

RESULTFOCUSED

May 2013

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Vol 1, No 5 (2013)

Is a culture of entitlement damaging the supply chain?

If you think the culture of entitlement is a new phenomenon or only limited to a specific society, think again. It is rampant all over the modern world. Since when does having a specific job title or even just pitching for work entitle you to anything? Entitlement and is one of the corner stones of mediocrity, and when mediocrity is rewarded as part of the skewed performance process no company can expect to out perform its competitors. Entitlement also has a very close friend called arrogance, and we all know how counter productive arrogance can be to finding and implementing sustainable business solutions.

Entitlement can have a devastating effect on any supply chain, especially when considering critical business relationships with suppliers and service providers. How many times can bad decisions purely be attributed to the entitled 'authority' claimed by an individual and/or group based their position of

control over the various links in the supply chain.

So how can you keep the mindset of entitlement from gaining traction in your organisation? Firstly, ensure that all entitled individuals are filtered out at the interview stage by creating behavioural interview questions which may reveal unrealistic expectations. Secondly, ensure that executives are challenged and not stagnating. A clear indication is where decisions are made without concern for the effect it will have on individuals who are not part of management. Finally, create a culture of responsibility and accountability. Adopting ownership thinking by being open with employees and shareholders will allow them to feel personally part of the success and also failure of the organisation.

In this issue of RESULTFOCUSED a case study on Boeing's 787 Dreamliner program

highlights how entitlement and arrogance had lead to misjudgement in managing new product development and supply chain risk. Boeing knew what would be required to make the 787 program a success, but arrogantly thought they could do it without the supply chain risks. Also in this issue we look at the state of the Supply Chain in South Africa, and how the distribution centre has moved up in the retail logistics pecking-order. Finally we have a 'out-of-the-box' experience by taking some maverick leadership advice from everyone's favourite spy, James Bond.

Until next time, make a difference.

If your presence doesn't make an impact, your absence won't make a difference - Unknown



Managing new product development and supply chain risk: The Boeing 787 case

By Christopher S. Tang and Joshua D. Zimmerman (Supply Chain Forum - An International Journal, 2009, 10, (2) 74-86)

To stimulate revenue growth and market response, Boeing decided in 2003 to develop the 787 Dreamliner. The 787 Dreamliner is not only a revolutionary aircraft, but it also utilises an unconventional supply chain intended to drastically reduce development cost and time. In contrast with Airbus' A380 which can carry approximately 850 passengers between hub airports, Boeing's approach with the Dreamliner was to develop a lighter more fuel efficient aircraft which will allow for direct flights between more cities even at great distances.

However, despite significant management efforts and capital investment, Boeing has faced a series of delays in its schedule for the maiden flight and plane delivery to customers as well as major safety issues grounding their entire fleet of operational aircraft.

Situation

To reduce the 787's development time from six to four years and development cost from \$10 to \$6 billion, Boeing decided to develop and produce the Dreamliner by using an unconventional supply chain new to the aircraft manufacturing industry.

The 787's supply chain was envisioned to keep manufacturing and assembly costs low, while spreading the financial risks of development to Boeing's suppliers. Unlike the 737's supply chain, which requires Boeing to play the traditional role of a key manufacturer who assembles different parts and subsystems produced by thousands of suppliers, the 787's supply chain is based on a tiered structure that would allow Boeing to foster partnerships with approximately 50 tier-1 strategic partners.

These strategic partners serve as "integrators" who assemble different parts and subsystems produced by tier-2

suppliers. The 787 supply chain depicted in resembles Toyota's supply chain, which has enabled Toyota to develop new cars with shorter development cycle times and lower development costs. Under the 787's supply chain structure, these tier-1 strategic partners are responsible for delivering complete sections of the aircraft to Boeing, which would allow Boeing to assemble these complete sections within three days at its plant in Everett, Washington.

Complication

Although the 787 supply chain has great potential for reducing development time and cost, there are various underlying supply chain risks ranging from technology to process risks, from demand to supply risks, and from IT system to labour risks.

Boeing encountered the following **technical problems** that led to a series of delays.

Composite Fuselage Safety Issues: The Dreamliner contains 50% composite material (carbon fiber-reinforced plastic), 15% aluminum, and 12% titanium. The composite material has never been used on this scale and many fear that creating an airplane with this mixture of materials is not feasible. Also, lightning strikes are a safety concern for wings made out of this composite material because a lightning bolt would potentially travel through the wing-skin fasteners.

Engine Interchangeability Issues: One of the key benefits of the 787's modular design concept was to allow airlines to use two different types of engines (Rolls-Royce and GE) interchangeably. Due to recent technical difficulties and part incongruity, it would take 15 days to change engines from one model to the other instead of the intended 24 hours.

Computer Network Security Issues: The current configuration of electronics on the Dreamliner puts passenger electronic entertainment on the same computer network as the flight control system. This raises a security concern for terrorist attacks.

Boeing is relying on its tier-1 global strategic partners to develop and build entire sections of the Dreamliner that are based on unproven technology exposing them to **supply risk**. Any break in the supply chain can cause significant delays of the overall production. In early September 2007, Boeing announced a delay in the planned first flight of the Dreamliner citing ongoing challenges including parts shortages and remaining software and systems integration activities. Even using Exostar, a web-based planning system, to coordinate the supplier development activities, coordination is only possible when accurate and timely information is

provided by different suppliers. For example, one of the tier-1 suppliers, Vought, hired Advanced Integration Technology (AIT) as a tier-2 supplier to serve as a system integrator without informing Boeing. AIT is supposed to coordinate with other tier-2 and tier-3 suppliers for Vought. Additionally, due to cultural differences, some tier-2 or tier-3 suppliers do not often enter accurate and timely information into the Exostar system. As a result, various tier-1 suppliers and Boeing were not aware of the delay problems in a timely fashion, which makes it difficult for Boeing to respond to these problems quickly.

Various **process risks** also had to be managed. The underlying design of the 787 supply chain is likely to cause major delays because its efficiency depends on the synchronised just-in-time deliveries of all major sections from Boeing's tier-1 strategic partners. If the delivery of a section is delayed, the delivery schedule of the whole aircraft is delayed. Unless Boeing keeps some safety stocks of different complete sections, it is likely that Boeing will face late delivery. Also, under the risk-sharing contract, none of the strategic partners will get paid until the first completed plane is certified for flight. As strategic partners recognise the potential of being penalised unfairly if they complete their tasks before other suppliers, the risk-sharing contract payment may actually entice these strategic partners to work slower, which undermines the original intent of the risk-sharing contract.

In contrast with Airbus' A380 which can carry approximately 850 passengers between hub airports, Boeing's approach with the Dreamliner was to develop a lighter more fuel efficient aircraft which will allow for direct flights between more cities even at great distances.

As Boeing used an unconventional supply chain structure to develop and build its Dreamliner, it is essential for Boeing to assemble a leadership team that includes some members who have a proven supply chain management record with expertise to prevent and anticipate certain risks as well as to develop contingency plans to mitigate the impact of different types of **management risks**. However, Boeing's original leadership team for the 787 program did not include members with expertise on supply chain risk management. Without the requisite skills to manage an unconventional supply chain, Boeing was undertaking a huge managerial risk in uncharted waters.

As Boeing increased its outsourcing effort, Boeing workers became concerned about their job security resulting in **labour risks**. Their concerns resulted in a strike by more than 25,000 Boeing employees starting in September 2008. The effects of the worker strike were also felt by Boeing's strategic partners. For example, anticipating that the strike at Boeing would trigger order cancellations and delivery delay of certain Boeing aircrafts, Spirit Aerosystems, a key supplier of Boeing, reduced its work week for employees who develop and manufacture various Boeing aircrafts. This reduced work schedule could potentially delay the delivery schedule of certain fuselage parts for the 787.

As Boeing announced a series of delays, it encountered some **demand risk** in the form of lost customer confidence in Boeing's aircraft development capability. In addition, there is a growing concern about the fact that the first 787s are overweight by about 8%, or 2.2 metric tons, which can lead to a 15% reduction in range. In response to Boeing's production and delivery delays and the doubt about 787's long range capability, some customers have begun canceling orders for the Dreamliner or migrating towards leasing contracts instead of purchasing the airplane outright.

Lessons learned

By examining the inherent risks associated with Boeing's supply chain and by analysing Boeing's reactive mitigation strategies, here are some insights that other manufacturers may consider when managing their supply chains for efficient new product development.

Assemble a Leadership Team with Requisite Expertise: On the surface, it appears that Boeing's fundamental problem was caused by its attempts to simultaneously take on too many drastic changes. These changes include unproven technology, unconventional supply chains, unproven supplier's capability to take on new roles and

Although it may be impossible to identify all potential risks and create contingency plans for all eventualities before a project begins, Boeing could have done many things differently.

responsibilities, and unproven IT coordination systems. However, one plausible reason for Boeing to take on so many drastic changes may be because the 787 leadership team underestimated the risks associated with all these changes. Had Boeing constructed a multi-disciplinary team with expertise to identify and evaluate various supply chain risks, it might have been possible for Boeing to anticipate and avoid potential risks, and to develop proactive mitigation strategies and contingency plans to reduce the impact of various supply chain disruptions.

Obtaining Internal Support Proactively: Partnerships between management and labour are essential for smooth operations for companies to implement any new initiatives including new product development programs. Although their interests are often misaligned, better communication of business strategies with union workers is a proactive step towards avoiding costly worker strikes. Also, aligning the incentives for both parties proactively is more likely to reduce potential internal disruptions down the road.

Improving Supply Chain Visibility to Facilitate Coordination and Collaboration: Besides the need to perform due diligence in key supplier selection to ensure that the selected supplier has the requisite capability and the commitment for success, a company

should consider cultivating stronger commitment in exchange for accurate information in a timely manner. Overly relying on IT communication is highly risky when managing a new project. To mitigate the risks caused by partners further upstream or downstream, companies should strive to gain complete visibility of the entire supply chain. Having clear supply chain visibility would enhance the capability for a company to take corrective action more quickly, which is more likely to reduce the negative impact of a disruption along the supply chain.

Proactive Management of Customer Expectation and Perception: Due to the inherent risks associated with new product development, it is critical for a company to help its customers set proper expectations proactively, especially regarding the potential delay caused by various types of risks. Setting proper expectations at the outset would reduce potential customer dissatisfaction down the road. During the development phase, it is advisable for the company to maintain open and honest communication with its customers regarding the actual progress, technical challenges, and corrective measures. Such efforts would possibly gain customer trust, which would improve their loyalty in the long run.

Conclusion

Boeing's Dreamliner program involves dramatic shifts in supply chain strategy from traditional methods used in the aerospace industry. In addition, Boeing boasted about its novel manufacturing techniques and its technological marvels. Such dramatic shifts from convention involve significant potential for encountering risks throughout the process. Boeing's ongoing issues with meeting delivery deadlines are a direct result of its decision to make drastic changes in the design, the development process, and the supply chain associated with the Dreamliner program simultaneously without having the proper management team in place. Further, this team did not proactively assess the risks that were later realised and did not develop coherent strategies for effectively mitigating them. Although it may be impossible to identify all potential risks and create contingency plans for all eventualities before a project begins, Boeing could have done many things differently. It is instructive for managers in any industry to view the issues that Boeing faced and analyse how these issues were handled so that they can learn from mistakes that were made before engaging in similar supply chain restructuring. - **RF**



The state of supply chains in South Africa

By Liezl Smith
([linkedin.com](https://www.linkedin.com), April 2013)

South African supply chains generally compare very well with their developed market peers, and in some cases I believe we are ahead of the game. One of the reasons for this is that we have had to become very innovative in the way we do things in the face of challenges that do not exist in developed markets. Doing business in Africa is not for ‘sissies’, and so we have developed much strength in terms of our creativity and tenacity when confronted with adversity i.e. poor road conditions, under-utilisation of rail transport, unreliable postal service and slow Internet connectivity.

However, we would be deceiving ourselves if we did not acknowledge the blatant fact that effective supply chain functioning is often hampered by corruption and gate-keepers who charge a “facilitation fee” (read bribe) to let the chain flow properly.

Good to great

Aside from bribes, it is quite clear that simply pouring money into solving our supply chain challenges has no enduring value. However, spending it wisely, like investing in skills development, I believe will pay off in the long run.

Too many untrained people are entrusted positions where they influence inventory holding and movement. Often the stock in various stages of completion amounts to up to 60% of a company’s cost of sales. It is irresponsible to let an unqualified person manage this.

Unfortunately very few companies realise the severity of this problem, as it is often disguised by ‘noise’ and other distractions in the system. One of the most fundamental areas that improvement should be sought in is the ability to forecast demand better, align goals across departments and secure good leadership in order to steer a company in the right direction.

Where to from here?

The turbulence of the past few years has taught us that we cannot predict on the basis of historical data and that our supply chains have to be agile and responsive. Lately, we have been focusing on expanding and contracting in line with demand so as to contain costs while being able to take advantage of improved demand. But, are there other areas in which we need to work to be more responsive?

I believe there is never an end to the improvement story. We need to continually strive to remove bottlenecks and barriers to improvement and excellence. It is important to remember that the goal of any business is to make money, and money can only be made if customers keep buying your product, stock is kept to a minimum, expenses are kept low and everyone in the business speaks with one voice. There is still a lot of work to do in these areas in the majority of businesses.

Change is here to stay

Some people believe that a fresh approach to supply chain – as in, designing a company’s supply chain from the ground up – is the best approach, despite the substantial cost of such an exercise. However, I believe the idea that a fresh start will give you an advantage is just an illusion.

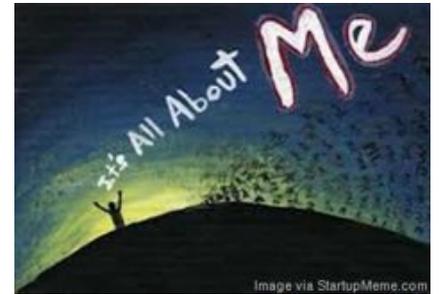
Business changes so fast that the fresh start itself would only be fresh for a short while, so I really don’t think this approach is worth it. By the time the ideal situation is planned and ready for execution, things would have changed so much that it would have to be redesigned – again!

Doing business in Africa is not for ‘sissies’, and so we have developed much strength in terms of our creativity and tenacity when confronted with adversity.

Liezl Smith, Former President of SAPICS

In my view, the best way of improving supply chain is to have an obsession with continuous improvement – for a business to make it a part of its culture, to live and breathe it. With every process step, the question should be asked: “How can I do this better?”

This is the only way businesses will be able to adapt to a fast - changing world. - **RF**



An entitlement culture in business is usually fatal

By Marty Zwilling
([forbes.com](https://www.forbes.com), 13 April 2013)

Where did this pervasive sense of entitlement in our business culture come from? I’ve written about this before, but I was surprised again recently at a conference for startups when a couple of entrepreneurs started berating investors for their low rate of funding for early-stage startups. It sounded to investors like me that they expected a funding entitlement for their startup idea.

As a society, we seem to think we’ve evolved to the point where we can fashion a large portion of existence according to how we wish it to be. We notice what we like and what we dislike, so we work to make society match our dreams. Somehow, these dreams and wishes have morphed in many people’s mind to an entitlement.

In later-stage businesses, entitlement is evident when employees treat customers with indifference, or feel they are entitled to their job by merely “showing up for work.” Here are some examples of people rationalising their entitlements, especially when the fantasy serves to owe them money or power:

“I put in more hours than most of the people here, so I expect a bonus.”

A bonus should be all about results, not time worked. We all know people who seem to be always present and always working, but don’t produce results. People with entitlement expect bonuses because it is bonus time, not because recipients earned them.

As a society, we seem to think we've evolved to the point where we can fashion a large portion of existence according to how we wish it to be.

"We deserve our high pay since it was the other division that failed."

We heard this from many of the Wall Street groups that survived a few years ago only with government bail-outs. A company succeeds only if all the teams succeed. That's the way capitalism works. Being really good at what you do doesn't matter if your firm is broke.

"The pay seems to be the same whether I work hard, or hardly work."

No business can afford to reward mediocrity or less. Watch for the signs of entitlement and let it be known that the behaviors associated with entitlement will not be tolerated. Executives need to show up be the model, communicate the model, and enforce the model.

"I did my job, so don't expect me to jump when customers complain."

Employees don't see a connection between how the experience a customer receives today influences their feelings about buying from the company in the future. Make sure they understand the sense of urgency to address customer satisfaction and market needs.

"I give my all to this company, so I deserve healthcare coverage."

Health care is a need, like water or food, and not a right. And like water or food, it isn't free. Every company needs to promote equity among all employee levels, and relate benefit levels to profit levels. But demanding benefits that sink the company is not the answer.

"Someday this business will be mine anyway."

How many family businesses have met their demise because of this entitlement view? When heirs grow up believing that no matter how they act, the business will be theirs to run, they often end up with no business to run. Furthermore, once that seed is planted, it's very difficult to stop it.

Entitlement beliefs that are left unchecked lead to selfish, even more entitled expectations. Most psychologists believe that entitlement comes from a deep inner belief that the world is not fair. In some age group, this feeling can be rationalised as perhaps derived from an early life where parents gave them everything, and they now expect the world of business to do the same.

We've got to remind everyone, employees, entrepreneurs, and company executives, that true success and leadership is built on a foundation of personal responsibility and self-discipline. Companies which feel entitled about their position in the marketplace will lose, and entitled employees will kill a company.

Few things frustrate me more than dealing with people who feel they are entitled. Everyone shares the challenge of changing our business culture of entitlement into a culture of merit. I do believe everyone is entitled to pursue success. No one is entitled to be entitled. - *RF*



Retail: DC at the center of it all

By Bob Trebilcock
(mmh.com, 01 April 2013)

Blame it on the Internet. Blame it on Amazon. Whatever the reason, there is no debate that shoppers have different expectations today than in the past and that retailers are being forced to rethink how they interact with shoppers.

Whether its free shipping, expedited delivery or unparalleled selection, e-tailers are changing the way the game is played. Brick-and-mortar retailers, in particular, are struggling to master a new set of rules.

The distribution center is at the heart of this transformation. Increasingly, it is the tool that allows a retailer to meet its customers' expectations. "It's a new world for distribution centers," says Jeff Mueller, vice president of Sedlak. "They are no

longer just part of the overhead. They are part of the profit equation."

These changes are creating a new set of best practices to optimise the processes inside the retail distribution center. Here is a look at five ways retailers are approaching their operations in new and different ways.

1. Flexible solutions for shortened time horizons

One example of how the new retail landscape is impacting distribution centers is in how new facilities are designed. The traditional practice was to construct a building and select equipment to handle the next 10 years growth. "With the emergence of e-commerce, we're building for a three-year window because you don't know what's coming," says Kim Baudry, market development director for Dematic. "Our customers are building facilities to handle what they do now as a core solution, but with the flexibility to scale in the future as their needs change."

That process begins with a good, engineered analysis of a retailer's present business that considers a number of factors including:

Peak-to-average ratios: That is a comparison of the volume of orders that will be filled and shipped on an average day versus peak days during the important selling periods, such as the back-to-school or holiday seasons.

Order profiles: A retailer wants to understand the characteristics of a typical order, including the lines per order and the number of pieces per line.

Growth expectations: Is the volume of orders increasing? Is the volume of inbound merchandise changing? Is the number of SKUs or the cube required for each SKU increasing? Each of these can impact the design of a solution.

SKU profile: Retailers need to understand the cube associated with each SKU, including the dimensions, weight and any special handling associated with an item. That is especially important if more items are going out as parcel shipments for e-commerce orders. Similarly, the movement of each SKU in the facility plays a role in designing storage and slotting solutions.

"Once you've done the analysis of the business, you can design a system that makes the most sense for you," Baudry says. "For instance, if there's a lot of variation between your peak-to-average shipments, you don't want to invest in a highly automated system that will sit idle a great deal of the time. In that instance, we may recommend automation for storage but a manual picking system. If you're average outbound orders is close to your peak

orders, an automated goods-to-person picking system may make sense.”

2. Optimising picking waves

Picking is the most labour-intensive activity in any distribution center. That is especially true with the increase in item-level picks associated with the rising volume of Internet and catalog orders. Retailers that have installed a sortation system to handle their peak volumes in November and December can use those systems to pull inventory from reserve storage areas to fill a wave, rather than have associates walk through an active picking area.

“We look at peak order files at the individual order level by analysing data for the two weeks before and after Thanksgiving,” says Sedlak’s Mueller. “That allows us to look for the best ways to combine orders and inventory.”

Instead of sending associates to pick slots in the active picking locations for all of the orders, pallets and cases are pulled from the reserve storage area to satisfy half or more of the orders. The cases that will satisfy a wave of orders are queued at the sorter. When the wave is released, the cases are sorted to a picking station where an associate picks the items needed from each case. Those items, in turn, are re-inducted at the piece level and sorted to a packing station where they are prepared for shipping. “The goal is to minimise the amount of walking and handling,” Mueller says. “There is still some picking in the active area, but not nearly as much as if you picked the whole wave from that area.”

3. A store within a DC

Until recently, many retailers operated two types of facilities that were independent of one another. One handled cases and pallets for store replenishment. The other handled eaches for e-commerce fulfillment. That approach not only required two facilities, it also required two buckets of inventory. In many cases, that also meant two different order fulfillment software systems. One might be a warehouse management system (WMS) optimised to receive, pick and ship cases and pallets and then another WMS designed for item-level picks.

One of the advantages of combining those different sales channels into one multi-channel fulfillment center is that all customer orders can be filled from one set of shared inventory. The challenge is coming up with a single inventory management system that controls all of the decision making for picking, packing and shipping, says Luther Webb, director of operations solutions development for Intelligrated.

There is no debate that shoppers have different expectations today than in the past and that retailers are being forced to rethink how they interact with shoppers and the distribution center is the tool that allows a retailer to meet its customers’ expectations.

“What we’re seeing is that retailers are using their WMS to create a store within the distribution facility,” Webb explains. “That store within the building becomes the e-commerce fulfillment center.”

The idea is that the case-level product required for e-fulfillment is picked from reserve storage and “shipped” to the store within the warehouse as if it was any other replenishment order for a brick-and-mortar location. The difference is that the e-commerce fulfillment store may be located just a few aisles away from the replenishment system. “Once the inventory is received in the store, associates pick from that inventory to fill orders,” Webb says.

“E-commerce is forcing us to rethink how we receive and how we store inventory in order to satisfy these different order profiles,” Webb adds. “Retailers are struggling with this, but the best are using software systems to drive these changes. If they’re not doing it now, they will be doing it in the next three to five years.”

4. Same-day fulfillment

The battle for retail customers is increasingly being fought over shipping. “Customers want instant gratification,” says

Adam Mullen, retail industry lead for Fortna. “The days of a 7- or 10-day promise are long gone. Customers want to know that you received their order, that it’s picked, and that it’s on the way.”

For many retailers, that means same-day shipping—meaning the order is on the truck the same day it was received. For those in an arms race with Amazon, such as Walmart, it could mean same-day delivery in some select markets. Either way, “even a one-day improvement in order fulfillment times can mean a major change inside your distribution center,” Mullen says.

While the solutions that enable same-day fulfillment may vary from retailer to retailer, Mullen says they share several common characteristics.

Visibility is key: The system has to have real-time visibility into the pool of incoming orders. That allows a retailer to make decisions about which orders to pick first to meet cutoff times.

Replenishment is also a priority: Product needs to be available at all times, which means a system in place to monitor inventory levels at picking slots in real time and to coordinate replenishment activities.

Packing is more important than ever: The facility needs to be able to verify the accuracy of the order and pack very quickly at the end of the process.

“At the end of the day, doing this right requires software and automation,” says Mullen. “We’re certainly leveraging a mix of technologies in the systems we’re implementing now.” Those technologies include automated storage and shuttle systems for case storage, voice-directed pick modules, unit sortation and automated packing systems. Above it all are warehouse control, warehouse management and distributed order management systems to make the right decisions about where and how orders should be filled.

5. Sequence at the DC, save at the store

For years, retailers have focused on reducing the cost of handling a pallet, carton or item in the distribution center. Forward thinking retailers are turning that equation upside down and looking for ways to use the distribution center to reduce the cost of handling product in the store.

“A number of retailers are removing store labour by pushing activities back on the DC,” says Rob Schmit, executive vice president of Daifuku Webb. However, Schmit isn’t just talking about value-added services such as price ticketing. “The push is to do product sequencing so a store associate doesn’t have to walk all over the store to put inventory on the shelf,” Schmit says.

The first wave of sequencing solutions involved using a mini-load automated

storage and retrieval system (AS/RS) to deliver cartons to a palletising station in the sequence they would be put away on a shelf in an aisle. The next wave, Schmit adds, is to sequence product into the preferred sequence in a container or tote. That allows a store merchandiser to cut down on the time needed to restock a convenience store, for instance, or to create a counter or shelf display in a department store.

At the other end of the DC, retailers are using automated storage technologies to buffer and sequence pallets, cartons and totes into the back of a delivery truck or trailer.

While sequencing software and automated storage technologies are central to these solutions, so is a new view of the role of distribution within an organisation. “The cost of handling a case or pallet inside the DC may very well go up,” Schmit says. “However, the cost of transportation and the cost of store labour go down. To be successful, this has to be high on an organisation’s list of priorities.” - **RF**



Twelve maverick leadership tips from James Bond

By David K. Williams
(forbes.com, 11 August 2012)

Many of today’s most inspiring businesses were created by maverick leaders who coloured outside of lines and thought outside of the box. Sir Richard Branson comes to mind. Mark Cuban. Elon Musk.

Is there a school you can attend to learn and develop the skills of a maverick leader? Unfortunately, there is not. So today I’d like to take a look at forward thinking, courageous, “put a dent in the Universe” leadership by examining one of the world’s most famous mavericks—everybody’s favourite fictional spy, James Bond.

Consider the lessons we can learn from James Bond:

1. Don’t Bother Giving Motivational Speeches

You don’t always have to inspire people with flashy orations to get them to do what you want. In *Thunderball* and *The Spy Who Loved Me*, Bond demonstrated that it’s not always necessary to hone your powers of persuasion to inspire your team to go to battle, or in his case, to even put their lives

on the line. Bond demonstrates that maverick leaders will often simply charge forward with enough confidence and courage that people will follow their lead. Does it work in real life? Sometimes it does. Larry Ellison of Oracle comes to mind as a leader of few words, but monumental ambitions. Jack Welch and George Soros are also examples of well-known leaders who’ve used this trait from time to time.

2. Don’t Be Afraid to Go It Alone

There are numerous times Bond acts on his own to get a job done. One of the most intense is when he’s climbing up to a mountain fortress at the end of *For Your Eyes Only*. In real life? Truth be known, most every senior executive bears at least a few burdens alone, where exceptional courage is required to deal with situations that would unduly dishearten or frighten their staffs. However, this is a trait to be

used in very small doses. In most cases, a monumental task is handled better with the strength of a team (the recent company buyback of Fishbowl in May of 2011 comes to mind). A great leader has the courage to lead out strongly and to absorb the strong winds of outside opinion for the team. Yet loyalty to team and company is important as well. Bond sacrifices all for his Queen and his country. Great business leaders give all for their people and companies. Nelson Mandela maintained that none of us, acting alone, can achieve success in his famous inauguration address. He raises a great point—lone wolf behavior can easily be taken too far, with disastrous consequences—Bernie Madoff comes to mind, as does Ferdinand Marcos. Use this characteristic with care.

3. Master a Few Skills and Be Passable at Everything Else

Bond isn’t known for being a gifted musician, artist, or businessperson. He’s a master at just two things: killing and wooing. That’s it. He picks up other skills here and there, like gambling, flying airplanes, and using a variety of other vehicles, but he usually just sticks to strengths. In this respect, Bond is brilliant: Strengths-based leadership development supports this philosophy strongly. Experts Jack Zenger and Joseph Folkman, of Zenger Folkman (fellow Forbes contributors and authors) note that leaders don’t become appreciably better by honing in on their worst characteristics (unless the weakness is a fatal flaw). But if they learn to focus on their greatest strengths to make those strengths true standouts—look out. Bond is definitely onto a winning principle here. Find your own unique strengths. Killing and wooing are great for the big screen. So is wearing a tux 24x7.

4. Sometimes It’s Okay to Rely on the Experts

In *Goldfinger*, Bond is at a loss as to how to defuse a nuclear bomb that has just minutes to go (of course) before it explodes. After fretting for several seconds, he grabs a handful of wires and prepares to rip them apart in desperation. But thankfully he’s pushed aside by someone who knows what he’s doing at the last second, and that expert simply flips a switch to turn the device off. Yes, there’s a corollary here. As a leader, don’t be so narcissistic or insecure you fail to use the members of your team to guide you in the things they know best. I’m betting a few of you recognise yourselves in this principle—ever attempted to do your own IT? To issue a rash statement without consulting your team members in legal or public relations or HR? We’ve all done it. And we’re all better off when we don’t.

5. Pay Attention to Details

Bond picks up minor details from a conversation between Goldfinger and one of his henchmen, and he uses that information later to bluff his way out of the villain’s death trap. Again, a brilliant example for all. Perhaps the eavesdropping isn’t a shining example, but the ability to pay scrupulous attention to the nuances and details of a market scenario or a deal situation is one of the skills that can take leaders from good to great. Thinking out of the box—the ability to recognise the meaning in the details others miss—is one of the best qualities a tremendous leader can have.

Is there a school you can attend to learn and develop the skills of a maverick leader? Unfortunately, there is not. So today I’d like to take a look at forward thinking, courageous, “put a dent in the Universe” leadership by examining one of the world’s most famous mavericks—everybody’s favourite fictional spy, James Bond.

6. Be Professional

Bond rarely lets things get personal. Well, perhaps he broke that rule in *For Your Eyes Only* when he kicked the villain’s car off a cliff and in *Octopussy* when he avenged 009. In *License to Kill* he went completely rogue to avenge his friend’s wife. But for the most part, Bond remains cool and professional, even in the most dangerous situations. What can we learn from this? Cool your emotions. Great leaders have an impeccable balance of EQ and IQ. Executives who act or speak in the heat of the emotion are playing with less than half of the deck. They aren’t acting; they’re reacting. Many business decisions would be improved if leaders would recognise and respect this crucial fact. Being professional includes being accountable as well. A great leader accepts full accountability. We are only defeated when we blame others and make excuses. Great leaders never lay blame, gossip or degrade others. Bond is a true gentleman in this regard.

7. Trust Your Instincts

At the start of *The Living Daylights*, Bond shoots a supposed sniper’s gun rather than her head. He’s criticised by his superiors for deliberately missing, but his split-second decision eventually leads to the villain’s undoing. Good for him. Most of my own leadership comes from my instincts. I’m a strong judge of people, and thankfully, it’s an area where I very seldom make mistakes. I know there are many other leaders who exemplify this characteristic as well.

8. Learn from Mistakes

Bond rarely makes the same mistake twice. In *Casino Royale*, Bond makes a devastating mistake, losing all of his money in a poker game with the villain. However, when he’s given a second chance, he devises a brilliant strategy to turn the tables and win the jackpot. This is another essential leadership principle—mistakes are golden opportunities to learn. Cherish them. Use them. They are the avenue to improved learning and strength. Cherish and use the mistakes of your employees as well. Short of disastrous decisions such as brokerage mistakes and ethical breaches (which your hiring practices should nearly entirely prevent), consider their mistakes to be valuable learning experiences as well.

9. Take Advantage of the Latest Gadgets

Every Bond film since *From Russia with Love* has had numerous gadgets to aid Bond in his adventures. It’s fun to guess which gadgets at the start of a Bond movie will prove most useful as the plot develops, such as ejector seats, exploding key chains, etc. Does James Bond have a great occupation, or what?

Consider the lessons we can learn from a maverick leader and everybody’s favourite fictional spy, James Bond:

1. Don’t bother giving motivational speeches
2. Don’t be afraid to go at it alone
3. Master a few skills and be passable at everything else
4. Sometimes it’s okay to rely on the experts
5. Pay attention to detail
6. Be professional
7. Trust your instincts
8. Learn from mistakes
9. Take advantage of the latest gadgets
10. Have a plan and execute it with patience
11. Be ready to improvise
12. Never give up, even when things look hopeless

Yes, technology can be a wonderful thing. Smartphones. iPads. Electronic gadgets. Isn’t it great that we have a business rationale for these things?

10. Have a Plan and Execute it with Patience

Bond always approaches a situation methodically, weighing his options and looking for a way to gain the upper hand. In *License to Kill*, Bond crafts a plan that is almost diabolical to defeat the villain by getting him to mistrust his closest advisers and make other costly mistakes. Bond eventually brings down the villain’s entire operation from within thanks to his meticulous efforts. We could all learn from James Bond on this front. Patience is not only a virtue, it is a tremendous leadership strength. And again, note the value of attention to detail.

11. Be Ready to Improvise

In *Goldeneye*, Bond is surrounded by a Russian army, so he decides to escape by hijacking a tank and driving it through city streets. In *Tomorrow Never Dies*, he can’t stop a missile from destroying a nuclear bomb, so he quickly flies the bomb out of range of the incoming missile. What tremendous leader hasn’t had the need to improvise a solution at least once in awhile?

12. Never Give Up, Even When Things Look Hopeless

In *Thunderball*, Bond is trapped in a pool full of sharks, but does that stop him? No way! Granted, his incentive was incredibly high, but our fearless leader simply looks for a way out, never doubting that he’ll find it, and manages to make his way to safety again. Perhaps this is the ultimate entrepreneurial skill—the tenacity, the relentlessness and the courage to believe in a company and an idea even while the rest of the world is calling the situation a loss. Yes, there is a time to pivot, to cut your losses and to move forward—but for a true entrepreneur (and for most every successful leader) that point is much further along the realm of the seemingly impossible than any other participant or observer would have thought.

So perhaps James Bond can provide us with more than entertainment. Perhaps he brings a few successful leadership traits to the table as well. Would he make it as an entrepreneur? In many respects, I’m betting he could. Like every one of us, he is a “work in progress.” - **RF**

Note - All credit goes to the particular author and/or publication of the articles shared in this publication

Result focused logistics and supply chain advisory services

By Anton Nieuwoudt / Niels Rudolph

dasResultat is a results focused logistics and supply chain management advisory company with greater than 30 years combined experience in various functional areas of logistics and supply chain management across diverse industries.

Our primary objective is to support our clients to reduce operational costs and increase their service offering to their clients through optimising their supply chain, by offering a wide range of services based on our own practical experience.

dasResultat stands under joint leadership of Anton Nieuwoudt and Niels Rudolph.

Leadership

Anton has more than 12 years experience in logistics- and supply chain management across various industries.

Prior to co-founding dasResultat as a boutique logistics and supply chain advisory company, Anton was at Accenture where he was involved in various projects in the Retail, Mining, FMCG and Energy sectors. Here he was able to expand and apply his fulfillment, supply chain management, supplier management, project management and business consulting expertise.

Anton also worked at DB Schenker where he gained experience in integrated logistics management, spare parts logistics as well as inbound- and outbound logistics solution implementation.

Anton holds a Bachelors degree in Marketing from the Rand Afrikaans University and a Masters degree in Logistics Management at the University of Johannesburg.

Niels has close to 20 years experience in logistics- and supply chain management mainly within the 3PL industry.

Prior to co-founding dasResultat as a boutique logistics and supply chain advisory company Niels founded ORAscM as a specialised logistics consultancy company. He also worked at DB Schenker and PriceWaterhouseCoopers in Germany as a project consultant.

Niels spent the largest part of his career at DB Schenker in various roles in Germany, Singapore, Malaysia and South Africa. During his last role at DB Schenker in South Africa, Niels was responsible for

logistics development, reporting directly to the CEO. Here he applied and expanded his knowledge to develop logistics solutions across the local automotive, high-tech and retail industries.

Niels holds a Diplom Betriebswirt (BA) from Staatliche Berufsakademie, Mannheim (Germany).

Functional experience

Our functional experience include among others warehouse design & management, transportation management, inventory management, demand planning, supply planning, supply chain planning, supplier relationship management and project management.

Industry exposure

We have had exposure to industries such as retail, automotive, consumer goods and services, petrochemical, mining and defense aerospace.

Core offerings

Through our core offerings we can support our clients to achieve strategic, tactical and operational results. These offerings cover areas such as Strategic Supply Chain Planning, Fulfillment, Sourcing & Procurement, and Project Execution.

Credentials

Since founding the company in the fourth quarter of 2012 we've been involved in various projects.

Our primary engagement has been with a leading global third party logistics company. Here we've been tasked to support them in their turn-around of their contract logistics department.

Secondary engagements during our first quarter of operations included a warehouse performance assessment at the Cape Town operations of a global apparel company, supporting a logistics service transition at a German automotive manufacturer and providing warehouse implementation support for an agricultural equipment manufacturer. - **RF**

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dasResultat is a result focused logistics and supply chain management advisory company.

We partner with our clients to identify and unlock practical and sustainable solutions.

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