

Defence Logistics



Logistics! Its not something we usually think about. Not many people understand the concept, or its impact on the progress of society. It is the lifeblood of economy – of any home, organisation, city or country. Without effective logistics networks and procedures in place, we wouldn't have the food choices we enjoy today, or medicine when we need it. We wouldn't get the building materials to build a home, or have fuel for our cars. Actually, without logistics, there wouldn't be any cars to have. The world would be a very different place without logistics, and probably not in a good way.

More than in any other organisation, logistics plays a key role in Defence, where it can spell the difference between victory and defeat – life and death. So its highly critical to get it right.

“You will not find it difficult to prove that battles, campaigns, and even wars have been won or lost primarily because of logistics.” – General Dwight D. Eisenhower

Tailored Logistics Practices

The first step to get Defence Logistics right is to understand its distinctiveness from the commercial logistics. The commercial logistics is driven by:

1. Cost minimization (by inventory, transport and warehouse optimization)
2. Increased Sales
3. Achieving Service delivery
4. Improved Customer service/building relationships

And is measured by KPIs [1] such as:

- **Shipping Time:** *Spot potential issues in your order fulfilment process*
- **Transportation Costs:** *Analyze all costs from the order placement to its delivery*

- **Warehousing Costs:** *Optimize the expenses of your warehouse*
- **Number of Shipments:** *Understand how many orders are shipped*
- **Inventory Accuracy:** *Avoid problems because of inaccurate inventory*
- **Inventory Turnover:** *Track how many times your entire inventory is sold*
- **Inventory to Sales Ratio:** *Identify a potential overstock*

Which is all well and good since the main goal is to maximise profit. However, this model and the KPIs don't work for Defence Logistics, the main goal of which is to increase and maintain required *Capability* at what it may cost, and to ensure that the right item is available at the right time, to the right person, in the right location.

“Leaders win through logistics. Vision, sure. Strategy, yes. But when you go to war, you need to have both toilet paper and bullets at the right place at the right time. In other words, you must win through superior logistics.” – Tom Peters

In addition, the availability standard may change between *just-in-time* and *just-in-case* depending on the item and the situation it's needed in (resulting in less than optimized inventory, transport and warehousing). So, the logistics practices need to be tailored to suit Defence's objectives, yielding required *Capability-oriented* outcomes instead of the *cost-oriented*.

In the next article of this series, we will look into the features to consider while designing futuristic logistics systems for Defence.

Stay tuned!

References:

[1] <https://www.datapine.com/kpi-examples-and-templates/logistics>

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