



# ISM Forward Scan

## Insights for Today's Supply Leaders

Exclusively for Supply Leaders in the ISM Corporate Program

Vol. 2:6 December 2012

## Leading All Over the World

By Naseem Malik



In times of constant change and tumult it's easy to overlook the guiding principle for successful execution — leading our people. This principle is especially applicable to our world of supply management as we continue to expand our organizational and geographical presence. The challenge is not merely confined to our corporate headquarters or to our supply management colleagues. It includes our team members situated across multiple countries and functions amidst a variety of work and social cultural norms.

With the abundance of research on this ubiquitous topic, why must we revisit? The answer is simple — without the right talent in the right position with the capabilities to navigate through the myriad horizontal and lateral challenges, our organizations will ultimately feel the effects on their bottom line.

### From Iowa to Italy to India

Beyond the normal challenges of leading people and projects across time zones, functions and cultures is a more important consideration ... the need for multidimensional leaders. This is a fancy term to describe supply management professionals that understand the nuances of dealing with their Iowan manufacturing manager who is collaborating with her Italian design engineers while actively engaging their Indian advanced sourcing team as it selects suppliers. Not only does it require capabilities to manage such teams remotely but also the astuteness to learn how it's done on the ground.

One procurement executive described how one of his hires successfully worked with internal and external stakeholders in India without ever setting foot in that part of the world. This professional had the intellectual curiosity and heft to learn as much as

he could about India and its culture by reading books, speaking to his contacts, conducting research and learning on the job. He asked questions, observed people and remained respectful of norms and traditions — and most of all, he listened. These efforts were a major success, leading to camaraderie and high performance among team members. He took this foundation and eventually expatriated to successfully manage the global sourcing team from India. Such a skillset is crucial for tomorrow's leaders. Moving forward, expect these types of success stories to become the norm.

### Turn the Trends in Talent

Many principles of supply management can be applied to global leadership when it comes to people, places and cultures. And these principles are applicable in all geog-

as the reality — regardless of where they're located. For companies that cannot relocate senior executives to other parts of the world, this is an approach that works.

**Deploy talent on demand.** Another method is based on the principle of adapting to the uncertainty in demand (in this case, talent demand). The efficiency in sourcing small batches of components more frequently can be applied to talent forecasts through shortened time horizons. Delving further, some companies separate development programs into shorter units. Instead of a traditional two- to three-year functional management trainee program, high potentials are brought together for an 18-month course that teaches general management skills. This creates an organization-wide talent pool that can be allocated among business units as the need arises.

**The perception of being aligned to a senior leader is just as valuable as the reality — regardless of where they're located.**

raphies. High synergy leaders can transcend communication and cultural barriers because they possess the skills that make them successful in their everyday jobs (that is, they're collaborative and influential and use facts to sell and show their value).

A common misconception is that the standard leadership styles apply regardless of where our people may be situated. Those engaged in the global sourcing arena know this is inaccurate and understand the variances. For example, in China and India a mere 10 percent to 15 percent salary increase is not enough to warrant moving from one company to another. However, when a 20 percent or more salary bump is offered, it's perfectly acceptable to switch jobs and companies every two years. This trend will continue, especially while the labor force is primarily in the 20 to 30 year age bracket. After which, retention is easier but still far more challenging than what we normally expect in Western companies. What are some ways we can mitigate this trend?

**Change the reporting structure.** Have talent in other countries report to accomplished and respected leaders in the companies' headquarters. A multinational corporation with global facilities had its CPO place the sourcing leaders from India and China on his staff. This helped to retain and develop talent while also improving results and relationships internally and externally. The perception of being aligned to a senior leader is just as valuable

**Set the tone.** Your team looks to you for decisiveness and to set the tone for what is and is not acceptable. A sourcing executive knew a high potential direct report had matured as a leader when the individual made the difficult decision to release a European team member. This was a team member the individual hired and desperately needed, but he took action when the new hire didn't work out as expected. It sent a message to his direct and extended team, as well as to internal stakeholders, that there's no substitute for doing what's right for individuals and for the organization when it comes to talent acquisition.

### Led, Lead and Leader

As the global economy continues to recover, companies are looking for ways to increase their competitiveness. A particular strategy that's working for Korean entities is to hire foreign workers to stimulate their current talent pools. TechCrunch wrote that major consumer electronics manufacturer Samsung is looking to hire U.S.-educated personnel with postgraduate degrees in science and engineering. Samsung is looking to increase its standing as a key player in more than just televisions, computers and mobile devices. Bringing in U.S.-trained applicants is a new move for the entity, but with limited talent available on a domestic level, reaching out to known sources of candidates with the proper skills and education may be a fitting solution.

## Bottom line is that talent management is an investment and not an entitlement.

Similarly, companies based outside of Japan are trying to pull more talent from the region, while Japanese firms are looking to bring in overseas talent. This tug of war is resulting in a much greater talent pool for Japan, as several different industries look to hire within the country. Citigroup is currently seeking to fill several high-level vacancies in its Japan operations, according to Bloomberg. The bank is looking for executive personnel to help strengthen its presence in the nation. Hiring native personnel may give these entities a more localized feel, grounding them in the region.

These examples reiterate the importance of having the right leader, mainly the type that fosters and promotes not only the company culture but also the value of collaboration and diversity of thought. Volumes can be said and written about how the breakneck pace of business is forcing rapidity of thought and ensuing actions. Amidst this reality it's critical to keep sight of how to perform at an optimal level as well as with whom we work and lead.

As supply management professionals we must be keenly aware of the costs of acquiring, training, developing and even releasing team members. Once again, we can apply the concept of make versus buy as we look at our current

and future talent requirements. There are some companies that emphasize the importance of maintaining the organizations' current culture and developing talent internally. However, for others a deep bench of talent is expensive. These companies undershoot their estimates and hire externally to compensate for the shortfall. Bottom line is that talent management is an investment and not an entitlement. It's no longer optional to have talent that is globally and culturally savvy, but a necessity. Cultivating these current and future leaders isn't an ordinary task left only to human resources — it needs to be ingrained as a core part of our profession.

**Naseem Malik** is the managing partner at MRA Global Sourcing ([www.mrags.com](http://www.mrags.com)), an executive search firm focusing on supply management and logistics. He brings 15 years of experience in the supply management/logistics function to the executive search business. Working at Fortune 500 companies and in management consulting, Naseem gained valuable insights on attracting and retaining top-notch talent. He is well versed in building and leading high-performing teams on a global basis. As an active member of the ISM and MAPI Purchasing Councils, Naseem has authored sourcing magazine articles and presented on topics relating to talent challenges in the global marketplace.

### Editorial Insights

Leading people is not easy. As a leader, people are constantly looking to you to set the tone, inspire them and help them succeed. Before you can effectively lead, it is important to understand yourself — know what you value and how your values coalesce with your company's values. Then, work with your team to develop a set of shared values and develop measurement systems against these shared values.

Once you've established shared values and measurement systems, give your employees the opportunities to succeed. This may involve providing training to level-up skill sets or enhance soft skills, employing appropriate reward and recognition systems, or assigning work that challenges your team and exposes them to different parts of the organization. Whatever methods you use, it's imperative to provide encouragement and model the behavior you want to see.

It's also important to remember that, regardless of where they're located, most people want to positively contribute to their company — they want to feel valued. With this in mind, help your team understand how their work fits with the company's vision, mission and goals. Demonstrate parallels between their work and the success of your company.

The area of talent management is crucial to your success as a leader. And, while leading people is not easy, it can be very rewarding. Join us as we delve deeper into this subject at the ISM Annual International Supply Management Conference in Grapevine, TX April 28 - May 1, 2013. The conference includes several sessions on talent management, including a session co-presented by Mr. Malik to discuss managing career coaching and support for young professionals. We hope to see you there!

**Mary Lue Peck** is vice president of corporate development at ISM.



ISM *Forward Scan* is an exclusive product for supply leaders in the ISM Corporate Program. This practical publication focuses on the profession's next imperatives affecting strategic supply management decisions today. The articles provide insights on emerging trends, technology, challenges and best practices in business. They give decision-makers both a macro and micro view of the supply horizon as a unique tool for supply leaders to impact their company's bottom line. Look for more ISM *Forward Scan* issues throughout the year as a benefit of being an ISM Corporate Program participant.

**For additional information on the ISM Corporate Program, contact:**

**Mary Lue Peck**

Vice President, Corporate Development  
800/888-6276 or +1 480/752-6276,  
extension 3133  
[mpeck@ism.ws](mailto:mpeck@ism.ws)

**Candace Craig**

Manager, Corporate Development  
800/888-6276 or +1 480/752-6276,  
extension 3089  
[ccraig@ism.ws](mailto:ccraig@ism.ws)