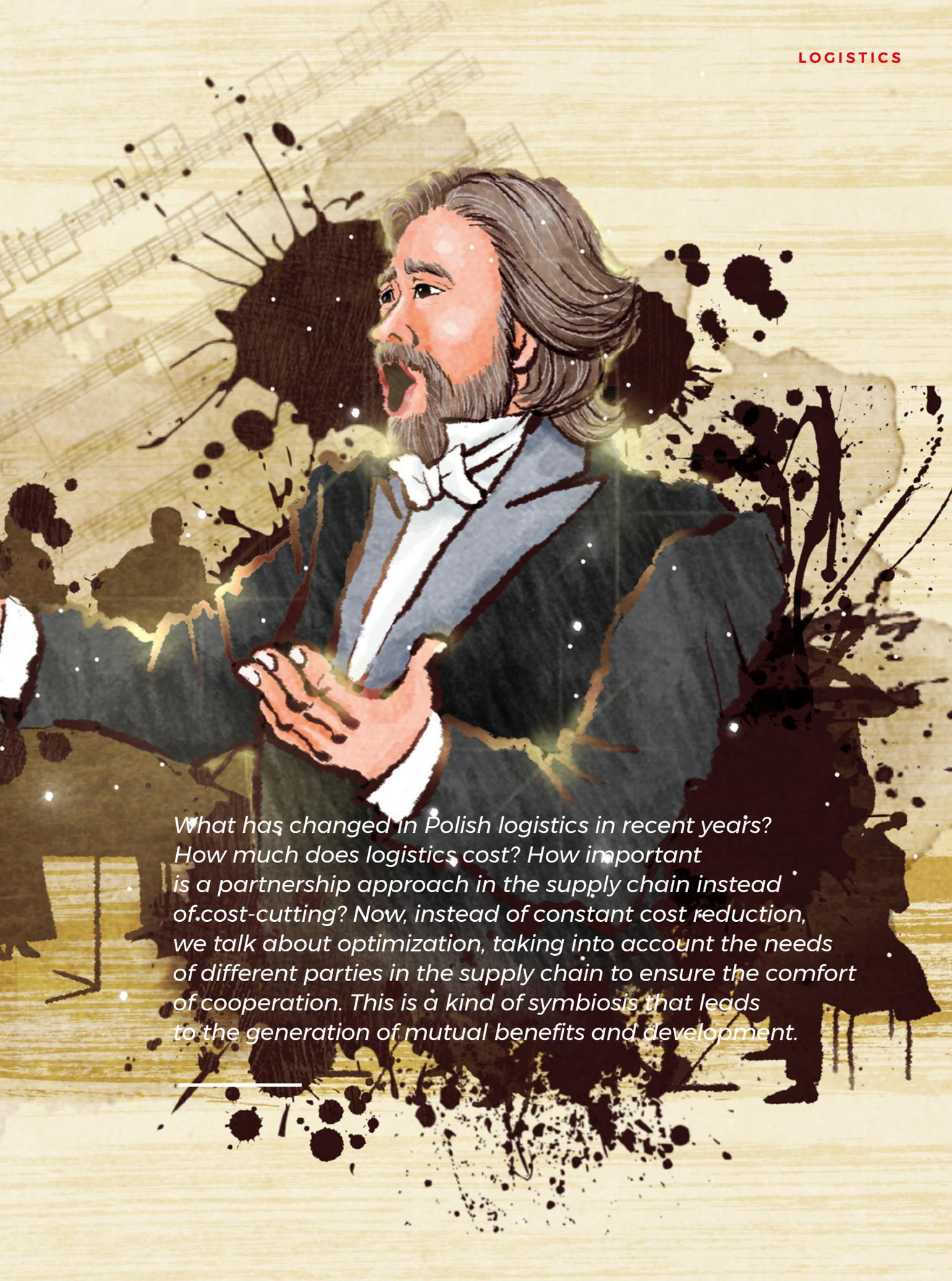


LOGISTIC SYMBIOSIS STRATEGY

CATEGORICAL
COST CUTTING
IS PASSÉ





What has changed in Polish logistics in recent years? How much does logistics cost? How important is a partnership approach in the supply chain instead of cost-cutting? Now, instead of constant cost reduction, we talk about optimization, taking into account the needs of different parties in the supply chain to ensure the comfort of cooperation. This is a kind of symbiosis that leads to the generation of mutual benefits and development.



t o m a s z S A C Z E K

TESLOG

Expert in logistic projects, practitioner, consultant, trainer, lecturer. He has 16 years of experience in logistics and supply chains. As the interim logistics manager, he supervised the change processes in Baltona S.A. supply chain. (Flemingo International Group Dubai). Currently he is involved in operational logistics projects. He cooperates with consulting companies in Poland and abroad as their external expert-practitioner (PwC, Roland Berger Strategy Consultants, Inverto AG). Previously, he managed logistics operations at the Carrefour Polska supply chain department. He also supervised supply chains in the household appliances sector (ARDO, Delonghi, BEKO, Gorenje). Now he specializes in reducing supply chain costs, redefining logistic strategies and rebuilding processes.

constant CHANGES in the market force a change in approach to supply chain management. We used to talk about how to be better and more effective than competitors, stand out from other market players in the supply chain. Today we are still looking for a way out. However, we do not treat logistics as a cost cutting tool. Categorical cost reduction without taking into account the needs of the partners can lead to the situation when we “shoot ourselves in the foot”. In pursuit of the lowest possible cost, we force our partners to have “the cost gymnastics” (very expensive to them) to meet our expectations. In this way, we risk losing the continuity of logistics processes and, consequently, their cost effectiveness. Extinguishing fires in logistics costs a lot. According to the principle of medicine: prevention is cheaper than treatment. We often forget about it in order to minimize expenses at any cost. Nowadays, the partnership takes on a different meaning. It used to refer to regular meetings, exchange of information and cooperation on the so-called “safe fields”. Today we have another aspect: resource sharing. Recently there has been a lot of talk about the economics of sharing, parti-

cularly in logistics and supply chains. Contemporary approach to supply chain management can be characterized by saying „share to grow”.

PARTNER RELATIONSHIPS

More and more attention is paid to our social responsibility. Clients appreciate companies that operate responsibly; they like to see where the products or raw materials come from; more and more often they ask about processes and expect them to be transparent. As logisticians we start talking about cost optimization, not only about constant cost lowering. In the era of digitization and ever more interesting IT solutions that save time and money, we try again to rebuild interpersonal relationships. We know how important personal relationships are, not just relationships maintained by phone calls or emails. Globalization processes make it easy to enter other markets. Unfortunately, time has become an expensive and inadequate resource for us. We are increasingly aware that good partnerships are primarily transparency and regular communication. However, personal communication is crucial.

” Today’s optimization is a slogan that does not refer only to one party with a selfish approach towards business

For example, FMCG providers have decided to implement the „implant” project which consists of delegating the supplier’s representative to the retail network structures. This „implant” spends some time in the customer’s structure, responds to his needs and manages the prevention, eliminating potential fires. Today’s optimization is a slogan that does not refer solely to one part that drives its business egoistically. It is imperative to implement solutions that benefit all parties in the supply chain, to cooperate during their implementation and to maintain an ongoing dialogue.

COMBATING TRENDS MEANS TILTING AT WINDMILLS

The world is changing, logistics also changes, so practices that were relevant sometime are not necessarily good today. We still talk about them, although their definition may seem different than before. Innovation has become an important part of good practices. We need to be aware that robots will take over some of the roles that have been dedicated to people so far. However, there are new opportunities. Someone who does not follow the spirit of innovation will cease to play a significant role. I think you can compare the situation of the robotics in logistics to the situation of postmen at the time of the e-mail invention. You just have to recognize it as reality and do everything to use the new situation for your benefit. Anyone who will fight the trends will not succeed.

ADAPTIVE LOGISTICS

Modern logistics must not only keep pace with changes, but in many cases, overtake them, generating new solutions, concepts and ways of doing things. In the past, its modernity was characterized by simplicity, cheapness and speed. Today it depends on the service that is optimal and meets the custo-

mer requirements. We live in times where 24 hours a day, without leaving home, with one click we can shop in a virtual store located in almost any country in the world. There is a blurring line between online and offline shopping practices. Customers are increasingly demanding the ability to simultaneously operate in multiple channels, e.g. when shopping online, they want to make a return at a stationary store. Jeff Bezos, the creator of Amazon, said: „It is impossible for a customer in a few years to say, ‘I love Amazon, and therefore I agree to extend my delivery time.’” Today, unfortunately, it is difficult to agree with him, because changing needs of customers can surprise. Modern logistics meets customer expectations, so if our customer wants to receive the shipment not today but in two days, then it should be possible. Allowing him to make a choice significantly improves his level of satisfaction. How many e-shops have the option of delivery in 24h, 48h or 72h? The race to be faster and faster does not always make sense from the customer’s point of view and, as we know, speeding generates costs.

Modern logistics takes a serious approach to ecology and sustainable development. Clients want the confirmation that all processes are conducted in a responsible way, working conditions and fair salaries are acceptable to the hired people, and processes that have a negative impact on the environment are eliminated. Being modern in logistics requires not only an innovative approach but also investments. Today, talking about modern logistics, we should not talk about low costs but optimal costs. Modernity requires certain costs. It is important that they are taken optimally, maximizing the financial results for the company and satisfying the customers. ●