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Work Matters

Catena Solutions, Powerful Perspectives. | Volume 1, Issue 3

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WELCOME

Introduction

In the business world today, it's no longer about what you do as a company, it's about how you do it. Customers have high expectations for speed, quality, customization, and—most of all—experience. Operationally speaking, companies can no longer get away with process inefficiency, poor visibility or siloed data. The health of a company's supply chain is the leading indicator of its overall business health.

This issue of *Work Matters* is all about the supply chain: redesigning future-ready processes; restructuring teams for success; and recalibrating operations to better align to the business. These initiatives require businesses to think about work and how it gets done in the context of both today's environment and what's to come. It's no easy feat.

Our feature article comes from our WorkForce section. In "The Biggest Labor Challenge in Manufacturing? Digital Talent," we interviewed Jamie Fallon, a finance executive in the supply chain space, for his take on why the digital talent shortage is crippling manufacturers and distributors. It's an insightful take on how limited access to digital talent is keeping the industry from ever getting ahead of their operational challenges and its skilled talent shortage.

We're also providing an inside look into how we're helping a client overhaul their supply chain operations, uncovering what's changing about where businesses are located and highlighting what roles are most in demand.

WORK*FORCE*

The Biggest Labor Challenge in Manufacturing? Digital Talent

For years, the skilled labor shortage in manufacturing has been the industry's leading headline when it comes to talent. That hasn't changed, and it's undeniably a massive challenge daily for manufacturers struggling to meet current demand.

According to research from the Workforce Institute at UKG:

- Today 54% of manufacturers report having trouble finding candidates with the right skills, compared to 38% of manufacturers last year.
- Nearly three in five manufacturers (59%) reported "higher-than-average" turnover from March 2020 to March 2021, up 15% year over year.
- 42% of companies struggling to fill critical labor gaps report it being a challenge to compete with other manufacturers for skilled talent, compared to 21% of companies that have a strong talent pipeline.

54% of manufacturers report having trouble finding candidates with the right skills.

42% of companies struggling to fill critical labor gaps report it being a challenge to compete with other manufacturers for skilled talent.

While finding and retaining skilled talent is critical to meeting demand, many businesses have been forced to address the gaps exposed by the pandemic throughout their entire supply chain operations. Doing so requires digital talent that's equally, if not more so, in short supply.

With operational efficiency as the new differentiator, businesses need IT resources to install and maintain systems. According to the UKG report, 73% of manufacturers have adopted new technologies in direct response to the pandemic. Mid-market manufacturers especially need to play catch up in terms of deploying automation tools.

Jamie Fallon, a finance executive in the supply chain space, explains that in addition to tools, businesses need the right talent to help them steer their operations in the right direction, "Analytics are the key. As hard as it is to find them, companies need smart, talented people that can understand and anticipate customer needs. Sure, it's more of an 'art than science,' but it is a must."

What problems can digital talent solve?

According to the UKG report, 64% of manufacturers experienced "severe" demand fluctuation. For manufacturers to prepare as best they can for the ebbs and flows, they need to have full visibility into their inventory. "Inventory control is not actually about shrinkage and loss as much as it is about truly knowing your inventory. Do we know what we have so we can order properly? If we don't know what we have, then we also can't sell and follow through for our customers effectively," said Fallon.

Much has been said about the logistics delays and skyrocketing costs, but Fallon cautioned that the real challenge starts at the facility, "If 20 trucks are arriving tomorrow for a shipment, the warehouse must not only have things lined up ready to be loaded, but they must have it in the right order and the loads must be balanced. If the loads aren't ready or the trucks arrive in a different order, there is a dance that must take place in the facility."

Yes, the skilled talent shortage can keep manufacturers from meeting client needs, but the digital talent gap keeps them from ever getting out in front of their challenges to ultimately prevent them. They need digital experts with true supply chain experience to help in terms of demand planning, inventory control, warehousing and logistics optimization, and so much more.

"The talent manufacturers need today must be tech savvy and experienced in solving current trends, demands, and challenges. Simply put, if your operations aren't digital first, you'll never win," said Fallon.

CATENA SOLUTIONS' TAKE

In order for manufacturers to truly get ahead, they need to find a way to look beyond the supply and demand challenges of today. They have to see 'the forest through the trees,' so to speak, and this can only be achieved with the right analytics tools and talent.

Geoff Olsen, Leader of Supply Chain Transformation at Catena Solutions

WORK*FLOW*

A Look Inside Our Latest Transformation Initiative

Catena Solutions is currently working with a client who, like many of its competitors, is in the process of transforming its operations to better compete in the retail food industry. What's holding them back, and how are we helping them overcome these challenges? Here's a snapshot of some of the initiatives taking place or being considered by the client.

A lack of visibility and true ownership.

The client has many deviations among category managers and supply chain analysts and buyers, with all of them sharing focus versus dedicated to one category. This makes for a difficult and often inefficient working environment.

The solution: Moving to a model where each category has a dedicated buyer and supply chain analyst to help eliminate confusion over responsibilities. Then, through a combination of change management and new cross-departmental controls and processes, Catena Solutions can help the client create synergies and allow for more effective partnering between business units.

Talent gaps prevent real change.

The client is experiencing talent gaps from both a tactical and strategic perspective. Their employees lack advanced technical knowledge of BlueYonder as well as advanced Microsoft Excel skills for forecasting, data extraction, financial planning and analysis, modeling, etc. At the other end of the spectrum, the company lacks strong operational leadership to run and support its new processes, procedures, initiatives and systems.

The solution: Catena Solutions has a team of consultants ready to deploy armed with knowledge and experience from their time at larger organizations. Since the team has tackled similar issues in the past while driving positive outcomes, they're able to add value from day one. This value is driven from their combined technical expertise, and experience with supply chain analytics and financial modeling. Our project team is able to address the issue at hand while aligning efforts with the company's overall strategic initiatives.

Warehouse inefficiencies and sight gaps.

The client loses $4 million in annual revenue due to expiring perishables. The company needs better controls around inventory management from a compliance and efficiency standpoint, as well as better demand planning and strategy.

The solution: Catena Solutions uses predictive analytics to improve scenario planning, logistics and warehousing optimization, and value-added services like labeling and barcoding. This also helps the client with perishable timing, freshness, shipping, protocols and streamlining the supply chain timetable.

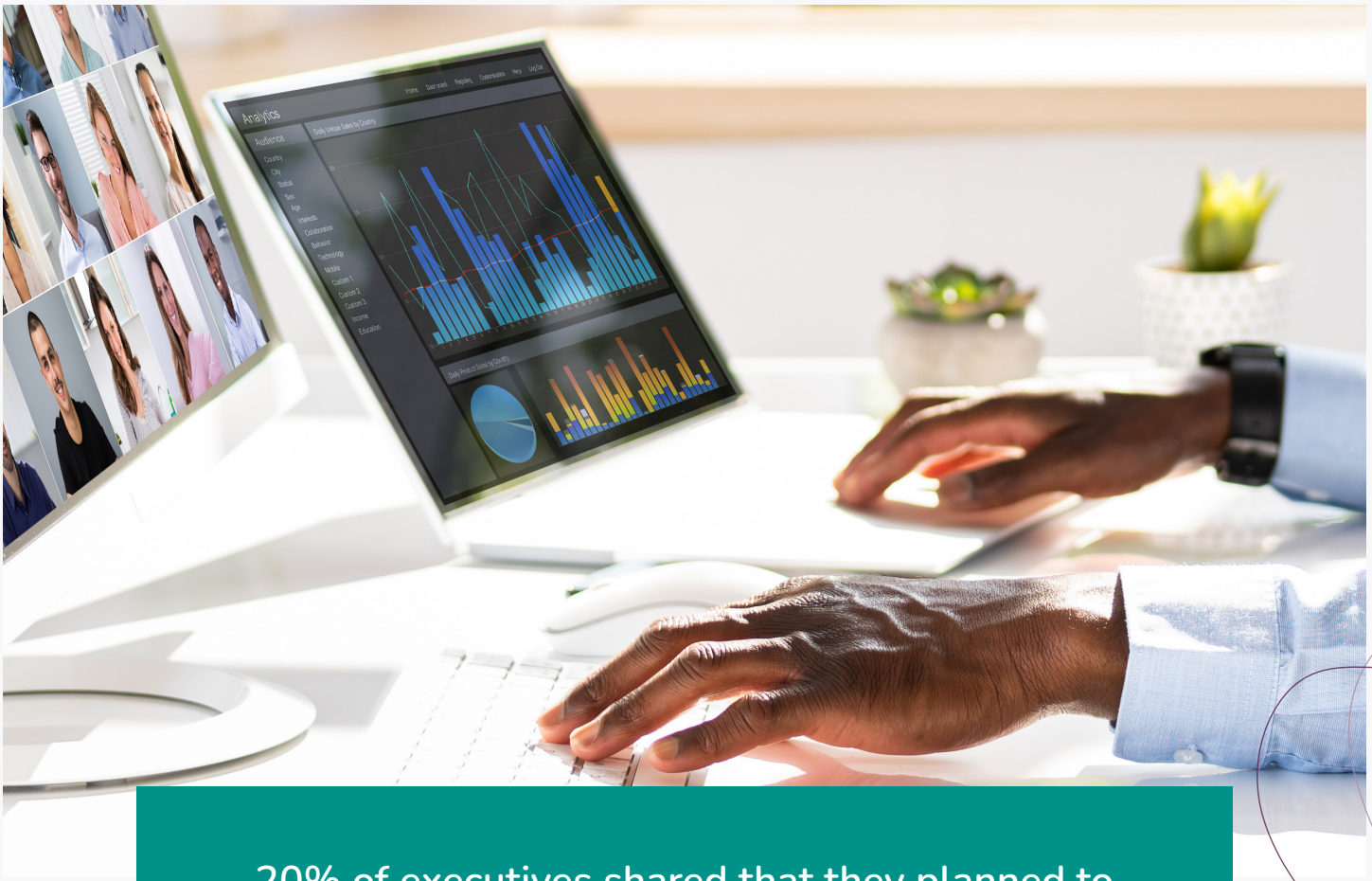
The client has already begun implementing some of these initiatives, and we'll share results on this case study soon.

> **CATENA SOLUTIONS' TAKE**
>
> Any transformation starts with visibility. It's important to break down internal barriers that are holding you back before you can truly understand how to optimize processes. This is especially true for incredibly complex and robust supply chain operations.
>
> Rich Medrano, Leader of Financial Transformation at Catena Solutions

WORK*PLACE*

Employees Are on the Move, And So Are Businesses

Employees aren't the only ones who are relocating. Businesses are on the move as well. According to a survey from the American Institute of CPAs, 20% of executives shared that they planned to downsize their office space this year.



20% of executives shared that they planned to downsize their office space this year.

At Catena Solutions, we've had clients share their plans to relocate. We are planning together to ensure productivity is not negatively impacted. We're advising one client on how to retain as many employees as possible during its relocation across the country, as well as how to build up its talent pipeline in a new state.

As the need for companies to downsize office space continues, situations like this will come up more frequently. Every company needs to take a holistic approach to determine how many factors will be impacted, including tax implications, access to talent, supplier proximity, shipping hubs, labor laws, real estate costs and, of course, a location to best meet the demands of the end customer. Having the right data to make these decisions and a diligent process are critical.

There's also a flipside to this. For some companies, the business environment of the last 18 months was one of opportunity and growth. These businesses, especially those with employees who need to be physically present to complete work, now find themselves in even bigger offices. In these cases, companies need to make significant operational changes in order to keep up. One Catena Solutions client is in this situation and has turned to the team for talent to help continue their rapid expansion without negatively impacting operations.

CATENA SOLUTIONS' TAKE

For companies who are relocating, the need is two-fold: interim talent to help fill any immediate gaps to minimize disruption, and support in establishing a strong brand in a new market.

Matt Wessels, Leader of Human Capital Transformation at Catena Solutions

WORKSHOP

Hiring to Future-Proof Operations

While our clients are hiring to help them meet today's supply and demand challenges, there's also many who are keeping an eye towards the future. A digital and strategic transformation is well underway, as evidenced by the surge in the need for people to implement new solutions. Below is a small sample of skill sets where we have seen a significant spike in demand. This highlights the work companies are doing to transform across their organization.

Business Transformation

- Merger Integration Specialist
- Talent Strategist
- Compensation Strategist
- Labor Relations Consultant
- Transformation Consultant

Strategic Finance & Sourcing

- Pre-IPO Finance Executive
- Global Sourcing Strategist
- Pricing Consultant
- Supply Chain Finance, Senior Analyst

Data & Analytics

- RPA Consultant
- SAP Transformation/Internal Controls
- Project Manager, Automation & Change
- Business Intelligence & Data Analyst
- Senior HRIS Analyst

Talent is at the center of any type of transformation. It's no surprise that year-over-year, Catena Solutions has seen a 118% increase.

Contact us to learn how we can support your transformation initiatives.

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