



PROFILES in LEADERSHIP

Thought Leadership in Action: Larry Lapide

By John Kerr

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Larry Lapide is one of those blessed souls who can not only explain math but also get others excited about it. It's a trait that comes in handy in his roles as the research director at Massachusetts Institute of Technology's (MIT's) Center for Transportation & Logistics and project director of the school's Supply Chain 2020 Project.

With his background in operations research, Lapide excels at taking complex analytical topics and distilling them into everyday language that prompts others to act. Years ago, as a senior market research manager at computer pioneer Data General, he became known as the guy who "has all the facts." Later at Accenture, he was "the quantitative guy in logistics." But his focus on data, and his interest in tools that would yield more useful data, didn't always endear him to colleagues. Earlier, at Arthur D. Little, his successful promotion of computer time-sharing for decision support drew fire from those running the consultancy's mainframes.

Lapide is the quintessential thought leader—the kind of sharp thinker whose insights help others see new opportunities. This skill serves him well in his work on MIT's Supply Chain 2020 (SC2020) project, a multi-year study examining the future of logistics and supply chain management practices. "Larry has a natural intellectual curiosity that stimulates good dialogue among the 2020 team," says team member Mike Duffy, a supply chain executive at Procter & Gamble's Gillette business unit.

There is no shortage of dialogue. The 2020 team includes faculty, research staff, and students at MIT and other institutions around the world. Then there

is the 31-member Industry Advisory Council (which includes Duffy) as well as another 16 executives who comprise the European Advisory Council. Collectively, the council members are helping the SC2020 project identify and analyze the factors that are critical to the success of future supply chains. The big goal is to map out innovations that underpin successful supply chains as far out as the year 2020.

The SC2020 effort, sparked by MIT Center for Transportation & Logistics Director Yossi Sheffi, is



Thought leader Larry Lapide is driving MIT's SC2020 project, an effort to identify which factors will be crucial to future supply chain success.

exploring areas such as future technologies, business practices, corporate structure, regulations, global trade, and customer expectations. The project will soon complete its first phase: a detailed understanding of best-in-class supply chains and the strategies, practices, and principles that drive them. A second phase will draft supply chain principles and project a view of tomorrow's supply chains, filtering the lessons from the first phase through scenario-generation and planning tools. A final phase will highlight the initiatives that organizations should take to help ensure supply chain success over the long term.

In essence, SC2020 is a large-scale research project. Although Lapide does not have to manage a huge project team, he does have to draw out timely insights from sizeable groups of busy operations executives. He explains the challenge: "I've got to get people to think about things that aren't part of their normal jobs—keeping them interested in what we're doing. When I get people's time, I have to use it well."

The Articulate Analyst

This articulate analyst has a history of keeping senior managers interested in new supply chain thinking. With a master's degree in electrical engineering from MIT and a doctorate in operations research from the University of Pennsylvania's Wharton School, he was snapped up in the mid-1970s by consultants Arthur D. Little, where for several years he drove operations research projects related to marketing and logistics.

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Moving to Data General, he researched methods for improving sales-force productivity and drove forecasting projects for field services before taking over the computer maker's marketing decision-support activities. “The forecasting role at any company is hard because you're always wrong,” says Lapede. “But I got known as the guy with fact-based forecasting—the person whom the most senior division executive could rely upon to say whether or not we would make the quarter.”

The trust came not just because of the data's reliability but because of how Lapede and his team conveyed it to senior managers. “I had the communication skills to talk to people about what I thought was happening,” he says. “My group of a half-dozen people became the best place to go for information.”

By 1990, Lapede had moved to Accenture (then Andersen Consulting). His first job there was to reengineer a software tool that Accenture consultants could use to redesign clients' supply chains. As an associate partner, Lapede led projects on supply chain effectiveness, distribution network analysis, demand planning, service parts logistics, operational strategy, and systems development. The work saw him regularly communicating complex operations concepts to clients in the U.S. and Europe.

But it was at AMR Research, beginning in 1997, that Lapede was able to

flex his communications muscles for a wider audience. As the research firm's vice president of supply chain strategies and head of research operations for business applications, he broke ground with position papers on then-novel topics such as demand planning and supply chain optimization. Much of his work week involved learning from software vendors about new operations-management tools, deciphering what the tools did and didn't do, and then writing weekly

alerts and monthly reports in clear and direct language for AMR's clients. AMR president Tony Friscia recalls that Lapede's influence and intellectual lead-

ership were very valuable in client engagements. “He was one of the top analysts in the industry—if not the top,” says Friscia.

Lapede took his ideas (and his talent for conveying them) to other constituencies, lecturing part-time in the management sciences department at the University of Massachusetts, authoring numerous articles, and co-authoring a book for the Council of Supply Chain Management Professionals entitled *E-Business: The Strategic Impact on Supply Chain and Logistics*. He has also held several professional society officer positions including four years as a board member and treasurer of the Supply-Chain Council and as a president of the Boston Chapter of The Institute of Management Sciences (now INFORMS).

Wider Perspective Needed

Lapede's broad experience is reflected in his views of a changing supply chain profession. “The supply chain manager has to have a wider perspective—has to be more of a thought leader than a people leader,” he says. Lapede believes that more than ever, the profession calls for a clear understanding of a company's business strategy and how the supply chain can not only support that strategy but also enhance it.

And yet, the average *Fortune* 500 supply chain executive's capabilities are still

around five on a one-to-ten scale, according to Lapede. Many of those who are below the average are trying to mimic best practices, he says, but that doesn't necessarily work. And moving the average player up to a six or a seven will typically take three to five years. “You're fighting decades of functional silos,” he says.

What about the upcoming generation of supply chain managers? They also merit a five in Lapede's book. A central reason: Although they don't have the silo mentality, they do have a hard time understanding why silos still exist and often show the impatience borne of a generation used to rapid gratification. Lapede tells the story of a Harvard Business School class hearing about organizational change from a visiting senior executive. Someone asked how long the change took. The answer: five years. The students were shocked. “Sometimes they have to learn about patience and discipline,” explains Lapede.

In his position as SC2020 project director, Lapede constantly looks over the horizon at emerging economic patterns—a practice he wishes was shared by more supply chain managers. “When China joined the World Trade Organization [in December 2001], that was an indicator of what was going to happen with supply chains,” he says. He argues for a reasoned and sober look at the risks of such elongated supply chains alongside the euphoria about the opportunities. Lapede maintains that too many companies have moved operations too quickly to the Far East. In fact, he believes that the future of global manufacturing may be much more regional than it is today.

It's still the early days of SC2020, but the project promises to dig deeper and more systematically into future supply chain scenarios than any previous studies. “Efforts like this are critical,” says AMR's Tony Friscia. “I believe that supply chain performance is going to be one of the key differentiators across industry.” Which puts Lapede in prime position to lead change on a huge scale over time—an exciting role for any supply chain champion.