

Event summary

Forward thinking in supply chain

Former CEVA Logistics CEO John Pattullo sparked a lively debate among attendees at Korn Ferry's global supply chain leaders' dinner over how to respond to the challenges of today and prepare for tomorrow.

John Pattullo, former CEO of Exel's EMEA business and CEVA Logistics, was the star attraction at Korn Ferry inaugural global supply chain business leaders' dinner, held in London in October 2014.

Pattullo himself is a former supply chain and procurement executive, having spent the majority of his career at Procter & Gamble, before moving into a P&L role.

He began the evening by identifying a series of issues, drawing on his own career and his wider experience of both the supply chain and logistics sector and the wider business environment.

First off was key lessons learnt through his own career, and he had a number of pointers for supply chain professionals. These included knowing when it is time to move roles – he argues it is when a career is flat-lining – and not repeating the same experience several times over.

He also reflected on what he termed “supply chain fantasy island”; the notion that individuals are sold a vision when they join the industry about exciting new developments on the horizon, which then fail to materialise in practice. “Often we talk about things as if they're reality when actually they're fantasy,” he said. There are a number of reasons why things may not materialise, he said, including the complexity of the supply chain. But a bigger reason was the fear many organisations have over failing to get returns on investments made or of upsetting customers in the process, he added.

This was a theme that resonated with many, the guests felt that there was a reluctance to truly embrace new technologies or ways of operating, and it often took a crisis – either within individual companies or sectors – to force a change.

There was also debate over whether it is reporting to finance or operations had an influence on how easy or difficult it is to effect change, with the room divided on this. Much of this appeared to relate to the culture of the individual businesses or the people involved, including the degree of supply chain knowledge outside the function, underlining the critical importance of personal relationships.

Other themes discussed were more forward-looking. Pattullo highlighted the trend towards mass customisation as something that will affect many industries over the coming years, on the back of new developments in robotics and 3D printing. “There are times when a dispersed network will be more appropriate, and having agility in the final stages will be essential,” he said. “Anyone running a global supply chain will need to develop a response to this over the next five years.”

Against this backdrop, organisations will also need to develop ways of collaborating and integrating both customers and suppliers into their processes, and make use of big data and the insight this can afford into trends and industries. Generally, businesses will need to either build up their internal talent or outsource to external providers to increase the level of skill in this area, and may also need to consider pooling information with others in their industry or related sectors.

Greater governance was another trend highlighted by Pattullo as one that will impact the profession, particularly the growth of non-governmental sources. Much of this pressure is likely to come from consumer pressure or the risk of being “named and shamed”, as has been seen in the debate in the UK over corporation tax. Industry associations will have a stronger involvement in developing standards, he predicts, and supply chain professionals will need to become more involved in, for example, monitoring suppliers, including sustainability in annual reports and even compulsory CO2 reporting.

Risk in general was also picked up in the broader discussion, with a strong feeling that organisations had to do more to prepare for Reputational risk and energy supply were issues keeping supply chain leaders awake at night. For some, the debate extended to disruption caused by the so-called “black swan” events, even if these cannot always be predicted. There was a view, though, that there was a lack of willingness on the part of business to temporarily

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disrupt day-to-day operations (and inform customers of this disruption) – to enable full-scale testing of new procedures.

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A final topic for discussion was the need to bring fresh talent into an industry which is largely currently dominated by US or European middle-aged men. Pattullo predicts emerging talent in Asian nations will have a big impact in Europe, and also called for the development of more academic courses focusing specifically on the supply chain. “There has to be a substantial change in the shape and diversity of the profession,” said Pattullo. “We have to help make that happen.”

This sparked lively discussion over just how organisations could encourage people into the industry, and market itself more effectively to young graduates. Many participants felt organisations had to be more prepared to give young people a chance to prove themselves, and to identify why talent – particularly women – often leave roles mid-career, and how organisations can help create cultures which would enable them to stay. Pattullo argued that there are still ‘too many opinions and generic discussion and not enough data’ and encouraged an analytics-driven approach to find out why leaders in this field do better.

Others wanted to see more opportunities for those in supply chain and procurement to move into other business areas, including posts such as sales and marketing, as well as in the other direction.

The event:

Korn Ferry’s global supply chain dinner, held in the Autumn of 2014, was led by Bernard Raschke, Senior Client Partner and Head of Supply Chain Practice at Korn Ferry. Twelve supply chain leaders were in attendance. et sed

Q. Can you outline your career history, up to and including your most recent role as chief executive of CEVA Logistics?

A. I spent my early years in logistics, in Procter & Gamble (P&G), managing warehouses and drivers. In 1984 I became P&G's youngest UK director, when I became director for logistics and procurement for P&G UK. Then in 1986 I moved to France to run a detergent plant, and that was in hierarchy terms a demotion but an opportunity to learn about manufacturing. I came back 15 months later to head up manufacturing, procurement, engineering and logistics for P&G in the UK.

Then I did various regional and global supply chain jobs, and eventually ran supply chains for global P&G businesses. Those businesses are pretty vast; the supply chain for fabric and homecare was about a \$15 billion spend. Along the way, I headed up procurement for Europe for P&G in the mid-1990s, controlling what was then a spend of about \$5 billion. By 2004-5 I wanted a shot at general management and P&L responsibility, and I felt the best function in which to take this on, was one in which I had pretty significant technical mastery, such as logistics. I got lucky and Exel, which was then a FTSE 100 company took a risk and gave me the P&L leadership for their EMEA business, which was about €6 billion of revenue.

Quite quickly after that Exel was taken over by Deutsche Post DHL and I had to compete with my opposite number in Germany for our combined job. Then I ran the combined logistics business for Europe, which became about a €7 billion DHL business. I was approached by private equity business Apollo in 2007 to become chief executive of a company they were creating in Amsterdam called CEVA Logistics. I did five-and-a-half years as chief executive, and retired in 2012.

Q. How difficult was it to move into a CEO role?

A. It was wonderful. It was completely re-energising. There were two big areas I had to learn about. One was business development and selling, and I immersed myself in that. I loved meeting customers and I spent a lot of time doing that at CEVA. The other was P&L management and there I think I was blessed with a very capable CFO.

60-second interview with John Pattullo.

After an illustrious career in supply chain and procurement with Procter & Gamble, John Pattullo became chief executive of Exel EMEA in 2005 before going on to head up CEVA Logistics. Here, he gives his take on his own route to the top, and why he was able to succeed where others have failed.



Current roles:

- Chair, In Kind Direct.
- Chair, Marken.
- Special Adviser to the Board, CEVA Logistics.
- Chair, NHS Blood & Transplant.
- NED, Electrocomponents.

Q. Why do you think Exel took you on, without any previous CEO experience?

A. I had eight interviews and a day of psychometric testing, so they were obviously thinking very hard about whether I was the right person. I think they were attracted by what they saw as best-in-class supply chain knowledge from P&G.

Q. How did your supply chain background help once you were onboard?

A. It was operationally useful because many of the operational activities we were doing with customers were, by and large, familiar to me from my P&G experience. It also gave me instant credibility with customers.

Q. A lot of people struggle moving from supply chain and procurement to logistics. Why do you think you were able to succeed?

A. I had covered a pretty wide deck of relevant work areas at P&G, and although others may have had senior jobs in previous companies they may have had a narrower experience base. Secondly, I was careful to recognise what I didn't know, and in areas such as P&L management made use of people who could help me run that. Alongside that, perhaps a bit of humbleness. Sometimes when people come from blue-chips such as P&G, they take a view that other companies are somehow inferior. I tended to focus on the strengths of what I found especially the rich and diverse experiences of my team.

Q. At CEVA you brought in over 80 senior leaders, including around a third from outside the industry. What was the thinking here?

A. There were a couple of dynamics. Firstly, the logistics industry overall isn't rich in talent, so there was an element of improving the DNA. There was also an important element of understanding our customers better, and some of the people we brought in from the technology sector, from companies like HP and IBM, really did understand those major customers of CEVA. I think we had 9 nationalities on my 11 person executive board and virtually everybody had a different corporate background. So there was a really rich mix of experiences, nationalities and gender, and that's always the best way to get a creative and vibrant leadership.

Proudest moment:

I'm most proud of the way I set up CEVA, because it was a culmination of many things I'd learned over the years. My first two or three years at CEVA were probably the most productive and stimulating period of my career.

Q. What advice would you have for a mid-career, high-potential supply chain manager possibly eyeing their next move?

A. You need to be truly analytical about when the right time is to move. People are often quite emotional about this; they might have a bad experience or a bad boss and jump ship, but the right time to move is when someone's career is flat-lining.

The second area I would emphasise is breadth of experience. People are often inclined to stay longer in jobs than they should from a career point of view, but there's no point in having the same two years of experience three times in a six-year assignment

Thirdly, I'd try and develop a couple of relevant external relationships, possibly with headhunters, a coach or a valued mentor, to provide a sounding board for these complex and demanding decisions.

Q. What are you most proud of in your own career? Is there anything you'd do differently if you could do it again?

A. I'm most proud of the way I set up CEVA, because it was a culmination of many things I'd learned over many years. My first two or three years were probably the most productive and stimulating period of my career. If I was doing it again, I might have been bolder about moving into P&L earlier. I waited until the financial risks weren't so great. With hindsight it might have been smarter to take that leap earlier.

Q. What do you do now to keep yourself busy?

A. I have four roles, which between them take up about two-thirds of my time. I'm chair of NHS Blood & Transplant, I'm chair of the private equity and logistics company Marken. I'm also non-executive director at Electrocomponents, and a trustee of In Kind Direct - a Prince's Trust charity

Q. Did you retire at the right time?

A. Yes, I was commuting to Amsterdam, with multiple long haul flights and had started to get tired. Someone asked me recently if I'd consider going back to full-time employment and I said absolutely not!

Get the right support:

I was careful to recognise what I didn't know, and to make use of people who could help me. I've seen people come into new situations and automatically assume they know everything and that's extremely dangerous.



Bernhard Raschke
Senior Client Partner
+44 20 7024 9021
bernhard.raschke@kornferry.com



James Day
Principal
+44 20 7024 9269
james.day@kornferry.com

About Korn Ferry

At Korn Ferry, we design, build, attract and ignite talent. Since our inception, clients have trusted us to help recruit world-class leadership. Today, we are a single source for leadership and talent consulting services to empower businesses and leaders to reach their goals. Our solutions range from executive recruitment and leadership development programs, to enterprise learning, succession planning and recruitment process outsourcing (RPO).

About The Korn Ferry Institute

The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth and success.