

THE HEALTHCARE SUPPLY CHAIN LEADER OF THE FUTURE



BACKGROUND

Organizations are finding it increasingly difficult to recruit and retain supply chain expertise and leadership, particularly as the delivery of healthcare grows increasingly complex and expands beyond the traditional hospital. In the last decade, supply chain has emerged “from the basement” to become a strategic management component within many progressive organizations. As today’s healthcare leaders continue to respond and adapt to a never-ending stream of changes, the supply chain programs within their organizations are increasingly viewed as strategic differentiators. Subsequently, the role and expectations for supply chain leadership continues to evolve, impacting the number of current and future leaders.

Perhaps the best example of this evolution of the profession is the change in the name of the supply chain function. Supply chain management was “purchasing” just a few decades ago. That name evolved into “materials management,” which in the last fifteen years has evolved into “supply chain”. The evolution of supply chain’s name mirrors the maturing of the professional role it fills.

The modern aspects of supply chain go far beyond the traditional logistics and purchasing skills of yesterday. Data analytics, global commerce, clinical and systems integration, and alternative payment models are just a few of supply chain’s challenges that were not envisioned just 15 years ago. In addition, recent industry studies suggest that many current supply chain leaders expect to retire within the next decade. This potential turnover factor, combined with the increased expectations and demands on supply chain, challenges the industry to both “discover” and “groom” the leaders of tomorrow.

Supply chain is no longer a purchasing, storeroom-centric, back office profession. Advanced skills, multiple talents, and competencies are needed to be a successful supply chain leader in healthcare – both today and in the future.

Recognizing the continuing evolution of the profession and the current challenge to develop, recruit, and retain the leaders of tomorrow, two of the industry’s leading organizations – the Association of Healthcare Resource and Materials Management (AHRMM) and the Strategic Marketplace Initiative (SMI) – joined forces in a collaborative effort to define a vision of the healthcare supply chain leader of the future that can serve as a guide for career development to those who aspire to be the future leaders.

PROCESS THAT IDENTIFIED FOUR KEY BUILDING BLOCKS

To develop the profile of the ideal supply chain leader of the future, AHRMM and SMI conducted an expansive process of discovery to solicit insights and collect research that included:

- interviewing current industry executives from the supply chain and healthcare
- reviewing literature and publications on supply chain’s role and evolution
- conducting interactive presentations and focus groups of industry leaders to solicit perspectives on the required skills and qualifications
- consulting human resources and academic resources
- utilizing historical industry information

This process of discovery resulted in the identification of four key building blocks that can help define a successful supply chain leader of the future: qualifications, competencies, experience, and personal traits.



1. QUALIFICATIONS

Qualifications help establish the standard that is generally required for consideration. Aspiring future supply chain leaders must possess qualifications that show they are capable to lead a supply chain program. With the ever-increasing complexities in healthcare, formal academic qualifications are a “must” for future success. Attaining a post-graduate college degree is considered a minimum qualification for future supply chain leaders, especially when those leaders will be part of the executive C-suite in modern healthcare organizations. Academic concentrations in healthcare administration and/or supply chain are helpful. Attainment of an advanced degree – such as an MBA – can prepare a supply chain professional to engage in high level and strategic executive duties, especially when engaging with clinicians and other executives.

Leadership training is very desirable and can be obtained through a variety of methods, including formal training and experience. Future supply chain leaders can further bolster their qualifications with professional training in such topics as Lean principles, Six Sigma, group facilitation, quality improvement methods, and other management techniques. Attainment of the CMRP designation (Certified Materials & Resource Professional) from the American Hospital Association is another desirable qualification that demonstrates a seriousness in healthcare supply chain practices, as well as a level of professionalism.

2. COMPETENCIES

Certain competencies display the necessary ability and capacity to be a supply chain leader, particularly when combined with the proper qualifications. Competency in communication is critical, as aspiring healthcare supply chain leaders will interact with CEOs, physicians, nurses, life science professionals, executives, large and small groups, and a host of other professionals. Effective communication - transferring information from one entity to another - can be conducted verbally (the tone and pitch of voice), in written form (such as memorandums and emails), visually (using graphs or charts) or even non-verbally through body language and gestures. Communications success relies on speaking the language of others, while also being an effective listener and presenter of ideas.

A competency in negotiation is still a key attribute for future supply chain leaders. Developed through practice, mentoring, or formal training, negotiation competencies reveal an ability to persuade others, strategize, align incentives, protect assets, and achieve positive outcomes for all involved. Supply chain leaders in the future are expected to be the chief negotiator for the organization.

Supply chain leaders of the future will be making many decisions on a day-to-day basis, and whenever possible, those decisions should be based on data. Analytics is fast becoming a key competency that is imperative for future success in many fields. Supply chain leaders should understand how data is managed, how metric formulas are developed, and how to apply analytics to various business needs.

3. EXPERIENCE

Everyone gains new knowledge over a lifetime through hands-on experiences. Future supply chain leaders are no different and should be building their professional body of knowledge from their own experiences. Throughout a career, the projects and situations that a supply chain professional gets involved with can help to build that experience. Every supply chain experience – whether performing a physical inventory, leading a project team, implementing a new system or technology, working with clinicians, presenting to an audience, or simply managing people – helps to build that body of experience. Aspiring supply chain leaders should seek to learn from a variety of experiences, whether they be in healthcare supply chain or external to healthcare.

4. PERSONAL TRAITS

Aspiring supply chain leaders who have the qualifications, competencies, and experience increase their chances of career success by also possessing and displaying the positive personal traits of a leader. These traits can often be seen by others in a person's actions, attitudes, and behaviors.

Since healthcare supply chain leaders will increasingly be part of the senior executive team, one critical personal trait is the ability to see the "big picture" - the broad overall view of an issue or problem. Proven leaders often see that big picture and ensure others see it, too, by building and sharing their vision.

A strong ethical background is a required personal trait of all leaders, especially in a complex and collaborative industry segment such as healthcare supply chain. Being intellectually curious, self-motivated, and a positive thinker are sought after personal traits, as well. The ability to be an active listener, honest, and flexible are other admirable traits.

IDEAL SUPPLY CHAIN LEADER OF THE FUTURE



CONCLUSION

The healthcare supply chain profession continues to rapidly mature and change. Modern healthcare leaders will need to invent new modes of delivering and managing the total cost of care for populations. They will need to lead a customer-centric organization that delivers care whenever and wherever the patient desires to access that care. The next generation of supply chain leaders will need to be highly educated, knowledgeable, innovative, tech savvy, and data-driven. They will need to be collaborators, leading through influence, and winning the cooperation of others. In the same way, the real leaders of entire healthcare systems will be those focused on developing and implementing capabilities for managing population health through clinically integrated networks and managing high-acuity services across systems with the highest possible level of reliability.

The professional demands of tomorrow's healthcare supply chain programs must be met by increasingly better educated, prepared, and talented people. Today's healthcare supply chain professionals will be better positioned for future leadership roles when they acquire the skills and talents needed for success. Those skills and talents can be developed through supply chain education, mentoring, hands-on experience, skill development, and leadership training. Organizations like AHRMM and SMI provide great opportunities for professionals to build and acquire these skills and talents.

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ABOUT AHRMM

The Association for Healthcare Resource & Materials Management (AHRMM) is the premier membership group for healthcare supply chain professionals. AHRMM strives to provide the education, information, and resources necessary for its members to remain at the top of their field. With more than 4,300 members worldwide, AHRMM offers numerous opportunities for professionals to reach their highest potential and network with the best. AHRMM strives to advance healthcare through supply chain excellence by providing education, leadership, and advocacy to professionals in healthcare and related organizations that are accountable to the community and committed to health improvement. For more information about AHRMM and their resources, visit www.ahrmm.org.



ABOUT SMI

The Strategic Marketplace Initiative (SMI) is a consortium of executives (outlined above) united to shape the future of the healthcare supply chain for improving the overall healthcare marketplace in the United States. Through SMI, members have discovered an open, non-competitive forum for innovative idea-exchange and the development of collaborative process improvement initiatives. SMI's mission is to establish new standards of supply chain performance for delivering healthcare to patients and their communities throughout the United States. SMI provides critical mass representing key industry stakeholders and decision makers within the healthcare supply chain interacting and sharing best practices. Through collaboration, tools and techniques are developed that members can take back to their organizations and customize to meet their unique needs. For more information about SMI and their tools and resources, visit www.smisupplychain.com.



