

# MATCHING THE PACE OF CHANGE WITH **ADAPTIVE INTERNATIONAL SUPPLY CHAINS**



Gary Horsfield, William Grant & Sons

**A**fter an early career at Mars, in 1999 Gary joined PepsiCo. There he fulfilled several operations leadership roles during the next decade, culminating in his appointment as Vice President Supply Chain in 2008. After delivering a retail-led supply chain transformation in Europe, his



**WILLIAM GRANT & SONS**

Independent Family Distillers since 1887

Gary Horsfield has enjoyed a 25 year career leading supply chain teams and transformation for some of the world's biggest food and drink brands. Following 10 years overseas, he returned to the UK in 2017 as Group Packaging and Supply Chain Director for William Grant & Sons. He reveals to Nigel Wright insight gained from working in Asia-Pacific, methods for building effective international supply chains and teams, as well as his ambitions for the Scottish spirits maker.

professional path moved to Asia-Pacific, a region which became his focus for the next 10 years.


This was a critical time in the development of Eastern economies. While Europe entered recession, the wider Asia-Pacific region accelerated, fuelled by an emerging middle class and Australia's latest mining boom. Between 2011 and 2016, as he moved from PepsiCo to Kellogg, and later Mead Johnson, Gary advanced his global market knowledge, as well as his supply chain and leadership capabilities:

"It was a fantastic time for me. International firms were treating the region as new territory and embedding growth capacity in markets where consumers were getting richer and more global. Asia-Pacific is such

a mix of cultures and economies, there's no common agenda. The big powerhouses of India and China are unique and with their own solutions and approaches to supply chain. You've got markets like Hong Kong and Japan, which are already consolidated and developed. Then compare those to 'gateway' South East Asian countries which have little infrastructure, are very open and growing fast with constantly evolving regulation and legislation. With so many different and diverse challenges, you need to break them down and tackle each territory on an individual basis."

Moving to Asia proved a critical learning moment for Gary, who soon recognised that thinking beyond traditional supply chain models was key to unlocking challenges. To do that, though, he first needed to become a business leader and step away from the supply chain completely, to fully understand what his employers, as well

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as consumers, needed. Once armed with that insight, he could build teams and decide the best way forward.

“You can’t create a strategy until you get under the skin of an organisation and understand what you’re trying to deliver. Then, whether it’s a lean, a consumer delivered or an agile supply chain solution, depending on geography, different approaches are required to unpick specific country challenges. It’s impossible to establish a ‘one size fits all’ model. You must offer a degree of flexibility and agility at country level to make it work – be it running a network across several countries or focusing efforts on local sourcing – it’s about building the right supply chain for what you want to deliver and where you’re trying to deliver it.”

During this period, Gary developed an appreciation for the pace at which consumers move and the acceleration of ecommerce, as well as witnessing, first-hand, how Asian businesses were disrupting traditional models and methods of development. According to Gary, the lack of infrastructure in many countries led companies to “leapfrog” through several infrastructures, to accelerate growth. Digital and ecommerce supply chains, for example, were introduced without any older infrastructure existing. For Western international businesses growing in the region, embedding infrastructure to meet the growth agenda, without over-investing ahead of the curve, proved challenging. In his view, many Asian supply chains have now gone beyond their European counterparts that still struggle to leverage modern infrastructure and practices.

Alibaba is a great example, says Gary. The ecommerce conglomerate, founded in 1999, and now the world’s largest retailer, guarantees Chinese consumers receive online purchases within two days, regardless of where goods are coming from. And several other businesses, he explained, which emerged from that region during the last 10 years are, today, global powerhouses because they didn’t have legacy infrastructure creating a barrier to their development and growth. Ecommerce, as well as rising consumer demand for speed, quality, variety, value and service, are key trends underpinning all supply chain strategy decisions, regardless of geography. Gary argues that offering flexibility and agility in your strategy, therefore, is paramount for survival:



"You can't fall back on a great brand or historical legacy anymore. There are many examples of businesses that, a decade ago, were considered strong, which are now disappearing because they haven't adapted to the pace of change. The supply chain is a fundamental aspect as to why those companies have failed. Consumers want more variety, better service, higher quality and value for money. Yes, there are several ways of delivering those things, but underpinning all of them is an effective supply chain solution which meets their needs. If your strategy doesn't achieve that, and consumer expectations shift, another company will step in and take your place. Once consumer expectations change, there's no going back."

The most critical aspect of any effective international supply chain is hiring talent that can adapt to change. To achieve this, Gary says, building teams of people with a multitude of experiences is vital. In his view, narrow career experience is outdated. Where once it was unusual for supply chain executives to jump between categories, now, because

the consumer is moving so fast, if businesses don't try to broaden internal knowledge and capabilities through diverse hiring practises, they struggle: "Diverse hiring shouldn't only be about gender, age, culture and so on, but also focus on mixing different perspectives on how to approach things. If you don't have the right diversity in your team, you won't know how the consumer is thinking."

Again, it was his time in Asia-Pacific where Gary developed a better insight of teams with broad experiences and perspectives. In the 10 years he was based overseas – in Sydney and Hong Kong, then later Singapore – he experienced the gradual decline of the traditional expat model. As Asia-Pacific countries developed, a greater focus on teams of local talent emerged. This didn't mean, however, that opportunities to move domestic talent overseas were obsolete. Instead, as Gary highlighted, expats are required for different reasons than in the past. Local capabilities are much stronger and expat leaders, he says, are introduced to build and accelerate the potential of local teams:

"It's no longer about 'propping up' the lack of local talent, but rather, an opportunity for people to gain an understanding of the business from an international context while adapting to a different culture. The capability of your local team, including their ability to move around and internationalise, is an exciting development, as is honing your ability to work with virtual teams and virtual talent – overcoming the barriers of time zones or geographies, and still getting a team to operate as a team."

What became apparent to Gary was the increasing need to move people overseas and give them responsibility earlier in their careers. Different generations have different perspectives, he says, which can make accelerating the progress of a team difficult. But as ecommerce changes and evolves, getting fresh knowledge and perspectives at the top of the organisation will ensure you don't become detached. This is especially important in Asia, as most consumers are in their twenties and thirties.

"My general rule is that the team should reflect the consumer base. International experience when you're young is hugely beneficial in my view. Why wait until someone is a senior manager until they move abroad? Getting an effective balance is the challenge, and if you don't have a competent mix of youth and experience, you can get stuck in old habits. Furthermore, if your team is based across several territories, you need to acquire a local insight – you can't operate in a multitude of markets from a single point of knowledge."

Then, Gary says, it's looking at what you've inherited and hiring or moving talent, based on needs. He prefers to look at the broader context of the team and always aims to build sustainability by ensuring that his role becomes obsolete: "As a leader, I drive accountability, decision making



and capability down the organisation as much as I can, so that we can lift the organisation and move at pace. I determine my success by the sustainable legacies I've left behind. Part of that is infrastructure and capability, but mostly it's about people and the effectiveness and longevity of the team you've established. Looking back and seeing your old teams succeed gives you pride."

Every aspect of Gary's wealth of experience is required in his latest role at William Grant & Sons. Historically, William Grant has been an exporter of Scottish Whisky, but it's a model that no longer works for the 130 year old business. Gary's remit is to lead a transformation project focused on turning that export model into an international supply chain. Recruiting international talent is a focus, as is bringing in people with consumer-led supply chain experience. It's a new and exciting challenge working for a family owned business, at the luxury end of consumer products. A different set of metrics and drivers are needed, says Gary, and he's had to think of alternative ways to build sustainability into the supply chain, as well as the talent required to succeed.

"William Grant & Sons is a family business, with great brands and a 130 year heritage, which gives it global scalability and the potential to be an even bigger player. Our future growth should never lose that history, tradition and authenticity. To succeed, though, I needed to introduce a greater diversity of thinking and capability into the supply chain team, as well as leveraging the strengths and experience of existing talent. So, it's about maintaining the values that make us a strong and unique business with heritage, while adding pace and agility into the supply chain - capitalising on ecommerce, opening new markets and driving international capability."

Gary outlines a three-stage strategy, which began with embedding talent, international capability and infrastructure to match today's consumer demands. The second stage, which begins this year, is leveraging those new strengths to create an advantage in different markets. Stage three will then focus on leveraging William Grant & Sons' advantage to become a global market leader in its categories. A big challenge now, Gary says, is accelerating the pace of change by ensuring the development of his team matches the evolution of the infrastructure and the expansion of the business's international presence:

"Internationalising a supply chain means gaining access to a broader, more diverse talent pool. Furthermore, broadening the recruitment remit by seeking 'consumer' rather than 'category' specialists adds even greater dimension to talent acquisition. Often, though, new infrastructure will slow down the development of your capability, as some people won't get up to speed quickly enough. The solution is, as I've said, diversity, and creating an environment where some people can build a steady career while others can enjoy accelerated career development."

Gary doesn't see the internationalisation of whisky as a threat to the Scottish industry, but rather as part of the evolution of the whole category. He believes Scottish whisky is the historical pillar that will continue to enjoy growth, even as people change their consumption habits. And William Grant, he says, is in a strong position to offer international consumers variety and access to products which aren't local to them. All the while, it can leverage its distilleries and heritage, as well as how it packages products, serves



and maintains links with customers, to offer memorable and authentic experiences:

"Local brands have a critical role to play, but our advantage is we can globalise our local heritage and create new international consumers in the process. For me, it's not just about having great brands, but rather great products imbued with authenticity. That's how you maintain consumer loyalty, no matter how big you become. William Grant is creating a legacy. We have great brands, great opportunities and fantastic growth. There's no reason why we can't continue for another 130 years."

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