



# **Best Practices in the Training of Today's Sourcing Professionals**

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# Objective

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**“To describe the use of a competency assessment tool and rapid skill building as key enabling strategies for organizational restructuring.”**

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# Agenda

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- Introduction
  - Postal Service Demographics
  - Supply Management Demographics
  - Focus
  - Process
  - Competency Development
  - Needs Assessment Tool
  - Competencies Training
  - Lessons Learned
  - Results
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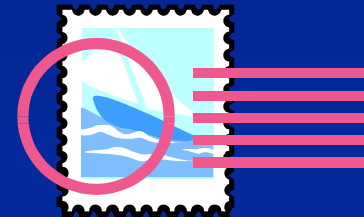


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# USPS Background & Demographics - 2002

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- Independent Agency
- Approximately 750K Career Employees
- Operating Revenue = approximately \$66.5 B
- 38,000 Retail Outlets
- Delivery to 137M Households 6 days a week

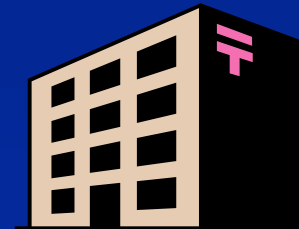
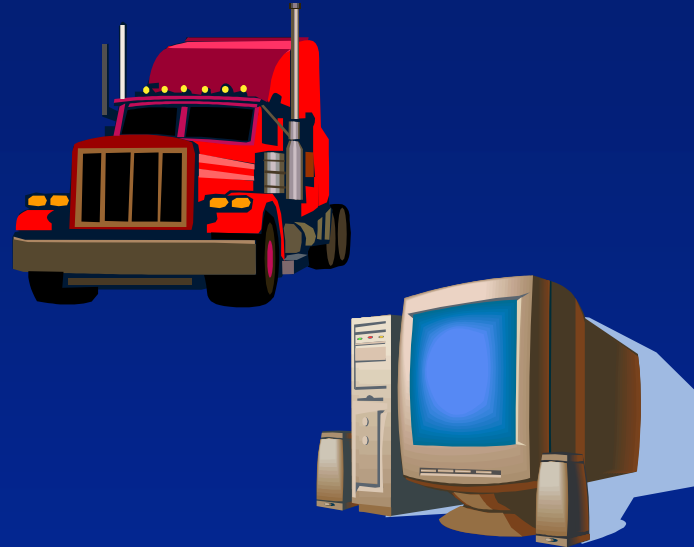




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# Supply Management Demographics

- Spend \$9B/year
- Diverse Spend
  - Transportation
  - Fuel
  - Office Supplies
- Blend of Public and Private Sector Practices
- Nearly 690 SM employees
- Education
  - 70% Bachelors
  - 24% Masters
  - 63% Certifications
- Culture





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# CURRENT VS. FUTURE

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## ■ Providing Materials, Equip. and Services

- Developing Partner/Supplier Plans, Programs & Policies
- Standard Contracting
- Making Major Technology/  
Equipment Acquisitions
- Obtaining Materials
- Managing Materials & Equipment

## ■ Supply Management

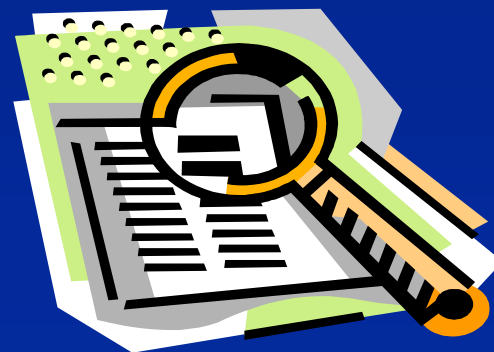
- Search for Best Suppliers, Costs, Practices & Techniques
  - Leveraging Volume With Suppliers That Have the Best Cost Structures
  - Developing Strategic Supplier Relationships to Optimize TCO
  - Best Total Cost of Ownership & Continuous Improvement
  - Supply Stream Strategies
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## Focus - what we wanted to achieve

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- Develop new job descriptions (managers and core SCM positions)
- Identify SCM competencies - strategic vs transactional
- Rapid competency building
- Reposition workforce - ratio of support vs core positions
- Institutionalize SCM with new structure





- Develop new position descriptions
- Developed new organization structure
- Identified core competencies
- Developed needs assessment
- Identified skill gaps
- Conducted ISM seminars to address gaps





# SCM Competencies

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## Business Skills

**Communications**

**Project Management**

**Problem Solving**

## Technical Skills

**Value Chain Mapping**

**Market analysis**

**SCM Fundamentals**

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# Training Objectives

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- Identify skill gaps
  - Re-skill employees with SCM competencies
  - After training employees to “Meet Skill Expectations”, bring employees to “Exceeds Skill Expectations” level
  - Provide on-going assessment tool for Development Planning
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# Methodology

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- **Designed a competency-based needs assessment tool**
  
  - **Developed behaviors for 3 levels:**
    - “Needs Skill Building”
    - “Meets Skill Expectation”
    - “Exceeds Skill Expectation”
  
  - **Needs Assessment**
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# Needs Assessment

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- Employee “application” form
  - Managers assessment
  - Employee self-assessment
  - Interviews
  - Uniform approach used
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# Assessment Results

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- Professional Development group analysis
- Training classes selected
- Over 400 employees trained
- Developmental assignments for shared learning
- IDP's established, updated annually





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# SCM COMPETENCIES TRAINING

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## ■ Phased approach:

- FY 2001 - NAPM Seminar, “Purchasing and Materials: Creating a Seamless Process”
  - FY 2002 - 2 ISM Seminars, “Fundamentals of Purchasing: Building Blocks of World Class Supply Mgmt” and “Leading and Managing Supply Relationships”
  - FY 2003 - Individual Development Plans and Focused Training
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# Lessons Learned

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- Needs assessment is an excellent tool
- Rating bias
- Can be repeated for gap analysis and continual learning





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# Results

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- **Implemented New Structure - July**
  - **Repositioned workforce (core v. support)**
  - **Achieved rapid competency building**
    - 18 seminars conducted in 2001
    - 18 seminars conducted in 2002
    - Over 850 students in attendance
    - Seminars addressed 18-21 competencies
  - **Achieved \$240M SCM Savings**
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**QUESTIONS?**

