

Series on Resource Management

Modeling and Benchmarking Supply Chain Leadership

Setting the Conditions for Excellence

Joseph L. Walden



CRC Press
Taylor & Francis Group

Modeling and Benchmarking Supply Chain Leadership

Setting the Conditions for Excellence

Series on Resource Management

**Modeling and Benchmarking Supply Chain Leadership:
Setting the Conditions for Excellence**

by Joseph L. Walden
ISBN: 978-1-4200-8397-2

**New Methods of Competing in the Global Marketplace:
Critical Success Factors from Service and Manufacturing**

by William R. Crandall and Richard E. Crandall
ISBN: 978-1-4200-5126-1

**Supply Chain Risk Management:
Minimizing Disruptions in Global Sourcing**

by Robert Handfield and Kevin P. McCormack
ISBN: 978-0-8493-6642-0

Rightsizing Inventory

by Joseph L. Aiello
ISBN: 978-0-8493-8515-5

**Integral Logistics Management: Operations and Supply Chain
Management in Comprehensive Value-Added Networks,
Third Edition**

by Paul Schönsleben
ISBN: 978-1-4200-5194-0

**Handbook of Supply Chain Management,
Second Edition**

by James B. Ayers
ISBN: 978-0-8493-3160-

**Supply Market Intelligence: A Managerial Handbook
for Building Sourcing Strategies**

by Robert B. Handfield
ISBN: 978-978-0-8493-2789-6

**The Portal to Lean Production: Principles & Practices
for Doing More With Less**

by John Nicholas and Avi Soni
ISBN: 0-8493-5031-3

**The Small Manufacturer's Toolkit: A Guide to Selecting
the Techniques and Systems to Help You Win**

by Steve Novak
ISBN: 978-0-8493-2883-1

**Velocity Management in Logistics and Distribution:
Lessons from the Military to Secure the Speed of Business**

by Joseph L. Walden
ISBN: 978-0-8493-2859-6

**Supply Chain for Liquids: Out of the Box Approaches
to Liquid Logistics**

by Wally Klatch
ISBN: 978-0-8493-2853-4

Modeling and Benchmarking Supply Chain Leadership

Setting the Conditions for Excellence

Joseph L. Walden



CRC Press

Taylor & Francis Group

Boca Raton London New York

CRC Press is an imprint of the
Taylor & Francis Group, an **informa** business

CRC Press
Taylor & Francis Group
6000 Broken Sound Parkway NW, Suite 300
Boca Raton, FL 33487-2742

© 2009 by Taylor & Francis Group, LLC
CRC Press is an imprint of Taylor & Francis Group, an Informa business

No claim to original U.S. Government works
Version Date: 20140808

International Standard Book Number-13: 978-1-4200-8398-9 (eBook - PDF)

This book contains information obtained from authentic and highly regarded sources. Reasonable efforts have been made to publish reliable data and information, but the author and publisher cannot assume responsibility for the validity of all materials or the consequences of their use. The authors and publishers have attempted to trace the copyright holders of all material reproduced in this publication and apologize to copyright holders if permission to publish in this form has not been obtained. If any copyright material has not been acknowledged please write and let us know so we may rectify in any future reprint.

Except as permitted under U.S. Copyright Law, no part of this book may be reprinted, reproduced, transmitted, or utilized in any form by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying, microfilming, and recording, or in any information storage or retrieval system, without written permission from the publishers.

For permission to photocopy or use material electronically from this work, please access www.copyright.com (<http://www.copyright.com/>) or contact the Copyright Clearance Center, Inc. (CCC), 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400. CCC is a not-for-profit organization that provides licenses and registration for a variety of users. For organizations that have been granted a photocopy license by the CCC, a separate system of payment has been arranged.

Trademark Notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

Visit the Taylor & Francis Web site at
<http://www.taylorandfrancis.com>

and the CRC Press Web site at
<http://www.crcpress.com>

Contents

Acknowledgmentsxi

Foreword xiii

Preface.....xxi

About the Author xxiii

SECTION I: SETTING THE FOUNDATION

1 What Is Leadership, and How Does It Differ from Management?3

 The Act of Influencing People5

 Purpose, Direction, Motivation7

 Accomplishing the Mission8

 And Improving the Organization8

 Notes9

 Chapter 1 Questions.....10

2 Sun Tzu on Leadership11

 Leadership and Success13

 Setting the Example13

 Know Yourself.....13

 Dealing with Employees14

 Metrics and Measures of Effectiveness.....15

 Leading Small versus Large Organizations15

 Mergers and Acquisitions.....15

 Lead from the Front17

 Evaluate Your Performance18

 Matters of Vital Importance.....20

 Clear Communications.....21

 Leadership22

 Notes22

3 Six Sigma Leadership.....25
What Is Six Sigma Leadership?25
Define, Measure, Analyze, Improve, Control (DMAIC)26
 Define.....26
 Measure27
 Analyze27
 Improve28
 Control.....28
Notes30

SECTION II: LEADERSHIP®: THE ATTRIBUTES OF LEADERSHIP

4 L1: Loyalty33
Loyalty — Up and Down the Chain33
Loyalty and Employee Retention..... 34
Loyalty and Training.....35
Developing Loyalty36
Loyalty and Customer Retention.....38
Summary..... 40
Notes..... 40
Chapter 4 Questions..... 40

5 E+1: Ethics and Honesty.....41
Ethics in Supply Chains 42
Ethics and Contracting/Procurement/Acquisition.....52
Ethics and Transportation Contracts.....57
Ethics and Expense Reporting.....59
Honesty and Integrity61
Summary.....63
Notes.....64
Chapter 5 Questions.....65

6 A3: Attitude, Aptitude, Accountability67
Attitude.....67
Aptitude 77
Accountability78
Notes.....79
Chapter 6 Questions.....80

7	D5: Determination, Dedication, Discipline, Devotion, Decisiveness	81
	Setting Supply Chain Goals	86
	Metrics	86
	Discipline and Determination	87
	Stretch Goals and Long-Term Goals	89
	Time Dedication and Time Discipline.....	92
	Decisiveness.....	95
	Summary.....	95
	Notes.....	96
	Chapter 7 Questions.....	96
8	E4: Equality, Example, Expectations, Enthusiasm	97
	Equality and Supply Chain Leadership	97
	Modeling Supply Chain Examples	101
	Expectations and Supply Chain Leadership.....	101
	Enthusiasm and Supply Chain Leadership	103
	Notes.....	107
	Chapter 8 Questions.....	107
9	R3: Respect, Responsibility, Reliability	109
	Respect	110
	Self-Respect	113
	Responsibility	114
	Personal Responsibility.....	115
	Reliability.....	116
	Personal Reliability.....	117
	Summary.....	117
	Notes.....	118
	Chapter 9 Questions.....	118
10	S2: Self-Development/Employee Development, Serving Leadership	119
	Professional Development.....	119
	Self-Development	119
	Negotiations	121
	Other Key Professional Development Areas	121
	Employee Professional Development.....	124
	Serving Leaders	125
	Chapter Summary.....	126
	Notes.....	126
	Chapter 10 Questions.....	126

11	H5: Humor, Happiness, Health, Humility, Heart.....	127
	Humor	127
	Happiness.....	129
	Health	130
	Humility	131
	Heart.....	131
	Summary.....	132
	Notes.....	132
	Chapter 11 Questions.....	132
12	I3: Integrity, Inspiration — Supply Chain Intelligence and Supply Chain Leadership Integrity	133
	Integrity	134
	Supply Chain Integrity and Personal Integrity.....	135
	Supply Chain Integrity and Forecasting	137
	Supply Chain Ethics and Integrity	138
	Integrity in Purchasing and Acquisition	141
	Supply Chain Integrity and Reverse Logistics.....	144
	Supply Chain Integrity and Delivery Integrity	146
	Supply Chain Integrity and Organizational Design.....	146
	Supply Chain Integrity and Supply Chain Fraud	148
	Supply Chain Integrity and Flow/Distribution Center Layout	149
	Supply Chain Integrity and Risk Assessment.....	149
	Supply Chain Integrity and Data Integrity	150
	Supply Chain Integrity Summary.....	151
	Inspiration and Supply Chain Leadership.....	151
	Supply Chain Intelligence	153
	Summary.....	154
	Notes.....	154
	Chapter 12 Questions.....	155
13	P4: Professional Pride, Planning, Passion, People.....	157
	Professional Pride	157
	Planning.....	160
	Passion.....	161
	People.....	162
	Summary.....	162
	Notes.....	163
	Chapter 13 Questions.....	163

SECTION III: APPLICATIONS

14 Coaching, Teaching, Mentoring..... 167
Coaching..... 169
Teaching..... 180
Mentoring 181
Summary..... 182
Notes..... 182
Chapter 14 Questions..... 182

15 Benchmarking Leadership and Leadership Metrics 183
Benchmarking Leadership..... 183
Leadership Metrics 185
Scoring the Leadership Benchmarks..... 190
Notes..... 191

16 Conclusions and Final Thoughts 193

Appendix 1 195

Index 199

Acknowledgments

I would like to thank every person for whom I have worked. From each of these people I have learned about leadership — some of them showed me how to be a caring, serving leader and some of them showed me what not to do as a leader. Larry Matthews, Al Stein, Joe Gaglia, General Claude Christenson, and Lieutenant General J.D. Thurman not only taught me how to be a leader, but also set the example for how a leader should act. Special thanks to a couple of other bosses, who will remain nameless, for their examples of how not to lead effectively; I may have learned more from them than from the ones who taught me how to lead.

My greatest example of how to be a leader is my father, Thomas Walden, Sr. I watched carefully as a youngster as he served as Scout Master for the Tennessee School for the Blind. He was a man ahead of his time as he integrated the Boy Scout troop and several times a year the Shiloh Methodist Church. He also taught me the importance of giving of oneself for others as the Scout Master and as the volunteer pharmacist for the McKendree Manor Nursing Home. Most importantly, he also showed me that no matter how busy you are, there is always time for your family and friends. Perhaps one of the greatest lessons he still teaches every day is that you can talk all you want about values, principles, and leadership but the best way is to demonstrate your beliefs is in your daily life.

My lessons in leadership continue every day as a father of the two most wonderful daughters any father could ask for — Amber and Bobbi.

Without the constant support of my wife Kay, I would probably be living the life of a beach bum in Hawaii — which was my plan before we decided to marry.

Another of the greatest lessons in life came from Don Ho. As a young officer, Uncle Don told me that you are never too old to kiss the people that you love or too old to tell them, “I love you.” Too often as we grow older, we start thinking that the important people in our lives know that we love them and do not need to hear it. Thanks for the memories, the lessons, the Aloha, and the fun. Don and his wife Haumea always modeled the lessons of Aloha. Uncle Don Ho passed away as I began to write this book; he may be gone but his lessons continue.

I have been blessed with a great family that has always believed in what I wanted to do and have been lucky enough to have shared time with, learned from, and broken bread with two American legends — Uncle Don Ho and Buck O’Neil.

O’Neil was a true gentleman, always willing to share his experiences and lessons and always ready to give a hug to every lady in the house — with a smile and a “give it up,” he quickly lit up any room into which he walked. O’Neil had the ability to get grown men to hold hands and sing along with “ol’ Buck” the words to his favorite song. One of my greatest accomplishments as a brigade commander was to introduce O’Neil and his stories to the soldiers at Fort Irwin. I had the honor of hosting him in my house for breakfast before his talk to the soldiers of the Theater Support Command. His first visit was so popular that while I was vacationing in Kuwait, the post Equal Opportunity Office brought him back again to share his stories and inspiration with all the soldiers of the National Training Center.

As with my first book, all proceeds from this book will be donated to the Negro Leagues Baseball Museum in honor of Buck O’Neil, a true American legend and pioneer. If you are ever in Kansas City, Missouri, please take the time to visit the Negro Leagues Baseball Museum and spend a few hours absorbing the history of America.

Special thanks to my close friends Barry Walker, Melinda Woodhurst, and “Uncle Billy” Pratt for providing me with a sounding board for ideas and letting me know when I was off track. They will never know how much their friendship over the years has helped me keep going.

Mom: I love you and miss you every day.

Foreword

Supply chains are inherently complex, extended, and dynamic. Because of these factors found in every supply chain, leadership is required to guide the people who make up the supply chain organizations through the problems created by global, complex, dynamic supply chains. The military theorist Karl von Clausewitz wrote about the fog and friction of war. In supply chains there is the same fog and friction caused by the inherent nature of today's supply chains and the necessity of meeting the needs of a constantly changing customer. Leadership in the supply chain industry requires supply chain leaders. In this book we look at the individual leaders needed to make supply chain companies leaders in their fields. In doing so, we introduce a new problem facing leaders in all areas of business, not just supply chains. This problem is *motivational dysfunction*. The cause of motivational dysfunction is lack of leadership. The results of motivational dysfunction can be seen in products and offices throughout the world — employees surfing the Web, chatting over the Internet, not producing at the required levels of performance, talking on the phone about personal business, and basically costing companies millions of dollars a year in lost productivity. I recently visited an organization that had placed more than twenty television channels on its intranet and made them available to every employee. How many do you think were wasting the day watching television over the intranet versus doing what they were being paid for?

The cure for motivational dysfunction is leadership. We are all in the people business and when dealing with people, leadership is required. Management is for assets such as inventory and capital. People need leadership; and with proper leadership as discussed in this book, motivational dysfunction can be cured in every organization.

Leadership is not taught. It is modeled.

—Dr. Emily Taylor,

Former Dean of Women at the University of Kansas

How do you model leadership? Why should you model leadership? This book discusses the how; the why is because without leadership, employees will develop

motivational dysfunction. What is motivational dysfunction? You see it everyday in retail operations and in businesses around the world. I have been asked, “If it is so common, why have I not heard of this before?” You have seen it, you have maybe even experienced it, and you have certainly seen the effects of this dysfunction in numerous operations.

Working with large and small companies, I have discovered that some companies’ employees suffer from a previously undiagnosed dysfunction. Motivational dysfunction is that lack of motivation that employees seem to have due to a lack of motivation or excitement for their jobs. Reports put the loss to companies in the United States alone at over \$3 billion per year from employees wasting time at work — gossiping, surfing the Internet, taking long breaks, and other such activities that do not add value to the company or the customer. Motivational dysfunction is a corporate and individual disease caused by a lack of leadership and direction in an organization. I have watched previously highly motivated employees succumb to motivational dysfunction with a change in leadership team of an organization. A classic example of this is the morale of the employees of The Home Depot when Bernie Marcus and Arthur Blanks retired and handed the reins to Bob Nardelli. As a soldier I saw this phenomenon happen to units when they had the ceremonial change of command. As a consultant I have seen this dysfunction appear in companies when a good leader is promoted or retired and a new “leader” takes over the reins. I have even seen motivational dysfunction appear in classrooms when students encounter a new professor/teacher who is not concerned with whether or not the students learn anything from the class.

Psychologists and psychiatrists have diagnosed many dysfunctions; and the Sprint Corporation, in a television advertisement debuting on Super Bowl Sunday, even discovered *connectile dysfunction*. I do not pretend to be a psychologist or psychiatrist. In fact, in addition to an introductory undergraduate course in psychology, the closest I came to being a psychologist was dating a psychology major for a couple of years. Motivational dysfunction does not require a trained medical specialist to cure it; what it does require is a world-class leader to provide the motivation and direction necessary to prevent or cure motivational dysfunction (MD). Here are a couple of good examples of personnel with MD:

1. Overheard in a large office building: “The Internet is down; what do I do now?”
2. Overheard in the halls of a FORTUNE 500 company: “She is having a terrible day with customers; I sure am glad that I am too busy to help her.”

MD is a drain on public and private companies as well as governmental organizations. A report on Yahoo.com from Reuters in July 2007 based on a series of surveys showed that up to 34 percent of workers across companies admitted to wasting time surfing the Internet. Sixty percent of the respondents to the survey admitted to wasting almost two hours a day. In excess of 11 percent of the respondents listed

the lack of challenging (motivating) work as the excuse for wasting time on the clock. This is a symptom of MD.

MD is not a medical condition that requires treatments or medicines. This dysfunction is a direct result of leadership and management within an organization. The cost to a company can be extremely high. The cure can be relatively inexpensive. The cure for MD is usually found in the foundations of leadership for the organization. That is where the root of the dysfunction is found. All too often, leadership and management are used interchangeably. The two concepts and terms are not the same. We look at this in greater detail while establishing the foundations of this study of leadership. Curing MD will set the conditions for success and excellence in your operations.

How do you set the conditions for success in your operations? As a soldier, I studied the history of my profession, the theorists and theories of warfare, and how to develop strategy and plans. I also studied the history of logistics, logistics theory and applications, and the importance of logistics in ensuring military operational success. These studies enabled me to be able to set the conditions for success in logistics and distribution operations from simple distribution to managing the distribution systems for Operation Iraqi Freedom.

As a leader and a coach, I studied the theories of management and the theories of leadership and how to effectively lead people from a wide variety of backgrounds in various operations throughout the world. The study of leadership principles and practices revealed how world-class and low-class leaders acted and reacted in certain situations. These studies did not teach me how to be a leader or coach but did show me how leaders and coaches respond to different situations. Observing leaders at all levels of organizations enabled me to develop the attributes of world-class leadership that form the “house of leadership.” These studies and observations enabled me to set the conditions for success in operations.

Many of the FORTUNE® Best 100 Places to Work incorporate hours of training their personnel in the aspects of their professions. Why do they invest so much time and money in training? The investment of time and money in training enables the companies to set the conditions for success in their operations.

In warfare, it is important to set the conditions for success early in the planning and execution phases to ensure operational success. In any business, it is just as important to set the conditions for success. Regardless of the business that you think you are in, you are in the people business. Therefore, to set the conditions for success in any business endeavor, you have to set the foundation of leadership to ensure success.

In 500 BC, Sun Tzu wrote in *The Art of War* that “leaders are the safeguard of the Nation. When this support is in place, the nation will be strong. When this support is not in place, the nation will certainly not be strong.” Substitute your company name for the nation and this translates to: “Leaders are the safeguard of the Company. When leadership support is in place, the company will be strong. When the leadership support is weak or not in place, the company will be weak.”

In twenty-first century supply chains, if leadership is weak, the company will not be a leader and may find itself out of business. As more and more companies

move toward using third-party logistics (3PL) providers¹ those companies are acknowledging that supply chain management is not one of their core competencies. It takes a strong leader to make the decision to contract out functions that have traditionally been in-house. Contracting out supply chain functions is not a new trend. The U.S. Army has used contractors to support the Army since the earliest days of the Army. General Washington used contractors to support his Continental Army and this trend has continued through present times.

Leadership skills are necessary when dealing with 3PL providers. And this is not a new problem. Alexander the Great covered the European, African, and Asian continents with purchased manpower as 3PL providers for his Macedonian Army. In the United States, centuries later, General Andrew Jackson learned the same lessons during the War of 1812. A look at his military achievements by the U.S. Army's Center for Military History reveals that:

His force of will was decisive because the obstacles working against him were legion; he faced an elusive and adroit enemy; his soldiers were on the verge of mutiny; his supply system did not work...²

From the outset, the supply contractors had experienced difficulties in meeting the terms of their contract. ... Jackson was forced to change contractors repeatedly. Each one, in turn, failed to get supplies to the army. ... General Jackson firmly believed that, unless an effective supply system could be established, "a pretext will be given for sedition, mutiny, and desertion, as has heretofore arisen, and which has destroyed the best of armies in the world..."³

Leadership by General Jackson was the key to solving these contractor problems and keeping his soldiers' morale high at the same time.

More than a few business leaders, starting with Peter Drucker in the early 1980s and more recently Thomas Friedman in his acclaimed book, *The World Is Flat*, have insinuated that the supply chain is where future competitions will be. Friedman states that "The 21st century will be defined by global competition and excess supply." Dr. Eli Goldratt proclaimed at an APICS International Symposium presentation a few years ago that "future competitions will be among supply chains." Competitions require leadership for companies to be successful.

Former Speaker of the House Tip O'Neill was famous for the statement that "all politics are local." All supply chains are local from the customer's perspective. As the world flattens and supply chains lengthen and become more complex, leadership of the supply chain personnel will continue to become more important to win the competition between supply chains. Leading the people in your supply chain will determine if your supply chain is one of global competition or one of excess supply. The choice really is yours.

With competition being between supply chains in the twenty-first century, we do not have the luxury of keeping a contractor that is not performing. Leaders need to understand what General Jackson understood almost two hundred years

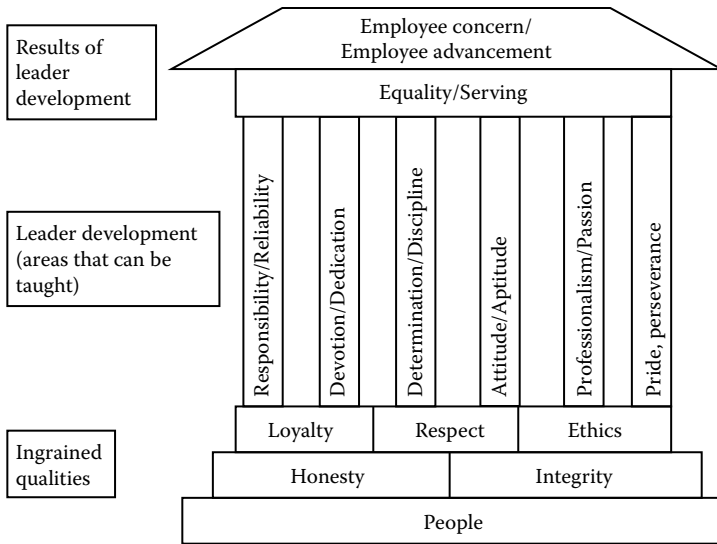


Figure F.1 The House of Leadership.

ago — without effective supply chain operations, companies will not be successful and the desertion that General Jackson was concerned about will be the desertion of customers to companies with effective supply chains.

This book looks at the attributes of effective leaders using the LEADERSHIP® acronym to establish the framework for developing leadership skills in yourself and your subordinates. We develop the framework using each letter of LEADERSHIP® as the title of the chapters. Each chapter looks at the critical attributes by defining the attributes and using examples of good and bad leadership from the military and commercial industry. The study of operations management uses the House of Quality to describe how quality is designed into and built into a product; this book looks at the attributes of leadership to form the House of Leadership. The House of Leadership using these attributes looks like that in Figure F.1.

This book provides a guide to building this house in yourself and your employees. The foundation of the house is people. Regardless of the business that you think you are in, you are in the people business — this is why people form the foundation of the House of Leadership and not because too many individuals want to walk over people to get to the top. The foundation of leadership is people; without people to motivate, inspire, and provide direction to, there is no need for leadership.

The critical attributes provide a framework to focus your leadership development programs and enable you to set the conditions for success in any operation. The attributes within the House of Leadership will also provide you with a framework for benchmarking your own professional leadership style and personal professional development program.

Recent articles in the *APICS Magazine* and in the *Council of Supply Chain Management Professionals (CSCMP) Journal* insinuate that there may be some real confusion as to what a supply chain leader really is. The *APICS* cover article⁴ would have one believe that only senior executives are leaders, and the *CSCMP* article on its Web site would lead one to believe the same thing. It is important that we do not define leadership as only a senior executive trait or only in the boardroom realm. Other recent articles and presentations would have one believe that a supply chain leader is a company that is the leader in the industry. This may be true to some extent; however, to become a world-class company or leader in your industry, you must have world-class leaders and should be able to grow those leaders in your organization by modeling the correct attributes and actions for your future leaders to emulate.

Leadership is, or at least should be, at all levels in an organization. There is the defined formal leadership and the informal leadership in organizations that work together to create excellence in an organization. In an article entitled “Leaders Make Values Visible,”⁵ Marshall Goldsmith states that:

No business or strategy is good enough to succeed without strong leadership. . . . Companies that do the best job of living up to their values recognize that the real cause of success — or failure — is always the people. . . .

Although this book is entitled *Modeling and Benchmarking Supply Chain Leadership*, the focus of the book is not about leading supply chains — it is about leading the people who make up the supply chain organizations. Do not make the classic mistake of thinking that you lead the supply chain organization — you **lead the people** who make up the organization and you **lead the people** who lead people in your organization.

What are you modeling for your subordinates? Are you modeling ego and self-promotion? A true leader does not seek the limelight for him/herself. He/she does seek to put his/her subordinates in the limelight. One major organization had a leader who became accustomed to being in the limelight as a result of a job as the chief spokesperson for the company. When he was promoted to a new position, he continued to seek the limelight rather than seeking to focus the spotlight on his subordinates. Leadership is not about your own personal ego. Seek to focus the spotlight on your subordinates and seek to promote your subordinates. In the long run, promoting your subordinates will prove to be the legacy that you leave behind on your company.

In describing Dwight D. Eisenhower in his book, *Eisenhower on Leadership*, Alan Axelrod states, “His task was not to lead men into battle but to lead those who led men into battle.” This is equivalent to the premise that a leader does not lead an organization but instead leads the people who make up that organization. A supply chain leader does not lead the supply chain of a company; he or she leads the

people who make up that supply chain. The people are the product, the movement of goods and services is a by-product of the leadership of the supply chain.

The cure for motivational dysfunction in your supply chain is world-class leadership. *Modeling Supply Chain Leadership* will provide the framework to lead the people in your supply chain to achieve new levels of excellence by helping you set the conditions for supply chain victory. Use these principles as a guide to help you “dare to inspire the people at all levels of your organization to reach new levels of personal and professional excellence every day!”

In twenty-first century supply chains, if the majority of the sessions at all the major supply chain professional organizations’ conferences are an indicator, there is way too much emphasis on the technical skills, the automation of supply chain functions, and the information systems aspects of supply chain management. *Modeling Supply Chain Leadership* focuses on the people aspects of our profession. Without the right, trained, and competent people, our supply chains will fail. And when people are involved, the critical aspect is leadership. Your supply chain employees and supply chain partners are looking to you for an example and leadership. Give it to them!

Notes

1. In his book *Supply Chain Best Practices*, Dave Blanchard suggests that more than 63 percent of companies are outsourcing some aspect or all of their supply chain operations.
2. Medley, James E., LTC. 1998. *Studies in Battle Command*, Andrew Jackson’s Iron Will in the Creek War, 1813–1814, Combat Studies Institute, Fort Leavenworth, KS, p. 21.
3. Medley, James E., LTC. 1998. *Studies in Battle Command*, Andrew Jackson’s Iron Will in the Creek War, 1813–1814, Combat Studies Institute, Fort Leavenworth, KS, p. 22.
4. *APICS – The Performance Objective Magazine*, December 2007.
5. Goldsmith, Marshall, *Leaders Make Values Visible*, www.MarshallGoldsmithLibrary.com. Accessed January 8, 2008.

Preface

Setting the conditions for success — what does that mean? In military operations it is important to lay the groundwork, develop the plans, develop the operational requirements, and prepare for any shifts in operational plans. Failure to do so will result in failed operations, loss of confidence in leaders, and the potential loss of lives. In leader development, it is just as critical to set the conditions for success in an operation. Sun Tzu wrote that leaders are the stewards of the country. He went on to say that when the leader is strong, the country is strong; and when the leader is weak, the country is weak. Substituting company for country, the new translation of Sun Tzu's *The Art of War* would state that leaders are the stewards of the company; and when the leader is strong, the company is strong. To develop strong leaders, the conditions must be set for success by having a strong leader development program.

The House of Leadership and the critical success indicators of world-class leadership set the conditions for success for your operations. It is vital to remember that leaders do not lead organizations, companies, or even departments; leaders lead the people who make up these organizations, companies, and departments.

A recent leading operations management and supply chain magazine had a lead article that promised to discuss supply chain leadership. The article had some good points but left the reader with the impression that only senior-level personnel are supply chain leaders. This article also insinuated that supply chain leadership is a career path toward advancement in an organization. Leadership is about motivating people, giving the employees a sense of purpose, and successfully meeting the objectives and missions of the company. It is not about career advancement. Progression and advancement are collateral benefits but not the purpose of leadership.

In a presentation in early 2002 for the *World Supply Chain Summit*, the Supply Chain Leadership Institute proposed that supply chain leadership was the next step in the evolution of supply chains as we continue to evolve from pure logistics functions to supply chain management, to supply chain synthesis, and now to supply chain leadership. Today there are graduate- and undergraduate-level programs that

focus on supply chain leadership. This book assists individuals and companies in developing supply chain leaders and helps those companies model and benchmark leadership throughout their organizations. And by developing supply chain leaders who effectively lead the employees who make up the supply chain, these supply chain leaders will become enablers in creating companies that are leaders in their supply chains.