

Quality of logistical cost controlling

Executive Summary

Contact partners

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German companies often only pay lip service to supply chain cost controlling

Objective

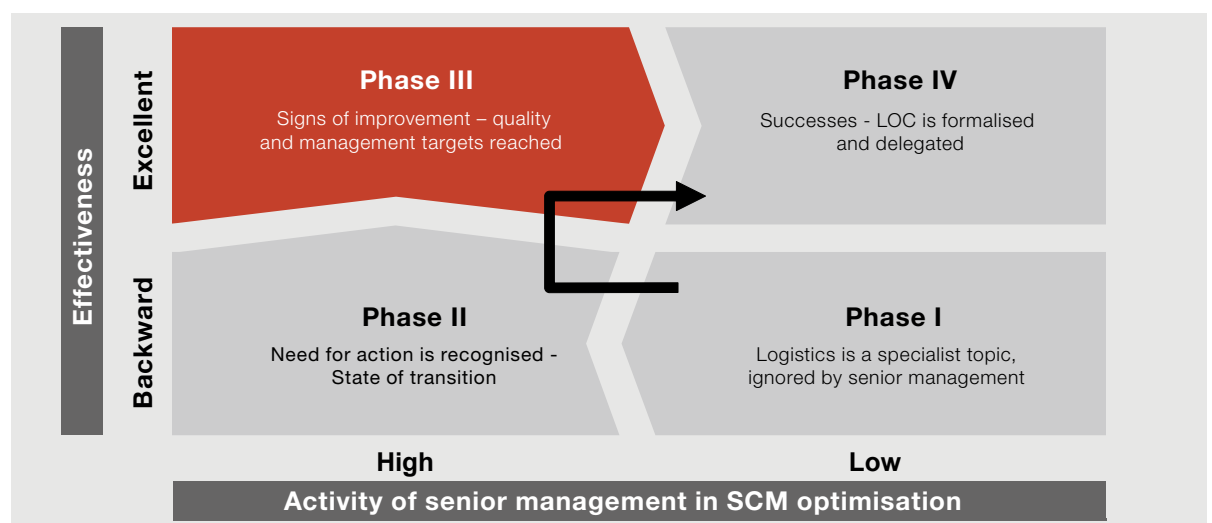
- Investigation of logistics cost controlling in German production and commercial companies
- Determining the quality of control in the operative value-creation chain
- Analysis of the organisational responsibility and practical management processes

Methodology/Design

- Survey of 52 German companies with an average annual turnover of € 1.1 billion, about various components of the logistics management, with statistical evaluation of the results
- Derivation of the “Logistics management efficacy” from some 150 individual parameters, expressing the quality of the logistics management as a percentage (maximum 100 percent)

Results

- The companies achieved on average a logistics management efficacy of 57 percent. (range: 23% - 81 %)
- The logistical functions and activities are spread over numerous company sectors, without any overall process control
- Significant improvements are only possible with long-term involvement of senior management
- By collecting process responsibility, the costs of the internal logistics can be reduced by up to 20 percent and thus the EBIT can be increased by up to two percentage points.



Four phases of the development to excellent logistics management