

# How Supply Chain Education Builds Resilience



## PROBLEM

Rapid improvements in technology, and the adoption of digital tools and processes to support these technologies, is a demonstration of the strength and ingenuity of supply chains in the modern age. A recent study by Accenture found that “43% of total working hours in supply chain roles can be transformed by generative AI.”

However, tools like artificial intelligence (AI), Internet of Things (IoT) and prescriptive analytics can't run on their own; they need highly skilled workers to make sense of the massive amounts data inherent to any tech innovation. Unfortunately, the demand for workers in supply chain is quickly outpacing supply. According to the McKinsey Global Supply Chain Leader Survey “90 percent say that their companies lack sufficient talent to meet their digitization goals,” a proportion that hasn't meaningfully changed since the first survey in 2020. In the UK, a Neos Networks survey of supply chain leaders found that less than 20% of companies consider their employees' skillsets to be “well placed for digital growth,” reports DC Velocity.

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But digital skills are only part of the story; supply chain employees need to be well-versed in a variety of processes and practices to be successful in their roles. A recent Kearny report points out weakening demand is likely to affect freight forwarding, water/ports, motor, rail and warehousing in the coming year. To prevent major losses, all these sectors will need to focus on better utilizing assets, investing in technology, and optimizing routes and other logistical details. Supply chain professionals will be tasked with maintaining partnerships with suppliers, pivoting in response to geopolitical instability and focusing on customer relationships, whether they're prepared or not.

“If the talent shortage is left unchecked, by 2030 there would be about \$8.5 trillion in unrealized annual revenues.” Korn Ferry

## SOLUTION

To lift workers to their full potential, they need the proper training. In a survey conducted by talent solutions provider LHH, 64% believe companies should upskill and train current employees before hiring externally. In the manufacturing sector specifically, “67% believe companies should prioritize internal development and placement, but only 37% believe their own managers would back such a change.” Most people want to learn and grow in their role and careers, but it's difficult — and unreasonable — to expect employees to be loyal to their organization if they don't feel valued or respected by their management.

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The real benefit of digital upskilling, Accenture explains, is to increase the percentage of employees who work at the “seams” of technology and business problems by leveraging AI, machine learning and other technology to improve business outcomes. The research bears this out. “Faced with an acute shortage of digital talent across all industries, company leaders are now revamping their internal training and talent development capabilities,” McKinsey continues.

Experts agree that it's more cost-effective to upskill or reskill existing employees than hiring new ones. The Society for Human Resource Management found that the average cost per hire was nearly \$4,700. "But many employers estimate the total cost to hire a new employee can be three to four times the position's salary," the organization goes on to explain, meaning the price tag for a new worker could place an enormous toll on the team's budget. But training existing employees costs much less: Training magazine found that in 2023, companies spent \$954 per learner.

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### **Upskilling workers provides numerous additional benefits:**

#### **Enhanced employee performance**

Equipping your team with the latest skills helps them work more efficiently and creatively, boosting overall productivity.

#### **Improved employee retention and engagement**

Training programs demonstrate an organization is invested in the future of its workers, leading to greater loyalty and engagement.

#### **Future-proofing your workforce**

As technology and industry standards evolve, upskilling and reskilling creates a continuous learning environment that builds workforce resilience.

#### **Competitive advantage**

Companies that prioritize learning and development are better prepared to innovate and adapt to constant change. When employees feel overwhelmed, they leave — often for your competition.



As a supply chain leader, you don't need to confront the challenge of educating your workers on your own, nor do you need to make individual training decisions for each member of your team or employee at your company. Training and education from ASCM creates uniform practices across operations with globally recognized education and credential programs, tailored to your organization's unique learning style, size and location. You can customize your training program to include:

### **ASCM training solutions**

- **Foundations** of Supply Chain Management
- Certified in Planning and Inventory Management (**CPIM**)
- Certified Supply Chain Professional (**CSCP**)
- Certified in Logistics, Transportation and Distribution (**CLTD**)
- Certified in Transformation for Supply Chain (**CTSC**)
- Supply Chain **Certificate** Programs



## A RETURN ON EDUCATION

There are over 350 organizations that depend on ASCM education to stay competitive, and numerous examples of organizations who have proved the return on investment that employee education brings. Tamer Group, a 100-year-old healthcare company based in Jeddah, Saudi Arabia, was suffering from an ineffective sales and operations planning (S&OP) process, resulting in issues with low inventory, low forecast accuracy, and poor communication between supply chain management and suppliers. Company leadership knew that investing in educating its employees was the best way to make a systemic change to the supply chain's functionality.

They turned to ASCM and began participating in multiple educational offerings, including APICS CLTD training; Supply Chain Operations Reference-Professional (SCOR-P) training; and S&OP and forecasting training. With these programs, employees were able to improve their logistics and distribution processes, offer better customer service, and build a better S&OP cadence. In the intervening years, **Tamer Group reduced cold chain losses, improved fleet utilization, and saved over 2 million Saudi riyals (about \$532,000), after converting a warehouse facility to a stockless depot.**

Tamer Group ultimately transformed its company culture, and they were awarded the 2022 ASCM Award of Excellence for Learning and Development — a remarkable turnaround.

## UNCOVER YOUR ORGANIZATION'S TALENT GAPS

Every team and organization requires a different approach to employee education but customizing your learning program doesn't have to be onerous. **ASCM's Organizational Skills Assessment** tool helps organizations gain a clear understanding of their employees' capabilities and skills, enabling them to identify gaps and develop targeted talent acquisition and development strategies to optimize supply chain performance. This assessment is offered as a value-added resource to help you benchmark and improve performance.

**"Investing in your employees shows that you value their hard work and loyalty. These engaged, appreciated individuals will be the best candidates for effectively bridging the skills gap and building a better future for your organization."** ASCM CEO, Abe Eshkenazi, CSCP, CPA, CAE

Of Gartner's Top 25 Supply Chains, 95% rely on ASCM education. **By partnering with us, your employees build essential knowledge, and you benefit from a more skilled and agile workforce capable of navigating the ever-evolving landscape of supply chain and logistics.** As ASCM CEO Abe Eshkenazi told Business & Industry: "Investing in your employees shows that you value their hard work and loyalty. These engaged, appreciated individuals will be the best candidates for effectively bridging the skills gap and building a better future for your organization." Globally, there are already 175,000 professionals who are experiencing the benefits of an APICS certification. Get started today, and you'll realize the benefits for your company — and your people.

**Learn more about our workforce development programs, or contact our team to start your Organizational Skills Assessment today!**

# ABOUT ASCM

The Association for Supply Chain Management (ASCM) is the global pacesetter of organizational transformation, talent development and supply chain innovation. As the largest association for supply chain, ASCM members and worldwide alliances fuel innovation and inspire accountability for resilient, dynamic and sustainable operations. ASCM is built on a foundation of worldclass APICS education, certification and career resources, which encompass award-winning workforce development, relevant content, groundbreaking industry standards and a diverse community of professionals to create a better world through supply chain.

To learn more, visit **ascm.org**