

How Communication Shapes Transformation – From the Shopfloor to the Boardroom

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Richard: Hello, my name's Richard Howells, and this is The Future of Supply Chain, a podcast where we discuss hot topics, best practices, and the latest innovations in today's global business. And I'm joined by my wonderful co-host Sin.

Sin: Thank you Richard. Hello everyone. My name is Sin To and today we're discussing a topic that's often underestimated, yet it determines the success of failure of every transformation. It's actually communication. So, this is also what we do right now in our podcast. Technology automation and digital platforms are transforming [00:01:00] our supply chains faster than ever. But transformation doesn't happen through software, it happens through people actually, and people need orientation, trust and meaning. That's where communication comes in.

And we're super excited to welcome our guest, Markus Kirchschrager, to explore how communication influences transformation across the supply chain from the shop floor to the boardroom. Markus, it's fantastic to have you in our podcast today, and could you please take a moment to introduce yourself and your role to our listeners?

Markus: Hi, and thanks for having me. I serve as a managing partner at PANTARHEI Advisors. We operate from our offices in Munich, Vienna, and Brussels, for clarence all over the world. My focus is on how leaders can use communications as their operating system in transformation. Both from a public affairs as well as a strategic communications perspective.

Sin: Thank you. So, in Word Economic Forum article "Accelerating transformation in manufacturing - from the factory floor to the boardroom" that you [00:02:00] wrote together with our colleague Benedikt Gieger, you highlight that successful transformations are not only driven by technology, but are also enabled by strong strategic communication.

And when we talk about transformation supply chains, most people think about processes, technology or data, rarely do they think about communication. And yet, it's what connects everything strategy, culture, and people.

So, let's begin with a fundamental question, so how do we build a framework of communication for a company's digital transformation?

Markus: I like to use a three pillar framework that we developed at PANTARHEI. It encompasses on the one hand mindset, the logic in understanding communications as a management tool, especially in transformation. Second organization, building the organizational capabilities to leverage communications in what we call the intelligent age. So, the age of AI, meaning also having the capabilities to listen to your stakeholders and then engage based on the [00:03:00] intelligence you have about their needs. And third skills, building the skillset required to leverage the means that communications offer.

The framework goes inside out, meaning you start with your own organization and employees as your first ambassadors. They then spread the story from the inside out to, for example, customers, political stakeholders, or also shareholders. We could, if we want, also think of communications as a supply chain, one that shapes the human design of physical and process supply chains.

Richard: Marcus. In today's interconnected supply chains, we all know that no company succeeds alone, and transformation only works in an ecosystem as well, whether it's an ecosystem within your organization or with suppliers, logistics partners, and even sometimes competitors.

But this collaboration depends on critical ingredients, trust. And trust is built through communications. In fact, one of the quotes I liked from the article was [00:04:00] "in times of change, trust is fragile as employees experience change fatigue, confusion and emotional exhaustion", which means that we really have to take this into account.

So, how can targeted communication across companies boundaries build trust between OEM suppliers and logistics partners, as well as your own employees to enable joint digital and sustainable transformation.

Markus: Richard, I like to use the metaphor of the campfire. So, what we try to create about a change story is similar to the dynamics of a campfire. What would people do at a campfire? They would share stories and co-create them, and thereby create meaning. I would argue that the same mechanics apply for ecosystems and maybe even more in the age of AI.

Richard: And maybe as a follow one from that how much transparency is needed when you're [00:05:00] dealing with external resources? What should you share? What shouldn't you share? And when can openness become risky?

Markus: In my opinion, that boils down to building and sustaining the most important currency that we have that is trust deployed by empowering information, systemic transparency, and also decision transparency. And especially nowadays time that some call a trust turbulent environment with the accelerated dynamics of communications. Think of social media as one easy example and the means that AI provide for the better and diverse.

I think the biggest challenge that we have to solve as organizations and maybe also broader society at this very moment of time, is to distinguish between true and false, artificial and real. And what I see now for organizations is that it's particularly challenging to [00:06:00] balance what you have to share to build trust and also not provide too much information and still maintain the possibility that others can follow your messages and what you try to share.

Sin: So, trust and openness don't appear automatically. They must be maintained. As you also said, and during long transformation programs, another challenge arises, change fatigue. So, many organizations today live in a constant state of change. Systems are being updated, processes redesigned, and roles redefined, but people can only embrace change if they understand it and see themselves in it.

So here, communication isn't just a nice to have, it's a safeguard against overload. Marcus, how can we communicate and help to prevent transformation fatigue in a large, multi-year supply chain initiatives and sustain motivation over the [00:07:00] time?

Markus: I think communications has a fundamental role in both helping to, on the one hand, fulfill humans information need. We know from research that it's

higher in times of transformation or instability. On the other hand, in explaining complexity without overwhelming, where for me, the beauty in communication lies, namely in finding simplicity. That starts with carefully listening, understanding the target group's needs, and then taking them on a journey by co-creating stories. And as you mentioned before, ecosystems together.

Richard: Another of the quotes that I liked from the white paper was that "transformation efforts in manufacturing often fail, not because of complex technology, but due to poor un objected communication." And this becomes even more complicated when we're talking about different cultures, different languages, [00:08:00] different job functions, and different perspectives of all of the different people within the organization.

So, creating a unified transformation message that still feels authentic everywhere is more of an art than a science, I think, and it must be consistent enough to give direction, but flexible enough to fit local realities, rules and regulations.

So, how can global companies communicate a consistent transformation message worldwide while adapting to local context, cultures and expectations?

Markus: What we love to do there is to co-create messages with the target groups. That means involving representatives from the stakeholder groups as early as possible in the process and then keeping them engaged.

That has two central benefits. On the one hand they're usually happy to provide immediate feedback if they are involved early. And on the other hand, you get a way better commitment early on in the [00:09:00] transformation process by involving that.

Richard: Another thing that you've mentioned a few times as well is AI in this whole process. So what do we need to take into account when we consider integrating AI, because it can be a real problem sometimes if used incorrectly.

Markus: Yes. That is for us a matter of carefully setting up the platforms, curating them, and thereby becoming with the digital platforms, what once intermediaries, like media or radio stations were. I think that's a huge chance for corporations and the new role we have to take on in the, if you look at the external context, the more fragmented global environment, we can build trust by building our own platforms.

Sin: So, a central element in all of this is also leadership. Leaders are not the ones who translate strategy in a daily reality, and that's where transformation truly lives and dies, right? [00:10:00] Leaders are multipliers of transformation. So, when they communicate clearly and authentically, people follow when they don't uncertainty will fill the gaps.

So, in your opinion, what role do leaders play as communicators of transformation in supply chains and how can organizations strengthen this capability?

Markus: In what I like to call the intelligent age, it comes down to the capabilities. We use the example of change platforms that can be designed to provide information to all stakeholders affected, then acting as operating systems for transformation.

So, you would provide all information on that change transformation on that platform to synchronize messaging, track engagement, and also allow content to adapt across languages, contexts, and different attention spans. So, I think that, [00:11:00] again, is an example that we can use technology to strengthen our capabilities and thereby better engage our stakeholders.

Sin: So, a follow up question on this. What communication competencies do modern supply chain leaders need in your opinion?

Markus: So, when we think about the competencies, I think it's again the three pillar framework that I described in the very beginning. It's on the one hand the mindset. So, understanding what communications means and how you can leverage it as a management instrument then two the organization, meaning the capabilities that you have to build to be able to also react to the context and also provide the speed that modern communications needs. And then the third is skills, meaning to be able to communicate on the relevant channels. That is on [00:12:00] the one hand soft skills.

But what I also see at this very moment of time is co-working with AI. So seeing AI as a collaborator and also a means to support your communications operating system. So, I think that's also a very nice chance for leaders to also build their communications operating system that develops with them in what we sometimes like to call human cyber learning loops. So, you constantly evolve together with AI and thereby leverage the technology to also adapt to the context.

Sin: Communication also the three pillars, most of time it looks very nice. Let me say like this like on paper, what do you see, like what common mistakes occur when leadership and communication misaligned in practice?

Markus: Yes. I think that's one of the biggest [00:13:00] obstacles we see nowadays because of course we have this very challenging high speed environment. And I think it's, it's super important to, it sounds simple, but it's like pause for a minute, reflect, and then start to act strategically because otherwise we'll always be behind the wave.

My firm conviction is that we need the time to also build the communication operating systems, meaning also a good strategy, but then also narratives that can be used and further refined for different contexts, and then be able to react immediately on the context. So, sort of like a practical tip from my side would be to, whenever it's possible pause for a second, take the time to prepare and then be better ready to communicate in the very challenging and turbulent environment.

Richard: Marcus, I was reading through the paper before we started the [00:14:00] call and I was really interested in the section around the transformation infrastructure. And we've covered a lot of the five different steps that you talked about already, whether it's leadership, culture change, fatigue, internal clarity or external trust. But the one area that we've skirted around a little bit is enablement through digitization.

And I lifted one of the quotes from the paper here digital change platforms designed to reach all employees regardless of their role or location act as operating systems for transformation. And you've mentioned AI several times, but digital tools and AI are transforming how we communicate. And in supply chains, it's no longer about emails and meetings. It's about smart platforms, personalized dashboards, and data-driven communication strategies.

So, how can digital communication platforms, AI and analytics make transformation messaging more targeted, more relevant, and more effective without overwhelming people with too much information?[00:15:00]

Markus: We know from evidence that employees expect their leaders to act on change, and I think that action starts with listening, understanding, and then acting authentically, which starts with the reflection and then communicating.

And I think that is most important at this stage of time building the capabilities for intelligence, then building the strategy and then building the communication

measures and not as we also often see, the other way around, where you start from immediate action and then circle back to strategy.

Richard: Marcus, we're coming to the end of the podcast and we always ask our guests to summarize everything you've just covered in a few sentences. From a communication and transformation perspective, what is the future of supply chain?

Markus: I would start with like from a communications perspective we live in very interesting times. There [00:16:00] is an interesting recent study from MIT and BCG's Henderson Institute that looked at company profitability of nearly 7,000 organizations over a 20 year timeframe. And it basically shows that company profitability can increasingly be attributed to contextual factors like geopolitics, technology, climate.

In this study in 2025, the context already amounted to 43% of the variation in net profit margins of public corporations. And I think that wherever we can make a contribution to understanding, interpreting, and acting on the context, we create value rather than let it be destroyed by external factors. That also applies for a term that is often discussed nowadays resilience. Also when it comes to resilience, to reacting to the context or to say context development. In my opinion, that starts with [00:17:00] clear decision empowering communications.

And the same applies to whenever we as leaders are able to raise engagement of our stakeholder groups in the current trust turbulence environment and also the change fatigued environments that we experience. And to build on that sometimes even AI and fake news driven environments, I think we can counteract with a human centered communications approach that I argue is even more necessary in our intelligent age.

I sometimes feel that human excellence has been buried in Excel sheets and real transformation that we want to achieve can be to make room and bring that excellence also by communicating clearly.

Richard: Markus, this is a great summary and thanks for a great conversation. It's been really interesting. And thanks everyone for listening. Please, mark [00:18:00] us as a favorite, you can get regular updates and information about future episodes. We'll be sure to share the World Economic Forum white paper that Marcus was an author of "accelerating transformation in manufacturing - from the factory floor to the boardroom". But until next time, from Markus, Sin and I, thanks for discussing the future of supply chain.

