

Keynote address at SCMF IX, Helsinki, 3 November, 2009

Dr John Gattorna, Supply Chain 'Thought Leader'

Title: *Dynamic alignment: a new business model for designing and operating enterprise supply chains in the New Millennium*

Abstract: existing business models used in enterprise supply chains have far outlived their usefulness, especially with the onslaught of more demanding customers and an increasingly volatile marketplace in these uncertain times. There is no 'silver' bullet, but there is a new model which is increasingly being applied by major corporations, with great success- *dynamic alignment*. This model was developed by John Gattorna and co-workers in 1989, and has been under market testing around the world for the last two decades- with startling results. Essentially it starts with the premise that supply chains are propelled by humans and human behavior inside and outside the firm, and everything else are just enablers.

So the new model starts with interpreting customer buying behavior, and then reverse engineering these insights into specific 'value propositions' for the different buying behaviours identified- for any given product/market combination. From there we go inside the firm and seek to re-engineer the internal subcultures in such a way that they 'align' with these value propositions. Finally, it is the leadership of the enterprise that starts the whole process, and here we seek to genetically engineer the make-up of the leadership team so that it has the necessary band width embedded in it to shape the appropriate subcultures.

And as conditions in the marketplace change due to recessionary and other market forces, which in turn cause changes in customer buying behaviours, this model allows the enterprise to adjust its value propositions, subcultures, and leadership styles in a corresponding manner so as to retain the desired alignment and sustain operational and financial performance.- hence the term, *dynamic alignment*.

John Gattorna will take the audience through this journey, and using case studies, demonstrate how improved alignment brings better bottom line performance- but in the process many existing conventions have to be overturned.

Short bio of Dr John Gattorna

John Gattorna is an acknowledged "thought leader" on the global supply chain scene. For over two decades he has researched, consulted, and worked in various capacities in and around enterprise supply chains. He established and

led the Australian and South Asian Accenture supply chain practice, 1995-2002, and has since focused on advising Boards and senior management on how to improve the “alignment” of their enterprise supply chains with customers, suppliers, and third party providers. John’s book, *Living Supply Chains* (FT Prentice Hall, Harlow, 2006), received wide acclaim for its innovative content which cuts across all disciplines in the enterprise. His latest book, *Dynamic Supply Chain Alignment*, (Gower Publishing Farnham, 2009) is likely to do likewise as he continues his explorations for a radically new business model that can be applied to enterprise supply chains. He is a prolific writer of short articles and is much sought after as a speaker on the international conference circuit. He holds several visiting professorships at universities in Australia, the UK, Asia, and Europe, and was recently invited to join the Supply Chain & Logistics Group (SCLG) leadership team in the Middle East. John always welcomes contact from interested parties in the global supply chain community, and can be contacted as follows:

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