



## Logistics Association of Australia Ltd

### LOGISTICS PEOPLE OF AUSTRALIA – CONGRATULATIONS

This is the first in a series of articles from Peter Bainbridge, winner of the 2003 Logistics Development Award. These articles give an insight into Peter's experiences and learning from attending the CLM 2003 Conference in Chicago, US.

In 1987, as year 10 students, we were sat down and informed that we had to start thinking about what choice we would look to make for our impending Year 11 and Year 12 and subsequent career. I have always held grave reservations about asking 15-year-olds to determine their career path, although I am constantly amazed by the foresight of my careers advisor, Mrs Jane Gribble, who sat down and told me about a business degree at RMIT specialising in logistics. She felt it would be a growing field of endeavor in the future. Then and, I am sorry to say, even now, there are people who have little or no idea what logistics involves, although in some ways this is a good thing for those of us employed in the logistics industry.

Since my decision to enter the field I wish I had a dollar for every time I've had the following conversation:

"What do you do for a living Peter?"

"I'm in logistics"

"Oh so you drive a truck?" (Substitute forklift, tram or bus....).

Whilst driving trucks is an important function within logistics, there is more to it than that. Preaching to the converted? Of course I am, but after attending the 20<sup>th</sup> Annual Council of Logistics Management (CLM) Conference in Chicago, the warm and fuzzy feeling still lingers. It was a revelation to be in a place where not only was the function we all perform on a daily basis the central focus of such an immense, comprehensive and detailed forum, but logistics was often identified as the single most important function an organisation undertakes.

And whilst Dan Clark (author of Chicken Soup for the Soul) didn't quite have me believing that we are all the most important people in our organisation, it was still nice to hear.

The growth in recognition of logistics as a function, and the resulting increase in attention, has been a boon for all in logistics (I still can't bring myself to use the term "logistician" with a straight face). More importantly the companies that have focused on logistics and made it central to their core values have reaped the rewards. We only need to look as far as John Fletcher's complete overhaul of the Coles Myer supply chain to see that there is still "low hanging fruit" to be harvested by companies, both large and small. The logistics industry has a long way to go in Australia, although despite sweeping claims from John Durie in the Financial Review (26/9/03) that "Australia's self proclaimed highly competitive industry is 12-15 years behind the world", we can hold our head high in a number of areas.

The major difference I could see from our overseas (particularly US) counterparts, both on the corporate and educator side of logistics, is that there seems to be higher recognition of their role within their companies and possibly a slightly increased level of professionalism. The CLM Conference has been running for 40 years and it shows. The speakers at the conference were intelligent without being confusing and confident without being aloof. All speakers took questions from the room at the end of their presentations as well as one-on-one at the end of the session. The sheer size of the companies represented and the importance of logistics within their organisations is an example to any company executive who still sees logistics as a cost of doing business rather than a way to gain competitive advantage.

But those of us who work in such organisations can take heart as the tide will turn. Ohio State University is currently conducting research into what makes a company perform well on the stock exchange. Whilst yet to present final results it has found a direct correlation between the importance placed on supply chain in a company and its performance on the stock exchange. It is difficult to proceed down this path and not mention that seemingly unstoppable force in the American retail market, Wal-Mart. Wal-Mart states quite openly that its competitive advantage is in logistics and IT. Most Wal-Mart executives are either educated or trained in logistics and have a solid knowledge of the principles of supply chain management. Gary Maxwell, Vice President of Logistics Administration for Wal-Mart was quick to point out, however, that the culture and the people are what differentiates their supply chain.

I was lucky to have Gary sitting behind me in a session at the conference and was able to ask him some questions. He was very complimentary about some of the work Wal-Mart has done in Australia with Woolworths and whilst recognising the size of our market, compared with the US, saw no reason why Australian companies cannot achieve "Supply Chain Mastery" with a committed organizational structure.

The one thing I would ask of the logistics industry and the bodies that seek to represent it, is to stop trying to define what we are and what we do and get on with promoting how important the function is to the success of a company. The

CLM has just emerged with the latest definition of logistics. I would hate to think how many different definitions exist but the CLM does state that its major goal for the 2004 year and beyond is to promote the importance and benefits of supply chain to as many CEOs across America as possible. I see this as one of the most worthwhile goals a body can have when representing the logistics industry. We know the benefits are there from an increased focus on logistics; it is up to us to deliver those benefits and maybe indulge in a bit of blowing our own trumpet while we're at it.

In logistics, it is too easy to be at the wrong end of the finger pointing when a delivery is not made when, where or how it is expected. Whilst important to focus on our errors and learn from them it is also important to promote ourselves and the good work we do.

Next month I will talk about Radio Frequency Identification (RFID), clearly the hottest topic at the conference and something that many feel will revolutionise the logistics industry.

I would be more than happy to answer any questions about the conference or any of the content I have written about. Please email me – [peterbainbridge@bigpond.com.au](mailto:peterbainbridge@bigpond.com.au).