

Let's make the world a more efficient place, one link at a time.

MILLENNIALS AND THE SUPPLY CHAIN TALENT GAP

Why recruiting (and retaining!) millennial talent to fill positions all along the supply chain is more important than ever.



CONTENTS



A POORLY TIMED TALENT SHORTAGE	3
ATTRACTING MILLENNIALS TO THE SUPPLY CHAIN	3
OUTREACH INITIATIVES	5
UNIVERSITY PARTNERSHIPS	5
ROTATIONAL PROGRAMS AND INTERNSHIPS	6
PROLONGED ENGAGEMENT	7



A POORLY TIMED TALENT SHORTAGE

Due to globalization, disruptive technology like 3D printing and automation, and rising consumer expectations for speedy delivery, the worldwide supply chain is undergoing a [period of unprecedented transformation](#). To fulfill the huge multitude of responsibilities and tasks associated with today's increasingly complex [supply chains](#), industry professionals need [more than just hard-hitting analytical skills](#).

They must also be adept communicators, making connections vertically within the organization and horizontally with supply chain partners. They must be able to keep up with technological advances in the logistics space. And in this globalized economy, they must be prepared to navigate social, cultural, and geographic differences with ease.

Between 2010 and 2020, the number of available jobs in the supply chain industry at large will grow by 26% — growth that can largely be attributed to this shifting landscape. Consequently, while the demands on the profession have never been higher, companies in the supply chain industry are experiencing a talent shortage. Currently, the [demand-to-supply ratio](#) of jobs to qualified individuals is six to one, and that disparity will only grow as Baby Boomers reach the end of their careers. Currently, about 25-33% of supply chain professionals are at or around retirement age.

"Supply chain managers are retiring faster than they can be replaced," says [Christiane Beimel](#), the Vice President of Value Added Service for DHL-Germany. "There simply aren't enough young people to backfill the pipeline."

Recruiters can take two distinct approaches to mitigating the impending skills gap: retrain supply chain experts to adapt to these changing conditions, or invest in younger, less experienced hires who are more savvy to the realities of an increasingly global, digitized world. If a company needs to meet basic technical needs in the short-term, they should hire old hats. But to prepare for the future, companies must focus their recruitment efforts on Millennials, the next generation of talent.

Millennials, the moniker applied to anyone born between 1980 and 2000, will take the helm as organizations all along the supply chain integrate big data, artificial intelligence, and [automation](#) into their operations and processes. While training and outreach are both important ways to address the supply chain skills gap, a broader approach is needed to effectively recruit members of the Millennial generation. However, the real challenge lies in making a job in the supply chain attractive to this key incoming demographic.

ATTRACTING MILLENNIALS TO THE SUPPLY CHAIN

Let's face it: the supply chain has an image problem. George Prest, CEO of the logistics trade group Material Handling Industry (MHI), believes that the field is [entirely overlooked by new grads](#), who imagine supply chain work as "a guy driving a forklift in a dusty old factory."

According to one industry professional, this stereotype couldn't be farther from the truth. [Dave Alberts](#), a director at the supply chain consultancy Crimson & Co., notes that the industry is a "high tech, high stakes game that involves managing multiple trade offs and a rich mix of skills." To combat negative preconceptions, the industry must endeavor to align its public image with this exciting reality.

Another issue arises from the industry's lack of visibility. Since logistics and manufacturing operations by nature unfold behind the scenes, many Millennials simply aren't aware of the important role the supply chain plays in virtually every industry. "People don't think



about how products get to the shelf," says Amy Carovillano, Vice President of Logistics and Distribution at the Container Store. "When I talk to young women — and young men — about supply chain, logistics, [transportation](#) and [warehousing](#), they don't understand. It's just not a visible career because by definition we're the back end of every business."

With only 1.3% of all business studies dedicated to supply chain management, logistics, and transportation, the responsibility falls to companies' marketing and HR departments to demonstrate the attractiveness of a career in the supply chain to new talent.

While enacting this type of rebrand, companies should always keep Millennials' well-understood priorities top of mind. This tech-savvy generation is interested in incorporating cutting-edge technology into their day-to-day work — an interest that can benefit companies and prospective employees alike. For example, while 3D printing is poised to revolutionize the manufacturing industry, [43% of manufacturers](#) cite a lack of expertise as a barrier to adopting this specific technology. Recent graduates can make a difference in closing the knowledge gap when it comes to the innovative technology that's already revolutionizing the supply chain.

Likewise, companies should aim to promote the digital upgrades that are already being made to every aspect of their supply chains. As companies move toward [device-agnostic systems](#), warehouse and supply chain workers are able to use iPhones, androids, and tablets rather than traditional RF terminals in their day-to-day workflow. These innovations decrease the learning curve for tech-savvy Millennials, thereby increasing the attractiveness of these positions.

Additionally, the supply chain will be instrumental in creating avenues for fuel-efficient shipping, reducing wasteful returns, and reusing rather than discarding materials. With 64% of Millennials expressing a desire to [make the world a better place](#), the industry's role in forging sustainable practices will be a big draw.

Finally, the industry's clear-cut path to career advancement and well-paying jobs are attractive to a generation [saddled with student loans](#). Recent graduates from supply chain programs are almost guaranteed a solid career path. In 2015, the graduating class of the MIT SCM master's program received job offers with a median starting salary of \$115,000.





OUTREACH INITIATIVES

So, how can companies along the supply chain effectively promote these advantages to younger generations? Outreach efforts to high school and college students and educational programs for younger children offer future employees an early glimpse of the exciting possibilities of the supply chain.

One example of such an initiative is [National Manufacturing Day](#). Held the first Friday of every October, this nationwide event invites students, parents, and teachers to visit local manufacturing plants. The initiative seeks to change perceptions of the manufacturing industry — and it works. After the 2016 event, 89% of students emerged more aware not only of the existence of manufacturing employment opportunities, but also of the virtues of these jobs.

In a similar vein, the Rutgers Business School's Supply Chain Education Partnership Program aims to introduce high school students in Newark, New Jersey, to the concept of [supply chain management as a career](#). The school's supply chain management center recruits top public school students for the week long program, during which they study procurement, sustainability, inventory management, logistics, planning, and forecasting.

"We're trying to get students in the pipeline early," says Kevin Lyons, a professor in the supply chain management program. "When they think about business school, they often think about finance and accounting and we want them to see what supply chain is all about."

While these programs are certainly valuable, educating older college students who are about to enter the job market requires a different approach. The Manufacturing Institute has pioneered an [ambassador program](#) to encourage peer-to-peer discussion of supply chain opportunities. Nichole Williams, a 25-year-old ambassador for a tire manufacturer in Mississippi, says, "We talk about how manufacturing jobs are not the dark, dirty and dangerous jobs of the past. They are really high-tech and innovative. You can make a lot of money and have a good career path."

By exposing students first-hand to supply chain opportunities, these educational programs are enacting a crucial shift in industry perception among younger generations.

UNIVERSITY PARTNERSHIPS

While high school educational programs are an essential long-term strategy, hiring managers must concentrate their recruitment efforts at the university level to meet immediate employment needs.

Research from Gartner shows that supply chain HR leaders who work with university partners are more successful in their efforts to recruit and on-board new talent. Some [key elements of a holistic university partnership](#) include: establishing direct relationships with professors; attending career fairs; getting involved in student professional societies and organizations; participating in the creation of new curricula; co-sponsoring internship programs; and finally, deploying past graduates to recruit on-campus.

Furthermore, the growing relevance of the supply chain has not gone unnoticed at colleges and universities across the country, where academic programs in the field [have expanded in recent years](#). More than a half-dozen American universities have recently introduced undergraduate majors, MBA concentrations, and degree programs dedicated to procurement, inventory management, and global supply chain strategy. Bolstered by technology-based fundamentals, analytics, and modeling, today's university curricula reflect the changing supply chain landscape.

However, supply chain education at the university level faces the same dire talent shortage as the industry itself. Between 2009 and 2013, the [total number of supply chain business faculty members in the U.S.](#) remained at around 365. As full-time faculty members retire, this relatively minuscule cohort could get even smaller.



In response, companies along the supply chain have begun to step in, partnering with universities to develop hands-on educational strategies. One such venture is the CorpU and Penn State Partnership, which consists of an 18-week course designed to educate students in inventory shipping and handling. The Supply Chain Education Partners Program at MIT's Supply Chain Management Graduate School also gives students the opportunity to collaborate with logistics professionals to envision solutions to real problems facing supply chain operators.

Finally, online programs like the [MicroMasters Program in Supply Chain from MITx](#) bypass the challenges of understaffed faculty departments, increasing accessibility to supply chain education across the globe. The MicroMasters Program can be completed in one year, is accessible from virtually anywhere, and allows flexibility for working students or those who prefer to learn in a non-classroom setting.

ROTATIONAL PROGRAMS AND INTERNSHIPS

Once you've successfully garnered the interest of university-level recruits, there's no better way to provide incoming talent with multifaceted exposure to the supply chain than through internships and rotational programs.

Internships, which generally take the form of three-month summer positions for second- and third-year students, are designed to give prospective candidates an inside look at company culture and day-to-day operations. In this temporary role, both students and employers can decide whether they are a good mutual fit, setting the stage for a long-term professional relationship.

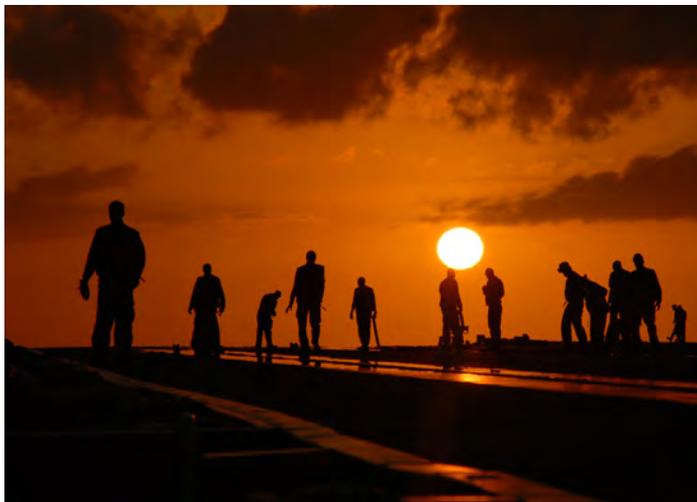
Rotational programs, on the other hand, are geared towards new graduates who are entering the workforce for the first time. Typically, participants will rotate through several positions in different departments of a company, working in each role for a temporary period of time ranging from six months to three years. For example, one participant may rotate through positions in shipping, warehouse management, and distribution over the course of the program.

In addition to the clear benefits for participants, rotational programs can also have a positive impact on talent retention. While overall, only 7% of workers [take new positions in their own company](#) when they switch roles, these programs aim to increase that number: with a broad skill set gained over multiple rotation periods, a worker is equipped to seamlessly transfer to a new position in-house. Indeed, studies show that employers who institute rotational programs [retain 6% more employees](#) than those who do not.

A counterpart to the rotational model, global mobility programs — in which employees have the opportunity to work on assignment abroad — are an option for companies whose supply chain operations extend beyond the borders of the U.S. According to [PwC](#), "89% of organizations are expanding their mobility programs and 70% of Millennials are seeking global opportunities."

The benefits of these programs to Millennials are numerous: they offer flexibility, hands-on experience, and the opportunity to explore their company's operations on a global scale. And by offering a stimulating opportunity for professional growth to new hires, companies also reap the rewards: [Kerry Grigg](#), Global University Recruitment & Early Talent Pipeline Development Director at Mars, said, "The best way to accelerate the development of our associates' perspective and learning agility is to [give them the opportunity to experience] real roles across a range of functions."





PROLONGED ENGAGEMENT

Once your company has instituted an effective recruitment strategy, keeping Millennial employees engaged in the long-term presents another challenge. In order to successfully do this, your company should emphasize continual professional development and modify your office culture to cultivate mobility, exploration, and ambition.

After observing that Millennials prefer instant feedback from supervisors rather than waiting for a formal review session, one third party logistics firm took action. CEO of Network FOB, Jim Handoush, now gives feedback after each project is completed instead of compiling an annual performance report. Additionally, recognizing that Millennials' access to on-demand services and social media has made them more accustomed to instant

gratification than previous generations, Handoush has begun to "gamify" work, adding a competitive element to daily tasks. In this regard, Handoush is investing in Millennial talent by aligning his company's work environment with their priorities and expectations.

In addition to adjusting your HR policies and company culture, the key to retaining Millennial employees is to make your company a place where they can grow professionally. One means of achieving this goal is by establishing a mentorship program. Sponsors typically provide employee coaching, access to their professional network, or general support to their sponsees. Mentors, on the other hand, are generally two levels up in the organization, and are directly accountable for an employee's success. In its survey of several supply chain companies, the Global Supply Chain Institute concluded that new hires perform significantly better under the guidance of an active sponsor or mentor.

In addition to establishing a support system, you should endeavor to provide a clear path towards upward mobility within your organization. Adding more levels or grades to the professional hierarchy, for example, may motivate high achievers to set their sights on career advancement with the company. As one supply chain recruiter asserts, "We are seeing more formalized stepping stones to managing a supply chain career."

Finally, invest in young employees' personal development by introducing opportunities to further develop their skill sets. Provide avenues for individuals to learn new skills and enhance their professional qualifications along every step of their career trajectory. It comes down to a simple principle: Millennials want to work for a company that's as invested in them as they are in it.

ABOUT SUPPLYCHAIN[®]

Our goal is to make supply chain relatable and understandable (and maybe even a little sexy). Our promise is to deliver intriguing and insightful commentary expanding perceptions and exploring the unlimited frontiers of our world.

We welcome you to "Raise your supply chain game[™]"

<http://supplychainx.highjump.com/>



WE WOULD LOVE TO HEAR FROM YOU!

Feel free to drop us a line with your questions or comments. We want to help you "Raise your supply chain game[™]".

<http://supplychainx.highjump.com/contact.html>

