

A large, thick blue arrow graphic that starts from the bottom left, curves upwards and to the right, and then curves downwards and to the right, ending in a sharp arrowhead pointing towards the top right.

Careers in Logistics

What is Logistics About?

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ABOUT THE AUTHOR



ROGER OAKDEN LEARNING DEVELOPER

I am the owner of Learn About Logistics www.learnaboutlogistics.com, the specialist online learning provider of practical learning in logistics, supply chains and supply networks. My background as a practitioner, consultant and educator uniquely qualifies me to provide this service.

At RMIT University in Melbourne, Australia I developed and presented the largest supply chain post-graduate program in the Asia Pacific region; the program was presented at centres in Melbourne, Singapore and Hong Kong. While at the University I was appointed as the Ford Motor Company Procurement Fellow for a period of two years. I was later engaged as the Deputy Director of the Institute for Logistics and Supply Chain Management at Victoria University in Melbourne.

My extensive consulting background includes significant high-level roles. As an Associate Director at a global consulting firm, I led teams that assisted clients to improve their logistics operations, strategic procurement and associated IT systems.

Earlier, at a multinational computer company I provided analysis of IT requirements for manufacturing industry customers and project management for implementing ERP/MRP software applications.

My industrial management experience covered industrial engineering, management accounting, purchasing and operations in the shipping, chemical, metals and food industries.

I hold a Master degree in Logistics Management and a first class honours degree in Finance and Accounting. I am certified in Production and Inventory Management (CPIM) and a Certified Purchasing Manager (C.P.M). I am also certified in Assessment and Workplace Training.

I co-authored the book, published by McGraw-Hill in 2011, titled A Framework for Supply Chains – Logistics Operations with an Asia Pacific Perspective (in Australia and New Zealand it is titled A Framework for Supply Chains – Logistics Operations in the Asia Pacific Region). In 2007, I co-authored the book Working Capital: Business Success and Profitability. I was a contributing author for the books Dynamic Supply Chain Alignment – a new business model for peak performance in enterprise supply chains across all geographies (John Gatorna Ed. 2009) and Supply Chain Management – a Procurement Perspective (Pieter Nagel Ed. 2003). I have written articles for the business press and presented papers at conferences in Australia, Asia and Europe.

I am a past president of APICSau, the society for supply chain professionals in Australia.

What Does Logistics Do?

You have pushed a trolley down the aisles of a supermarket. But have you thought 'how did all those products get on the shelf?'

The easiest place to find the materials in a product is to read the ingredients on a food wrapper or box. For processed foods, the raw materials are grown on farms; the flow of materials from the farms to you is described as being from 'plough to plate'.

Likewise, consumer products such as a 'smartphone' commence with raw materials extracted from mines and oilwells. These materials flow through conversion, production and assembly processes to become the many goods that consumers and industrial customers can buy. For that to happen, the finished products are distributed to customers, such as retailers and industrial 'end users'.

The flow of items can be local, across the country or all over the world, so costs at every stage can be high. To ensure that items are available at the lowest total cost, organisations continuously improve the flow of their inbound, internal and outbound movement of materials, components and products and any associated services.

The role of Logistics is to ensure that goods and associated services are available for customers and consumers to buy.

But, the word Logistics is written on the side of so many trucks. Does this mean that logistics is transport? Storing goods in warehouses and transporting them to customers are certainly part of Logistics, but they are only a part.

To ensure the items a business is selling are available, Logistics does multiple things - it plans, schedules, receives, stores and delivers; using IT and often with an international view.

Logistics is a challenging and rewarding area in which to work. Yes, you can have a career in Logistics. Careers cover different types of logistics, all industries and organisations and can be global in scope.

There is a need for people skilled in Logistics across a broad base of industries and sectors. While the skills required can vary between operational, planning and commercial, there are also specific skills required in particular industries.

Types Of Logistics

In Organisations Providing Materials and Products

The role of Logistics is to ensure availability of materials, products and services for customers and consumers. The overall measure of logistics performance is 'Delivery in full, on time and with accuracy of all transactions'. This is known as DIFOTA and is a critical measure for an organisation.

Customer Service Logistics is concerned with the storing of items and delivery to customers and end users.

To provide Customer Service requires additional specialist logistics roles:

Bulk Logistics addresses the specific challenges of moving commodities in bulk, sometimes over long distances and even internationally, from the farm or mine to producers for the first stage of conversion. Commodities are called hard (minerals), such as iron ore and coal or soft (agricultural) such as wheat and sugar.

Conversion Logistics is responsible for the planning and scheduling of manufacturing. This includes the required inputs, production, final assembly, pack and test to meet country and region requirements and regulations. Conversion Logistics also applies to goods that are imported and may require finishing or packing.

Product Service Logistics is the logistics of repair and overhaul for industrial and consumer products. It can be performed by the company with the brand name or by a specialist service provider. Depending on the product and urgency of use, the servicing of products can be performed at the customer site or through return-to-base options.

Reverse Logistics retrieves items from customers and consumers that for many reasons are no longer required. Terms used in Reverse Logistics commence with 're' – re-use, re-manufacture, refurbish and recycle. These actions can make the returned items into different products, parts or materials for sale.

Environmental Logistics is an extension of Reverse Logistics. The role is to change the current 'take, make and dispose' approach of business, to one of designing products and processes that enable multiple cycles of assembly, disassembly and re-use. Also to identify the environmental inputs and outputs of the organisation that can be reduced or eliminated.

Types Of Logistics

In Organisations Providing Services

Service Response Logistics is required in service driven organisations, such as retail, hospitality, health facilities, banks and telemarketing centres. All these have a requirement of availability for clients and customers. The services provided may incorporate the supply of physical items and materials, such as forms, letters, promotional items, vouchers that make up the total service 'package'.

Support Logistics occurs in three areas:

1. Mining and continuous production operations such as petrochemical, steel and aluminium
2. Large service facilities such as airports and entertainment complexes and
3. Military weapons systems such as ships and fighter squadrons

The role of Support Logistics is to plan and schedule the availability of resources for the initial installation; planning the servicing of equipment throughout its operational life; obtaining and storing replacement and service parts and developing the skills of staff.

Event Logistics ensures that vehicles, artists and exhibits arrive from around the world and are in place when a motor show, music spectacular or an exhibition opens. And when the show is over, get everything to the next location on time or returned to where the exhibits are based.

Humanitarian Logistics supports the global supply operations that bring life-saving medicines, food and materials to people in developing countries affected by large natural disasters, such as floods, storms and earthquakes. It also supports the relief operations, such as keeping the transport helicopters in the air, which are often undertaken in very inhospitable conditions. For domestic relief situations in more developed countries, the function may be called Disaster and Emergency Logistics.

Logistics Service Providers (known as LSPs) is a term which covers the many types of businesses that are contracted by brand owning organisations to provide logistics services. The largest group is called Third Party Logistics Providers (or 3PLs); they operate in the distribution, warehousing and transport sectors. Note the other types of Logistics Service Providers in the chart below. They also offer excellent career prospects.

Roles Of Logistics Service Providers (LSPs)

Many businesses with different specialisations

Goods Movement Services	Materials Services	Professional Services
<p>Materials Movement services (referred to as 3PL):</p> <ul style="list-style-type: none"> ▪ Distribution including: <ul style="list-style-type: none"> ▪ pack and label services (incl. store ready merchandise) ▪ quality inspection and testing ▪ final assembly ▪ Order fulfilment incl. less than carton picking (also used for e-commerce based sales delivery) ▪ Consumer products home delivery service ▪ Warehousing & storage services incl. bonded warehouses ▪ Reverse Logistics return of products from the end user 	<p>Manufacturing Service Providers including:</p> <ul style="list-style-type: none"> ▪ Original Design Manufacturers (ODM) ▪ Contract Manufacturing (CM) ▪ Product design services 	<p>Financial services including:</p> <ul style="list-style-type: none"> ▪ Location and tax advice ▪ Futures market financing ▪ Financing Accounts Receivables ▪ Financing inventory ▪ Trade finance
<p>Transport Services including:</p> <ul style="list-style-type: none"> ▪ Road ▪ Rail ▪ Air ▪ Sea and inland waterways ▪ Courier, Express & Parcel (CEP) services 	<p>Procurement Services</p> <ul style="list-style-type: none"> ▪ Supply market knowledge analysis ▪ Sourcing ▪ Purchasing ▪ Disposal ▪ e-Procurement 	<p>Freight Insurance including risk management advice</p>
<p>Freight Forwarder and Customs Broker</p>	<p>Event Logistics services Incl. concerts, exhibitions and trade shows</p>	<p>International Trade legal services</p>
<p>Logistics Infrastructure operator including:</p> <ul style="list-style-type: none"> ▪ Intermodal transfer services ▪ Freight handling services at airports, seaports, container terminals and parks plus container maintenance ▪ Dense Trade Cluster management, including: logistics city, inland port, freight hub, logistics village and freight activity centre 	<p>Logistics Assets Support services</p> <ul style="list-style-type: none"> ▪ Maintenance of logistics (materials handling) equipment 	<p>Technology Services including:</p> <ul style="list-style-type: none"> ▪ Software applications for Supply Chain, Logistics & International Trade ▪ Logistics IT & communications services
<p>Materials Handling services - for pallets, bulk bins, secure wrapping, strapping systems etc.</p>	<p>Lead Logistics Provider (LLP) also called 4PL – consolidates the total logistics services for a client. Likely to be strategic, global, IT intensive and include optimisation of client's supply chains</p>	<p>Education and Training services</p>
<p>Note: the above services tend to be asset intensive and price/yield driven</p>	<p>Freight Managed Services including:</p> <ul style="list-style-type: none"> ▪ transport consolidation ▪ ship and aircraft brokering and chartering 	<p>Government departments and agencies - development of policy and administration of regulations in International Trade, Supply Chains and Logistics</p>

Logistics Jobs

There is a wide selection of interesting and challenging jobs in logistics. When commencing work, logistics professionals will most likely obtain jobs in either:

1. Product manufacturing companies, importers, wholesalers and services organisations (these are collectively known as shippers)
2. Logistics Service Providers (LSP) which offer logistics services for shippers

Jobs In Shippers

- planning and scheduling specialists
- operational staff who implement the plans and schedules
- analysts who measure and interpret data to evaluate logistics operating performance
- IT and communication technology staff that implement and manage logistics systems and communications
- support staff involved with the business relationship and performance of contracted LSPs
- commercial staff who negotiate and buy goods and services from suppliers
- customer service staff involved in business relationship with customers

Jobs In Logistics Service Providers (LSP)

- planning and scheduling specialists
- operational staff who implement the plans and schedules
- analysts who measure and interpret data to evaluate the performance and profitability of contracts at the LSP
- sales specialists who develop business relationships with current and prospective clients
- industry specialists that provide pre and post-sales support for the sales specialist
- IT and communication technology staff that implement and manage logistics support systems and communications
- consultants, advisers, trainers and educators

The term 'logistician' applies to senior specialists at shippers and LSPs, who are qualified and experienced in a range of industries, IT applications and a variety of logistics roles.

As logistics is a discipline that can be complex, uncertain and variable, it requires people with a business based qualification in which these factors have been studied. To be successful in their studies requires logistics professionals to:

- know the principles of logistics and associated areas
- know the principles of project management
- understand the fundamentals of finance, commercial law, economics and marketing
- be comfortable with IT and technologies
- have an ability to analyse numbers and think analytically – use statistics and mathematics
- have the capacity for critical thinking
- understand the need to develop global relationships and work with different cultures

Careers in Logistics are challenging, occur in many different organisations and are never dull!

