THE FORMULA FOR SUCCESS

22 DECEMBER 2015
TODAY AGENDA

09:00-09:10
Opening Remarks

09:10-09:45
The Right Workforce At The Right Cost (Strategic Workforce Planning - 5 Rights)

09:45-10:20
Getting Job Descriptions Right At The First Time

10:20-11:00
Tea Break - Booth Activity

11:00-11:30
Attracting Your Talents With The Right Pay

11:30
The winners are...
Event Ends
THE FORMULA FOR SUCCESS: THE RIGHT WORKFORCE, TODAY AND TOMORROW, AT THE RIGHT COST

Strategic Workforce Planning
Presented by Marlies Beltman
AGENDA

Strategic Workforce Planning (SWP)

1. What is Strategic Workforce Planning?
2. The “5 Rights” of Strategic Workforce Planning
3. Workforce Optimization vs. Scenario planning
4. Turning SWP into Action
WHAT IS STRATEGIC WORKFORCE PLANNING?
Strategic workforce planning uses fact-based evidence to assess objectively the roles, the required number of employees and their capability to deliver current and future strategic goals and objectives. It is more than just the numbers!
TOMORROW’S WORKFORCE IS CENTRAL TO REALISING STRATEGY ACROSS SECTORS

Healthcare and Life Sciences
Consumer Goods
Finance
Engineering-Based Industries

Public Sector
Oil and Gas
Energy
Tele-Communications
PEOPLE ARE A CRUCIAL COST AND VALUE DRIVER – SHOULD BE AT THE HEART OF BUSINESS PLANNING

Total staff cost (as a % of total business cost)

Source: Hay Group Financial Analysis
WHAT ARE COMMON CONCERNS OF OUR CLIENTS?

**Costs**
- We think we have **too many people**. Our **cost structure** / payroll is **too high**. Our margins are getting squeezed.
- We need to **increase productivity** in order to keep up with ever escalating compensation costs.

**Growth**
- We are growing fast – **how many** and what kind of people will we **need in the future**?
- We need to change dramatically, **does our workforce need to change**?
- We just implemented **a new structure / operating model** – are there **implications for the number / types of people** we should have?

**Improving Performance**
- How can we ensure we can get the **top talent we need to compete in the future**?
- How should I respond to **line managers** who are constantly **coming up to demanding more headcount**? Or they want more flexibility in staffing?
- We need to **increase diversity** in the organization.
- We need to **gain efficiencies** from our recent merger / acquisition.
- We are concerned that our employees are **not as productive** as they should be / as the competition.
THE CASE FOR WORKFORCE PLANNING

GETTING WORKFORCE PLANNING RIGHT DELIVERS SIGNIFICANT IMPROVEMENTS AND COMPETITIVE ADVANTAGES

- Value improvement and cost reduction – through an optimal size of workforce
- Confidence that business strategy can be delivered
- Better productivity – by aligning workforce to an organization’s operating model
- Competitive advantage – through a more skilled and innovative workforce
- Higher quality and improved timeliness of customer delivery
- Greater staff engagement and retention, and lower stress levels
OUR PERSPECTIVE ON SWP

Hay Group’s approach to Strategic Workforce Planning (SWP) helps organizations to get the right people, in the right roles, in the right locations, doing the right things, at the right costs – both now and in the future.

Our approach:

- **Links to the key drivers of business**, providing sustainable business performance improvement
- Drives change down to the individual job and employee level, to **align workforce to strategy**
- Is **flexible and dynamic** – we can model multiple scenarios easily until we get to the optimal workforce for the organization today and tomorrow
- Applies **world-class expertise** in understanding organizations, people and jobs
- Provides a **clear and comprehensive roadmap** on how to close any gaps and / or avoid surplus with the desired future state

In summary it helps create a better workforce, supporting the Strategic Capabilities required to deliver strategy. It creates additional **economic performance** for a company through its people and in a **quantifiable way**.
THE “5 RIGHTS” OF STRATEGIC WORKFORCE PLANNING
THE BASIS OF A WORKFORCE MODEL – SWP FUNDAMENTALS

- STRATEGIC DRIVERS
- DEMAND MODEL
- GAP ANALYSIS
- ACTION PLANS
- SUPPLY MODEL
- WORKFORCE HR PRACTICES
THE SWP OUTPUT IS ABOUT THE 5 RIGHTS

RIGHT SIZE
- Required number of staff for the jobs, that are needed to achieve the strategic goals efficiently and effectively
- Job Family A
- Job Family B
- Job Family C
- Job Family D

RIGHT SKILLS
- Clarity regarding needed and pivotal capabilities to meet future goals and actual gaps
- Expert, Proficient, Basic, Advanced

RIGHT SPEND
- Right composition of workforce — from enabling vs. operational, staff vs. management, distribution across grades
- Three bags of money with a checkmark

RIGHT SHAPE

RIGHT SITE
- Availability of capable staff at the right locations — to be able to meet changing requirements in the future
- Arrows pointing to the left and right
### THE CLIENT IN OUR CASE STUDY

#### “Digital railway” – planning and developing the engineering workforce for the 21st century railway

<table>
<thead>
<tr>
<th>Client Issue</th>
<th>What We Did</th>
<th>Project Results</th>
</tr>
</thead>
</table>
| - The client is a national rail infrastructure company that designs, installs and tests signal and rail control systems.  
- The client needs to deliver a “Digital Railway” in next 10+ years, using mobile phone technology to replace traditional signaling.  
- This program has been delayed because of lack of resources in past and the firm needs to be assured it has the workforce to deliver in the future. | - Worked with Digital Railway leadership team to define a strategic workforce planning model for next 15 years  
- Modelled the effect of different workforce strategies (recruitment, development, talent management) and ways of doing the work to ensure right workforce to deliver this program. | - Strategic resourcing analysis for the Digital Railway program – enabling delivery of strategic goal.  
- Resourcing strategy created to deliver the Digital Railway within 10 year period. |
Shortage of design engineers

50
Further permanent core design staff

50
Design contractors to meet variable demand in the short to medium term
Comparison of skills of employees in different departments to the ideal profile of new job needed, resulted in an overview of skill gaps and overlaps.
RIGHT SITE

Signal design  |  System apps eng  |  Systems eng  |  Testing  |  Project Eng  |  Install
---|---|---|---|---|---

Site A
- Signal design: 24%
- System apps eng: 20%
- Systems eng: 10%
- Testing: 9%
- Project Eng: 24%
- Install: 13%

Site B
- Signal design: 32%
- System apps eng: 17%
- Systems eng: 10%
- Testing: 21%
- Project Eng: 8%
- Install: 12%

Site C
- Signal design: 37%
- System apps eng: 19%
- Systems eng: 17%
- Testing: 8%
- Project Eng: 7%
- Install: 12%

Site D
- Signal design: 17%
- System apps eng: 3%
- Systems eng: 58%
- Testing: 22%
RIGHT SHAPE

There is limited leadership in Signal Design and Assurance
(Note: no leadership roles in Systems Applications Engineering)

High management ratios in Installation, Project Engineering and Testing

Low levels of trainees represented through the Assisting roles except in Signal Design yet this is the pool from which the future workforce will be developed
Sales by technology and market:

- Year one cost around £1 million
- Year two shows £1 million savings total
- Significant further savings in Year three – around £5 million
- Overall costs benefit:

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(£930,250)</td>
<td>£1,841,961</td>
<td>£5,143,184</td>
<td>£6,054,895</td>
</tr>
</tbody>
</table>
WORKFORCE OPTIMIZATION VS. SCENARIO PLANNING
Our SWP methodology uses a set of building blocks.

We have four main building blocks, each one has a set of modules – you can treat them as ‘Lego bricks’.

1. **People issues and Drivers**
   - Strategic Dialogue
   - Decoding the organization: critical activities/processes
   - Identifying strategic capabilities and critical roles

2. **Workforce Optimization**
   - Conducting current workload and cost analysis
   - Defining standard productivity ratios
   - Defining optimum workforce
   - Getting workforce ready for today

3. **Workforce Scenario Planning**
   - Identifying scope and job families
   - Building the workforce supply and demand model
   - Scenario simulation and policy testing
   - Getting workforce ready for tomorrow

3. **Action Planning and Implementation**
   - Developing change management plan
   - Developing solutions and implementation plan
   - Support in implementation
   - Making the workforce solutions happen
WHAT SWP CAN LOOK LIKE

Calculate the standard ratio between resource and output from internal unit average.

**PRODUCTIVITY RATIO**

Factor that drives the size of manpower

- **X1**
- **X2**
- **X3**

**GAP ANALYSIS**

Percentage of employees in a location vs. industry average for each position

**OPTIMIZE BY LOCATION**

What is the best distribution across locations?

What is a good mix of employees from job families in a function?

Which job family could be outsourced?

**DEVELOP TO ENSURE QUALITY**

How efficient are our employees?

How many people are retiring?

In which level are retiring people?

How to ensure the quality of successors?

**BALANCE SPAN OF CONTROL**

**IDEENTIFY NUMBER**

What is the best ratio of permanent to outsource?

**SPEND**

What is the suitable portion for each level?

**SKILL**

- Competency
- Performance

**REGRESSION MODEL**

Using regression analysis to formulate an equation to produce suitable headcount for each unit.
TURNING SWP INTO ACTION
STRATEGIC OUTSOURCING OF NON-CORE PROCESSES TO INCREASE ORGANIZATIONAL AGILITY

1. Defining outsourcing philosophy and criteria

**Outsourcing principle**
1. Focus on excelling core-operating business to maximize revenue generation capability
2. Function that would risk for leak of information or internal control conflict is limited to be outsourced
3. Managerial job or job that requires specific technical skills, knowledge, or competency is limited to be outsourced

**Outsourcing criteria**
1. Regulation & policy
2. Know-how
3. Cost effectiveness
4. Internal impact

2. Map skill clusters to identify outsourcing opportunity

![Diagram showing outsourcing criteria and skill clusters](image)

- **Outsourcing criteria**
  - Regulation & policy
  - Know-how
  - Cost effectiveness
  - Internal impact

- **Models**
  - **Model A: All Permanent**
  - **Model B: Partial Contract**
  - **Model C: All Contract**

![Skill cluster pyramid for each model](image)
ACHIEVE BEST PROFILE ACROSS BU THROUGH WORKFORCE REALIGNMENT AND REDISTRIBUTION

1. Determine gap of staffing profile

2. Redistribute and realign employees to create a balance manpower profile

Greater alignment and ease of transition

Manpower Driver

Factor that drives the size of manpower

1. Redistribute between same skill cluster

2. Redistribute within function

3. Redistribute across function

Function A
Function B
Engineering skill cluster
Engineering skill cluster

Function A
Function C
Function E

Surplus
Healthy
Shortage

A  B  C  D  E  F
20  19  11  4  6  3
DEVELOP HIGH-CALIBER WORKFORCE THROUGH PERFORMANCE MANAGEMENT SYSTEM (QUALITY)
DEVELOP AND PROPOSE POSSIBLE STAFFING STRATEGY TOWARDS ACHIEVING AND ALIGNING WITH PROPOSED WORKFORCE PROFILE

**1. Setting up outsourcing company for specific type of jobs**
- Set up outsourcing company for hiring young blood employees

**2. Creating Performance-based culture**
- Follow up the improvement of functional productivity levels
- Implement force ranking by performance level
- Assess capability level

**3. Bridging gap between actual and proposed manpower level**
- Specifying relationship between permanent and outsource

**4. Cutting personnel cost**
- Redistribute employee to emphasize more on strategic jobs
- Redistribute employee to high value creating jobs

**Timeline**
- Short term
- Long term

**Impact**
- High
- Low

**Additional Actions**
- Early Retirement: Cutting personnel cost
- Balancing span of control with suitable shape for each skill cluster
- Integrate with other HR functions

**Key Points**
- Implementing force ranking by performance level
- Setting up outsourcing company for specific type of jobs
- Redistributing employees to emphasize strategic and high value creating jobs
- Early retirement to cut personnel cost
- Bridging gap between actual and proposed manpower levels
THE RESULT OF MODELLING LED TO A RESOURCING STRATEGY

2014-2019

Develop critical resources for design automation

Focus on:
- Conversion of existing signalling staff (mentoring)
- Develop automation tools / capability

2019-2028

Develop Digital Rail resources for programme delivery

Focus on:
- Graduate development into Digital Rail engineering delivery roles
- Retain / develop key staff

2029 onwards

Shift Digital Rail resources into maintenance and operations

Focus on:
- Shifting delivery resource to maintenance / ops
This modelling of the digital rail workforce is essential to us successfully resourcing the delivery of our the Digital Rail programmes and the 10 year rollout target.

Thameslink (ETCS) Project Director

This scenario modelling of the Digital Rail engineering workforce is incredibly helpful – it enables us to make strategic choices about how to deliver the Digital Rail rollout and how we will resource it.

Engineering Director, Digital Rail
HAY GROUP’S SWP

The **right** workforce, today and tomorrow, at the **right** cost
GETTING JOB DESCRIPTIONS RIGHT AT FIRST TIME

Presented by: Tan Huynh
THE CHALLENGES

1. **Struggling to start** with a JD when making a hire.

2. Difficulty of **turning job tasks into responsibilities, behavioural & technical skills**.

3. **Lack of alignment & consistency** of job descriptions.

4. **Wasting time with poor candidates** due to poor job descriptions.

5. **Mismatch between job expectations & reality** leading to higher turnover.

- Hay Group research in March 2015.
- Australia, US, UK, Egypt
- >1,000 HRM
WHERE STRATEGY BREAK DOWN

Organizations typically invest **heavily in developing strategy** and translating that into people policies. But they spend much **less on implementation**.
THE PROBLEMS... NOW CAN BE SOLVED

Job descriptions are the starting point for every person in an organization. They’re used to recruit, assess and advance them, how they’re paid and what grade they are.

1. Line Managers don’t know where to begin and often end up using unreliable sources as a starting point.

2. HR struggle to align and build consistency.

3. Managers can define the work that’s needed for their team to meet its objectives, but it can be difficult to turn that into a set of responsibilities.

4. It’s not always clear what behavioral and technical skills and experience are needed to be successful in the role.
THE SOLUTION

Hay Group
Activate
Job Description
A great team starts with great job descriptions.
NOW... LET’S ZOOM IN
**THE BENEFITS**

**C-suite**

**Cost reduction** – Happy hires, teams & managers means reduced turnover & spending less time & money on recruitment.

**Confidence** – the starting point for a job description is of the same quality as those in bigger or more established organizations.

**Quality** – focus on getting the right talent in the organization.

**HR**

- **Save time** by giving the ability to get job description **right first time**, whether driven by managers or HR.

- **Build a robust foundation** across a business that has consistency & quality, whatever the business size.

- Makes sure they are **hiring for the right skills** to get the right people in.

**Managers**

- **Speed up the process**, giving them a reliable starting point to kick off the process.

- Gives the **confidence** that they’re looking for **the right people with the right skills & experience**, letting them focus on the most relevant candidates.

- Helps them **easily & quickly** get on the same page with others in the business.
170 unique roles from 20 different families

• Each role spans several reference levels
• Created from the Hay Group “RoleFit” data

More than 40 unique responsibilities underpinned by work measurement

• Each responsibility spans 10 levels, with each level associated to a specific PS% within our JE methodology
• Each pre-built role description contains 8 responsibilities

More than 30 different behavioral skills from our talent competency models

• Each behavioral skill spans 5 different levels
• Behavioral skills are selected based on a Hay Group algorithm that weights the importance of each skill in order to meet the full set of selected responsibilities

More than 110 technical skills

• Each technical skill spans 5 proficiency levels
• Similar to behavioral skills, an algorithm is used to select the most important technical skills needed based on the responsibilities chosen
THE FORMULA FOR SUCCESS: ATTRACTING YOUR TALENTS WITH THE RIGHT PAY

Presented by Luan Le
The world’s biggest pay and benefits database now has even better information to help you make pay decisions in 2015. This year we improved the way we deliver insights to nearly 30,000 HR specialists from around the world using Hay Group PayNet. Take a look at how we’ve grown in 201:

- **North America**
  - 2 countries
  - 2,800 companies
  - 2.2 million people

- **Latin America**
  - 18 countries
  - 2,400 companies
  - 2.7 million people

- **Europe**
  - 40 countries
  - 11,300 companies
  - 7.6 million people

- **Asia**
  - 15 countries
  - 3,800 companies
  - 2.3 million people

- **Middle East**
  - 11 countries
  - 2,000 companies
  - 1 million people

- **Africa**
  - 20 countries
  - 1,200 companies
  - 600,000 people

- **South America**
  - 11 countries
  - 2,000 companies
  - 1 million people

- **Pacific**
  - 4 countries
  - 800 companies
  - 400,000 people
SALARY MOVEMENTS AND FORECASTS
VIETNAM MARKET MOVEMENTS LANDSCAPE (2011–2016)

- **GDP Growth**
  - Aug-11: 5.88%
  - Aug-12: 5.00%
  - Aug-13: 4.30%
  - Aug-14: 4.50%
  - Aug-15: 1.30%
  - Aug-16*: 4.80%

- **Base salary increase**
  - Aug-11: 13.5%
  - Aug-12: 13.6%
  - Aug-13: 12.6%
  - Aug-14: 9.9%
  - Aug-15: 9.1%
  - Aug-16*: 8.6%

- **Average Inflation rate**
  - Aug-11: 9.9%
  - Aug-12: 9.1%
  - Aug-13: 6.60%
  - Aug-14: 5.70%
  - Aug-15: 1.30%
  - Aug-16*: 0%
ASIAN ECONOMIES CONTINUE TO OFFER HIGH PAY RISES IN 2016, IN WHICH VIETNAM IS STILL LEADING

**FORECAST NOMINAL INCREASE**

- Japan: 5.0%
- Singapore: 4.5%
- Hong Kong: 4.0%
- Korea: 6.0%
- Malaysia: 6.0%
- Thailand: 7.0%
- Philippines: 8.0%
- China: 8.6%
- Vietnam: 9.1%
- Indonesia: 9.3%
- India: 10.3%
- Cambodia: 12.0%
- Oman: 13.0%
- Malaysia: 13.0%
- Korea: 14.0%
- Hong Kong: 14.0%
- Singapore: 14.0%
- Japan: 14.0%

Asia Regional average: 6.4%

**FORECAST REAL INCREASE**

- Japan: 1.0%
- Singapore: 3.7%
- Hong Kong: 1.4%
- Korea: 4.3%
- Malaysia: 3.9%
- Thailand: 6.1%
- Philippines: 5.2%
- China: 6.3%
- Vietnam: 7.3%
- Indonesia: 2.4%
- India: 4.7%
- Cambodia: 3.1%
- Oman: 2.7%
- Malaysia: 0.9%
- Korea: 0.7%
- Hong Kong: 0.6%
- Singapore: 0.5%
- Japan: 0.5%

Asia Regional average: 4.2%
SALARY DIFFERENTIALS
O&G COMPANIES STILL MAINTAIN UPPER MARKET PAY POSITIONING

ALL MARKET MEDIAN = 100%

- Banks: 69%
- Consumer Durables: 115%
- Construction and Materials: 99%
- FMCG: 126%
- Financial...: 136%
- High Technology: 133%
- Chemicals: 110%
- Industial Goods: 106%
- Services and Transportation: 90%
- Oil & Gas: 183%

Baseline Salary
- Total Earnings

© 2015 Hay Group. All rights reserved
COMPANIES IN HCMC HAVE TO PAY MARKET PREMIUM TO ATTRACT AND RETAIN PEOPLE

ALL MARKET MEDIAN = 100%
MARKETING AND SALE POSITIONS ARE UNDER MARKET PRESSURE

ALL MARKET MEDIAN = 100%
SHORT TERM INCENTIVES
BONUS TARGETED LEVELS FOR NON SALES JOBS
AS A % OF ANNUAL BASE SALARY

Threshold bonus | Target bonus | Maximum bonus
--- | --- | ---
Clerical/Operational | 9% | 13% | 20%
Supervisory/Junior Professionals | 9% | 11% | 18%
Middle management/Seasoned Professionals | 9% | 15% | 23%
Executives/Senior management | 9% | 20% | 25%

Reported figures in the graph above represent median values.
BONUS PAYOUTS – NON-SALES JOBS – MORE THAN 30% OF INCUMBENTS HAVING BONUSES EXCEEDING TARGETS

AS A % OF ANNUAL BASE SALARY

Reported figures in the graph above represent median values
BONUS TARGETED LEVELS FOR SALES JOBS
AS A % OF ANNUAL BASE SALARY

Reported figures in the graph above represent median values.
BONUS PAYOUTS – NON-SALES JOBS – MORE THAN 60% OF INCUMBENTS HAVING BONUSES EXCEEDING TARGETS

AS A % OF ANNUAL BASE SALARY

Reported figures in the graph above represent median values.
O&G COMPANIES’ BONUS PAYOUT IS ALSO LEADING THE MARKET

**ALL MARKET = 100%**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Bonus Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>65%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>123%</td>
</tr>
<tr>
<td>Construction &amp; Materials</td>
<td>65%</td>
</tr>
<tr>
<td>Consumer Durables</td>
<td>138%</td>
</tr>
<tr>
<td>Fast Moving Consumer Goods</td>
<td>92%</td>
</tr>
<tr>
<td>High Technology</td>
<td>144%</td>
</tr>
<tr>
<td>Industrial Goods</td>
<td>82%</td>
</tr>
<tr>
<td>Oil and Gas (OG)</td>
<td>185%</td>
</tr>
<tr>
<td>Other Industries</td>
<td>113%</td>
</tr>
<tr>
<td>Services &amp; Transportation</td>
<td>56%</td>
</tr>
</tbody>
</table>
TOTAL REMUNERATION
**BENEFITS PREVALENCE – GENERAL MARKET**

- **Death benefits**: 92%
- **Healthcare benefits**: 80%
- **Additional Holidays/Vacation**: 59%
- **Long-term Disability Benefits**: 53%
- **Car Benefits**: 22%
- **Short-term Disability Benefits**: 17%
- **Transportation/Commuting Assistance**: 16%
- **Meal Assistance**: 14%
- **Discounts on company products/services**: 14%
- **Subsidized Canteen Benefits**: 9%
- **Employee Education Assistance**: 6%
- **Housing/Rental Allowance**: 6%
- **Club Membership**: 5%
- **Representation/Entertainment Allowance**: 3%
TOTAL REMUNERATION MIX

CLERICAL/OPERATIONS

- Base salary: 79%
- Variable pay: 12%
- Benefits and allowances: 9%

SUPERVISORY/ JUNIOR PROFESSIONAL

- Base salary: 83%
- Variable pay: 11%
- Benefits and allowances: 6%

MIDDLE MANAGEMENT/ SEASONED PROFESSIONALS

- Base salary: 78%
- Variable pay: 15%
- Benefits and allowances: 7%
VIETNAM PAY MARKET STILL FOCUSES ON BASE SALARY
MOST PEOPLE THINK THEY ARE PAID UNFAIRLY

ON AVERAGE ONLY 39% OF EMPLOYEES THINK THEY ARE PAID FAIRLY COMPARED TO PEOPLE IN SIMILAR ROLES IN OTHER ORGANIZATIONS

North America 45%
Latin America 42%
Middle East/Africa 35%
Pacific 41%
Europe 37%
Asia 33%
LABOR MARKET
EMPLOYEE TURNOVER 2011 TO 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Turnover</th>
<th>Voluntary Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>16.8%</td>
<td>14.5%</td>
</tr>
<tr>
<td>2012</td>
<td>18.0%</td>
<td>16.4%</td>
</tr>
<tr>
<td>2013</td>
<td>17.4%</td>
<td>16.7%</td>
</tr>
<tr>
<td>2014</td>
<td>17.2%</td>
<td>14.0%</td>
</tr>
<tr>
<td>2015</td>
<td>11.50%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>
2015 EMPLOYEE TURNOVER BY SECTOR

General market
Banks
Construction & Materials
FMCG
Industrial Goods
Insurance and Financial Services

- Non-Voluntary leaves
- Voluntary leaves
TOP FIVE JOB GROUPS WITH THE HIGHEST TURNOVER

- Sales: 49%
- Marketing: 18%
- Production: 14%
- Human Resources: 14%
- Logistics / Supply Chain: 12%