INTRODUCTION

This chapter provides the reader with a brief introduction on logistics and supply chain management. It identifies the major supply chain issues in the humanitarian sector, particularly as they relate to emergencies and also reveals the need for cross-learning between the private and the humanitarian sector, a topic that we elaborate on throughout the book.

FROM LOGISTICS TO SUPPLY CHAIN MANAGEMENT

Getting different actors to work together by sharing processes and distribution channels requires a vision that goes beyond mere logistics. It requires an integrated supply chain management approach to effectively coordinate inter-agency performance, eliminate redundancies, and maximize efficiencies.

In the late 1980s and early 1990s, we saw an evolution from logistics as an activity (i.e., bringing products from point A to point B) to supply chain management as a necessary function in integrating complex global networks of design, procurement, manufacturing, distribution,
and sale. This occurred in parallel with increased outsourcing of logistics activities to third-parties for reasons of cost as well as scope (“logistics is not our core competence”). Simultaneously, globalization trends pushed companies to look outside the box of their own company limits and pay attention to better coordination and integration of all activities along the total value chain. With globalization and increased outsourcing, the number of parties involved in bringing a simple product to a final consumer had significantly increased. Companies also started to recognize that all those parties contributed to the final consumer experience in terms of cost, quality, speed, variety, and innovation. The pieces of this now more complex puzzle needed to be coordinated. End-to-end supply chain management was born.¹

Like the private sector, the humanitarians have had to look beyond basic logistics and use this supply chain management approach to coordinate the different players involved in a relief operation.

**SUPPLY CHAIN MANAGEMENT**

Using the supply chain management approach provides the opportunity to optimize logistical performance at the inter-organizational level. It also forces organizations to choose what capabilities along the value chain to invest in and develop internally, and which activities to allocate for development by suppliers.²

The use of supply chain management techniques is becoming more popular in the humanitarian arena, with cross-functional and inter-agency approaches becoming more common – at least in intent, if not execution. According to Handfield and Nichols,³ the private sector