#### **UTM CAREER CENTRE**

### **INDUSTRY PROFILE:**

## **SUPPLY CHAIN**



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## What Do Supply Chain Professionals Do?

For those who thrive in a **fast-paced, challenging and ever-changing work environment**, a career in supply chain management may be for you.

#### Overview

You may have heard about supply chains, but what exactly are they? Glad you asked! A supply chain includes all of the activities that take place to get a product to its intended market, from the time raw materials are extracted to the minute the final product is delivered. Companies involved in this process – vendors, service suppliers, producers, warehouses, distribution centres, transportation providers and retailers, are linked to each other through a 'supply chain'. Supply chain management focuses on planning and forecasting, purchasing, product assembly, moving, storing and keeping track of a product as it flows toward you and other consumers.

Professionals in this sector work in areas such as procurement, operations, logistics, transportation and trade, as well as consulting and senior management. <u>Watch this three-minute</u> video for an overview of the supply chain field.

Following are just a few of the roles you will find in the supply chain sector.

#### **Supply Chain Managers**

Supply chain managers are responsible for the movement of goods, from manufacturers and suppliers to the customer. They oversee and manage every stage of the production flow, from purchasing the raw materials to the delivery of the final product.

Organizing the movement of goods from distribution centres to customers and stores involves forecasting trends and managing inventories. Because corporate headquarters, raw material sources, manufacturing, shipping, and consumers can all be in different countries or even continents, supply chain management sometimes requires travel and on-call hours to work among different time zones.

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## What Do Supply Chain Professionals Do? (cont.)

#### **Logistics Coordinator**

Logistics coordinators organize the storage and distribution of goods. They ensure that the right products are delivered to the right location on time and at the lowest cost. They may also be involved in transportation, stock control, warehousing and monitoring the flow of goods. This career is deadline-driven and problem-solving is a big part of the role when coordinating different parts of the supply chain.

#### **Purchasing Agent**

A purchasing agent makes buying decisions for a company's products and services. The role involves sourcing from different suppliers and vendors, comparing factors such as price, quality, delivery and reliability. The purchasing agent manages supplier agreements, contracts, proposals and financial reports and is responsible for maintaining records for purchases, pricing and inventory levels. If a problem arises, the agent works with vendors to resolve the issue.

#### **Information Systems Analyst**

Since the ability to efficiently coordinate the various parts of the supply chain relies on sophisticated technology and information systems, the Information Systems Analyst plays a key role in keeping all systems running smoothly. They may be responsible for designing and maintaining a company's warehousing, order management and inventory systems, ensuring they are operating properly and troubleshooting when issues arise. The information systems analyst is expected to stay current on digital trends and new technologies that will improve business processes.

#### **Ontario College Programs**

A number of Ontario colleges, including Humber, George Brown, Centennial and Seneca, among others, offer diploma programs and one-year <u>post-graduate programs in supply chain management and global logistics.</u>

#### **Supply Chain Management Association**

The Supply Chain Management Association also offers an accreditation process to earn the Supply Chain Management Professional designation.



#### More than 800,000 people...

work in Canada's supply chain sector labour force (excluding truck drivers) according to the Canadian Supply Chain Management Association.

#### The Ontario government...

estimates that employment in the sector is expected to grow by up to 5% to 2021.

#### Some 150,000 positions...

in the supply chain are at the professional or managerial level, according to the Canadian Supply Chain Sector Council.

#### Approximately 103,500 people...

work as information systems analysts in Ontario. More than 95% work full time compared to 79% for all occupations.

#### About 29,450 people...

work as supply chain tracking and scheduling co-ordinators in Ontario.



#### A total of, 18,650 people...

work as purchasing agents and officers in Ontario.

#### Around 9,050 people...

work as production logistics co-ordinators in Ontario.



Demand for supply chain services is growing, along with the need for skilled staff.

#### **Overview**

In today's networked global economy, organizations rely on effective supply chains to remain competitive.

IBIS World reports that the Freight Packing and Logistics Services industry in Canada is projected to experience steady growth over the next five years. Continued growth in online shopping will increase demand for services from retailers and wholesalers. As the U.S. economy continues to expand and the U.S. dollar remains strong relative to the Canadian dollar, Canadian industries can expect to benefit from rising demand from U.S. consumers and companies for Canadian goods. As a result, demand for the industry's transportation and trade-related services will also increase over the next five years.

#### **Shortage of Employees**

Along with the growth the industry is seeing, a shortage of employees in the supply chain has been in the news for some time. The situation is expected to worsen as baby boomers retire in coming years, according to the Canadian Supply Chain Sector Council.

#### **Opportunities for New Candidates**

Work in the supply chain at every level is increasingly technical and complex and hiring people with the required skills is



a serious challenge for many employers. This presents an opportunity for candidates with technical skills, particularly in artificial intelligence and robotics.

#### **Shortage of Drivers**

In addition, Canadian trucking companies face a shortage of drivers that is expected to continue to increase. The Conference Board of Canada projects that the shortage will reach as high as 33,000 for-hire truck drivers by 2020.

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#### **Freight-Packing and Logistic Companies**

To increase their competitive advantage, many freight-packing and logistics companies are expected to continue investing in cost-saving technologies. Companies are forecast to increase their use of technology such as automated guided vehicles and robots. As robots are replacing people to do manual labour jobs, workers are being redeployed to perform more value-added work.

#### **Increase in Online Shopping**

Driving the demand for supply chain industry services, Canadian Shipper.com reports that the surge in online shopping means that parcel carriers must operate 24/7. For example, Purolator Courier, Canada's leading courier service, has launched pilot projects for evening and weekend deliveries, a trend that is likely to continue.

#### **Courier Services**

In 2018, UPS courier service also announced plans to expand its Montreal hub to become the first automated sorting facility in Canada. Other projects include facility expansion in the GTA, Ottawa, London and in the West adding more than 1,000 new jobs.

#### Other Trends

Other trends affecting global supply chains include trade tariffs between countries, especially the U.S. and Canada as well as China/U.S. trade negotiations. Brexit will also have widespread trade ramifications, including broader supply chain disruption, according to Forbes.com.



# **Employment Outlook for Supply Chain Professionals**

The employment outlook will be good for Purchasing agents and officers (National Occupation Code (NOC) 1225) in Ontario for the 2018-2020 period, according to the Government of Canada's most recent Outlook Report.

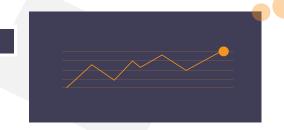
#### **Overview**

Employment in this occupation has grown in Ontario over the last several years and will likely continue to grow during the forecast period. Purchasing agents and officers are mostly employed in manufacturing, and to a lesser extent in companies in wholesale trade and government departments. As Ontario's manufacturing and wholesale industries pick up in terms of employment, sales and activity, the demand for purchasing agents and officers will also likely increase over the forecast period.

#### **Globalization**

Globalization has had a large impact on the purchasing and supply chain environment. With the increase in international trade in Canada and the expansion of global and domestic supply chains, job opportunities for purchasing agents and officers may arise to manage the complexity of global logistics. Ongoing advances in technology, such as the development of

supply chain processing software and the automation of warehouses, will streamline the purchasing and supply chain process. Job opportunities will be best for individuals with strong communication skills, and knowledge of the employer's particular industry. Employers may also prefer candidates with a post-secondary or college diploma. Purchasing agents and officers who hold professional designations, such as the Certified



Professional Purchaser (CPP) or Supply Chain Management Professional (SCMP), may have better job prospects for senior positions.

#### **Information Systems Analysts and Consultants**

The employment outlook will be good for Information systems analysts and consultants (NOC 2171) in Ontario for the 2018-2020 period. Across Canada, the current labour shortage that started in 2017 is expected to continue for this occupational group until 2026.

The City of Toronto has the largest technology cluster in Ontario. The Toronto economic region accounts for an above-average share of the workforce of this occupational group and computer systems design firms. Large technology operations are expanding in the Greater Toronto Area as are warehousing and fulfillment companies.

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## Employment Outlook for Supply Chain Professionals (cont.)

#### **Machine Learning**

The so-called "digital supply chain" refers to supply chain software, communications, and automation technology. Machine learning is being applied to enhance warehouse management systems, robotic vision systems, supply chain planning and supply chain visibility. Companies' ongoing adoption of new technologies will present opportunities for graduates with the skills required to develop and support these systems.

#### **Tracking and Scheduling Coordinators**

For Supply chain, tracking and scheduling co-ordinators (NOC 1215) The employment outlook will be fair in Ontario for the 2018-2020 period. Employment for supply chain, tracking and scheduling co-ordination occupations has recently experienced a decline, but has seen steady growth over the last decade. Most of these workers are employed in the wholesale trade, transportation and warehousing, and manufacturing industries with a high concentration in the freight transportation arrangement and warehousing and storage industries. Retail trade is also a key employer. These industries' increasing reliance on automation has streamlined some job processes.

The tracking and scheduling co-ordination occupation is influenced by business and consumer demand for an array of products and the volume of goods being transported. In stronger economic times, the movement of goods is often heightened, supporting the need for workers in supply and logistics fields. The low Canadian dollar, low oil prices, and economic growth in Ontario and the United States over the next few years, is expected to spur commercial and private spending, increasing the need for the transportation of products and in turn, supervisors in this occupation. Since a sizeable portion of workers were employed within the manufacturing sector, prospects may improve as the industry continues to recover.

Advancements in technology such as smart software, which can automatically update records and track inventory, may reduce the need for supervisors as companies may require fewer support workers. Supervisors with several years of related experience and knowledge of supply management practices and computer applications, such as Enterprise Resource Planning (ERP), may have a more favourable outlook. Since many facilities operate on a 24-hour schedule, working various shifts and overtime are common for this occupation.

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## Employment Outlook for Supply Chain Professionals (cont.)

#### **Production Logistics Co-ordinators**

The employment outlook will be fair for Production logistics co-ordinators (NOC 1523) in Ontario for the 2018-2020 period. Production logistics co-ordinators are employed in many sectors, but primarily across various areas of manufacturing. Recently, the amount of goods produced and sold have increased in most manufacturing operations in Ontario, which could generate more demand for workers to coordinate the movement of these supplies should this trend continue. Overall, nearly half of the province's manufactured goods are sold to markets abroad, mainly to the United States. Therefore, the growth in the U.S. economy bodes well for the demand for goods and work opportunities locally, although this is also dependent on the result of any ongoing trade disputes for a number of manufacturing industries.

A small share of these workers is employed in wholesale trade, including in building material and supply distributors. An increase in construction activities across the province may induce the need for building supplies and improve job prospects for these workers.

Employment opportunities will be more favourable for production logistics co-ordinators who have industry-specific experience and strong knowledge of scheduling software systems. Completion of university or college-level training in disciplines such as business administration and supply chain



logistics are also common requirements. Many manufacturing and other facilities operate 24 hours, so individuals who are willing to work varying hours, including evenings, weekends and holidays, may have better chances of securing employment.



### What You Need To Succeed

The top skills supply chain professionals need are strategic thinking and problem solving, collaborating across different business units, customers and functions, leading and developing others and managing global and diverse teams. In addition to supply chain management and business function knowledge, employers expect the following skills and attributes: ethical behaviour, excellent communication skills, strong planning skills, good time-management ability, effective decision-making, information technology literacy and a logical and systematic approach to work.





# **In-Demand Jobs and Salary Ranges**

According to the most recent Salary Survey from the Supply Chain Management Association, Purchasing b2b and MM&D magazines, the average salary for a supply chain management professional in Canada is \$86,967. Holders of the SCMP (Supply Chain Management Professional) designation earn an average of \$95,781, compared to \$82,698 for non-holders, a premium of 14%. Supply chain salaries at the executive level are an average of \$141,813.

Job Title	Salary Range
Information Systems Analyst	\$ 41,300 - \$ 104,000
Logistics Co-ordinator	\$ 31,200 - \$ 55,000
Purchasing Officer	\$ 39,926 - \$ 67,531
Supply Chain Manager	\$ 48,750 - \$ 136,000



### Where the Jobs Are

### These industries show the strongest demand for supply chain professionals:

- freight transportation arrangement
- government agencies
- manufacturing and production industries
- retailers and distributors
- third-party logistics firms
- transportation and warehousing organizations
- wholesale trade companies





### **Industry Associations**

Industry Associations	Website Link
Canadian Supply Chain Sector Council	en.cscsc.essentialskillsgroup.com
Council of Supply Chain Management Professionals	cscmp.org
Purchasing Management Association of Canada	www.sdcexec.com/sourcing-procurement/ company/10837877/purchasing- management-association-of-canada- pmac
Supply Chain Management Association	scma.com/national/en/news/1626



## Where to Find More Information

#### **Stay connected with the UTM Career Centre:**

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