

We're chatting in this podcast about supply chains, part of our series on that...in particular, the astonishing effectiveness of supply chains—especially in the 21st century—which can and does become a vital driver of the economic betterment of literally billions of people across the economic spectrum in many nations.

Earlier, we delved into the *essential need for smooth and efficient cooperation* for a fantastic supply chain to actually *be* fantastic—in delivering a low-cost, high-value path to consumers. And that cooperation relies on free market competition that help to ensure a person or company delivers the best stewardship.

What's most amazing in modern supply chains for consumer goods is that the supply chain can still work very efficiently, even when many participants are involved. Think again of the example of a jar of dill pickles at a grocery store. The cucumber that becomes a pickle itself likely relied upon a full-blown fertilizer supply chain and perhaps a pesticide supply chain. And it relies on farming equipment, benefitting from complex supply chains for tractors and vegetable transplanters and boom sprayers. Then there's the cucumber harvesting process, which requires both tools and people. Then there's the pickling process, which requires a brine solution made using pickling salt—and don't forget the dill and the vinegar...all those with their very own supply chains. Of course, we can't forget the glass and metal in a jar makers' supply chain...and we can't forget all the elements creating the label, from the paper to ink to adhesive. Then the pickle jar is packaged in boxes and handled by various trucks, carts, and people, each part of the delivery supply-chain process. And then, in the America spoiled by supply chain efficiency, the consumer glances at the price and complains that the pickles cost 20 cents more than expected!

See, there's a whole lot of highly effective *horizontal* cooperation across many supply chains that's going on here, all for one single jar of pickles...each company responsible for even a very small but vital link of the many links in many supply chains that converge into one supply chain for, well, *just pickles!* And, in an even bigger picture, all supply chains undergird billions of transactions around the world, every day. Wow. But here's what's amazing. Historically, once established, horizontal supply chains with numerous companies and participants often work very well together over a relatively long period of time. But that's true only if every link is executing well—across those many links. Any one link can be delivered by a very small organization or a large organization. And, again, it's the pressure of *competition* to perform well as any given link is what truly drives participants to keep the decision makers in that supply chain happy!

So, as time goes by, the companies who participate successfully in the supply chain naturally get bigger—that's called "scaling up"—they do that in order to serve as the best steward possible in the supply chains landscape. These companies can be manufacturers...retailers...delivery companies. As these companies strive to make their link in the supply chain to be the link of first choice, they often create very tall, highly vertical organizations with many layers of workers—from front-line employees to shift managers to store managers to regional managers to vice-presidents to senior vice-presidents to executive vice-presidents to presidents. And, in just this way, the inevitable tendency towards bureaucracy sets in.

And, when that bureaucracy becomes entrenched, it's typical that few insiders fully understand—or even care—just what all those expensive layers of workers are contributing to truly deliver unique efficiency in their supply chain slot. Then, the next thing you know, the gadget they manufacture is too expensive. Or their retail structure starts failing. Or their delivery processes are too clunky or slow. The truth is, in a wisely-structured supply chain, the participating company that is not excellent and vigilant can easily get replaced in the supply chain, much like switching out to a Lego block that works better than the old one.

Still, most of the managers and bureaucrats in highly vertical organizations personally are crafty survivors. Even if they do little to nothing to add value in the supply chain, as a matter of self-preservation they will find a more or less "safe" spot in a cubicle somewhere, whether by patronage of a boss or by taking advantage of HR rules or simply by exploiting the lack of stewardship vigilance by the organization. Then, sooner or later, the organization that fosters those behaviors will lose to better companies in the supply

chain. Left unaddressed by bureaucratic leaders, that can precipitate major layoffs or even bankruptcy—when in fact stewarding a scalpel-like re-shaping of the organization should have been in play all along!

But there are always some market-leading companies who do grow large and still serve in the supply chain very well. They consistently have nailed exactly how they effectively fit in the supply chain. “Vertical” isn’t necessarily bad—but it must be efficient. Take Walmart, which has been highly successful at supply chain for decades. But even Walmart needed to respond to the supply chain betterment created by Amazon.

No matter what, here’s the rule of thumb, both as a matter of good stewardship *and* survival: *the vertical must serve the horizontal well*. That means this: if you’re going to build an organization with layers of management, *those layers of vertical structure must very efficiently serve the horizontal—again, the link-to-link of the supply chain that includes channel partners*. Otherwise, decision makers in your supply chain will simply be good stewards and rightly replace your company as a key link.

As we’ve discussed in other contexts, take the sad but highly instructive story of Blockbuster. In its heyday in the early 2000s, Blockbuster had the chance to buy Netflix for a relatively small sum...but they didn’t understand the supply chain mix was truly moving away from renting physical movie cartridges. So—in the supply chain for movies—Netflix replaced large chunks of the demand for Blockbuster’s services.

But the worm always turns again in free markets. In due time, it has turned out that Netflix didn’t retain its special position. Recent and ongoing supply-chain developments for video content have revealed that Netflix is *not* very differentiated, it’s in competition with a lot of other very similar video-content pipelines. Even though Netflix has tried like mad to develop original content, many subscribers concluded that the hundreds of offerings by Netflix were a big yawn. At the moment, it’s video *content* that rules, not the pipeline that delivers it. A good bet to become a full-blown supply-chain thriver in this digital sector might well be Disney, a classic content king for decades, one well-established for generations of families.

Look, vertical bureaucracies can and do easily develop into problems for any business because internal survivors can thrive personally even while the organization fails. They can make good money, they can have great power, they can enjoy social status, they can fulfill personal agendas at the expense of the overall organization. Sometimes they can do that for a very long time—you know, like some politicians and bureaucrats in Washington. Likewise, the history and patterns of some churches can be pretty ugly, too, by harboring church leaders with agendas far from the Word of God and the gospel of the Kingdom.

The fact is, to the chagrin of many hierarchical traditionalists, the Kingdom of God is first and foremost the flattest structure ever—every born-again believer is connected directly to Jesus. And the Holy Spirit indwells every born-again believer. Yes, the preeminent *vertical* is just “*God and us*.” Then every believer is called to be a *horizontal* deliverer in God’s supply chain—to love their neighbors. Yes, believers are to connect directly and be equipped by God *vertically*, then constantly be part of a vast network of *horizontal* supply chains of loving neighbors. Hey, isn’t that the most ingenious strategy ever?...Believers devoted to the Word and then dispersed around the world in families, workplaces, neighborhoods, and communities, poised to deliver exactly what God vertically equips them for in His supply chain...God’s love, proclaiming “the gospel to the whole creation.” (Mark 16:15 ESV) Alongside, pastors and teachers are also quite flatly vertical, positioned to help disciple workers, again for believers’ horizontal delivery of God’s love. The rule holds: *the vertical must serve the horizontal well for the potential of supply chains to be rightly fulfilled*.

But, sadly, many wrongly place themselves vertically *between* Jesus and believers, making themselves false mediators between God and humanity—even to mere men’s supposed absolution of believers’ sins. But only Jesus is the High Priest of the New Covenant. Also, 1 Timothy 2:5 teaches that “there is only one mediator between God and men, the man Christ Jesus.” At the core level, the Kingdom’s supply chain that works to offer the gospel in love simply requires God and believers. Yes, the perfectly-flattened vertical of God and believers *is designed to deliver the horizontal supply chain of the gospel of the Kingdom!* Wow.

A&A: Application & Action

1. What does a sober, analytical look at your workplace reveal about its effectiveness in the supply chain? Does everyone in the organization know, embrace, and implement effective tactics to fruitfully help your workplace deliver a superior link in the supply chains it participates in? Be specific.

2. Jesus's death and resurrection on the Cross was the "production phase" of God's supply chain of eternal love. And the Holy Spirit empowers believers to proclaim the Gospel, the good news grounded in Jesus's death and resurrection. This is the vertical structure of God's supply chain. So, just how are you doing at the horizontal of effectively proclaiming the gospel of the Kingdom of God, thus loving God and your neighbors in the highest way? Be specific.

3. Is your church designed and functioning as a streamlined, efficient, fully-Biblical supply chain for the delivering of the gospel of the Kingdom of God? Explain.