

# GET Logistically FIT

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## LOGISTICS by LOGISTIANS

Logistics Operations Management is a field totally independent from General Operations Management. Jumbling this field with all its sub-specializations in a general practice sock would be trivial. When procurement, sourcing, freight, shipping, warehousing and beyond are being juggled, the oddity transpire if those specialties are entrusted to a generalist.

Yes, Logistics should only be handled by logisticians.

Case in point; consider Logistics Business Plans, a deal sometimes impudently passed to a financial analyst. Think how all market, operational and financial data, gathered for the sound construction of the plan, being vastly interlinked, industry specific and conveying to crucial decisions, will turn into speculations if not braced by a logistics professional.

The same goes for logistics systems, when designed or implemented; the success of such endeavor definitely pulls in only if overseen by logisticians.

Equally matching, the engineering guidelines of a logistics facility should never be endorsed if not going together with logistics operations guidelines.

Bottom line, your company is not a learning platform for a consultant. The consultant should bring to you not less than a huge volume of amassed personal practical expertise and all the world's innovations of the industry.



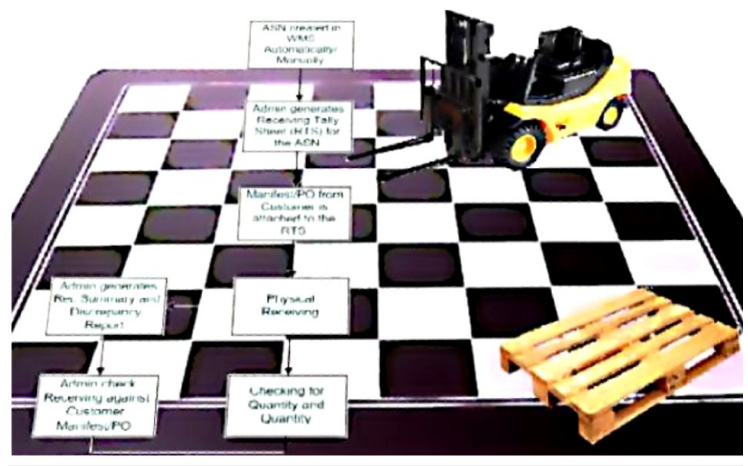
## VARIABLES not UNKNOWNNS

Fear of the Unknown is the strongest kind of fears.

But the good thing is that, in advanced math, Variables are not Unknowns.

Variables submit to a certain logic that rules changes and consequently can be manipulated and controlled. However, Unknowns escape all rules and controls. Unknowns should be feared, while Variables are our daily bread and butter.

Turn your Unknowns into Variables.  
Map your operational variables and define your



constants so when change occur you will not get struck by the unknown, instead you will solve an equation of variables by moving the chessmen of your chessboard.

Know your logistics chessboard, measure and plan. Key Performance Indicators are a simple and very effective measurement tool and a basis for excellent strategies. It is an infinite set of simple ratios assessing every imaginable detail in your supply chain. Try *SKUs picked/manhour* or *Number of claims/day*, etc and let your imagination wander, the sky is the limit. Invent new KPIs, measure your actual performance and set new goals to achieve. It is a mind sport that can design your scorecards and orient your strategic planning. It can lead to goals setting, identify resources requirements and help building your budgets.

Once again, it's a simple ratio game. All the performance data, you are always gathering, is already there on your excel workbook, open a new excel sheet, link the numbers and play the ratio game. Come up with a new ratio everyday and search the internet for odd ones, soon you will discover new perspectives. Benchmark and optimize your KPIs. Good luck.

## WE READ FOR YOU

### “Logistics ABC”

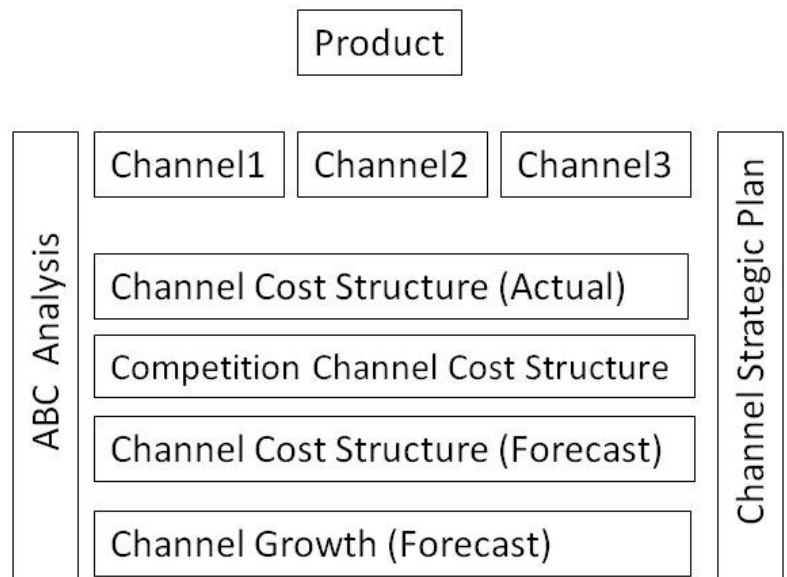
ABC Activity Based Costing is the costing method currently preferred over the traditional accounting costing method.

The accounting costing used to compute the total cost of logistics activities and proportionally attribute this cost following a fixed volume unit. This cost of the volume unit will be consequently applied to each and every product of the company, regardless the channel and the specific logistics activities related to the Product.

ABC considers a different costing structure for each channel that the Product runs to arrive to its final destination.

Let's take for example a Company that has different distribution channels. A first channel delivers a Product picked by pallet to wholesalers, a second channel delivers same Product by eaches to retailers and a third channel delivers direct containers to regional distributors.

The ABC method enables Company to set a Channel Strategy after analyzing each of the channels current cost structure and after comparing structure with that of competitors. This method enables more precise forecasts for future structures where cost reduction, cost/benefit analysis and return on investment become fully visible and where growth objectives and market share could be well defined on sound basis.



*For further readings reference books and links are available for each topic herein published.*

*Writers and researchers willing to publish their works can send their contributions to [management@imdadlogistics.com](mailto:management@imdadlogistics.com) ref. Newsletter Article, stating writer's name and contact details.*

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