CSCO Strategic Leadership Primer for 2021

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By Analysts Simon Bailey, Pierfrancesco Manenti, Sarah Watt, Ken Chadwick, Dana Stiffler

CSCOs translate business ambition into a compelling supply chain vision. This primer helps CSCOs to envision strategy, elevate their leadership, and create a diverse and inclusive customer-centric culture, and covers key CSCO challenges such as managing risk and accelerating transformation.

Scope

Balancing risk and opportunity, effective governance and strong leadership are essential for transformation to a customer-centric, purpose-driven culture, enabling better business outcomes.

To enable better business outcomes, supply chain leaders and CSCO strategic leadership should:

- **Envision Risk-Balanced, Strategic Operating Models:** Engage with stakeholders to create an integrated vision that ensures supply chain's strategic direction is clearly aligned with the business and recalibrated for new insights on leading practices and external disruption.

- **Drive Environmental, Social and Governance Initiatives:** Design and operate enterprise governance to balance conformance and performance, autonomy and control, and investment and operations in ways that respect environmental and social needs, and empower teams within the supply chain value network.

- **Lead People and Cultural Transformation:** Develop leadership skills and competencies that ensure the people of the supply chain thrive in this age of disruption and digitalization by adopting behaviors, mindsets and practices to foster a culture that is adaptive and fit for purpose with the enterprise vision.

- **Develop a Customer-Centric Supply Chain:** Focus on understanding specific needs of customer segments and then design and deliver products, solutions and services that meet those needs by partnering across the C-suite to create a coherent customer experience (CX) strategy.

- **Develop Personal Influence and Effectiveness:** Articulate and deliver your supply chain vision in a way that complements the business strategy and draws on external insight to establish your credibility as a trusted partner to the CEO.

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2020 was a turning point for society, businesses and supply chains with COVID-19, climate disruption and tariffs all undermining the assumptions underpinning global supply networks. Some global supply networks that have delivered scaled advantages for years, were tested to the breaking point with failures in supply nodes, disruption of shipping routes and vast swings in demand due to unforeseen or unaccounted disruptions.
How should chief supply chain officers (CSCOs) respond and what are leading companies doing to reassess and reconfigure their sourcing, manufacturing and distribution networks, and rebalance their supply network strategies? In this time of unprecedented external disruption and dramatic internal business model proliferation, successful CSCOs will excel across the three areas of strategic vision, culture and leadership shown in the outer ring of Figure 1 by focusing on the five core topics in its center.

Strategy must incorporate people, processes and technology elements; DE&I has never been as high profile, and digital skills are in increasingly short supply versus demand. Agility, resilience and visibility are needed to counter unexpected disruptions. Autonomous things and hyperautomation are enabling an acceleration toward the autonomous supply chains.

Culture transformation is critical to bring the organization with you. Megatrends, such as changing customer preferences and climate change, are impacting organizations directly and indirectly through customer demands, and regulatory and other stakeholder forces. Many companies are taking this moment to rethink not only their networks, but their business models to become more customer-centric and purpose-driven. For example, a few leading companies, such as Danone and Patagonia, have declared that they will balance purpose and profit as a certified B Corporation (known as B Corp). While B Corp status comes with legally binding requirements, all purpose-driven organizations must back up long-term pledges with near-term actions, investments and transparent reporting that move them to intermediate milestones.

Leadership skills of CSCOs are being tested as they seek to manage risks and disruption through sound governance, support growth and deliver savings, and lead their people and culture forward. CSCOs must quickly grasp the critical actions needed to succeed in their role — getting the balance right between embracing digital technology and championing diversity, equity and inclusion. These actions will build credibility with the board and provide a foundation on which to develop personal influence and effectiveness.

Translating your vision into a detailed strategic plan, organizational model or digital technology roadmap is the role of the strategy realization team.

**Topics**

Chief supply chain officers (CSCOs) seeking to establish themselves in the role, and reorient their supply chains to be seen as growth engines as well as savings generators face challenges in defining their strategic vision, developing their leadership and shifting the culture.

Our research in this area addresses the following topics:

**Suggested First Steps**

- Leadership Vision for 2021: Chief Supply Chain Officer
Essential Reading

- Winning in the Turns: A CSCO Action Guide — Identify Strategic Issues, Protect Innovation and Nurture Talent
- How to Hack Your Supply Chain Culture
- Supply Chain Executive Report: Build CSCO Influence in the Boardroom
- Direct-to-Consumer Business Model Risk Mitigation, Part 1 — Value Proposition and End-Consumer Needs

Tools and Toolkits

- Toolkit: Templates for Communicating Your Supply Chain Strategy
- A Simple Framework to Understanding Supply Chain Network Design
- Toolkit: Identifying Outcomes for Communicating Change With Your Stakeholders
- Toolkit: Workshop Facilitation Slides: How to Build a Base of Advocates for Supply Chain's Strategy and Success
- Ignition Guide to Designing a Compelling Employment Value Proposition (EVP) for Supply Chain
- Toolkit: The Gartner Customer Experience Management Maturity Model for Supply Chain