Lessons Learned: Humanitarian Logistics

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Humanitarian Research Group

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INSEAD Social Innovation Centre

Brings together the academic expertise of a diverse group of leading INSEAD research teams to develop and deliver innovative, sustainable solutions to social and environmental challenges.

Through education, research and outreach activities it addresses:
• Humanitarian Research
• Environment & Sustainable Operations
• Healthcare Management
• Social Entrepreneurship
• Africa
• CSR and Ethics
Humanitarian Research Group

Based in Fontainebleau (France), and Abu Dhabi (UAE).

Goal is to:

- Raise the awareness of management issues pertinent to emergency operations and humanitarian crises
- Develop a science of humanitarian operations including cross-learning between private and humanitarian sectors

Focus on:

- Disaster Preparedness
- Response Coordination
- Stakeholder Collaboration (CSR, PPP)
- Access to Healthcare
- Fleet Management

Humanitarian Research Group

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Humanitarian Supply Chains:

- Difficult to assess the level of commitment of the different actors
  - Donors
  - Agencies
  - Media
  - Military
  - Suppliers ….

- Coordination challenges (alignment)
- Lack of profit incentives to work together

- Ambiguous Objectives
- Limited Resources
- High Uncertainty
- Urgency
- Politicized Environments
Humanitarian Supply Chains:

Ambiguous Objectives
Limited Resources
High Uncertainty
Urgency
Politicized Environments

and asymmetric investment for

- Human resources: high-staff turnovers, difficult working environments, and limited pool of readily deployable qualified staff
- Capital resources: reactivity of the funds, liquidity and credit terms for suppliers
- Infrastructure: inexisten, damaged or insufficient for the peaks in the demand

Humanitarian Supply Chains:

Ambiguous Objectives
Limited Resources
High Uncertainty
Urgency
Politicized Environments

- Changes in demand and supply
- Poor or limited pipeline visibility for the overall operation
- Difficult to assess the level of commitment of different players
- Risks are high and volatile, often escalating and presenting new bottlenecks or demands
- Financial flows can be hard to predict as they are not always needs driven
Humanitarian Supply Chains:

- Ambiguous Objectives
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- Politicized Environments

High level of intensity:

No. of Tasks
(Time x Available Resources)

Humanitarian Supply Chains:

- A-political activities in a political environment driven by different incentives and agendas

- Humanitarian organizations operate in a 'humanitarian space' created by their adherence to principles:
  - Humanity
  - Neutrality
  - Impartiality

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Cycle Time: Time-based Competition

- Cycle time is the total elapsed time to complete a business process.
- Often times only 3-5% of the process has real work.  

<table>
<thead>
<tr>
<th>Causes of Long Cycle Times</th>
<th>Opportunities for Reduction:</th>
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<tbody>
<tr>
<td>• Waiting</td>
<td>• Material Planning and Scheduling</td>
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<tr>
<td>• Non-Value Added Activities</td>
<td>• Purchase Order Cycle</td>
</tr>
<tr>
<td>• Repeating Process Activities (quality issues)</td>
<td>• Inbound Transportation</td>
</tr>
<tr>
<td>• Excessive Controls</td>
<td>• Material receipt/inspection</td>
</tr>
<tr>
<td>• Ambiguous Goals &amp; Objectives (understand contribution)</td>
<td>• Material review activities</td>
</tr>
<tr>
<td>• Poorly designed procedures and forms</td>
<td>• Manufacturing processes</td>
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<td>• Lack of information (content and relevance)</td>
<td>• Customer order processing</td>
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<td>• Poor communication (process and contact)</td>
<td>• Warehousing operations</td>
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<tr>
<td>• Limited coordination (roles and rules of engagement)</td>
<td>• Outbound Operations</td>
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<td>• Limited cooperation (commitment)</td>
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<tr>
<td>• Lack of/Ineffective training</td>
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</tbody>
</table>

1. Handfield, Reengineering for Time-Base Competition
2. Nichols, 1996 (Purchase Today). "It's About Time!"

CSR Learning Labs for Competitiveness*

- **Private Back Office**
  - Alignment

- **Humanitarian Front Office**
  - Agility
  - Adaptability

*Lessons and Results:*
- New skills and challenges
- Entrenchment in the social fabric
- Employee motivation
- Reputation

*Lessons and Results:*
- Corporate language
- Private sector exposure
- Cash donations
- Staff (specialized knowledge), assets.

*"Logistics Firms and Relief Agencies: learning from each other". Rolando M Tomasini and Luk N. Van Wassenhove. INSEAD Quarterly Fall 2005.*
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