“Logistics as a Strategic Enabler”

Recently “Kompetenzgruppe Chemielogistik” did a new survey focusing on international chemical logistics. The survey reveals five important levers which the board of a chemical company should address to increase performance and competitiveness. Dr. Sonja Andres asked Michael O’Hara, Senior Director, Global Sector Head, Chemicals, at DHL Global Forwarding about his estimation of the study’s results and about possible consequences for the chemical and the logistics industry.

**CHEManager:** Mr. O’Hara, you have experience in all kinds of supply chains in different sectors. Looking at the logistic structure of some of the chemical companies what is missing?

**M. O’Hara:** The answer to this question varies by company, as the supply chain function can have different priority and different positioning within individual organizations. As a general observation, chemical companies tend to excel at logistics at operational level, which is vital because of the levels of complexity and regulation in the industry. Where perhaps the industry is not at the same level as comparative sectors is in the area of long term, end-to-end planning and engagement with external parties, such as logistics providers, who can in the right circumstances and with the right level of engagement, become a facilitator for the support and deployment of long term business strategy.

**Why is it important to integrate logistics into strategic decision making of the boardroom of chemical companies?**

**M. O’Hara:** In an increasingly complex and globalized market, there is clear benefit to be gained by viewing logistics as a strategic enabler, and not simply as a tool to move products from A to B. Boardroom engagement will elevate logistics from a transactional model to a strategic platform.

**What do you think personally: Which of the five levers/actions of DHL’s whitepaper is the most effective?**

**M. O’Hara:** Collaboration is the key. Without a commitment to collaborative and open dialogue, we will remain in our silo driven models.
What result, which findings in this survey did surprise you most?

**M. O’Hara:** I believe that the most surprising, and encouraging, finding was that the challenges identified were common across many companies in the sector, and that perhaps a missing element was a voice, or a forum, for the industry to discuss and share these challenges.

How can logistic companies support chemical companies in implementing the five levers?

**M. O’Hara:** By encouraging dialogue with the industry, and by being prepared to invest time in listening to the customer’s voice, and to invest resource in developing mutually beneficial, sustainable, solutions.

As a representative of a logistics company which lessons have you learned looking at the results of the whitepaper?

**M. O’Hara:** That “old” methods of doing business no longer support the chemical industry in negotiating the challenging environment, which has become the norm. Fresh thinking and open dialogue, involving all partners in the supply chain, are essential in the battle to improve cost effectiveness, quality, and to enhance end-customer experience.

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