Eurasie)

Mar 2003 – Nov 2007 Supply Chain Director packaging sector; Program Manager global beauty sector (Indonesia); Supply Chain Business Analyst rolled products sector, Rio Tinto-Alcan-Pechiney, Paris, France.



is not taking decisions but orchestrating this process, which culminates with us meeting at executive committee level, including twice a year with the president, to make the final, most important decisions.”

What is your approach to digitalisation in supply chain?

“Digital is key but our approach has not been to start with technology and see where we can apply it. There’s no point, for example, in using technology to track cars that are out for delivery if our 3PL is doing this for us. We first need to find a business case for digitalisation. Therefore, we first analyse our key business challenges and decide how we can solve them with digitalisation. We start with projects that are linked to a specific objective such as cost efficiency, demand forecasting, sustainability or customer satisfaction and follow a four-step digitalisation pathway. Firstly we use IT to capture data and assess the problems. Secondly we decide how to use the big data to analyse the problem. Thirdly we use artificial intelligence to predict, or prevent the potential issues and solve them in a collaborative way. And fourthly we are using blockchain.

ambition, and anticipate the industrial constraints to it. The objective is to see the reality and prepare for it in the best way. If you don’t like the reality then you need to act.”

Why has it taken so long for an automotive company to have demand planning in supply chain?

“The automotive industry is fairly conservative but I think the main reason is because supply chain had always been linked to manufacturing. When I came to Groupe PSA 99% of people in supply chain came from manufacturing. Fortunately our executive committee, starting with the president, understands supply chain very well and within

the company we are requested to become “the owners of the truth”. Therefore as we go through our transformation it made sense to put demand planning in supply chain; In order to improve demand accuracy we needed an entity that was credible because we are responsible for fulfilling this very same demand. So, in 2018 we implemented Sales & Operations Planning. We have an 18-month rolling process for which we have the support of the whole company; everyone knows at which moment they have to provide which information and make decisions. This industry is very complex so information and decisions come from across the entire company. If someone fails to provide his or her information the process cannot go further. Supply chain

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Few companies succeed in managing supply chain knowledge effectively

Three quarters of all organizations believe that creating and preserving knowledge will be important for their business success in the next year. Only 9% however say that they are very ready to address the trend of knowledge management, according to a recent global survey by consultancy firm Deloitte. These findings echo the results from Supply Chain Media's own research among European manufacturing companies.

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As part of its market research in preparation for the new knowledge bank called SCM WisDome, Supply Chain Media conducted a survey among European executives and employees. This revealed the receptiveness for supply chain knowledge to be a major challenge for both groups: 35% of the executives and 33% of the supply chain employees indicated that they 'regularly' or 'often' feel overwhelmed by supply chain content, and just over 40% of both groups said that they experience this 'sometimes'.

Companies are clearly struggling to find an effective way to disseminate knowledge. According to 58% of the executives, knowledge transfer is top-down and incidental, whereas the employees provided widely varying responses ranging from structural to incidental and top-down to bottom-up.

Technology for onboarding

New technology can undoubtedly help to improve knowledge management. 85% of the executives and 89% of the employees agreed that machine learning can be of benefit in filtering

knowledge. The large majority of respondents (three quarters of the executives and 62% of the employees) said that their companies are not yet using an intelligent supply chain knowledge bank. In the Deloitte study "2020 Global Human Capital Trends", two thirds of the surveyed companies indicated that they are not currently applying artificial intelligence in their knowledge management activities.

Knowledge management plays a particularly significant role in onboarding new employees, according to 88% of the executives and 86% of the employees surveyed by Supply Chain Media, and roughly the same number of respondents considered it to be important for talent retention. 63% of the executives and 55% of the supply chain employees indicated a strong interest in a machine learning-aided supply chain knowledge bank. Whereas just 17% of the executives described their company as successful in knowledge management related to supply chain topics, the employees were slightly more positive (28%). This implies that the executives take a more critical view of knowledge management.



Engagement engine

A beta version of Supply Chain Media's SCM WisDome knowledge bank has been live since 1 July 2020. One multinational is already receiving training, based on avatars in a 3D environment, in how to use this innovative machine-learning aided online application.

SCM WisDome is an online application containing all the content published by the quarterly publication Supply Chain Movement since 2011. The platform is a digital solution for monitoring and stimulating the engagement of supply chain professionals. The onboarding of new recruits is a key challenge within many companies. In SCM WisDome, it is possible to preselect the articles that a newly arrived demand planner must read, for example, in order to reach the same knowledge level as colleagues as quickly as possible. Meanwhile, high potentials call for a unique approach because they naturally have a greater need for information as fuel for their personal growth. Companies can use SCM WisDome to motivate these talented individuals by consciously presenting

them with a different kind of content (e.g. more strategic) in line with their future ambitions and roles. Another common challenge is how to share supply chain knowledge internally. For example, a supply chain executive might decide that all colleagues could benefit from reading a particular article. SCM WisDome makes it easy to share it.

Self-learning recommendations

SCM WisDome presents users with content aligned with their personal preferences. When users log on to the platform for the first time, they can simply scroll and click to select which companies, people and topics they want to follow. The online tool displays the initial content based on the user's own profile. Users can change their preferences at any time, such as after a promotion or career switch.

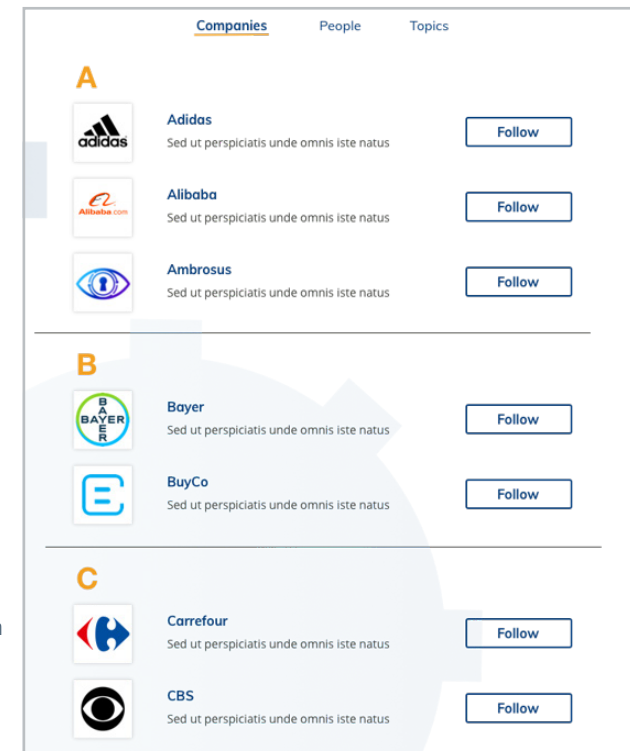
Just as in other social media channels, what you ultimately get to see depends more on your actual reading behaviour than the preferences you select manually. The more a user reads, the better tailored to his or her interests SCM WisDome will become. Based on reading behaviour, the application makes recommendations for other content – and this is done by smart, self-learning algorithms rather than tags as on most websites. For example, SCM WisDome recognizes synonyms, which means that it can recommend relevant content even if the user types in slightly different words. Another example of the machine learning aspect is that recommendations are made based on 'uncommon commonalities': content that stands out for being different rather than popular among the masses. This can be compared to how Netflix recommends 'trending' series and films: content that the majority of subscribers are watching. But what if you and one other colleague share a particular interest in documentaries about coronavirus, and what if that colleague has watched other programs about the topic? In that case, SCM WisDome

recommends those types of articles to you. You are both united by a common interest that is uncommon among the masses.

Dashboard of internal trends

The SCM WisDome dashboard offers an overview of the 'most read' topics, the 'most searched-for' topics and the number of active users. It is also possible to apply filters based on different departments within the company to analyse the trends at departmental level. For example, if artificial intelligence (AI) is the most popular topic, it can be useful to know which role or department is most interested in it. SCM WisDome provides the functionality to see the topics that people are really talking about within the company.

Kick-off workshops give the key users a good overview of the various functionalities of SCM WisDome so that they can then act as internal ambassadors. These companies also have a say in the future development of the application during periodic feedback sessions. Following pilots with several companies, the platform went live for everyone on 1 July 2020. In the Supply Chain Media webshop, there is a choice of two different licenses: a basic license (€5 per employee per month) and an extended license (€10) including a regular e-newsletter containing tips & tricks. www.scm-wisdome.com



SCM WisDome screenshot, personalised content database



DAVID PRINSELAAR, CHIEF SUPPLY CHAIN OFFICER, AKZONOBEL

“IBP has helped us collaborate in a structured way”

David Prinselaar joined AkzoNobel in 2015 as the company was formulating a vision to transform the supply chain. While enthusiastic to make change, implementing a major transformation was, at that time, not straightforward. A thwarted hostile takeover and a new CEO revised the company strategy. In March 2019, Prinselaar was appointed by CEO Thierry Vanlancker as Chief Supply Chain Officer and member of the executive committee. It's Prinselaar's job to change the mindset and culture and encourage collaboration among colleagues as he drives the integrated supply chain transformation. “Supply chain is the backbone to the success of a company. It can add value to both the top line and the bottom line. Having successfully driven the functional agenda over the last years, the next step is to help the business become more strategic and competitive.”

Interview conducted by Martijn Lofvers and Oskar Verkamman, written by Helen Armstrong

AkzoNobel has a long history of mergers and divestments in paints, pharmaceuticals, plastics and chemicals. Headquartered in the Netherlands, it is active in over 150 countries and employs around 34,000 people. In 2017 it staved off a hostile takeover by US rival PPG. To help regain shareholder confidence it sold off its chemical division leaving two remaining divisions, decorative paints and performance coatings, and accelerated a rigorous transformation of its supply chains. Separate supply chains have been rolled into one to create manufacturing and regional synergies, that will improve service delivery and increase profitability. At the same time high performance paints and coatings that cool buildings, capture solar energy, improve aerodynamics and purify air, add value but call for greater agility in the supply chain. The transformation has resulted in significant job losses and changes in job responsibilities, especially in middle management. This disruption has not always been easy to

swallow especially in a company whose history can be traced back more than 200 years.

How did you end up in your current role?

“Before we start, I would like to share my thoughts on the current biggest global challenge we all face as human-beings, the Corona virus. It is having an impact on our lives, our ways of working and on our perspective for the future, with many uncertainties and unknowns. It is obviously an amazing supply chain challenge, but ahead of this challenge, we need to keep our priorities clear – which starts by caring for the health of our families, employees and loved ones. Returning to your question, I moved around a lot as a youngster but ended up studying electro-mechanical engineering, specializing in mechatronics, in Louvain-La-Neuve, Belgium. After completing my five-year degree my aim was to travel abroad but, rather than backpacking, I wanted to live and work in a country. With

my then future wife we decided to go to Malaysia. I was offered a job as project manager by a Belgian company that was installing pneumatic systems both in highway toll plazas and hospitals. It was a great two years' experience but I then decided I should do something more traditional. I joined a large management consulting company in London knowing it would bring me in contact with many different companies. The company already had about 1000 consultants and was growing at a rate of 20% annually. Opportunities quickly came along and I moved up from junior consultant to senior consultant, project manager to senior analyst. It was a very valuable five years with much opportunity for strategic discussion typically with executive committee members who ask good questions about bottom line, speed of return etc. It was very fast and intensive, working 80 hours a week. I loved it, but then my first daughter was born and that way of working was not compatible with family life. I resigned without another job to go to but within a month I had



ABOUT DAVID PRINSELAAR

David Prinselaar was born in Frankfurt to a French mother and Dutch father. He now lives in The Hague with his wife and two teenage daughters.

EDUCATION

2012: Executive training value creation, London Business school

2010: Executive training supply chain, Massachusetts Institute of Technology

2008: Executive training international manufacturing, INSEAD

1993 – 1998: BSc, MSc Electro-mechanical engineering, Université Catholique de Louvain

EMPLOYMENT

Positions held at AkzoNobel, Amsterdam, the Netherlands

Mar 2019 – present Member of the Executive Committee - Chief Supply Chain Officer

Jan 2018 – present Global Manufacturing Director

Jun 2015 – Jan 2018 Operations Director BA Performance Coatings / Integrated Supply Chain

a position at a consumer goods company, Reckitt Benckiser. It was an agile, lean, focused company that gave me the possibility to grow quickly. I worked there for more than 10 years including periods in Spain, Germany, the USA, Brazil and finally in the Netherlands where I was responsible for the operational strategy for Europe and north America. It was an amazing learning experience with great assignments, but, after more than 10 years of continuous family moves across continents, it was time for me to move on to a new challenge. I looked at different companies but in the end I was keen to join AkzoNobel because as well as having a supply chain function in the Netherlands it was also on the verge of a transformation. My new bosses Konrad Keizer and David Allen were both very motivated to transform the supply chain."

Did the move to AkzoNobel turn out as you expected?

"At that time we had three business divisions: performance coating, where I was positioned; chemicals; and decorative paints (deco). We had 125 factories, 435 warehouses and 13 different supply chains, each with a different supply chain director so it was very complex. David Allen and I created a blueprint to integrate and create one supply chain for all the businesses; It took us nearly eight months and it would have meant enormous change. However, I quickly realized that it wasn't going to be that easy to make changes in an established company with a long history. For example, one of my first trips was to Sao Paulo, Brazil, where we had four factories. Each business had its own warehouses and we had nine in total. I came back very enthusiastically because I saw huge opportunities to consolidate. However, even though my superiors were driven by a functional agenda and understood the benefits, any transformation of the business was still very much division driven so, for example, we had to keep deco and coatings sites separate. This philosophy changed, when suddenly in early 2017, PPG attempted to make a hostile takeover. Although it probably was a good proposal we believed we could do better. We decided to divest the chemicals division and create one focused paints and coatings company."

What are the current challenges?

"Over the last four years the emphasis has been on driving a very strong functional agenda, building capabilities and establishing the AkzoNobel Leading Performance System, ALPS, a continuous improvement method that delivers on productivity. We have trained over 6,000 employees on foundational and primary processes to underpin this functional agenda. From 2020 our aim is to create a supply chain that helps grow the business. We can already

demonstrate that profitability is at least at the same level as the competition and now we have to move forward to ensure that supply chain gives the business a competitive advantage. To achieve this our ISC strategy focuses on four building blocks; Firstly, end-to-end customer service. We want to start by fully understanding customer requirements. This sounds logical but we often used to work on preconceived ideas; now we want to know exactly what customers want and where we can be more competitive. As the competition and environment evolve we have to understand how we can make the supply chain profitable for us and for our customers. As a result we have created different supply chain archetypes based on customer requirements. These differing archetypes allow us to manage complexity but within a certain framework and catalogue. Secondly; people, team and capabilities. Thirdly; operational excellence. Fourthly; optimisation of our asset network. We have 125 factories and 400 warehouses all over the world. The majority of warehouses are outsourced. Our objective is to reduce the number of warehouses by 50 this year."

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6TH EDITION OF TOP 28 SUPPLY CHAIN EXECUTIVES IN EUROPE

Top 28 Supply Chain Executives in Europe

The winner of the 2020 edition of the Top 28 Supply Chain Executives in Europe is Dirk Holbach, the Chief Supply Chain Officer of Henkel Laundry & Homecare based in Amsterdam, the Netherlands. He has climbed in this ranking, from 9th place in 2018 to 4th place in 2019 and now to the top spot in 2020.

By Martijn Lofvers, Christian Plesca, Onno Beijers, Edwin Tuyn and Oskar Verkamman

Methodology for Top 28 SCM Executives in Europe 2020

For this year's edition, Supply Chain Media and Inspired-Search first scanned the top European executives and prepared a longlist of 106 supply chain executives residing and working in the EU region. All these executives have responsibility globally or at least within the European or EMEA region. The methodology for the Top 28 is based on research into published company data and financial reports. Even more importantly, peer voting and an executive survey are used to determine the executives' responsibility, span of control and impact within their organizations. The ranking is based on four quadrants: 1) Company Success; 2) Personal Responsibility; 3) Personal Visibility; and 4) Peer Votes. Each quadrant has a weighting of 25%, and the scores are indexed to arrive at a total final score.

The first quadrant is the Company Success of each supply chain executive's employer. This is assessed by comparing the year-on-year (YoY) financial results in terms of revenue growth, earnings before interest and tax (EBIT) and the

Return On Capital Employed (ROCE). To calculate the financial performance, the companies' annual reports of the completed fiscal years 2018 and 2019 were used as the basis for comparisons.

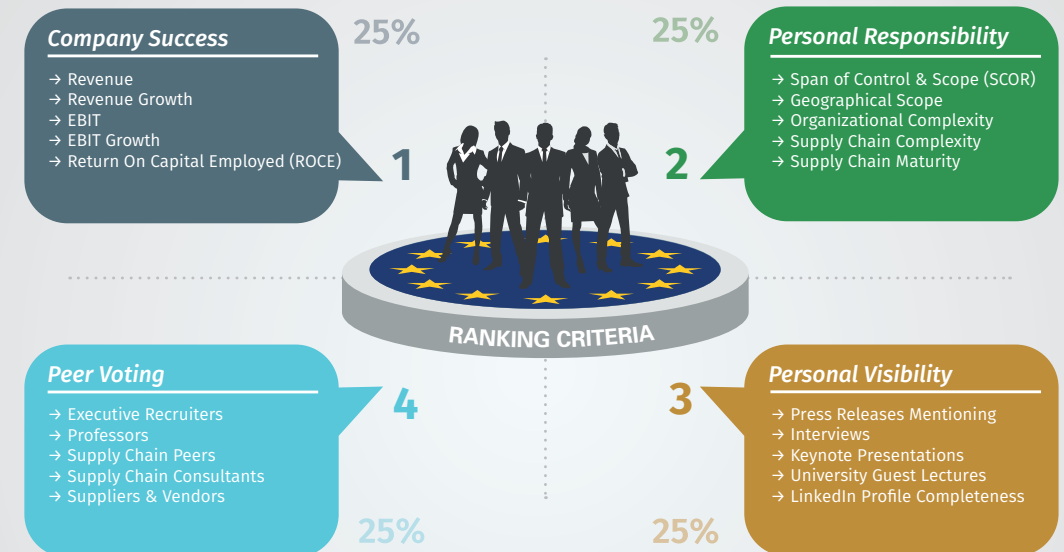
The second quadrant is Personal Responsibility which measures each executive's span of control based on the SCOR model, the geographical area they manage (e.g. global or regional area of responsibility), overall supply chain complexity and their supply chain maturity level (from stage 1 to stage 5, based on the Gartner model).

The third quadrant is Personal Visibility. The public profile of each executive is evaluated YoY (2020 against 2019) in order

to identify and quantify four sub-criteria: 1) number of press releases issued in their name; 2) total number of interviews they have given; 3) total number of keynotes given at conferences; and 4) total number of university lectures given.

The fourth quadrant is Peer Voting by independent experts, such as executive recruiters, professors and analysts. Each peer is asked to award points, ranging from 20 points for their first preference to one point for their twentieth preference, resulting in a personal Top 20 from the shortlist of 50 candidates. The peers award their points based on each executive's industry experience, knowledge and their collaboration with them.

Top 28 SCM Executives Europe 2020



Scoring input for the ranking of the Top 28 SCM Executives by: **SCM** SUPPLY CHAIN MEDIA and **INSPIRED-SEARCH** logistics and supply chain professionals

For full details, (video-)interviews and profiles visit the Top 28 website: www.Top28SupplyChainExecutives.com



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DIRK HOLBACH

Corporate SVP and Chief Supply Chain Officer, Henkel

Dirk has been working at Henkel in various executive positions in Supply Chain, Operations, Purchasing and Sales since 1996, when he started in Corporate Purchasing after finishing his master's degree. This was followed by various assignments in Germany. Having finished his PhD during a sabbatical period, in 2002 he moved to Mexico integrating two newly acquired businesses. Thereafter he returned to the headquarters and was in charge of global purchasing for the Laundry & Home Care business for several years until 2007. Dirk subsequently took control of the global supply chain for the same business, and a few years later gained global responsibility for the manufacturing operations. Since 2014, he has been successfully leading the entire Supply Chain & Operations unit for the Laundry & Home Care division

as Corporate Senior Vice President and Chief Supply Chain Officer. In his current role, he has responsibility for a global head count of more than 7,000 associates in 33 factories and 47 logistics centres around the globe. Dirk is one of the most influential and visionary leaders in supply chain. This is also evident in his relentless pursuit of excellence, both at Henkel and in his personal journey. His progress is reflected in his climb in this ranking, from 9th place in 2018 to 4th place in 2019 and now to the top spot in 2020. Despite COVID-19, he remains one of the top three most visible leaders in Europe and has shared his extensive technological expertise during many appearances at online conferences, webinars and educational events this year. His qualities and charisma are underlined by his success as one of the top four in terms of peer votes. His strategic priorities supporting the purposeful growth strategy of the company are digitalization, sustainability, innovation, system visibility and collaboration. His key contributions have been in the areas of supply chain strategy and organizational development, network optimization, post-merger integrations and recently the digital transformation of the organization. The multi-year, multi-dimen-

sional transformation delivered significant financial contributions and increased the responsiveness, agility and resilience of global supply chain. In that context, the BU Supply Chain was recognized by the World Economic Forum as one of 14 digital E2E lighthouses globally in the field of advanced manufacturing/Industry 4.0.



2

DAVID PRINSELAAR

Chief Supply Chain Officer, AkzoNobel

David joined AkzoNobel in 2015 to support and lead part of the supply chain transformation. "We functionalized our integrated supply chain to serve all business units. We organized ourselves regionally and created both supply chain and manufacturing-specific expertise with the ambition to improve both our service levels and create synergies in the regions and across business units", he states. David was appointed as Chief Supply Chain Officer and member of the execu-

tive committee in March 2019. His primary task is to build AkzoNobel's ISC 2025 vision, which is to ensure Supply Chain is a strategic, integrated and customer-driven partner to all the businesses the company serves. "While driving this vision, my goal is to change the mindset and culture to encourage increased collaboration between all functions. Supply Chain really forms the backbone of a company's success. It can add tremendous value to both the top and the bottom line. It all begins, of course, with keeping our values and priorities clear, which means we start by caring for the health of our employees across the globe. Having successfully driven the functional agenda over the last years, the next step is to help the business become more strategic and competitive," he commented in Supply Chain Movement. David is a proven international operations and supply chain executive with over 15 years of full end-to-end experience with consistent success in getting both real operational and financial results across developed & developing markets (he has lived in ten countries in Europe/Asia/Latin America/USA) and in multi-functional environments.



3

FRANCESCA GAMBONI

SVP Supply Chain, Groupe PSA

Francesca is passionate about the automotive industry. She spent six years at Renault, where her top position was as VP Supply Chain, followed by three years at L'Oréal as Corporate Supply Chain Nordics Operation Director, before joining Groupe PSA as SVP Supply Chain. She manages 700 corporate staff and 15,000 functional staff. Her responsibility covers the entire end-to-end scope of Groupe PSA's global supply chain management, including activities such as product planning, parts procurement, production planning, model launches, order management, logistics and distribution management, also including the new Opel/Vauxhall brands. Her focus is also on S&OP for the medium-term horizon and on global value optimization for Groupe PSA. Francesca has advanced from the 10th position in 2019 to the 3rd in 2020 due to achieving

the top six in terms of personal visibility and the top six based on peer votes. Financially, the company achieved great returns with around 6% EBIT growth and almost 12% ROCE in 2019 compared to 2018. "The automotive industry is very challenging," stated Francesca in Supply Chain Movement earlier this year. "It is extremely complex with a huge diversity in products and it's very demanding from a cost management perspective. All in all, that makes it very exciting." In addition, the industry is going through a huge transformation. For example, all of Groupe PSA's new models will be electric or plug-in hybrid by the end of 2020. Gamboni: "We are doing a lot to address sustainability and as we develop further we want to tackle this issue in a holistic way."



TARIQ FAROOQ
SVP Global Supply Chain,
Sanofi-Aventis

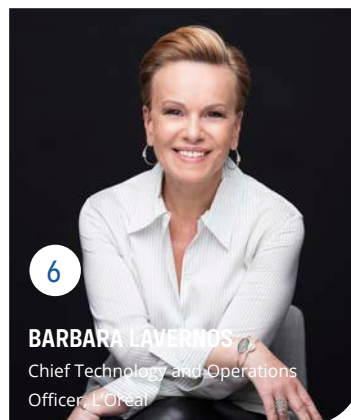
Based in Geneva, Switzerland, **Tariq** has been the Senior Vice President Global Supply Chain at Sanofi since April 2017. He joined the company from Danone as VP Global Manufacturing and EMEA Operations, where he worked for seven years. Prior to that, he spent almost 20 years at Procter & Gamble, where his top position was as Plant Director for France. His educational background includes a master's degree in electronic and electrical engineering from the University of Surrey. His leap of progress from the 26th spot in 2019 to 4th position in 2020 is due to a combination of peer votes, responsibility, scope and company success.



PHILIP HODGES
EVP Group Supply Chain,
Carlsberg Group

Philip, who has been Executive Vice President, Group Supply Chain at Carlsberg Group since 2017, has extensive experience in supply

chain. He spent 12 years working at Kraft Foods Group, four years at Mondelez as SVP Integrated Supply Chain Europe and one year as Group Director and CSCO at SABMiller before joining Carlsberg as EVP. His impressive climb up the ranking is due to being in the top five in terms of votes received from industry peers, due to his global role as part of the Executive Committee, reporting directly to the CEO, and due to the company success. Carlsberg Group achieved a strong financial performance and good returns, with growth in areas such as 9% ROCE, 5% revenue and almost 12% EBIT.

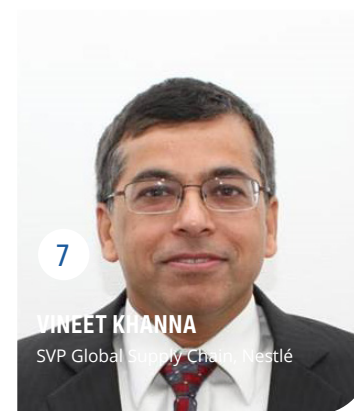


BARBARA LAVERNOS
Chief Technology and Operations
Officer, L'Oréal

Barbara has been Chief Technology and Operations Officer and a member of the Executive Committee of L'Oréal since 2014. She is at the heart of L'Oréal's transformation to become the champion

of BeautyTech, while building the most sustainable, inclusive and responsible growth possible. She manages the entire value chain of the L'Oréal Group's brands, from packaging, design and product development, sourcing and manufacturing (39 factories) to the worldwide supply chain (seven billion products per year). Along with her teams (more than 19,000 people), Barbara is leading the major operational transformation regarding e-commerce and Industry 4.0. Since 2018, Barbara has also been leading the group's global Information Technology (IT) strategy and heads for the global IT teams. An engineer by training, Barbara joined the group in purchasing 29 years ago and has enjoyed a rich and diverse career path ever since, holding various positions including as Director of the Rambouillet factory in France, Global Chief Procurement Officer in 2004, Managing Director of Travel Retail worldwide, and being appointed Chief Operations Officer at the end of 2014. Since Barbara's background is deeply rooted in science and technology and because she is passionate about innovation, she finds the capabilities and the opportunities engendered by the tech revolution thrilling. Today, 51 sites are carbon neutral at L'Oréal

and she supported the implementation of the waterloop factories for the group. In terms of sustainable packaging, thanks to her leadership and the partnerships with experts and suppliers, the group has transformed its innovations with the rise of recycled, bio-based or green materials for packaging. Barbara will become President of Research, Innovation and Technology of L'Oréal from February 2021 and will be appointed Deputy CEO of L'Oréal as of 1 May 2021.



VINEET KHANNA
SVP Global Supply Chain, Nestlé

Vineet has been working at Nestlé for the past 17 years, holding various executive positions such as VP Purina, EVP India, and VP Supply Chain Asia, Oceania and Africa. Since September 2018 he has been the SVP Global Supply Chain, based in Vevey, Switzerland. In terms of seniority and global scope, he has 30,000 direct and

indirect reports and he himself reports directly to the COO of Nestlé. The company achieved +46% ROCE and +5% EBIT growth from 2018 to 2019, which places Vineet in the top five of the executives within the financial quadrant.



Susanne is the Senior Vice President of Product Supply – Diabetes Products at Novo Nordisk. Susanne has worked at Novo Nordisk in a variety of roles across the value chain over the past 18 years, holding global positions within sourcing, finance and IT, device manufacturing, external manufacturing, process development, global supply chain management and insulin manufacturing. Susanne established the Global Supply Chain organization at Novo Nordisk and has developed it into one of the best performing supply chains within the life science

industry. In her current role, she is head of the global network of manufacturing facilities producing insulin for 30 million patients in 170 countries. In this role, Susanne is orchestrating the technical transformation which has recently resulted in inclusion in the World Economic Forum's list of digital lighthouse factories.



Regis has been President of the Pharmaceutical Supply Chain at GSK since 2018. In his current role, which he started in 2018, he is responsible for the manufacturing and supply of pharmaceutical products (with a focus on R&D and innovation) with a total head count of 16,000 employees. Besides that, at the corporate level, he is leading the company's Quality and Environment, Health, Safety & Sustainability initiatives and programmes, which are

overseen by GSK's Corporate Responsibility Committee. Regis is also a member of the board for Viiv Healthcare, which is a joint venture between GSK and Pfizer launched in 2009. Last year, GSK achieved remarkable financial results, with approx. 10% revenue growth and close to 27% EBIT growth.



Harald joined Beiersdorf AG as Chief Supply Chain Officer in 2015 and has overall responsibility for the end-to-end supply chain globally, including procurement, engineering, innovation industrialization, manufacturing, logistics, planning and customer service. He is a member of the Executive Committee Prior to joining Beiersdorf, Harald held a variety of supply chain leadership roles with Unilever and Mars Inc.

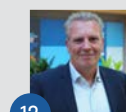
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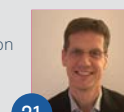
FRANK BAUR
VP Supply Chain EMEA,
Parker Hannifin



INDER KHOSLA
VP Consumer Supply Chain EMEA,
Johnson & Johnson



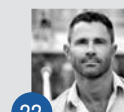
SIKKO ZOER
VP Global Supply Chain, Distribution
and Logistics, Medtronic



JOCHEN SCHLESS
Group VP Procurement & Supply
Chain, ABB



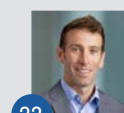
GUSTAVO BURGER
SVP Operations, EMEA, APAC &
LATAM, Kraft Heinz



FREDERIC BRUT
Head of Supply Chain EEMEA &
APAC, MSD



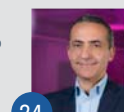
FABIO BOZZACCHI
SVP Supply Chain and Operations,
IWS/Lean, Digital Transformation,
Merck Group



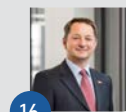
EWAN ANDREW
President, Global Supply and
Procurement & Chief Sustainability
Officer, Diageo



PAUL CAMPBELL
SVP Supply Chain Europe, PepsiCo



FARES SAYEGH
SVP Supply Chain Europe & Global
Supply Network Operations, Procter
& Gamble



RALF BUSCHE
SVP European Site Logistics,
BASF



SABINE SIMEON-AISSAOUI
Head of Supply Chain Europe,
Schindler Group



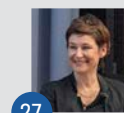
THOMAS PANZER
SVP - Head Supply Chain
Management Pharmaceuticals,
Bayer AG



ROBERTO CANEVARI
Executive Vice President Supply
Chain Europe, Unilever



EMER CUNNINGHAM
VP Internal Medicine
Global Supply Chain, Pfizer



ISABELLE CONROT
Head of Global Supply Chain
Operations, Roche



CHRISTOPH HÄUSLER
EVP Supply - Hygiene Home,
Reckitt Benckiser



VOLKER SCHMITZ
Global Head of Supply Chain
Operations, HP

JOOST BOUS, SUPPLY CHAIN DIRECTOR, ACTION

“New supply chain must facilitate growth”

Despite lacking both supply chain and retail experience, Joost Bous joined a rapidly growing retail chain that needed to completely overhaul its supply chain. The traditional method of replenishing stores by ordering products from the DC was not only no longer effective, but was actually inhibiting growth. What has he done over the past two years to transform Action's supply chain from a restricting factor into a business enabler?

Interview conducted by Martijn Lofvers and Edwin Tuyn, written by Mirjam Hulsebos

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Action opened its first store in Enkhuizen, the Netherlands, in 1993. Within ten years, it had grown to more than a hundred Dutch stores and moved into its own new DC in Zwaagdijk. In 2005 it took its first step towards international expansion by opening a store in Belgium. Today, the company has more than 1,500 stores across eight countries plus five DCs. Action's product range spans 14 categories and offers shoppers an ever-changing assortment of products. Just 30% of the SKUs are more or less permanent; the rest are bulk buys of overstock. “We're growing at an unprecedented rate,” says Bous. “In every country where we open stores, our approach of good quality at very low prices is an immediate success. A store opening is an amazing sight, with crowds of people waiting outside for the doors to open, and virtually all the shelves are empty by the end of the day. In the years ahead we expect to double our revenue, mainly thanks to strong growth abroad. For a long time the supply chain was focused on ‘today’: replenishing our stores as cost-efficiently as possible. However, to facilitate that rapid growth, it's become important to look much further ahead. Once, in the past, we were forced

to delay a handful of store openings because we couldn't guarantee on-time replenishment. We don't want that to happen again.”

Why were you appointed to redesign the supply chain?

“I've got a lot of experience in change management programmes. I've worked in many different parts of TNT Post Group (TPG) and almost always in some kind of change management role. In addition to setting up start-ups within TPG, I also executed turnarounds at subsidiaries that were struggling. In fact, I've never run a stable business; I've always been involved in transformations. The Action management team liked that about me, because some drastic changes were necessary here too. The fact that my experience was limited to logistics – I didn't know much about supply chain management, nor was I familiar with the retail world – was a disadvantage, but they regarded my change management experience as more important. Besides that, on a personal level I'm a good fit with the company culture: ‘Don't just say it, do it.’”

ABOUT JOOST BOUS

Education and qualifications

Rijksuniversiteit Groningen, technical business sciences
IMD Business School

Career

1999 – 2016: numerous roles in various business units of TNT Post Group

2017 – present: Supply Chain Director at Action

What kind of company was it when you joined in 2017?

“It was a buying-driven organization with a focus on logistics but little knowledge of supply chain. The model was simple: most products were sourced from Asia. They were then shipped to the Netherlands by boat and were stored in one of three DCs: two in the Netherlands and one in France. The DCs took care of the transport to the stores. The planning was done by the purchasers in Excel spreadsheets. That model worked fine when we had just one DC. It became more tricky when we opened our second DC in the Netherlands (in Echt) in 2015, but we really ran into trouble when our international expansion took off rapidly and we started working with a third-party DC in France in 2016. Until then, Action had never outsourced its DC activities before. People had no idea what that entailed – how should they manage a logistics service provider? As a result, the costs spiralled. We had out-of-stocks in stores for some products, but had too much stock of other SKUs. On top of that, our staff were completely overwhelmed – the situation was far too hectic and we lacked control. In 2017, the management realized that the old tried-and-tested supply chain model was



no longer good enough for the future. So they went in search of a supply chain director.”

What changes did you make, and how?

“I drew up a turnaround plan based on three pillars plus an extra one:

- 1) Stabilize and fix: set up processes, renegotiate contracts with logistics service providers, explore opportunities for automation, improve transport, organize extra capacity and a number of other actions to ensure that the supply chain would run more efficiently and effectively. That phase took a year, until summer 2018;
- 2) Absorb the growth: design a supply chain that could cope with us opening 250 new stores a year;
- 3) Excellent supply chain vision: develop a vision of how

the supply chain would keep pace with our annual revenue growing from 5 billion to 10 billion or more. In other words, what whatever’s necessary to make our model truly scalable. The fourth pillar underpinning all of this is a good team in our operating countries, in order to create a regional structure and avoid having to manage everything from the Netherlands. To achieve this, I divided the employees into those who are involved in the daily operation and those in the expansion team, who are responsible for setting up the new supply chain model and new DCs. We call that ‘the now’ and ‘the new’. At Action, change used to be seen as something employees did as a side project. That doesn’t work, and especially not in retail where you soon get caught up in the day-to-day chaos. After all, keeping stores well stocked always takes priority over everything else.”

How does your excellent supply chain vision look?

“We’re gradually becoming a multi-layered network. That comprises a limited number of hubs where the goods arrive from our Asian suppliers and where we hold stock, plus a larger number of smaller cross-dock centres where we receive goods from European suppliers and from the hubs. Those centres don’t hold stock; everything is immediately unloaded, sorted and reloaded for dispatch to the stores in full truck loads. We want to move away from mega DCs with a stock-holding function towards a larger number of cross-dock centres. We might even open a cross-dock centre in Asia in the future so that we don’t have to hold any stock at all in Europe. Another change in the vision is that we will no longer open new stores and expect the supply chain to play catch-up. Instead, we now start with the supply chain: it first has to be completely ready to replenish the new stores before we actually open them. For example, we’ve spent at least a year preparing for our 2020 expansion to the Czech Republic.”

How does your demand & supply planning process look?

“We still use Excel to prepare an integral plan for all stores throughout the whole of Europe. In the past our stock accuracy never used to be so important, but it’s becoming more so as we move towards a multi-layered network. We recently purchased the Symphony Gold retail planning tool and are setting up the software. For demand planning we’re currently implementing Anaplan. When that’s live, we’ll be able to use AI-like forecasting tools to plan demand at store level and SKU level as the basis for the supply planning. That will also give us more insight into demand patterns so that we can plan ahead and make better decisions about our product range, such as which styles should be in which stores? Symphony Gold will then allow us to plan the replenishment: which volumes need to be delivered when in order to meet the demand? Our ultimate aim is automatic store replenishment. Right now, our store managers still have to physically check the on-shelf stock every day to decide what to order. That’s fine if your store managers are experienced, but if you’re continually opening new stores.

INTERVIEW CONDUCTED BY



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MARTIJN LOFVERS

Owner, Publisher & Editor-in-Chief
Supply Chain Movement
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"Trust is an essential ingredient for resilience"

In the interview at the beginning of this magazine we spoke about the importance of trust for creating effective and resilient teams. An example of lack of trust is that of an airplane crash back in 1997. The plane crashed into a hill on approach to the airport and 229 people lost their lives. The weather was bad and there were some technical problems with the plane. But those issues could have been overcome if there was enough trust on the flight deck for the senior pilot to listen to the flight engineer. The hierarchical culture prevented that from happening. And there are more examples in aviation. Hospitals have also learned from these mistakes. A surgical team that performs an operation often has a similar hierarchical structure, which may prevent the junior doctors from raising concerns with their seniors.

Maybe you take it for granted that everyone in the management team trusts each other, but is that really the case? Do you trust your employees' judgement, trust how they represent you in the organisation and that they will follow through on the important topics? I assume most will answer 'Yes' but do you really? Have you empowered them to take decisions, or do they still need approval for travel, recruitment or to compensate a customer given bad service? Interesting, isn't it?

Trust also means that everyone has the same goals and objectives and knows that the team members will step up and do their utmost to achieve those common goals. That includes synchronisation of objectives and rewards. What happens when the procurement team offers the lowest rate

to suppliers which results in a cost increase in the service department? How comfortable is the new member of the team to speak up and disagree with the rest of the team? Or is proverbial cold water poured over new ideas (remember the five monkey experiment)?

Understanding the value of trust is important, but creating a trust culture doesn't come easily. I believe, above all, it's about behaviour. It is not a program you can roll out and assume it's in place. Especially now, with so many team members working remotely, it's even more important. Elements that I used in my professional career to create trust are:

- Empower people to take decisions, and I mean the real ones. Don't create a culture of needing approval for every single decision in your organisation.
- Judge team members on their decision-making process and not (only) on the outcome. Be brave and accept a bad result every now and then.
- Take ownership if something goes wrong but give credit to team members for positive results.
- Just be honest, which can be hard sometimes. Even if you have to deliver bad news, nothing is worse than a misleading manager.
- Welcome new ideas, even if they come from the intern. The observation level of newcomers is amazing but fades away after a couple of months, overcome by an unconscious bias.

In hindsight it took me far too long to fully understand the

power of trust and quite often I struggled to reach the right level. There are always limits to what you can achieve at departmental level but the focus should be on what you can do. I fully understand that a company might have policies on approvals, for example. However, sometimes the situation requires some creative input, which helps to build trust with your teams as well.

Trust is not limited to the boundaries of the own team; the same behaviour should be extended to the rest of the organisation and even to your external suppliers and customers. Yes, every now and then someone will abuse the trust you've put in them but that is far outweighed by the benefits of trusting those people who can handle it.

WRITTEN BY



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About Oskar Verkamman

Oskar Verkamman is Managing Director of Inspired-Search and co-Founder of the Inspired-Group. He has excelled in placing the right people in the right positions; always with the cultural fit in mind. Oskar is an active outdoors sports man and adventurer. He is author of the book "De man aan de overkant".



Edwin Tuyn, Managing Director Inspired-Search



Inspired-Group management team



Inspired-Talent team!



Henri Colijn, winner Supply Chain Professional 2020, with Edwin Tuyn.



Mariëlle Wester, Senior Consultant Inspired-Search



Virtual SCM Executive workshop



Mountainbike workshop Inspired-Group



Online panel discussion COO's Lego, RB, Avon and Inspired-Search



Profile (excerpt)

FRANK BAUR, VICE PRESIDENT SUPPLY CHAIN EMEA, PARKER HANNIFIN

“Our supply chain is seen as more than just a cost contributor”

Frank Baur joined Parker Hannifin two years ago to lead its EMEA supply chain from its regional headquarters in Étoy, Switzerland. The company manufactures a wide range of products that facilitate motion within an industrial application, which, put simply, ‘enable engineering breakthroughs that lead to a better tomorrow’. “I was attracted to its winning culture, passionate people, engaged leadership, and true focus on valuing customers,” says Frank. Running a decentralized, end-to-end supply chain with responsibility across six groups, 19 divisions and 27 countries, he seeks competitive advantage through the core lean management principles of continuous improvement and creating value for customers. Eight months after the start of the COVID-19 pandemic, the company remains strong. This, as Frank explains, is due to its customer centricity and engaged people, which comes from its philosophy of ownership, entrepreneurship and decision-making at the lowest possible level.

Interview conducted by Martijn Lofvers and Edwin Tuyn, written by Helen Armstrong

Parker Hannifin is a leader in motion and control technologies and has a long history of powering machines that changed the world. From brakes and fueling systems for aerospace to valves and sensors for climate control, power generation and healthcare, it touches all parts of our daily lives. Founded in 1917 in Cleveland, USA, by entrepreneur Arthur Parker, it has a deeply engrained culture of innovation and commitment. At the turn of the Millennium the global company introduced its successful Win Strategy, which was revised in 2015 and 2019 to focus on the customer experience, in order to improve productivity and profitability. With sales of 13.7 billion dollars in fiscal year 2020, Parker has come through the Covid pandemic in good health and, with Frank at the helm of the EMEA supply chain, improvements are set to continue. “Supply chain is driving the competitive advantage that enables Parker to be a top-performing company,” he says.

How did you get to where you are today?

“I studied economics in Germany and, after graduating, went directly into supply chain management. I started in fast moving consumer goods and then joined a consultancy, Ingenics, before moving into industry to work for Robert Bosch. While there, I had the opportunity to move to Brazil to lead its Latin American supply chain and then to Chicago, where I had responsibility for its NAFTA supply chain. Working for Ingenics was also an important step because I learnt to work with standard methods and had my first exposure to industry. The firm is strong in operations and process management, so it gave me a solid foundation for manufacturing. It also exposed me to the importance of talent management and this remains key in my current role. My time as a consultant also boosted my cultural awareness and inter-cultural competencies. It was the first time I worked on projects outside of Germany. I joined Parker Hannifin

two years ago. We are organized in six groups and I am responsible for the supply chains of 19 divisions, which are differentiated by product or customer. Each one of those 19 divisions has a supply chain organization with decentralized operations that puts them close to our customers and to our supplier base. This gives us a competitive advantage over larger-scale, centrally-led organizations. It is a truly holistic end-to-end set-up across all functions and, for me, the leadership challenge is to lead remotely.”

Do those individual divisions report directly to you and how do you leverage the benefits from one division to another?

“Each of the 19 divisions has a general manager who is responsible for targets and makes first-level decisions. The divisional supply chain leaders report back to me, which

ABOUT FRANK BAUR

Frank Baur (46) was born in Ulm, Germany, and now lives in Fechy, Switzerland, with his wife Sarah and two children.

Education

1994 – 1997: Business Administration, Baden-Wuerttemberg Cooperative State University, Germany

2015: Global Leadership Executive Program, Carnegie Mellon University, Tepper School of Business, USA

Career

2018 – present: Vice President Supply Chain EMEA, Parker Hannifin, Étoy, Switzerland

2014 – 2018: VP Supply Chain & Logistics Bosch Automotive Aftermarket NAFTA, Robert Bosch LLC, Chicago, USA

2010 – 2014: VP Supply Chain & Logistics Bosch Automotive Aftermarket LATAM, Robert Bosch Limited, Campinas, Brazil

2007 – 2010: Director Supply Chain & Logistics Bosch Powertools Green EMEA, Robert Bosch GmbH, Stuttgart, Germany/Miskolc, Hungary

2004 – 2007: Manager Supply Chain & Logistics Bosch Powertools Strategy, Projects & Warehousing EMEA, Robert Bosch GmbH, Stuttgart, Germany

2001 – 2004: Director Division Supply Chain & Logistics/ Senior Consultant, Ingenics, Ulm, Germany

1998 – 2001: Manager Supply Chain Strategy & Logistics Projects, Muller Holding GmbH & Co.KG, Ulm, Germany

ensures functional guidance and the transfer of knowledge and technology between divisions. In addition, the functional owners of transportation, sourcing, procurement (direct and indirect), material management (S&OP, inventory, service), logistics, warehousing, foreign trade management and compliance also report to me. We have 13,000 associates in EMEA but only about 110 at our regional headquarters. Each year, we transport around 1 million shipments from 100 warehouses and 100 manufacturing locations in Europe. We

do have facilities in other parts of the world for risk mitigation, but our aim is to produce in Europe, for Europe.”

What are your current supply chain challenges?

“COVID-19 has been unprecedented. During the pandemic the supply chain has been at the sharp end of the company because we have had early engagement with customers and suppliers alike. We run our business with a globally-aligned strategy and safety has always been our top priority. Within EMEA we were on track regarding safety and, when the crisis started, we expanded the principle of keeping people safe, not just at work, but also at home. The advantage of being global was that we could take our COVID experience from Asia and apply it across Europe too. For me the main challenge in this crisis has been sourcing. However, we have been able to leverage our strong local-for-local footprint. More than 85% of our sourcing volume comes from longterm agreements with suppliers and a significant amount is dual sourcing. This significantly mitigates any risks, and we have been able to maintain our manufacturing capacity, a huge accomplishment of which I'm very proud. Secondly, we invested early in transportation visibility. Whether picking up goods from suppliers or delivering to our customers, some 99% of our freight is transparent. We have 12 preferred carriers who do 86% of our transportation. This has led to very honest partnerships, which gave us early awareness of where the outbreak was impacting us. Thirdly, our focus on talent and people engagement has helped a lot. As the impact of the crisis increased, having smart people who were able to analyze big data cubes and combine this with material management and planning, made the difference. By empowering them and adjusting our reporting, it gave us the necessary transparency to manage the crisis and we didn't let manufacturing down at all.”

How do you assess the supply chain strategy?

“Parker's great advantage is that we have guidance from

our Win Strategy, which is based on four essential pillars. The first pillar is engaged people, which boils down to functional expertise, pipeline strengths, diversity, inclusion and continuous learning. Before the crisis we had conducted our annual empowerment and engagement survey, which showed that the company performs very well against its peers and that the EMEA supply chain is best in the region. During the supply chain review we quickly concluded that talent management remains key. We need to continue with our pipeline fill across all levels in the supply chain organization and further accelerate our graduate trainee program. On October 1 we launched an internal supply chain academy to further strengthen functions and experience. We aim to have engaged people in cross-functional teams who are empowered to make decisions at the lowest possible level. At Parker we call these High-Performance teams (HPTs). Before the crisis, 78% of associates were in a high-performance team. This meant they were working together with a defined purpose and clear target, often remotely, to solve a problem. The crisis truly changed the way we interact, because we used more video-conferencing platforms, but it also accelerated the use of HTPs.”

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The T-Shape Supply Chain Manager 2020+

In 2008 I developed a model called the 'T-Shape Supply Chain Manager'. It's a guide for supply chain professionals who want to develop their personal skills, enhance supply chain and business experience and increase their career opportunities. For many years this T-Shape has remained unaltered while the world has changed. Especially 2020, but also other events and developments over the last years, have given food-for-thought about the key skills required to be a top supply chain professional.

Some of the events and developments that have taken place over the last few years have had a significant impact on the toolbox required by supply chain professionals in 2020 and beyond. The top three are probably: the need for more sustainability; the increasing degree of digitalization; and the unexpected regional or global events like pandemics, bush fires or flooding.

Digitalization and digital transformation should be on the agenda of every company and leader. More data availability and the need to make quick decisions, in an integrated business or global and complex supply chain, increase the need for excellent data management, use of machine learning, synchronized and integrated systems, strong analytics and sensing and real-time information. The supply chain leader of today and tomorrow needs to be aware of what is available, how to make this beneficial to the organization and how to inspire digital specialists and non-specialists with a clear digital transformation pathway.

Sustainability is on the agenda of most leaders. Unfortunately, it sometimes remains on the agenda and in some cases,

it is just a (hidden) marketing driver to comply with the expectations of the client in order to increase sales or revenue. Yet for an increasing number of organizations sustainability is becoming more and more important. It is embedded in their thinking and is a key and core value of their strategy. As one supply chain leader pointed out: 'Sustainability within the supply chain and organization will become the license to operate in the near future'. So, the ability to look beyond the immediate, short-term gain and instead visualize the role of the organization in a larger global context has to be a key attribute of a top supply chain professional.

Over the last few years supply chains have been affected, sometimes greatly, by unexpected events such as floods, bush fires, volcanic eruptions and most recently the global pandemic. During these events the supply chain of some organizations has been swamped with products or has the wrong product available due to changing demand. Others have seen a huge surge in demand or the previously balanced omnichannel has shifted from B2B to B2C. In general, the balance in the extended supply chain is disturbed.

The ability to regain balance following exposure to these kind of events is called resilience. Resilience does not lead to an end state but is a process of progressive growth within a risky landscape. A resilient individual is able to adapt to stress, recover from setbacks, continue to function in a relatively stable and healthy way, harness resources to maintain well-being, and find personal growth while adapting to a crisis. Understanding resilience, its determinants and ways to enhance it are greatly important in leadership. As noted in a

2002 Harvard Business Review article, Dean Becker, founder of the resilience training firm Adaptive Learning Strategies, states: "More than education, more than experience, more than training, a person's level of resilience will determine who succeeds and who fails".

So what should you do to become a more resilient supply chain leader? In 2017, Joseph Folkman, in a contribution to Forbes, pointed out seven qualities seen in resilient leaders, they communicate powerfully; are coachable (open for and ask for feedback); build positive and trusting relationships; are bold risk takers; develop others; champion change; and are decisive.

Without doubt the 2008 version of the T-Shape Supply Chain Manager needs to be updated but more importantly, have you updated your 'shape' in order to lead a digital transformation, drive a sustainable supply chain and be a resilient and inspiring leader?

WRITTEN BY



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Edwin Tuyn is Managing Director and Founder of Inspired-Search in 2007 and co-Founder of the Inspired-Group. A passionate and driven entrepreneur, he favours candidates that can mirror both their business/ leadership acumen and in depth supply chain knowledge. Edwin enjoys global traveling and wildlife/ landscape photography.

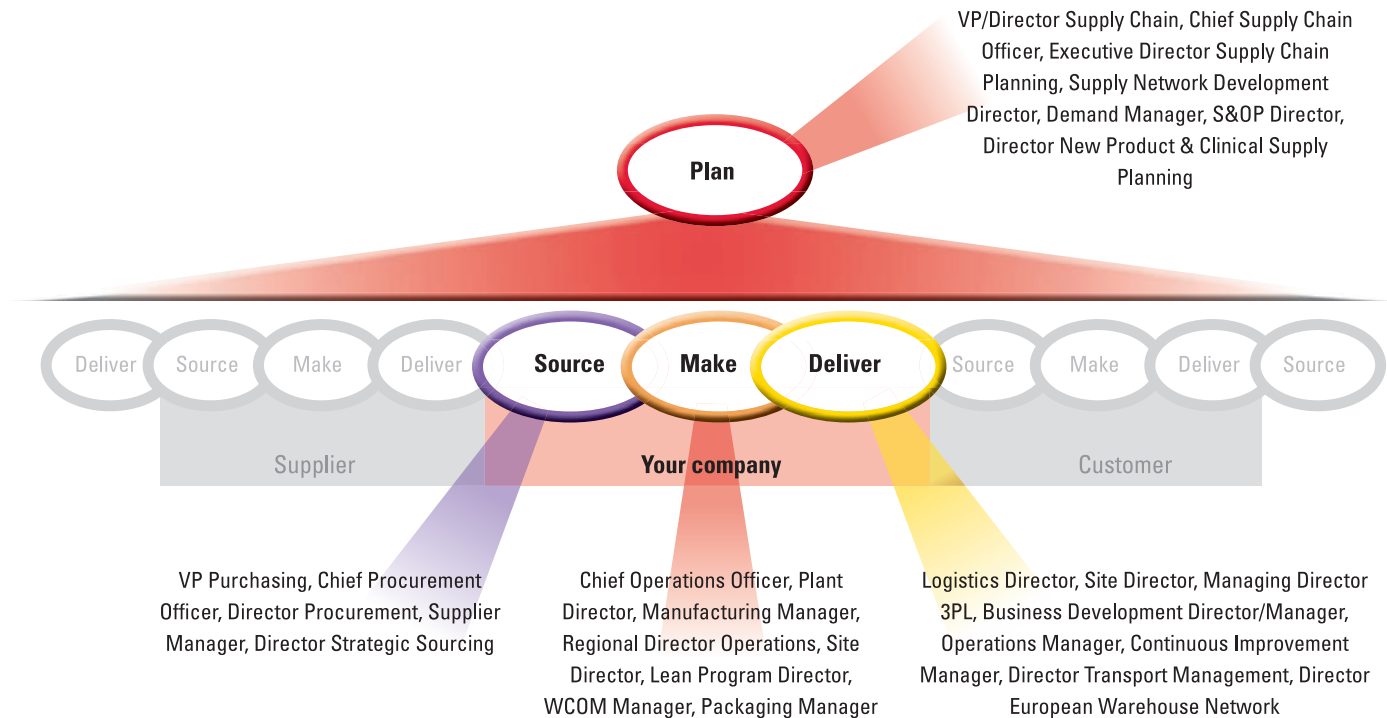
Overview propositions

Inspired-Group is active with various labels based on geographical scope and seniority level of the position.

INSPIRED-SEARCH is active in Europe, Asia and Brazil for Executive Search and Senior Interim assignments.

INSPIRED-TALENT is active in the BeNeLux region and is focused on (master) graduates in supply & demand planning who support organizations as management trainees. These graduates are coached by Inspired-Talent management.

As Inspired-Group we are able to match professionals working within the Supply Chain Operations Reference Model (SCOR). Typical positions are:



A man and a woman are captured in a dynamic dance pose. The man, wearing a black suit and black shoes, is leaning forward with his arms around the woman. The woman, also in a black suit, is wearing a black fedora and gold high-heeled sandals. They are positioned in front of a vibrant red wall and a large, ornate black door. The scene is set on a dark, paved surface. The overall mood is passionate and professional.

**Professionals
require passion**