



Logistics Association of Australia Ltd

LOGISTICS EXCELLENCE - VISION, PROCESSES AND PEOPLE – THE CONFERENCE

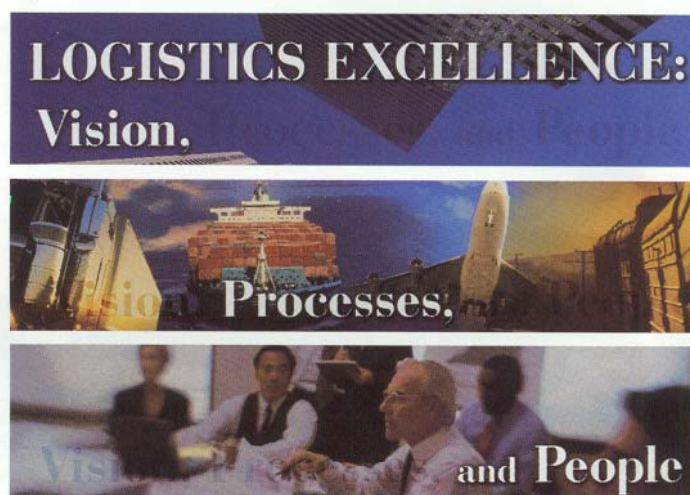
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Phil Taylor from Steelmark – Eagle & Globe, winner of the 1998 International Study Award, presents some of the key issues and personal comments regarding the Council of Logistics Management Conference held in October 1998.

The 1998 Council of logistics Management Conference was focused around the theme - Logistics Excellence: Vision, Processes and People. A summary of the event was included in the February 1999 logistics Management News issue. The conference in brief –

- Attended by 5,600 people (749 from outside the USA)
- 238 sessions over 41 topic streams with 500 speakers
- 10 tours of different facilities.

The event was extremely well managed with few problems encountered and most areas of interest catered for. A social programme designed to enhance networking was arranged and there were logistics related publications and literature on display.



If you're attending the conference this year...

The following comments might provide some assistance for those people planning to attend the CLM conference in Toronto later this year. They're basic but the event is anything but! To get the most out of the many sessions, streams and facility tours you need to do some planning.

1 Plan the sessions you want to attend before the conference starts. Have a few back-ups in case the first choice is not what you think or if you can't get in! It's a big event. Make a note of the location of the first and second choices otherwise you could be in for a long, brisk walk if you need to change sessions. Talk to the CLM organisers or catch up with the speaker beforehand to get an idea of the session content.

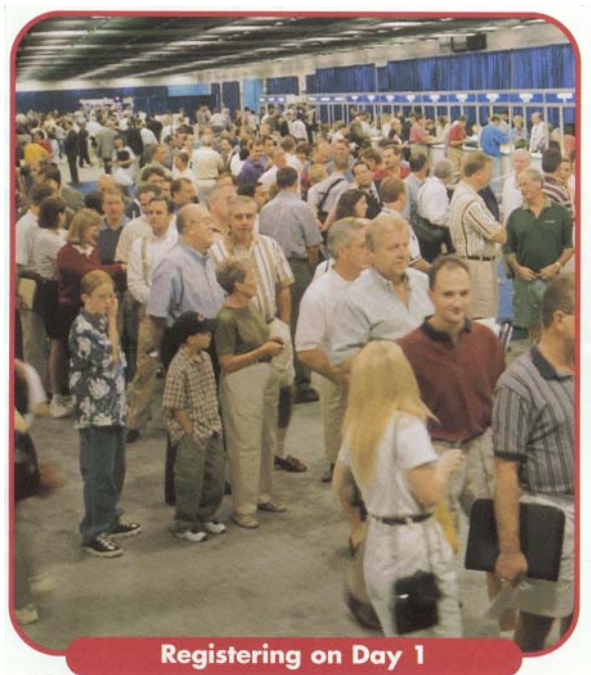
2 When you're prioritising the sessions you want to attend, make a note of those that are recorded. You could attend one and buy the tape for the other. The tapes cost about US\$11 each and are available soon after the session ends.

3 Get to your sessions early. With 5,600 people attending, chances are that if you find a session sounds interesting, lots of others will too. The session rooms fill up fast and when they're full, you're likely to be locked out.

4 If the session isn't what you expect, be courteous, but don't be overly concerned at leaving a session to attend your second choice. It's a big investment in time and money so make the most of it.

5 Take plenty of business cards. Most session presenters will organise a copy of the session notes to be sent through if they don't have them available at the conference. Networking and establishing follow up contacts is a key benefit of the conference.

6 Stay during the question time in the sessions. Quite often, there were interesting points coming out of the audience questions and their participation. Don't hesitate to ask questions or get clarification.



Registering on Day 1

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7 Tours of facilities are organised through the conference. The same rules apply as above! Get to the booking desk early. They normally open bookings for the first morning's tours on the Sunday morning before the conference starts. The remaining tours can be booked from Monday morning onward. Places are very limited (about 45 people per tour). If you miss out, take a standby ticket and wait at the designated spot when the tour is due to leave. Quite a few people don't front, so you may be lucky.

8 Take a camera and a micro-cassette recorder. Again be polite and ask if both are OK to use, particularly on facility tours. The photos add a further dimension and help to trigger the memory when you're back at work discussing the outcome of the trip and specific ideas you may have noted. The cassette is easier to use than making paper notes, particularly if you're walking around the facility. (Remember to carry spare film, cassettes and batteries).

9 Contact the LAA before you leave Australia and arrange for a common meeting place at the conference. Use the messaging service and check your name for messages during the conference. It's the best way to keep in touch with people.

I'm sure some of the above are common sense and apply regardless of the conference or similar event. But with the number of people participating at the CLM event, it really is different from what we would normally be involved in back in Australia.

Are you considering the 1999 Study Award...

I'm sure the previous award winners will support my comment that the study award is one of the best learning opportunities you're likely to experience during your career. The conference itself presents you with a selection of topical, 'state-of-the-art', idea-generating sessions across all areas of logistics, regardless of your background.

Planning and visiting the various businesses as part of the study tour, while a logistical feat in itself, certainly provides the most benefit from the award. The organisations I visited included steel distribution businesses so the insights there were certainly close to home. However, others ranged from a multi-billion dollar organisation selling laundry products, to a mail order business where you can order your next Audi or His'n'hers aeroplanes. Different organisations, but common issues in terms of logistics issues they all have encountered and resolved.

I would highly recommend the programme to others and offer some pointers for those who have a go (and are successful).

1. Have a number of fall-back organisations to those you plan to visit. 'It' happens and you can be left with an expensive day trip if you can't make the best use of your time.

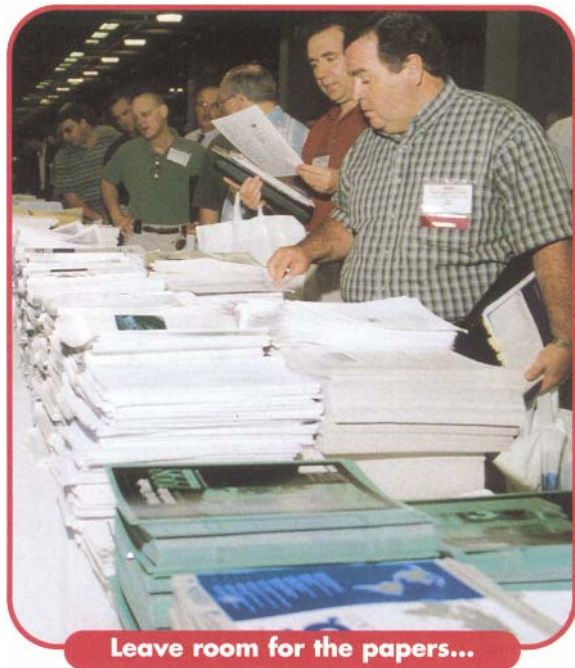
2. Start planning early and ensure you have a good rapport with the contact in the organisation you're planning to visit. It makes life a lot easier and avoids last minute problems.
3. Do some background work on the organisation beforehand. Apart from sounding knowledgeable and that you've taken the trouble to do some homework, it helps you to focus on what you want to get out of the visit.
4. Plan the areas you want to explore with the business well beforehand and ensure your contact is aware of the intention. It pays to draft the layout for your final tour notes to ensure you capture the areas you need to. Don't be too broad or you'll run out of time and fail to get to the key areas.
5. Once you're there, don't hesitate to ask for copies of any documents, charts etc. Most organisations will be helpful as long as they know the end result. Similarly, copies of tables of contents for manuals, etc can be useful if you need to go back and clarify anything.

It's a once in a lifetime opportunity. Plan it well and get the most out of it. Hopefully, others in the LAA membership benefit from hearing about your experiences. Your own organisation should certainly get rewards from your experiences and the personal benefits are invaluable. Good luck to those intending to get involved in the 1999 programme.

A few lessons learned...

A few comments and observations from the conference and logistics as a broad topic in the US follow.

It was interesting to note the number and depth of relationships of high profile American businesses with major learning institutions. 3M and Hewlett Packard were among those who had developed an ongoing partnership with the logistics faculties of universities. It's obviously a reciprocal relationship in that the business funds some of the activities of the school while receiving the benefit of input and resources from the educators and students.



The use of shared services, particularly in centralised purchasing, inventory management, accounts receivable, distribution centres as well as the usual finance and administration functions was evident in most organisations I came across. There seemed to be less of the "if it wasn't invented in my state it doesn't work" syndrome that is sometimes the case with Australian organisations.

"Bigger does not always equate to being better". The sheer volumes that organisations have to deal with in the US are staggering when compared with Australia. This was certainly the experience with most of the businesses I visited. However, while they were good at managing large volumes of transactions or movements of product, most weren't great at it. They were good at simplifying the business, but 1 really didn't have any great eye opening experiences to indicate we were left far behind.

Warehouse management systems (WMS) and Enterprise Resource Planning (ERP) tools were one of the key topics at the conference and the general comment was that ERP systems generally didn't offer adequate WMS capabilities. Third party tools were often required to supplement them.

A few business basics were highlighted from a number of sites visited. A focus on differentiation at an appropriate premium can reap benefits. In conjunction, knowing the costs to do business assists in segmenting your market from a logistics perspective rather than the more usual marketing views. Finally, one of the speakers at last year's December LAA session in Sydney made the comment "the answers are to be found here - test them overseas". I'd certainly agree with that observation. We've got the skills and know-how in Australian business. We need to be quicker to implement change and new

ideas, while validating our experience and ideas with those of overseas businesses.

Successful logistics puts cash in the bank through the efficient conversion of a customer's order through to delivery and invoicing. Effective logistics management then can act to reduce costs as well as to enhance differentiation through superior customer service. By understanding what customers most value, businesses can ensure that their logistics efforts are optimally targeted.

I included some of these comments in my original submission for the study award. The conference and the accompanying site visits certainly helped to demonstrate the reality that supported the comments.

Once again, I would like to thank CHEP Australia for the sponsorship of the award and the LAA for the organisation and hosting of the event. I wish all those contending for the award in 1999 the best of luck! Phil Taylor can be contacted at Steelmark - Eagle & Globe on (02) 8833 0548 or email at ptaylor@steelmark.com.au.