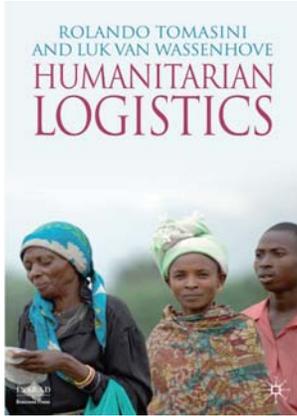


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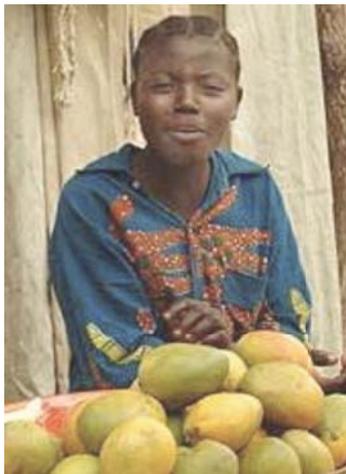
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Lessons Learned: Humanitarian Logistics

Rolando M Tomasini,
Program Manager and Group Leader
Humanitarian Research Group

Atlanta, February 19th, 2009
Georgia Tech Conference

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

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Humanitarian Research Group



Professor Luk Van Wassenhove

Henry Ford Chaired Professor in Manufacturing and Academic Director of Social Innovation Center

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Research Partners...



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Humanitarian Supply Chains:

Ambiguous
Objectives



Limited
Resources

High Uncertainty

Urgency

Politicized
Environments

- 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

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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: inexistent, 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

Limited
Resources

High Uncertainty

Urgency →

Politicized
Environments

High level of intensity:

No. of Tasks
(Time x Available Resources)

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Humanitarian Supply Chains:

Ambiguous
Objectives

Limited
Resources

High Uncertainty

Urgency

Politicized
Environments →

- 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

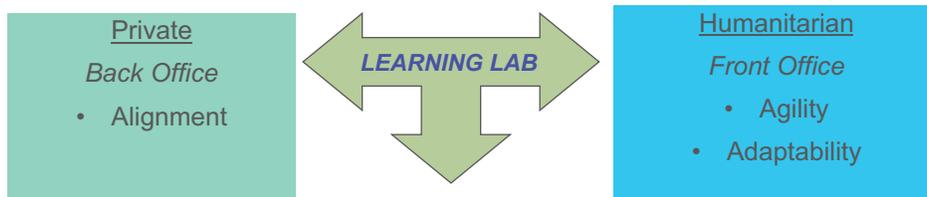
- Cycle time is the total elapsed time to complete a business process.
 - Often times only 3-5% of the process has real work ¹

Causes of Long Cycle Times ²	Opportunities for Reduction:
<ul style="list-style-type: none"> •Waiting •Non-Value Added Activities •Repeating Process Activities (quality issues) •Excessive Controls •Ambiguous Goals & Objectives (understand contribution) •Poorly designed procedures and forms •Lack of information (content and relevance) •Poor communication (process and contact) •Limited coordination (roles and rules of engagement) •Limited cooperation (commitment) •Lack of/Ineffective training 	<ul style="list-style-type: none"> • Material Planning and Scheduling • Purchase Order Cycle • Inbound Transportation • Material receipt/inspection • Material review activities • Manufacturing processes • Customer order processing • Warehousing operations • Outbound Operations

1. Handfield, *Reengineering for Time-Based Competition*

2. Nichols, 1996 (*Purchase Today*). "Its About Time!"

CSR Learning Labs for Competitiveness*



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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