

# THE WALL STREET JOURNAL.

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<https://www.wsj.com/articles/guest-voices-solving-the-soft-skills-gap-in-supply-chain-management-1510070215>

## LOGISTICS REPORT

# Guest Voices: Solving the 'Soft Skills' Gap in Supply-Chain Management

MIT's Yossi Sheffi writes that a focus on technology has left workers and key companies short of abilities critical to organizational success, and schools need to fill the gap.



In the rush to keep up with technology demands, educators and companies may be ignoring the skills needed to turn corporate strategies into reality. PHOTO: GETTY IMAGES

By *Yossi Sheffi*

Nov. 7, 2017 10:56 a.m. ET

Managing supply chains more than ever is about managing technology. The rise of tools such as predictive analytics, Internet of Things and blockchain places greater demand on supply-chain professionals for the technical skills to understand and apply the dizzying array of new technologies in modern business.

In the rush to keep up with these technological demands, we may be leaving behind attention to the “soft” skills such as communications, leadership, and teamwork that are critical to managing organizations and turning corporate strategies into reality.

In some respects, teaching soft skills is just as urgent as ensuring that individuals are technically proficient.

This challenge is evident in many industries.

Consider, for example, the dramatic changes the retail industry is grappling with. As reported recently in *The Wall Street Journal*, Wal-Mart Stores Inc. will open fewer than 25 new stores in its next fiscal year as part of a strategy to build new distribution channels in support of its growing e-commerce business. Retailers such as Target Corp. are redesigning stores as they hone omni-channel business models.

Such changes in corporate strategy must be communicated through an entire organization, and supply-chain organizations are at the forefront of this effort. They must be able to help workers across different regions and in various positions understand how new strategies will be implemented and how those employees will fill unfamiliar roles.

It might seem odd that the head of a program at the Massachusetts Institute of Technology—an institution famous for its technical prowess—is advocating for education in nontechnical skills. But I believe educators in a field so central to business

growth need to help tomorrow's corporate leaders understand how to put technology to work.

Why is this so important today? Rapid technological innovation, globalization, and increasing market volatility are helping accelerate the pace of change in supply-chain management.

To perform effectively in this environment, professionals need to hone their ability to communicate with people working across wide range of disciplines and a variety of geographies. But traditional education programs may not provide a sound foundation for acquiring and refining these skills.

For example, one of the biggest challenges young business leaders face is convincing workers at all levels, including those in senior roles, to buy into a strategy or follow practices that may be different from what they've been used to.

How does a person new to an organization persuade seasoned managers at a network of manufacturing plants to centralize transportation procurement and work more closely with the marketing department to control inventory? All too often the answer is, with great difficulty.

That is particularly true for professionals early in their careers who may be adept engineers but not naturally gifted communicators. Moreover, the education and training programs that launch them into the work world often are dominated by problem solving and analysis, where answers are defined as clearly right or wrong and lack the ambiguity encountered every day in the real world.

## Classroom Craft

To help aspiring leaders handle such challenges, educators need to teach students how to craft a message that is both persuasive and motivational.

How can soft skills help these supply-chain professionals trained in the latest technology?

Technically-minded individuals often use logic to make an argument. For many people, however, pure logic won't necessarily win the day. Emotional and visionary themes often must be woven into an argument to get tough opposition on your side.

This is particularly true when ingrained practices may be challenged, such as convincing managers in a plant that they need to use the planning software the "know-it-all" at headquarters have purchased.

The ability to pitch new ideas and practices to skeptical audiences is an increasingly important part of a manager's tool kit, especially as the advance of automation raises economic uncertainty in work environments.

To teach this mix of skills, it may be necessary to redesign supply-chain education programs.

We are experimenting with a blended approach combining online and residential study that may be one model for approaching the need for soft skills.

The focus of the online segment is on analytical skills where a "correct" answer always exists, while the focus of the one-semester residential segment is on "action learning" and softer skills using the Socratic method. This requires class interaction, teamwork, and communications skills that are difficult to learn in an online environment.

Innovative technology is reshaping many industries, and the changes technology brings to supply-chain management will be felt across the business world.

The companies that succeed will be those that best put that innovation to work, and they'll need both technical prowess and deep understanding of human factors to do that.

11/7/2017

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*Yossi Sheffi is Elisha Gray II professor of engineering systems at the Massachusetts Institute of Technology and director of the MIT Center for Transportation & Logistics. He can be contacted at [sheffi@mit.edu](mailto:sheffi@mit.edu).*

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