Time to engage a Supply Chain Consultant?
Read this first.

Why would I use a consultant? Are there situations where it makes sense and where it doesn’t? Shouldn’t we know how to do this ourselves? All great questions addressed in this article.
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All great questions. And I’d like to address this by splitting the response into two parts. Firstly, what situations might call for consulting and advisory assistance. And secondly, what qualities to look for in a Consultant.

THE SITUATION
What situations might call for a Consultant?

Change
To distil it to its simplest form, ‘change’ itself creates the need for consulting and advisory services in the market. As complexity, scale and the rate of change increases, we’re confronted with an exponentially expanding set of challenges and responsibilities. Consultants often get called in when there is a new challenge or significant change. As a result, Consultants spend most of their time dealing with challenges that organisations themselves deal with less frequently. For example, a Consultant might help ten multi-national organisations with supply chain strategy and network optimisation each year. As such, that Consultant will have proven expertise, skilled people, current insights, innovative solutions and purpose built tools and techniques at the ready. Where the Consultant might do this ten times a year, an organisation might only do this once every three years. As such, the circumstances don’t encourage the organisation to invest in or maintain these capabilities as a core competency. We often refer to this as ‘Economy of Skill’, and your Consultant should have it.

Also keep in mind that the Consultant should ideally have experience in your industry as well as others. ‘Like’ industry experience ensures that the work is relevant and informed, whereas work in other industries brings new perspectives and fresh thinking. For example, what is happening in Retail supply chains that could be useful in the Healthcare industry? What can be learned from Aviation industry practices when looking for opportunities in Defence or Mining supply chains?

Some of the situations that fall under the ‘change’ heading include mergers and acquisitions, entry into new markets, offshoring and outsourcing, technology implementation and integration, changing cost structures and customer expectations, shifting competitive landscape, new fulfilment channels (eg online fulfilment), increased scale or growth, addition or rationalisation of facilities and a new CEO with new ideas about the future.

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Competency & capability development

Another reason for using Consultants is to build competency and capability. This tends to be focussed on areas that the business has identified as strategically important, and where best practice can deliver a competitive advantage. The more complex and cross functional the application, the more value the Consultant can add. That’s not to say that a Consultant won’t add value by training the Logistics team on the use of the Warehouse Management System or a Demand Planner on Time Phased Replenishment Planning (TPRP). These are absolutely important and necessary in their own right. But the more complex and interdependent the situation, the greater the demands on specialisation and skill to ensure success. For example, the design and implementation of a Sales & Operations Planning (S&OP) process, along with the underpinning planning process and systems capabilities, requires engagement and stakeholder management throughout the full organisational structure, deep domain expertise in processes, systems and data – and a proven approach change management and capability development approach. As mentioned earlier, the Consultant is well placed as they address these challenges frequently, knows what works and what doesn’t and has skilled people and intellectual property assets to assist.

Results delivery

We see a lot of activity where organisations are seeking specific results. These include sustained inventory reductions to free up cash and fund growth initiatives, service level increases, time to market improvements, delivery lead time compression, fixed and variable cost reduction and process efficiency improvements. In these situations, the Consultant leverages their implementation know how to help the organisation deliver the results. This typically involves a strong partnership between the organisations, a practical focus and a ‘hands on’ engagement approach to drive the activities linked to results delivery.

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THE CONSULTANT

And what qualities should you look for in a Consultant?

Specialisation & Experience

Relevant specialisation and experience is vitally important for your success. Does the Consultant have expert capability in your area of need? Do they understand your industry? Where have they done it before, and how much of it have they done? Did the client accept their recommendations? Why or why not? Did the Consultant help the client with implementation of recommendations? What were the outcomes, lessons learned and insights gleaned? Did the project go according to plan? This should be asked not only of the Consulting firm, but of the individual Consultants, as well. And check references. What do the Consultant’s clients have to say about them?

Intellectual Property Assets

What intellectual property assets does the Consultant bring to the table? These might include analytical, assessment and diagnostic tools, benchmarking data, market intelligence, training and education materials, methodologies, best practice process templates and industry research. How might these be useful to you? Where can they provide an advantage in terms of doing something better and faster? Do they provide valuable insights that enable your organisation to act with confidence?
About the Author

Carter McNabb is a founding Partner of GRA and is widely acknowledged as an influential industry expert. He advises CEOs of some of Australia’s top companies and speaks regularly to this audience. For the last 20 years, Carter has helped organisations deliver rapid and sustained inventory reductions, service level improvements and supply chain cost reductions through the practical application of leading supply chain processes, techniques and systems. In addition to his extensive industry experience, Carter runs an Executive Supply Chain Forum comprised of CEOs from ASX 200 companies and is a member of the CEO Institute. He has also authored and delivered Masters courses within Monash University’s Logistics & Supply Chain Management Post Graduate Program. With a series of published articles and white papers, press quotes and frequent speaking engagements, Carter is a recognised expert in the field. Importantly, he brings a healthy blend of theory and practical, proven experience to the subject of supply chain management.

Approach

Last but definitely not least is the approach. Quite simply, relationship quality is the most important aspect to a successful partnership with a Consultant. Do they want to help you build the capability within your business or do it for you? Do they actively encourage ownership and seek engagement? Do they work side-by-side with you or just make recommendations? Are they friendly and flexible? Do they have a sense of humour? Are their values and yours aligned? Are they focussed on the outcome? Do they offer commercial models linked to your results? Do they see your success as a reflection of their own? Healthy relationships are underpinned by understanding, empathy and aligned intentions. Make sure your Consultant really is ‘on your team’!

And as a parting comment, there’s no weakness or shame in asking for help! Some feel that bringing in a Consultant reflects deficiency or a lack of capability. However, asking for help when it’s needed is a sign of maturity, self-awareness, wisdom and confidence. We speak from experience as we regularly work with Consultants. We’ve used Consultants in areas including legal & finance, leadership development, presentation skills, remuneration, recruiting, negotiation and marketing to name a few.

So, there are many reasons why you may need the extra skills and expertise a Consultant can offer. You might be facing significant change in the near future where highly specialised, experienced Consultants can work with you to ensure not only a smooth transition but also to identify and capitalise on new opportunities that the change may bring. You may have recognised areas of improvement to develop your team’s competencies and capabilities that will drive business improvement, or you may have specific goals you’d like to achieve; such as working capital and service level improvement, cost reduction etc. If any of these scenarios sound familiar, it may be a good time to explore working with a Consultant - one with the appropriate level of specialisation and experience, intellectual property assets that will bring real and enduring value, and critically, the right approach or ‘fit’ with your company to ensure the most successful outcome.

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