

## SESSION KEY POINTS AND QUOTES

### From Supply Chain to Supply Stream: Creating Seamless Logistics

**Wednesday, 2 May, 16:30-18:00**

#### The Panel

- Melina Crane - Moderator
- Catharina Elmsäter-Svärd, Minister for Infrastructure, Sweden
- Oral Erdoğan, Professor, Istanbul Bilgi University, Turkey
- Jeff Langenfeld, Vice-President, International Logistics, Walmart, Inc, USA
- Peter van Laarhoven, Director Corporate Development, Schiphol Group, Netherlands
- Ron Widdows, CEO, Rickmers Holdings, Germany, and Chairman, World Shipping Council

#### Overview of Session

Supply chains are increasingly complex and schedule-dependent, with shippers organising production and distribution around just-in-time delivery. Logistics chains are built to reduce vulnerability to disruption but delays in individual consignments can still reverberate through the chain. This session explored key issues related to improving the performance of supply chains.

#### Key Points:

- Recently, supply chains have gone through dramatic changes. Increase and volatility in oil prices and changes in ship designs have slowed down supply chains.
- In response, companies and logistics managers need to adapt their operations either through changing the way they operate, or by building in buffer stocks of goods. Companies also adapt their logistic operations through active supply chain management schemes.
- In addition to speed, predictability is a key issue of a supply chain. For retailers, the lack of predictability for making deliveries to stores results with more inventories in supply chains.
- Indeed, retailers bringing products to the stores for customers spend most of their time looking at how to increase predictability and reliability of the supply chain.

- Hinterland connections are increasingly central to the competitiveness of ports and the overall efficiency of the supply chain. Throughput of existing terminals can be improved by locating some key services, such as warehousing and customs processing, away from constrained waterfronts to so called dry ports.
- High quality road, rail and inland shipping links greatly extend the reach of ports and improve connections. Government can help by making decisions on strategic investments for key infrastructure. In emerging economies, such as Turkey and India, governments have been investing heavily in improving the hinterland connectivity and improving supply chains.
- Supply chains operate across countries and modes. Governments can enhance connectivity across borders, regions, industries and modes by providing necessary harmonisation and standardisation (including customs regulation).
- There is need for better information on the movement of goods through supply chains. Governments can assist in promoting such frameworks, such as the Neutral Logistics Information Platform in the Netherlands, providing data seamlessly between customers and transport operators.
- With better information, the supply chains become smarter and more dynamic. Increasing availability of data about the location of goods at different phases of the supply chain is an opportunity that can significantly improve the performance of the supply chain.
- Transparent data is also critical to reducing the carbon footprint of transport operations.
- The keys to supply chain performance improvement do not necessarily lie with the government. Instead, there is a plea for all stakeholders (government, industry, academia) to work together at all levels.

### **Key Quotes:**

"80% of shippers still get information about the location of their cargo by fax." - Ron Widdows.

"Before building new infrastructure, we need to make sure the existing infrastructure works as it was meant to be." - Minister Elmsäter-Svärd.

"People don't ask how goods got to the store, they want the service." - Minister Elmsäter-Svärd.

"We report publicly on the reductions we achieve in CO<sub>2</sub> emissions and require all our suppliers to report to us on their carbon footprint." - Jeff Langenfeld.

Firms are heavily focused on their own production operations and assume that lowering production and also storage costs will enable them to create efficiency in the supply chain operations as well on the micro level." - Oral Erdoğan.

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