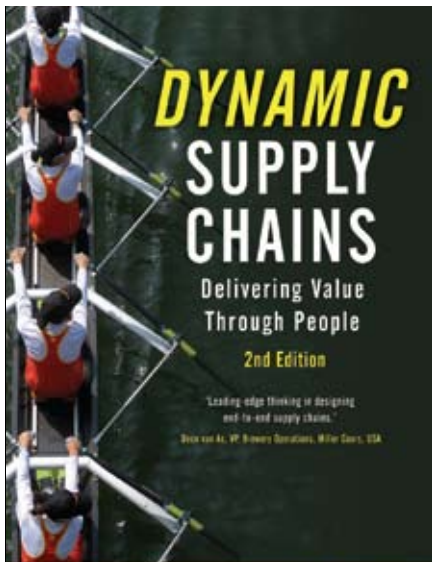


Dynamic mission

By Turloch Mooney



Dynamic Supply Chains – Delivering Value Through People

(FT Prentice Hall 2010)

Dr John Gattorna

John Gattorna is one of few modern business thinkers that can genuinely be called a supply chain thought leader. His dynamic alignment model for supply chains - first published in his 2005 book *Living Supply Chains* (FT Prentice Hall) and shortlisted that year for the *Financial Times* Business Book of the Year - is groundbreaking in its originality and in its capacity to transform the competitiveness of modern organisations.

His latest offering, *Dynamic Supply Chains – Delivering Value Through People*, deepens the core idea of the original work that people are at the heart of enterprise supply chains and should be the starting

point for building and operating all modern supply chains.

“The one thing I didn’t emphasise enough in the first book is that people change their minds,” says Gattorna. Hence the new title, with the word *Dynamic* to emphasise that supply chains are never static and that people are prone to changing their minds.

Gattorna admits he would have liked to alter the title even further, but went against this instinct to avoid adding to the jargon that supply chain management is all too famous for. But he still thinks ‘supply chain’ is: “a horribly restrictive expression”.

“My choice would be ‘Value Networks,’ which beautifully encompasses everything we want included - supply-side supply chains, demand-side supply chains, and the fact that enterprises have many supply chains flowing through them.”

Connecting the supply side

The new book certainly extends the value creation and transformational capacity of the original dynamic alignment model. For instance, it applies the central idea of customer segmentation based on dominant patterns of behaviour to the supply side. The idea is for organisations to understand the competencies of their supply base to an extent to which it can be used like a portfolio.

There is also more on organisational design, something Gattorna believes to be flawed in the majority of modern organisations. The book includes living examples of organisational design that enable effective supply chains. Zara, Icon

and Li & Fung are all shown to be on the right track, and Adidas is noted one to watch. At the UEFA European Football Championship in 2004, Adidas put in place a more responsive organisational structure that allowed delivery of 35,000 Greece replica shirts within 20 days of Greece’s unexpected win of the Cup final.

Changing times

Things have changed since *Living Supply Chains* was first published in 2005. At that time, supply chain was more about IT systems for logistics than much else, a misconception that has been a great source of frustration for Gattorna. When his publisher sent *Living Supply Chains* to its US subsidiary it was reviewed by a professor at Wharton who refused to greenlight the book for publication in the US. “They couldn’t figure out if it was a book about marketing, logistics or leadership,” says Gattorna.

The point, of course, is that it is about all of those things. This is better understood these days and there is a credit from celebrated Wharton professor of marketing Yoram (Jerry) Wind on the sleeve of the new edition (Wind knows a thing or two about supply chains too - he co-authored *Competing in a Flat World* with Victor and William Fung).

Meanwhile, recognition of the importance of supply chain management is growing the world over and Gattorna’s thinking is being applied in various forms at a host of organisations - from global businesses to universities to hospitals. But for him, nonetheless, the dynamic mission continues. 