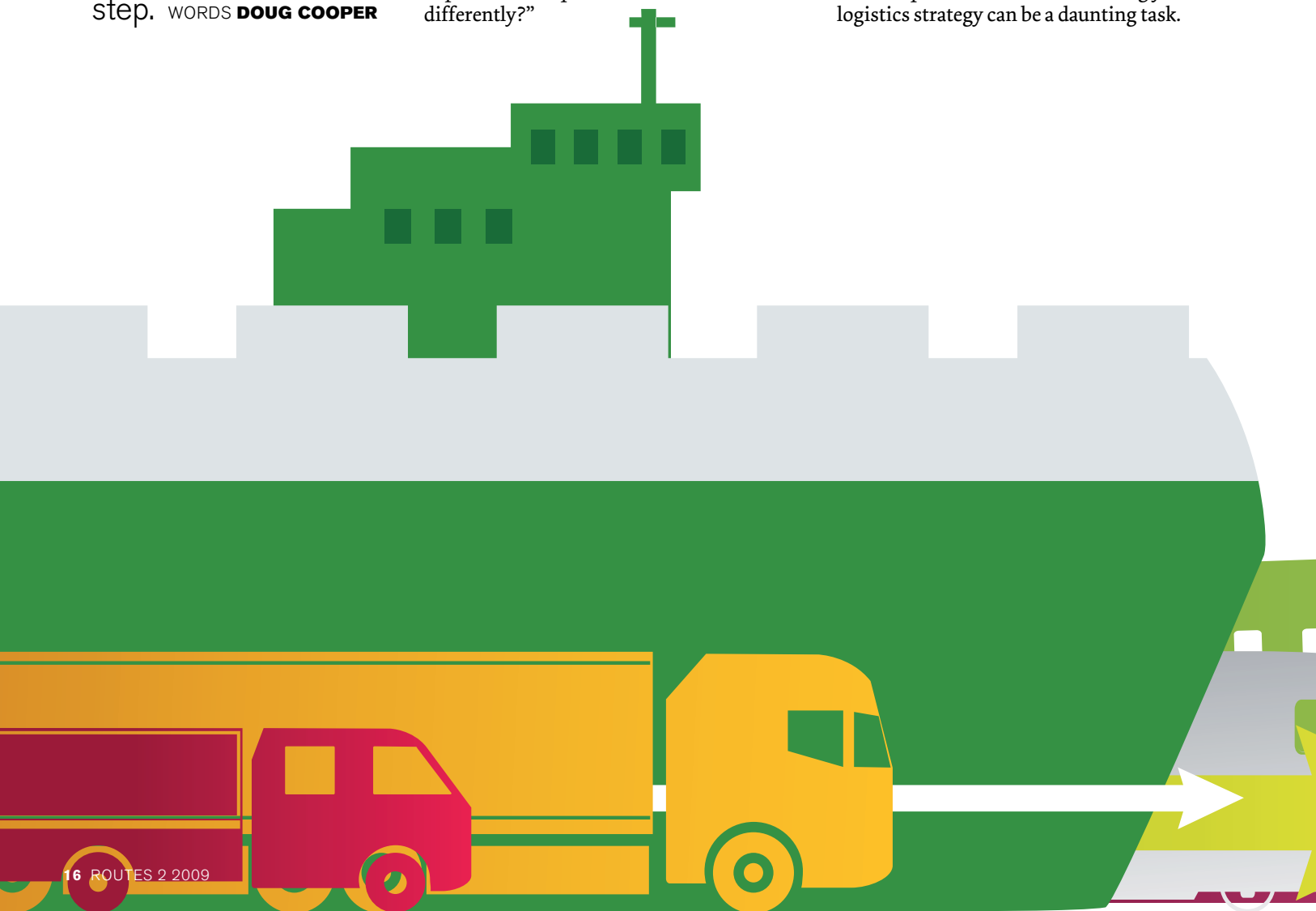


Time to CHANGE *your* STRATEGY?

By working differently you can generate benefits in your supply chain. Asking the right questions is the first step. WORDS **DOUG COOPER**

ONE SUPPLY CHAIN GOAL is consistent in any type of economy: reduce costs. Faced with this objective, the first question is always, "Who can do the work cheaper?" While procurement initiatives can improve profitability, requesting new rates in an inefficient design will return only limited results. Perhaps the better question is "How can I work differently?"

Companies have quickly matured from owning their own logistics assets and managing all logistic processes in-house to combining a variety of 2PL (2 Parameter Logistic Model) and 3PL regionally-based solutions to minimise complexity and achieve cost and time savings. With so many internal and external parties involved, evaluating your logistics strategy can be a daunting task.



FIVE STEPS TO A NEW LOGISTICS STRATEGY

1 What is your logistics strategy today?

People, processes and systems constitute the majority of supply chain costs. Step one is

to find out where your strategy is today on the continuum below.

<p>1PL</p> <p>A 1PL owns and operates all production and logistics assets.</p>	<p>2PL</p> <p>A 2PL is an asset-owning capacity provider for a specific logistics service.</p>	<p>3PL</p> <p>A 3PL is an asset or non-asset based provider of multiple logistics services.</p>	<p>4PL</p> <p>A 4PL integrates services provided by 2PLs and 3PLs with its own technology and resources.</p>
---	---	--	---

2 How many points of contact do you want to manage?

Resist the urge to sub-optimize. Breaking the chain into smaller pieces and finding suppliers for each piece increases complexity. Separate your supply chain into workflows by regional sources and destination markets and find a supplier to manage end-to-end. Decreasing total logistics time and cost should be the focus rather than reducing costs in one segment which may increase costs in another.

3 Do you want to own your logistics technology?

Over the years, you have pushed your logistics asset costs to suppliers, why should technology be any different? Transfer your fixed logistics systems costs to a variable cost per unit. As order volume drops, so will your costs. Logistics suppliers can amortise systems costs over multiple customers, providing you with more functionality at a cheaper cost.

4 How much logistics competency do you want to maintain?

Moving products from points of production to consumption will always be a critical part of your business but one you can manage as a variable cost. Like with technology, push costs for competence development to a leading logistics provider. This also allows you to focus more resources on your core business.

5 What do you want your logistics strategy to be in the future?

Considering your answers to the previous questions, what do you want your strategy to be in the future? Once you choose the strategy, identify potential supply chain providers specialising in that solution with your type of cargo. Focus on providers who have been proven supply chain partners in the past and stakeholders in your future success.

CUSTOMER BENEFITS

To achieve reductions in logistics people, processes, and systems costs, WWL begins all supply chain management (SCM) solutions with understanding your challenges. From network design and reengineering to controlling the direction and flow of your cargo, WWL applies the appropriate service to your challenges to generate benefits in cost, reliability, and control.

REDUCED COSTS	Transfer fixed administration and management costs to a purchased service based on throughput.
GREATER RELIABILITY	Improve precision through standardised processes and exception management.
INCREASED CONTROL	Monitor and manage performance with clear targets and accurate metrics.

WWL SOLUTION

WWL can help you reduce your workload while at the same time increasing your process and supplier performance. The less people, process, and systems fixed

cost responsibilities you carry, the greater savings you can achieve.

Don't let fear of dependency and loss of control limit the savings available through a change in your logistics strategy. Clear targets and accurate metrics will provide

you with more control and less cost while driving continuous process and supplier improvement. Contact WWL to find out how a 4PL solution can provide reduced costs, greater reliability, and increased control in your supply chain.

