There is always a great deal of media coverage around Black Friday, the busiest consumer shopping day of the year, with the predictable footage of people camping out in front of big box retailers and stampeding into stores to fight over fabulous deals.

Last year, that story changed. For the first time in history, online purchase transactions exceeded those of brick and mortar retail stores. The National Retail Federation estimated that more than 103 million people shopped online over the 2015 Thanksgiving weekend and nearly 102 million shopped in stores. Black Friday sales rose 14% from a year ago, with consumers spending an estimated $4.45 billion online Thursday and Friday, according to site tracker Adobe Systems Inc.

**Growth of E-Commerce**

E-commerce sales increased 14.6 percent, totaling $341.7 billion in 2015, according to data from the U.S. Commerce Department. It was the sixth year in a row that sales have increased near or above 15 percent and there’s no slowdown in sight. Accounting for just 7.3 percent of total retail sales in the U.S. last year, the growth potential for online shopping is enormous.
As the use of mobile and social platforms and access to Wi-Fi continue to increase and technologies continue to enhance the user experience and website capabilities, e-commerce will continue to grow here in the U.S. and around the world. But amid this virtual reality with its wish lists, pop-up shopping carts, and packages that appear on our doorstep, it’s easy to overlook the human element.

**A Fiercely Competitive Talent Market**

Absent from all the articles and research reports covering the explosive growth of e-commerce is a conversation about the growing gap of leadership talent. These leaders are often hard to see and harder to find as they operate behind-the-scenes. Operations directors, heads of procurement, warehouse managers and solutions-oriented sales executives - leaders within e-commerce logistics - have facilitated the rise of online retail and will continue to steward its growth.

The unprecedented rise within the space has led to a fierce competition for qualified talent - especially within the areas of operations and sales. News breaks regularly of talent poached from one company or another. Wal-Mart’s grab for eBay’s tech talent was recently covered in The Wall Street Journal’s CIO Report. Eager to be more competitive in the digital space, the big box retailer is looking to build out its e-commerce capabilities and has been successful in luring nearly 50 experts away from the e-commerce giant. To facilitate its talent grab, Wal-Mart went so far as to open another office in Sunnyvale, CA, close to eBay headquarters.

The demand for experienced professionals and technical experts in the e-commerce sector is growing faster than online sales itself and companies willing to pay above market for top talent are finding themselves better positioned for success.

**New Skills and Competencies Needed**

For an industry that relies on long-term relationships rather than on one-time transactions, e-commerce providers need to be as technologically savvy and innovative as the customers they support. As an online retailer’s business evolves, so too must the business of their logistics partners.

Today, the most capable operations leaders are those who possess the leadership capabilities of a general manager, the foresight of a talent scout, and the interpersonal skills of a customer relations expert. The profile of a best-in-class logistics solution sales executive has evolved to more closely resemble that of their technology counterparts. To be successful in this role today requires a greater willingness to take risks, the ability to better adapt in changing circumstances, and more courage than ever before.

The logistics industry has traditionally been slow to develop a pipeline of innovative leaders. In a comparison of logistics executives and those from Forbes magazine’s “The World’s 100 Most Innovative Companies,” Korn Ferry found logistics providers typically possess lower levels of a critical competency - learning agility - than their counterparts from the Forbes list.

Learning agility is defined as the willingness and ability to learn from experience, and to then apply those learnings to thrive in new or first-time conditions. Learning agile individuals often seek challenge and risk, flourish amid ambiguity, demonstrate resourcefulness, and embrace change. In a technology-driven environment, learning agility enables logistics leaders to think creatively about business issues using insights gathered from previous successes and failures.
As logistics leaders typically score lower in learning agility and other key traits needed for success in today’s business environment, companies have started to look beyond traditional talent pools to find these skills. Experience is no longer the most important piece of the resume as employers are assessing candidates to better understand what drives them, how they will perform in a culture that values innovation, and their ability to thrive in a rapidly changing business environment.

Upping the Ante

Once logistics providers, or retailers looking to build out their e-commerce capabilities, have identified the talent they need, strategies need to be put in place to attract those professionals who are very likely entertaining multiple job offers. The most effective strategies are a blend of push and pull techniques. Prompt a candidate’s career change with competitive compensation while playing to their desire to make a greater impact on the business.

Companies that fail to keep pace with the market in terms of increasing compensation in the e-commerce space risk losing key leaders to those that are nimble enough to adjust their pay practices regularly. Over the past year, Korn Ferry has seen talented executives and professionals lured away from their current employers with offers of salary increases to the tune of 20-30 percent.

Talent Solutions

Korn Ferry is well-positioned to help logistics companies whose business touches the e-commerce logistics space answer these challenges, with solutions that range from professional and executive search to project recruitment and talent consulting.

Long known as a leading executive search firm, Korn Ferry also recruits emerging leaders at the senior manager, director and vice president level through its Futurestep division. Futurestep also has the expertise and experience to help clients hire large numbers of employees in cases where the company is looking to stand up a new facility or experience high levels of turnover. Lastly, with compensation being a key driver of competitive advantage in the talent market, Korn Ferry Hay Group offers compensation consulting across a single function or the entire division.

Summary

The e-commerce boom has led to a shortage of qualified executive talent – especially in sales and operations functions. Pure play logistics providers and retailers seeking to develop or enhance their e-commerce capabilities are recognizing the importance of assessing candidates for fit and offering greater compensation to attract top professional-level talent. Korn Ferry can help these organizations identify and secure the talent they need to drive business and remain competitive in a constantly changing environment.

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About Korn Ferry

Korn Ferry is the preeminent global people and organizational advisory firm. We help leaders, organizations, and societies succeed by releasing the full power and potential of people. Our nearly 7,000 colleagues deliver services through our Executive Search, Hay Group and Futurestep divisions. Visit kornferry.com for more information.