



# Beyond the Equation: The Human Side of Supply Chain Design and Leadership

A deep-dive conversation with **Paul Lennen** and **George Panas** about what really makes supply chain strategies succeed: collaboration, alignment, and trust across every function.



Every supply chain begins with numbers, forecasts, and probabilities, but what determines whether those plans work is how people interpret them. Behind each network design or optimisation study are practical choices, compromises, and relationships that transform analysis into action.

That human layer is what Paul Lennen explores with George Panas in this episode of the Sourcing Exchange. Their discussion moves from the technical side of supply chains to the conversations and leadership that make them real.

## **The Perspective of Three Worlds**

George's career bridges consulting, industry, and academia, a combination that gives his insights both depth and practicality.

He began at PwC, working on network design before it became a recognised discipline. His first major project was for Kmart on his very first day, which led to leadership roles with the Coles Myer Group, Australia Post, and a national telecommunications agency. Eventually, he joined the University of Melbourne, where he teaches and researches supply chain management.

This journey gives George a broad view of how ideas mature from concept to implementation and, ultimately, into culture. He sees supply chains as reflections of the organisations that run them, shaped as much by people and relationships as by data and design.

## **Where Strategy Meets Alignment**

When Paul and George begin their exchange, they start at the analytical heart of network design. It's easy to see it as a problem of maths or modelling: how to move goods at the lowest cost while meeting service demands. But George's experience paints a more human-centred picture.

He explains that the mathematical optimisation is the easy part. The difficult part is getting functions across the company, such as logistics, sourcing, and store operations, to agree on what the answers mean for them.

Without that alignment, even the most theoretically perfect model stays theoretical. When every department solves its own version of the supply chain, any progress is merely a by-product. When they design the solution together, the result becomes executable.

George recalls projects where technical perfection could not compensate for organisational discord. He's learned that successful network design isn't defined by accuracy alone but by shared ownership of the decision.

## **Governance as the Hidden Infrastructure**

George says the hidden structure behind every successful network design is governance: how decisions are managed and who gets a voice.

He describes the project environment as a constant conversation: steering groups, cross-functional meetings, and working sessions that translate data into real commitments. When the right functions are represented early, trust develops naturally. Later changes or trade-offs, like adjusting warehouse costs to ease store labour or changing sourcing routes to relieve congestion, don't feel like surprises because everyone already knows why those decisions are being made.

The most effective network design projects, he and Paul agree, are not just technical exercises but also social ones that reveal how teams work together under complexity.

## **From Design to Implementation**

Both Paul and George agree that real learning happens during implementation, not during analysis. George recalls leading a major network design project in Australia and then relocating to Asia to help execute it. Seeing the model unfold in different regions showed him how theory meets local reality, including infrastructure limits, regulations, and day-to-day decisions that no spreadsheet can capture.

That experience changed the way he approaches design work. It reminded him that financial outcomes come from people interpreting and applying insights, not just following a plan. The teams that stay linked through the entire process, from design to delivery, learn the most and sustain improvements the longest.

## **Technology, AI, and Human Judgement**

The conversation naturally turns to technology. Paul asks about artificial intelligence and its role in supply chain planning.

George sees a lot of promise in AI but also a need for caution. He says the biggest risk is when technology speeds up bad decisions. Tools can fill data gaps, test multiple scenarios, and generate options, but they still rely on human judgement to decide what makes sense.

“The computer can give you an answer in seconds,” he says, “but if you can’t explain what’s driving that answer, it’s not much use.”

To him, the goal is augmentation, not automation, building systems that help people work better together, not replace them. He points out that the most effective analysts use AI to explore ideas, then bring those results back to teams for interpretation. It becomes a way to improve discussion, not eliminate it.

Paul agrees, noting that in sourcing and retail, insight and execution often happen continents apart. AI can help connect those worlds, but only if people stay curious and collaborative. Efficiency, they agree, is valuable only when understanding keeps up with it.

## **Teaching What Collaboration Looks Like**

The conversation turns to George’s academic life and his students, the next wave of supply chain professionals entering a transformed world.

Today’s students, he observes, live differently. Many are international, under financial pressure, and balancing part-time work. They watch lectures on replay, often at double speed, fitting study around full lives. It’s flexible but also isolating.

George’s mission is to bring connection back into learning. He prioritises communication and critical thinking as much as technical mastery. His message to students is simple: analytical brilliance means little if you can’t explain it, defend it, and apply it collaboratively.

Practical exposure is central to his teaching philosophy. He arranges visits to the Port of Melbourne, distribution centres, and logistics partners. While regular lectures can feel optional, these field visits oversubscribe quickly, showing that curiosity rises when people see ideas in motion.

## A Changing Definition of Leadership

From George's stories emerges a modern definition of leadership. It's less about authority and more about enabling alignment.

In increasingly global operations, the effective leader acts as translator and connector, balancing multiple perspectives to create coherence. George believes this means designing processes where every team understands how their goals link to others'. The leader's job is to build systems transparent enough for collective accountability. When people understand the trade-offs and have shaped them together, implementation becomes a continuation of design, not a handover.

Paul recognises this shift in his consulting work. Meaningful improvement, he says, comes from communication structures such as regular forums, shared dashboards, and cross-functional KPIs. Systems of alignment often matter more than individual efficiencies.

## Supply Chains and Sustainability

No conversation about supply chains is complete without discussing sustainability. For George, it's not just an environmental imperative but another test of organisational coherence.

Sustainability introduces new trade-offs: reducing emissions, managing resources, and remaining profitable. Many companies have matured in measurement but still struggle with execution. Through his research, George is developing frameworks to bridge that gap, helping companies categorise initiatives across five areas: within facilities, between facilities, at head office, with customers, and through industry partnerships. This structure helps leaders focus on achievable actions without being overwhelmed by scale.

Paul notes the parallel to supply chain integration. Decarbonisation fails when each function acts on its own. Real progress requires shared governance and coordinated intent.

## Key Takeaways

Three main themes emerge from Paul and George's exchange.

**First**, alignment across teams matters more than perfect analysis. Without shared agreement, even the best models stay on paper.

**Second**, understanding deepens through implementation. Seeing plans in motion reveals what works and what doesn't and brings teams closer together around real-world results.

**Third**, technology should enhance human collaboration, not replace it. The strongest organisations use new tools to strengthen their decision processes rather than automate them away.

These principles reframe network design as a human discipline supported by analytics, not ruled by it.

## Culture as the Competitive Edge

What truly separates high-performing supply chains, George suggests, is culture. When departments compete, data becomes a weapon. When they cooperate, it becomes a shared language.

This foundation determines how fast organisations adapt and how well they recover when plans fail. The pandemic made this clear, exposing global supply chains to serious disruption. The companies that navigated those years best were not the ones with the fastest algorithms but the ones with the strongest relationships.

In that sense, supply chain resilience is another name for collective agility, born from communication, respect, and shared purpose.

## Beyond the Equation

Mathematics can define possibilities, but collaboration determines whether those possibilities materialise. The future of supply chain management lies not in fully automating insight but in coordinating human intelligence around it.

Paul and George agree that the next generation of leaders will succeed through a balance of technical skill and human empathy. They will be strategists fluent in data yet grounded in dialogue, people who understand that models don't move goods, people do.

When companies design communication and cooperation into every layer of decision-making, operational excellence stops being an aspiration and becomes a habit.