

Gartner®

Gartner for Supply Chain Leaders

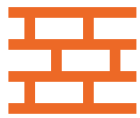
Assess Supply Chain Logistics Maturity

Benchmark supply chain logistics
strategy and performance



Summary

Assessing and benchmarking the maturity of logistics capabilities allow supply chain leaders to establish a performance baseline for the logistics function, identify critical gaps, prioritize initiatives and design an effective development strategy.



Challenge

When looking to develop the logistics function, many supply chain leaders struggle to engage, define and articulate the contribution and true value of logistics to the supply chain and broader organization. They typically focus on developing individual aspects of logistics performance rather than aligning all capabilities with the core principles of logistics success. And they tend to lack a formal process or framework for organizing resources around a common approach to logistics development.



Recommendation

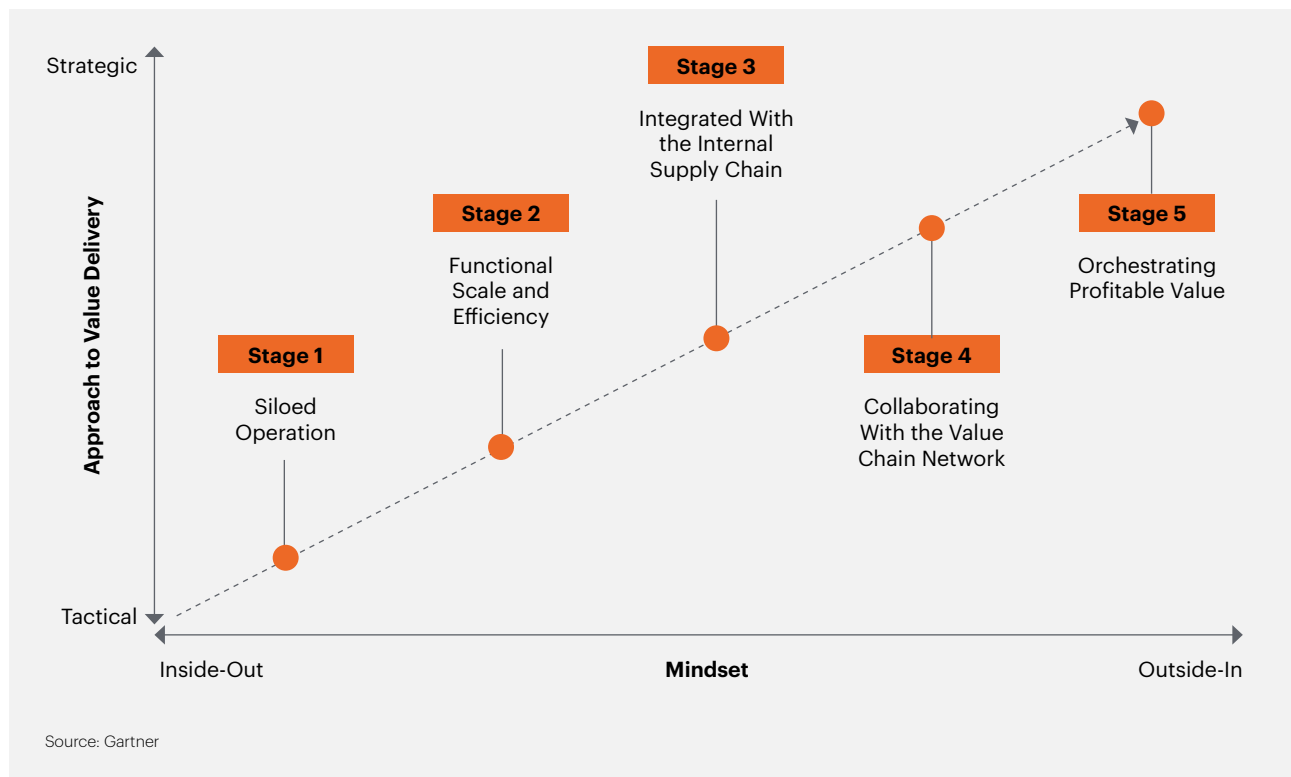
Gartner recommends that supply chain leaders focused on developing and improving logistics strategy, performance and maturity start by establishing the company's logistics maturity baseline and isolating the critical capability gaps that require prioritization and development. From this diagnosis you can then design a comprehensive strategy for achieving logistics excellence and sustaining higher maturity levels.



Gartner Support for Improving the Maturity of Supply Chain Logistics

Our Five-Stage Maturity Model for Logistics Excellence (below) provides a framework for developing an organization's logistics capabilities over five sequential stages of maturity. The competencies inherent to each stage provide essential building blocks for progression and advancement. Supply chain leaders can use the model as a guide to create a roadmap for logistics development — a roadmap that isolates capability gaps, prioritizes development initiatives and outlines a clear strategy to achieve logistics excellence.

Figure 1. Gartner's Five-Stage Maturity Model for Logistics Excellence



The maturity model can be used to assess every major logistics capability — within strategic, governance and operational capabilities.

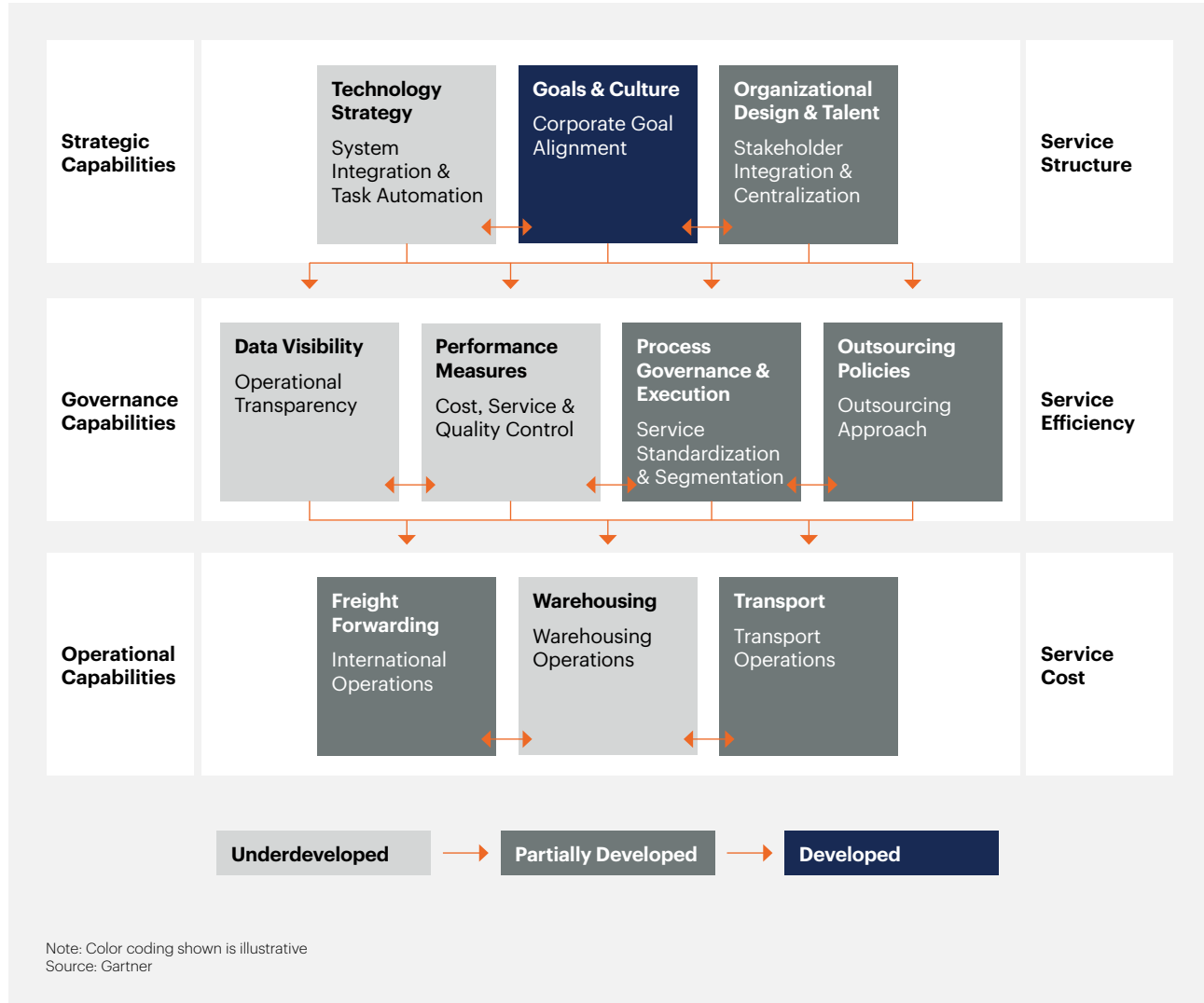
Figure 2. The 10 Capabilities of the Logistics Function

Logistics Capability		Definition
Strategic Capabilities	Goals & Culture	The mission/vision and overall objectives/targets of the logistics organization, including the corporate culture it operates in.
	Organizational Design & Talent	The organizational structure of the logistics function, including the people responsible, their competencies and the talent development required for the execution of services.
	Technology Strategy	The strategic approach used by the logistics function to invest in, deploy and integrate logistics-based technologies (in-house, outsourced or hybrid) that support the day-to-day planning and execution of services across operations.
Governance Capabilities	Data Visibility	The breadth, granularity and input methods for the operational master data used by the logistics function to manage the price, quality and performance of services executed across operations and modes.
	Performance Measures	The type of metrics and reporting methods used by the logistics function to measure, monitor and govern the cost, quality and performance levels of the services.
	Process Governance & Execution	The way in which logistics processes are designed, documented, deployed and automated to support the effective execution of logistics services across operations.
	Outsourcing Policies	The way in which the logistics function approaches the management and engagement of third-party logistics providers that undertake the execution of physical and/or administrative tasks or service delivery in place of the organization, or as an agent.
Operational Capabilities	Freight Forwarding	All of the procedures associated with organizing, planning, executing and managing the movement of goods, whether raw materials/components or outbound finished goods across international borders.
	Warehousing	All of the procedures associated with organizing, planning, executing and managing the warehouse locations (in-house, outsourced or hybrid) used to receive, store, process or dispatch goods, whether inbound raw materials/components or outbound finished products.
	Transport	All of the procedures associated with organizing, planning, executing and managing the domestic transport of goods, whether inbound raw materials/components or outbound finished products to the place of final delivery.

Source: Gartner

Once you have assessed each logistics capability as underdeveloped (Stage 1), partially developed (Stages 2 and 3) or developed (Stages 4 and 5), you can then do a gap analysis (below) to understand the impact of capability gaps on functional performance overall, identify potential roadblocks, and elevate the development initiatives that will drive the most improvement or enable the most positive changes to capabilities downstream.

Figure 3. Gartner’s Framework for Logistics Development Showing a Detailed Gap Analysis



Actionable, objective insight

Position your supply chain organization for success. Explore these additional complimentary resources and tools related to logistics management.

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30 Key Logistics Activities

Map of the essential activities for logistics management.

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