

The Drucker Approach to Supply Chain

Based at Claremont Graduate University's Drucker-Ito School of Management in Claremont, California, the Center for Supply Chain and Logistics launched in 2015. Its curriculum and research agenda have been shaped by the teachings of management guru Peter Drucker, a figure regarded as among the most influential in forging the mechanics of the modern business culture.

Drucker viewed management as a philosophy, one encompassing psychology and sociology, and as a discipline that required a holistic approach centered on creativity, the value of people, and the societal implications of a business's activities. He developed such concepts as the knowledge worker, the employee whose value is based on intellect and creativity—and management by objectives—a collaborative approach to goal-setting in which managers and workers partner in strategy creation. Drucker held that business had a responsibility to positively affect society and viewed profit not as a primary motivator but as a by-product of innovation.

"We bring the Drucker philosophy to [supply chain and logistics], in terms of management, leadership, and people skills," said Thomas Horan, dean of the Drucker-Ito School. "What the center brings to the equation are the management issues surrounding supply chain and logistics. Our take is how to deal with [the discipline] holistically."

Offering graduate degrees in supply chain and logistics, the center provides coursework stressing Drucker-influenced management approaches, public policy, and data-driven strategy development. Partnerships with the likes of Disney, Toyota, and UPS provide real-world opportunities for students to examine supply chain challenges and innovations. And, in the Drucker tradition, the program emphasizes working in ways that benefit society.

"When you look at supply chain," Horan said, "it exposes huge human value of people getting [goods]. It isn't just about technical aspects and logistics but is also about the value to both companies and communities. It's a great set of dots to connect."



↑ Thomas Horan, dean of the Drucker-Ito School of Management, has led the effort to create the *National Freight Economy Atlas*. Photo courtesy of Claremont Graduate University

the untapped potential for freight rail services. Horan contends the site also gives weight to arguments for public-private partnerships that can enable trading clusters and supply chains, “or at least not thwart them.”

Next, Horan hopes to expand the *National Freight Economy Atlas*'s scope to include data and analysis of other transportation modes, beginning with air freight. He and his *National Freight Economy Atlas* collaborators have been working with Federal Express on strategies to illustrate the value of the air-freight infrastructure in moving high-value, low-weight products.

As vital as GIS has proved in the development and presentation of *National Freight Economy Atlas* and as a platform for the wider analysis of supply chain, Horan and

Hilton agree that its full potential is still unrealized.

“GIS has impacted the supply chain and logistics field, though it seems more at the descriptive levels of analysis and decision-making: what happened, and why did it happen?” Hilton said. “Where I see it making an impact in the future is in the predictive and prescriptive levels—what is going to happen, and what should we do about it?”

Given the fundamental nature of supply chain and logistics—fields devoted to moving goods over distances—Horan foresees moving past a stage at which GIS fuels operational research and into an environment in which the tools of geospatial analysis are ubiquitous across the shipping industry. GIS, he contends, has the potential

to conquer what the renowned management theorist Peter Drucker—the “Drucker” in Claremont’s Drucker-Ito School—regarded as one of the business world’s greatest challenges: attaining a full comprehension of the science of moving goods.

“Drucker called logistics the ‘last dark continent,’” Horan said. “It was a black hole. But through GIS and the visualization it offers, we can deliver an everyday understanding to companies and governments of the importance of supply chain. That’s not just an operational issue, but really a value issue for companies and the communities in which they operate.”

About the Author

A. J. Mangum is a writer based in Colorado.