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The Best Supply Chain Managers Have These Traits in Common

Stephanie Nikolopoulos | Nov 04, 2021 | Share: in

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"A supply chain manager must wear many different hats, and those hats will change based on the type and make up of the company you're looking to manage," Thomas Insights explained in a previous article.

Because of this ever-changing rotation of roles they must fill, there are certain traits that help a supply chain manager not just succeed but thrive.

What Is a Supply Chain Manager?

A supply chain manager is an individual who oversees the movement of a business's goods and services. Their key role is to improve the process so that it can be more productive and more efficient while simultaneously reducing costs.

Some of the responsibilities of a supply chain manager may include:

- Maintain inventory, including forecasting demand for product
- Analyze supply chain data
- Implement strategic logistics, including tracking product from its point of origin to warehouses and stores
- Manage vendors suppliers and freight companies negotiating pricing and monitoring performance
- Supervise staff, including implementing safety guidelines

5 Traits of the Best Supply Chain Managers

Analytical Skills

At its core, a supply chain manager position is a strategy role. To excel in this position, one must be detail-oriented, data-driven, organized, and process-driven while simultaneously being forward-thinking. A manager must be able to evaluate and manage existing day-to-day operations while also keeping an eye on bigger-picture trends and issues that may impact the supply chain, positively and negatively.

Consequently, a supply chain manager must have knowledge of what data they should be tracking; stay informed about how current events such as holidays, natural disasters, worldwide epidemics, and trade wars may impact the supply chain; and research what competitors are doing so they can strategize ways to stay ahead of the competition.

Managers should be tracking data on:

- · Inventory levels
- · Product and service quality
- Vendor response time
- Trend predictions
- · Customer habits and feedback

There are, of course, numerous other data points a manager may want to collect to assess efficiency, quality, and return on investment. That's why it's critical that a supply chain manager has the foresight to know what they should be tracking so they understand how they can improve logistics, manufacturing quality, customer service, and more.

These Thomas Insights articles provide further background information for supply chain managers:

- Supply Management vs. Supply Chain Management
- Making the Most of Supply Chain Data
- Garbage In, Garbage Out: Why Your Supplier Data Is Making You Fail

Technology-oriented

To improve logistics, a manager will need to implement supply chain management software and lead the charge in utilizing the latest developments in technology to improve the supply chain.

This includes Enterprise Resource Planning (ERP), a system that captures your operation's data. Many will be familiar with it since it has been around since the 1960s but it is becoming more advanced. Therefore, it requires being implemented by someone willing to learn how to use it to its full capacity.

These Thomas Insights articles will help you get started with ERP:

- What Is ERP's Role in Supply Chain Management?
- 7 Indicators It's Time for a New ERP System at Your Industrial Business

Supply chain managers can use ERP systems to efficiently manage products through the supply chain and correct production in response to changes in supply and demand. ERP is a tool that managers can use to augment their analytical thinking.

While ERP systems will help managers see the big picture of their supply chain, allowing them to make adjustments for efficiency, to optimize their supply chain on the next level, managers may need to turn to the latest technological advancements in industry.

Some trends we're seeing in supply chains include:

- 3D printing
- 5G
- artificial intelligence (AI)
- blockchain
- digital twins
- · edge computing
- the Internet of Things (IoT)
- robotics

For insight into how technology is impacting supply chains, see:

- Top 8 Supply Chain Technology Trends for 2021
- Technology's Impact on Modern-Day Procurement and Supply Chain Functions

Rest assured that a supply chain manager does not need to be a computer scientist or engineer themselves. However, they do need to have a keen understanding of technology's capabilities, be motivated to stay on top of technological trends, and be forward-thinking in adopting new technology. As well, they must be conversant in the language enough that they can effectively communicate with both those who do have advanced technological knowledge to implement their ideas and with those they train and supervise, such as the warehouse and logistic team lead.

Communication

Communication is a top soft skill that supply chain managers must master, but what does it actually mean? Communicating effectively means that a message is given and received correctly, whether it be in person, on the phone, through video chat, in an email, in a messaging app (such as Slack), and in reports. This implies that the person is willing and able to give feedback, impart knowledge, and transmit instructions.

Communications must be clear and precise so that the receiver gets the full picture of what they need to know without room for misinterpretation. It must also come at the right time, when possible giving the person enough of a buffer to digest, ask follow up questions, and adjust as necessary.

There are a range of communication styles from passive to assertive and aggressive. Part of being a good communicator is understanding how your message will best be received by the particular listener and, if applicable, adjusting your communication style accordingly. Personalizing your message and showing compassion while still alerting the listener to potential consequences may be more effective than spewing threats. Assertiveness and aggression both indicate authority, which is crucial for supply chain managers to possess, but only assertiveness is necessary to get the job done.

For more on communication, see:

- 2021 Tech Forecasts: How Communication Trends & IoT Will Shape Industry
- 3 Ways to Effectively Communicate with Clients and Employees During a Crisis
- Shifts in Communications and the Workplace

Relationship-building

Part of the reason why aggression isn't the best tactic to take when it comes to communication is that the responsibilities of a supply chain manager include building relationships. Because the role encompasses the spectrum of the supply chain, the individual must build partnerships, manage global suppliers, oversee various tiers of suppliers, motivate staff to improve and to implement new lean strategies, participate in risk management planning, and further activities that involve cultivating strong connections.

Building relationships means understanding the difference between a supplier's or an organization's current limitations and their ability to break through previous standards with the right motivation and tools. It also means discerning how hard to push someone or a business to achieve the results you want without them growing resentful, burning out, or cutting corners that will ultimately jeopardize your business. This idea of limitations also goes back to why it's helpful for supply chain managers to be technology-oriented: having an awareness of what technology can and can't do will help your business relationships as you'll be seen as knowledgeable, which makes you both easier and more desirable to work for.

There may be times when one cannot disclose certain proprietary information, however by and large honesty is the best policy under normal business circumstances. For example, adding a little bit of a buffer in the supply chain process is common practice, but telling a vendor a difficult-to-meet drop-dead date that you don't actually need to make could hurt your business interests in the long run. The vendor may meet the date but decide not to work with you again because they find you needlessly demanding. Or, if the vendor assesses you as the little boy who cried wolf, they might not meet your deadline next time because they think you're just bluffing your dates. Both of these will obviously sour your relationship.

Let's be real here: money talks. Building a solid relationship with your vendors and staff includes paying promptly and paying fairly. It may also mean rewarding for outstanding work and for loyalty. If a monetary reward isn't possible, referrals may be appreciated.

Supply chain managers and the procurement teams working under them may find these articles helpful:

- What is Supplier Relationship Management? A Complete Guide to SRM
- What Is Vendor Management in Supply Chain?
- Unleash the Power of Vendor Management in Procurement
- <u>6 Reasons Why Supplier Development Is Key to a Successful Supply Chain</u>

Decisive

A supply chain manager must be decisive so their direct reports and their vendors can take action. This decisiveness allows the business to meet the needs of customers, become more efficient, and expand.

Coinciding with relationship building is the ability to equip, motivate, and empower staff and vendors to handle regular day-to-day decisions. It's important for a supply chain manager to not become a micromanager because they need to ensure they have time to analyze existing efforts, forecast what's coming down the pipeline, research opportunities for improvement, and make decisions on behalf of the organization.

It's obviously not enough to just arbitrarily make a decision, though. Consider the following decision-making traits of supply chain managers:

They must excel at taking calculated risks. — All growth involves risk. Therefore, to be successful, one has to be risk-tolerant. However, these risks must be backed up by data. A successful decision-maker is one who is strategic.

They must be optimistic. — Optimism is infectious. Your team needs someone with a can-do attitude. It also needs someone who makes decisions that are grounded in reality but aren't held back by worst-case scenarios. Rather, one must believe in their plans and have a vision for the best-possible outcome.

They must have the ability to juggle competing priorities. — "If you have a choice of two things and can't decide, take both," quipped the poet Gregory Corso. Sometimes in business, you have to balance incongruous priorities. A supply chain manager may need to decide between the higher of the two high priorities, or they may need to figure out a creative solution to meet both.

These articles may help inform your decision-making:

- Improve Your Decision Making with the OODA Loop
- How Short-Term Planning Hurts Your Supply Chain Sustainability
- When Your Business Needs a Jump-start, Talk with Customers and Prospects First

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