



A means to an end

Jamil Rashid, founder and director of leadership and management consultants JARA, explains why supply chain change programmes could be the key to transforming how the whole UK aerospace and defence industry works

The UK aerospace and defence industry is working hard to raise the performance of its supply chains and, in so doing, accelerate its competitiveness within the global marketplace. Reduced auditing via recognised supply chain accreditation, a consistent approach to supply chain development and performance measurement and improved supply chain relationships are all in the mix.

A significant number of industry suppliers are now being measured and assessed consistently by most of the primes. But although they are now working more closely together to reduce confusion in the supply chain, there is a much greater prize: changing how the industry works – how it is managed, how it communicates – transforming all business-to-business transactions, not just the supply chain.

To fulfil this potential, the industry needs to focus far more time and energy on the leaders of businesses in the supply chain, finding ways to align their leadership methods so that organisations, functions and projects are run consistently across the industry.

TALKING A COMMON LANGUAGE

One of the reasons why long term improvements sometimes fail to materialise is that improvement plans between companies tend to be one-offs and it is unusual for subsequent plans to be created that follow through to further improvements.

Also, improvement responsibility tends to lie with the more hands-off 'supplier improvement teams', whereas success will only be truly demonstrated

when the process owners are really working together, regardless of the involvement of improvement teams, and talking a common language. To achieve this, leaders need to sit down, clarify and document how the strategies of their organisations fit together and drive through supply chain initiatives, from the top down.

Failure to take this critical step is why supply chain partners are often poles apart in terms of their understanding and communication of strategy, planning and measurement, instead of having a consistent structure within which both parties are happy to operate in order to understand the real problem. Unstructured arguments just create barriers ... and the result is massive waste.

DEVELOPING IMPROVEMENT STRUCTURES

Improvement plans need to become a part of how businesses routinely communicate and must be central to the behaviour of managers at all levels of the organisation.

Again, this is where leaders have a critical role to play. They need to ensure that all key continuous improvement activities show clear links to strategy, all key improvement suggestions are based on hard data and analysis (not assumption and gut feel) and all key activities are planned in detail. Senior management needs to impose consistency, structure and detail to ensure on time task completion. And the individual teams responsible for the lower level improvements need to develop highly visible plans, which really demonstrate what

needs to be done to achieve key milestones.

The key indicators that demonstrate if a business is really serious – if it is really going to make this become part of the 'way of working' – is how well improvement plans are incorporated into the overall business plan and, crucially, how often the milestones are truly reviewed and pushed at a high level. The reality is that most organisations could do much more in both of these areas.

ASKING THE RIGHT QUESTIONS

So, leaders need to create the management structure in which strict rules are applied and an environment in which teams understand the issues and can be helped to manage the implementation of the solution. They need to ask the right questions. Are people clear on why they are doing what they are doing? Are managers really involving their teams? How are you measuring your activities? How are you linking these to your goals? Only when leaders get the right answers to the right questions will supply chain improvement partnerships truly work.

The UK industry is creating a strong platform to build on and is certainly heading in the right direction but supply chain improvements need to be seen as a way of making businesses as a whole work better: in a more structured and disciplined way. If it can rise to this challenge, the entire industry will benefit and the drive for a more effective supply chain will truly become a means to an end, not an end in itself.