



The Human Factor: What is Technology Without Leadership?

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As its cost declines, supply chain technology continues to improve. Technology implementation depends upon it being economically feasible compared to other solutions, such as deploying equipment or increasing labour. Technology will likely be increasingly used in place of both solutions. This leaves many envisioning a future driven almost exclusively by technology, but nothing could be further from the truth. The human factor—strong leadership—will always play a critical role in supply chain and logistics

Technology will not improve performance in companies that lack organizational focus. "A computer lets you make more mistakes faster than any invention in human history, with the possible exceptions of handguns and tequila," wrote Mitch Ratcliffe. He may have overstated the point, but without mission-committed leadership, supply chain technology is just a solution in search of a problem

TOUGH DECISIONS

A technology solution may be more cost effective in a stable environment, but increasing automation decreases flexibility. So how do we factor in the value of being flexible? Even if we can quantify this factor, and work it into a technology solution, unquantifiable decisions ultimately still need to be made somewhere down the line. In the end, numbers don't make decisions. Leaders do.

REACH OUT AND TOUCH SOMEONE

Links in the supply chain are increasingly bound together virtually. To function long-term, virtual organizations must earn each other's trust. Company leaders have to reach out to other members of the supply chain and develop human-to-human relationships. Without personal interactions, supply chain partners often develop ineffective and adversarial arms-length relationships

Logistics managers are often driven to minimize cost, and supply chain technology can be a good way to reduce overall expenses. But effective leaders understand that it may not be possible to operate at a minimum cost, and actually win and keep new customers. A company might need a higher performance level, driven by a more reasonable optimal cost, to keep customers satisfied. This conundrum offers no fixed solution. Only an informed and knowledgeable leadership that is sensitive to customer needs can make the final determinations necessary

Once a company selects a specific technology, leadership becomes even more critical. Technology implementation often creates change beyond what many are prepared to accept. Strong leaders are the only ones who can head off the fear of change that exists in many companies, and generate excitement about the organization's future. The overall attitude employees have toward a technology can make or break project implementations, so the positive attitude has to start from the top

If Ratcliffe's quote is an overstatement, General George Patton may have come closer. He said: "A good solution applied with vigor now is better than a perfect solution applied 10 minutes later." To paraphrase, good technology applied with employee commitment is better than leading-edge technology applied without inspirational leadership

Be swift when implementing future supply chain technology as it becomes practical and economical to do so. But also remember that skilled leadership is necessary to arrive at your intended destination

Looking forward to your support during 2015!!!



Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them. Paul Hawken



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