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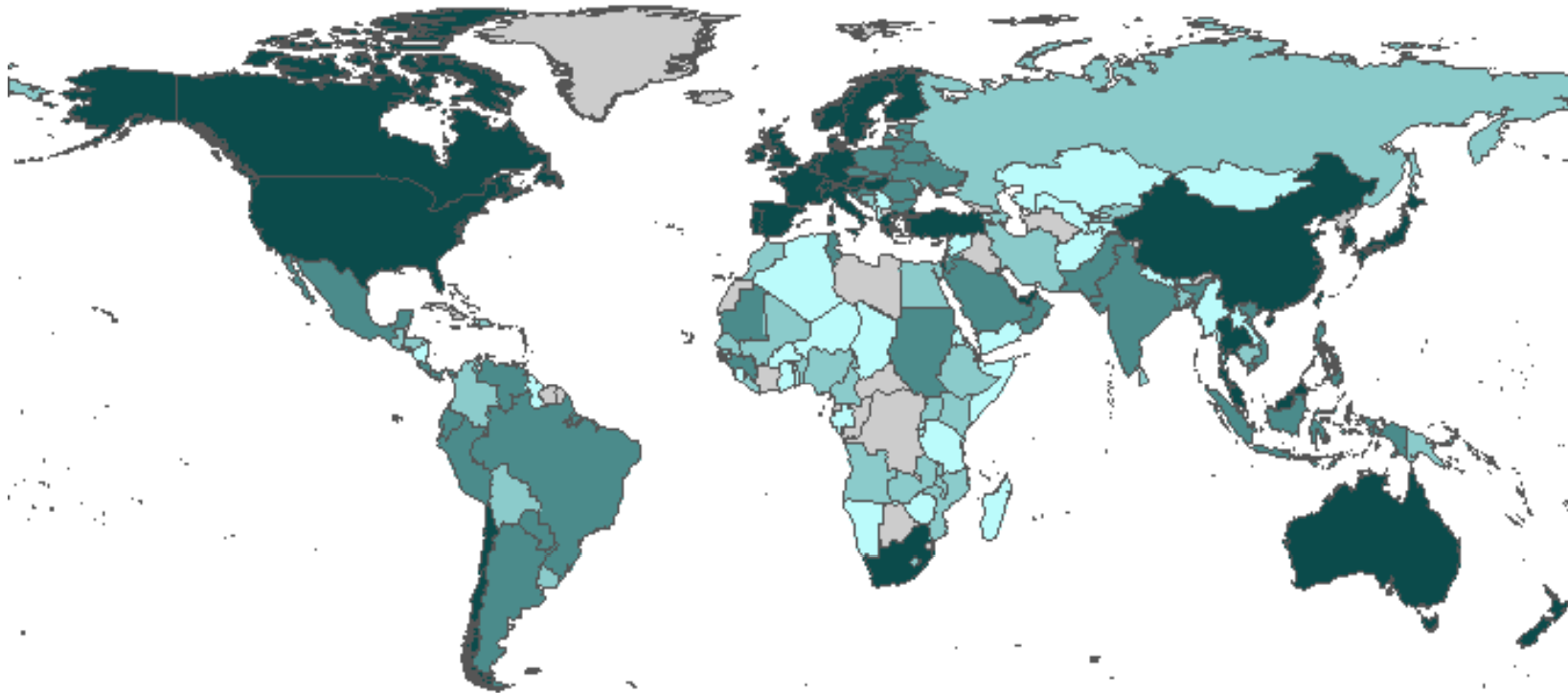
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Supply chains in Latin America and the Caribbean – Challenges and Opportunities

Transportation, Security and Logistics Forum
University of Bayamon
February 20th 2009

World Logistics Performance Index



Source : www.worldbank.org

■ No data

■ $1 \leq \text{LPI} \leq 2.14$

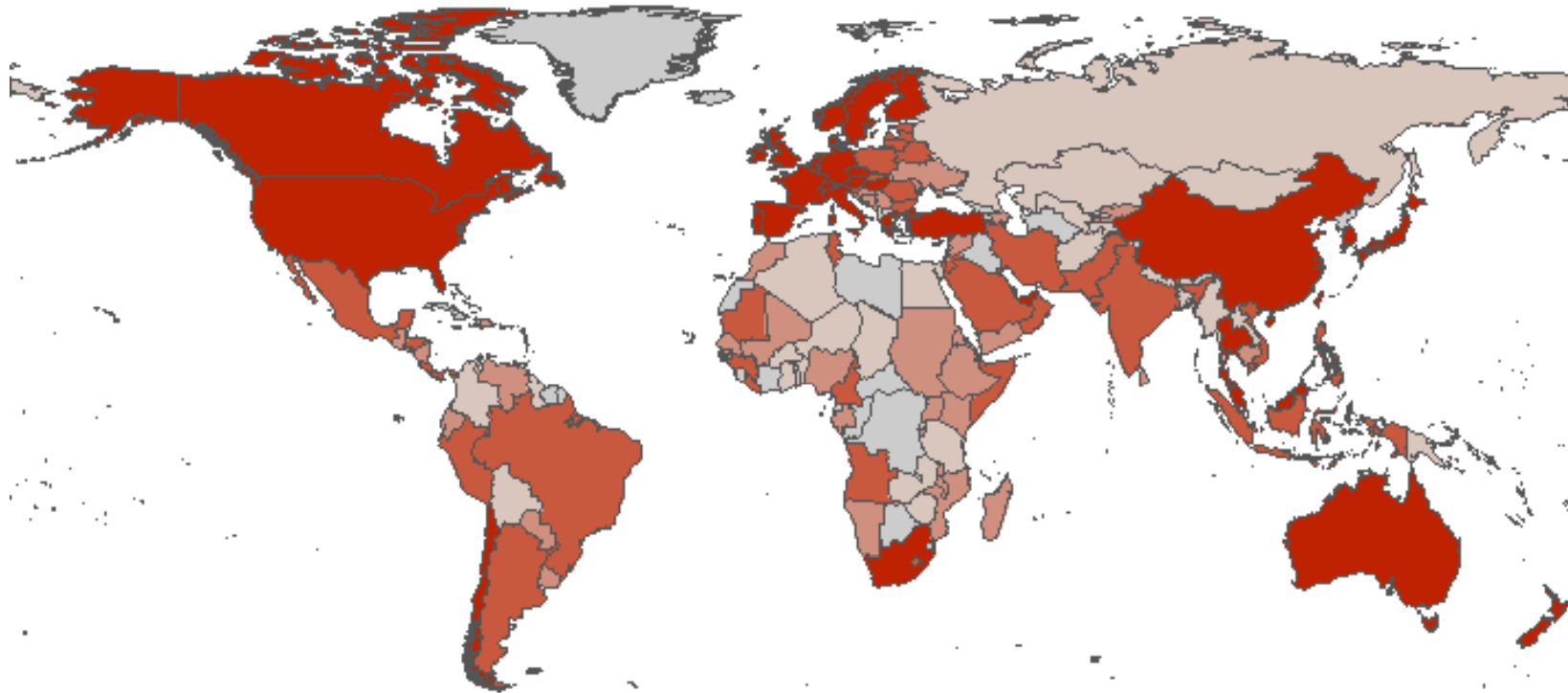
■ $2.14 \leq \text{LPI} \leq 2.38$

■ $2.38 \leq \text{LPI} \leq 2.89$

■ $2.89 \leq \text{LPI} \leq 5$

1 is the lowest score and 5 is the maximum score

Customs



Source : www.worldbank.org

□ No data

□ 2.14 ≤ Customs ≤ 2.38

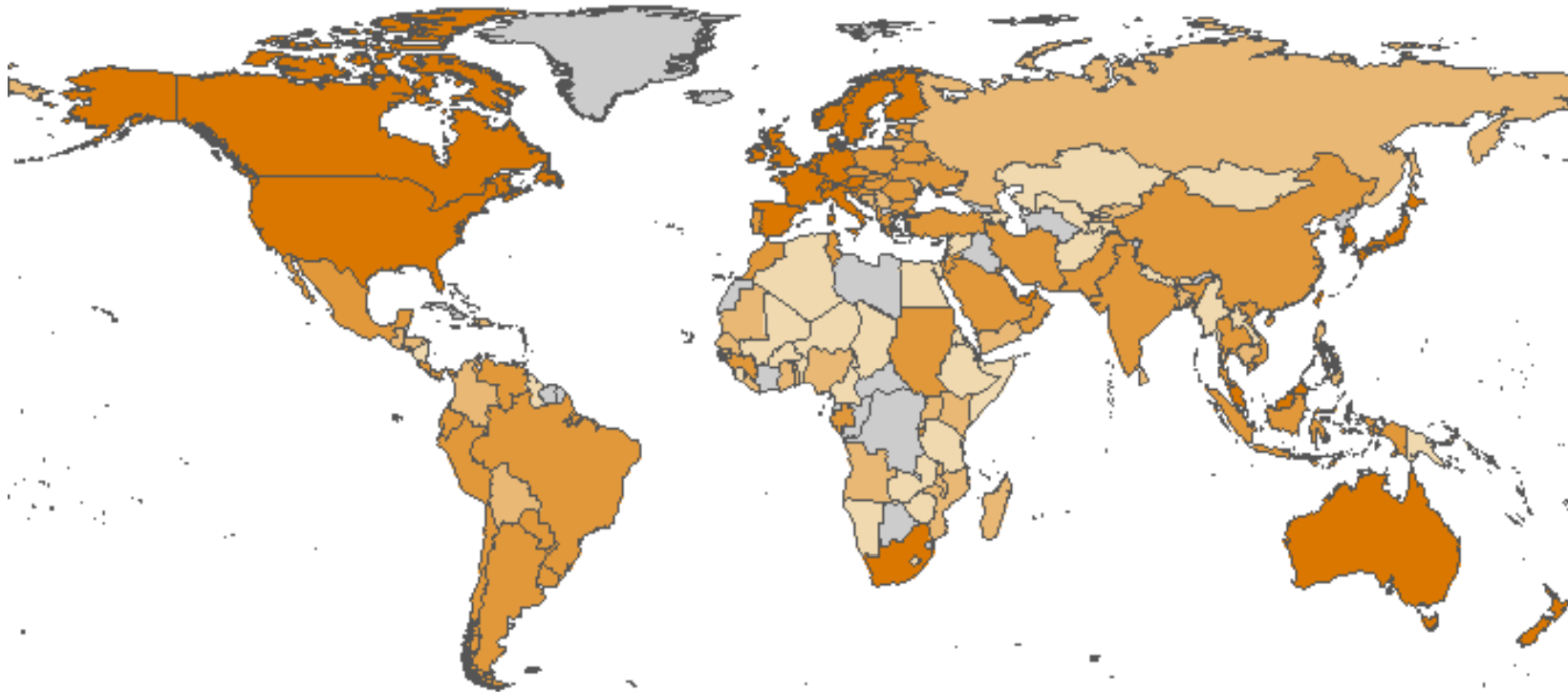
□ 2.89 ≤ Customs ≤ 5

□ 1 ≤ Customs ≤ 2.14

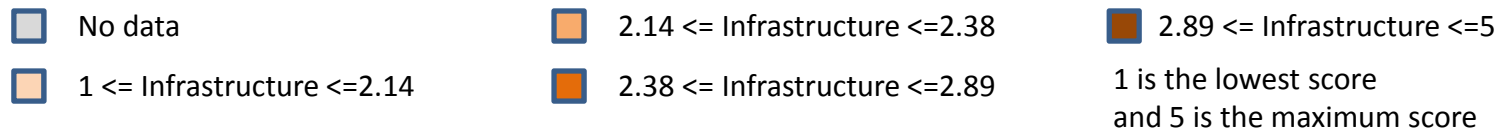
□ 2.38 ≤ Customs ≤ 2.89

1 is the lowest score and 5 is the maximum score

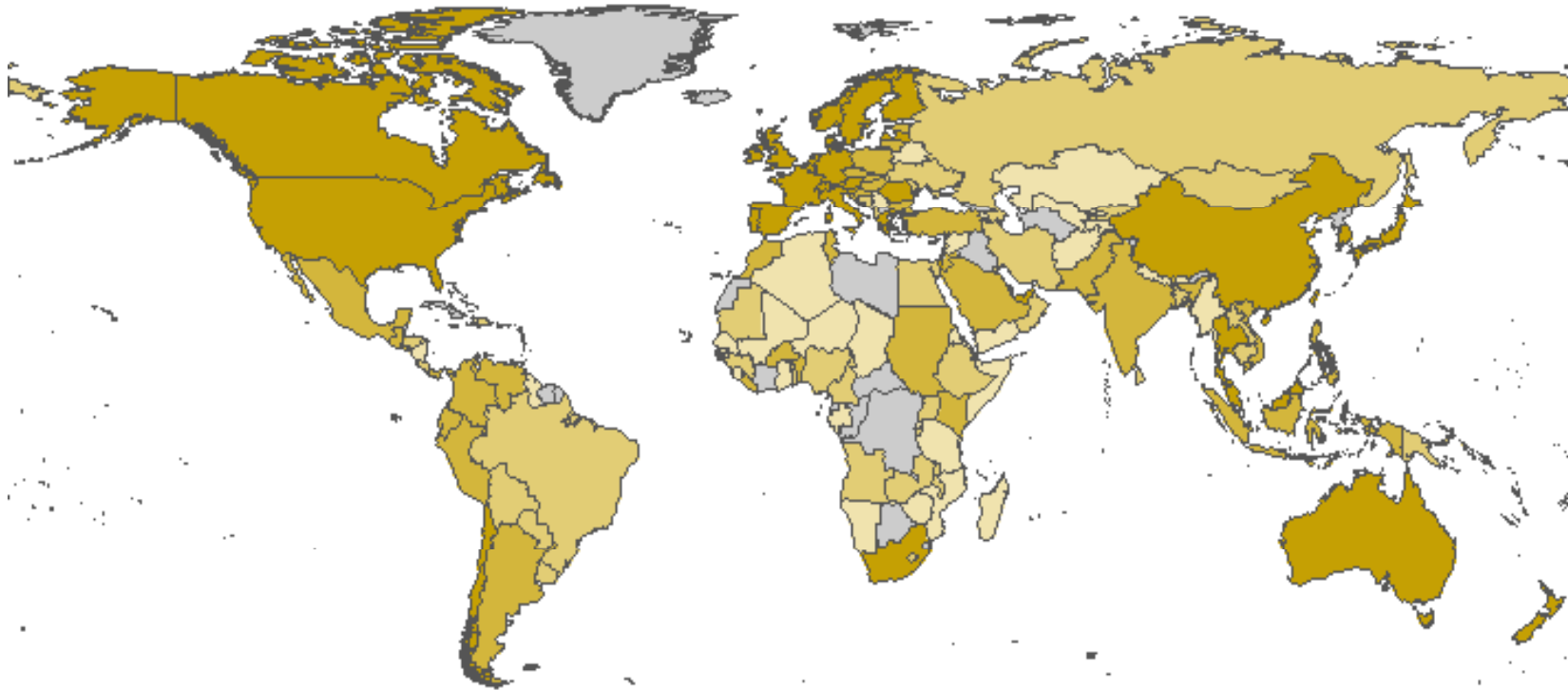
Infrastructure



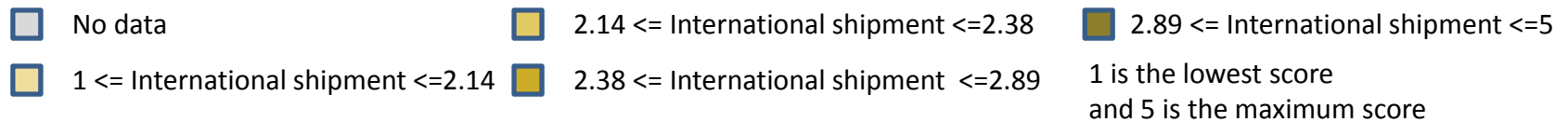
Source : www.worldbank.org



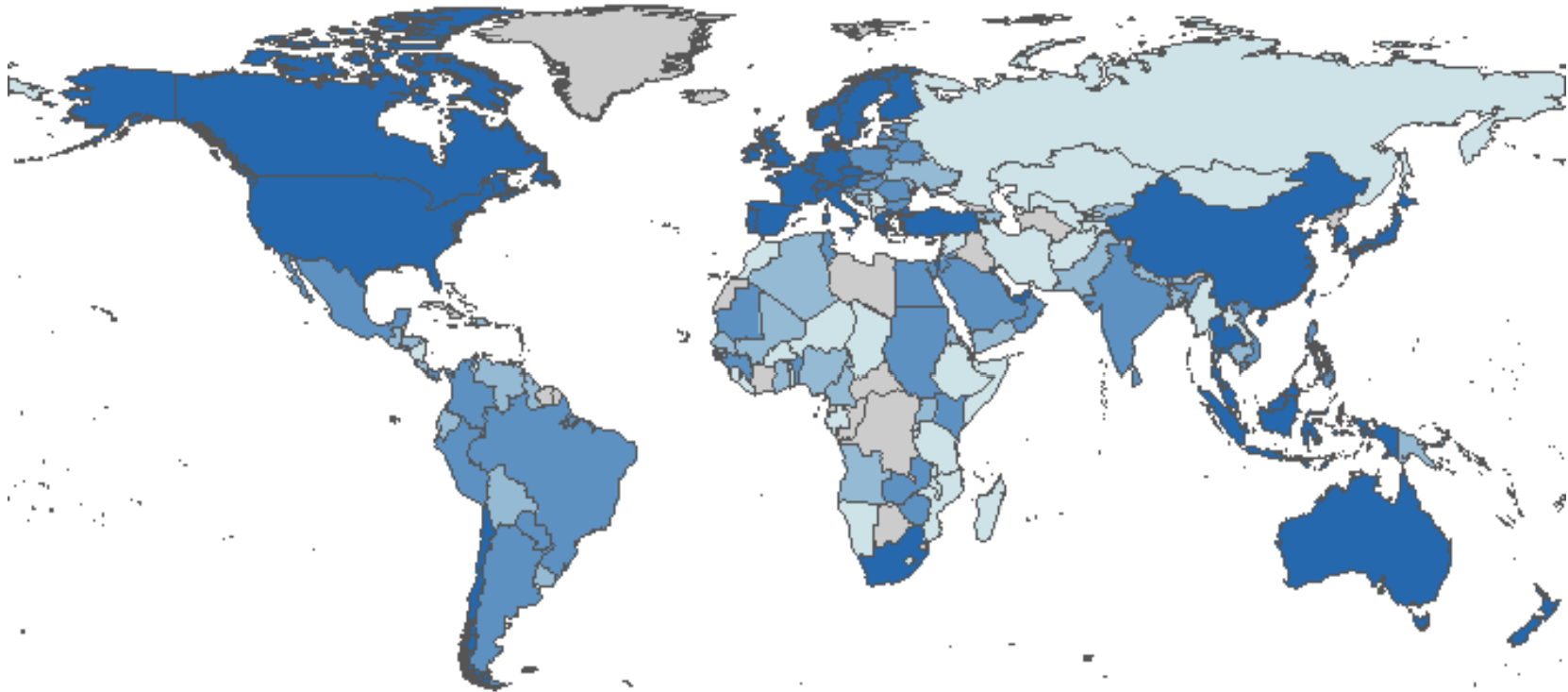
International Shipment



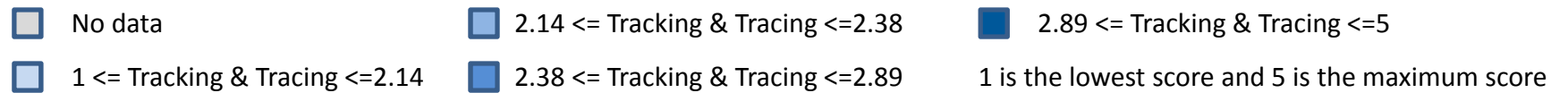
Source : www.worldbank.org



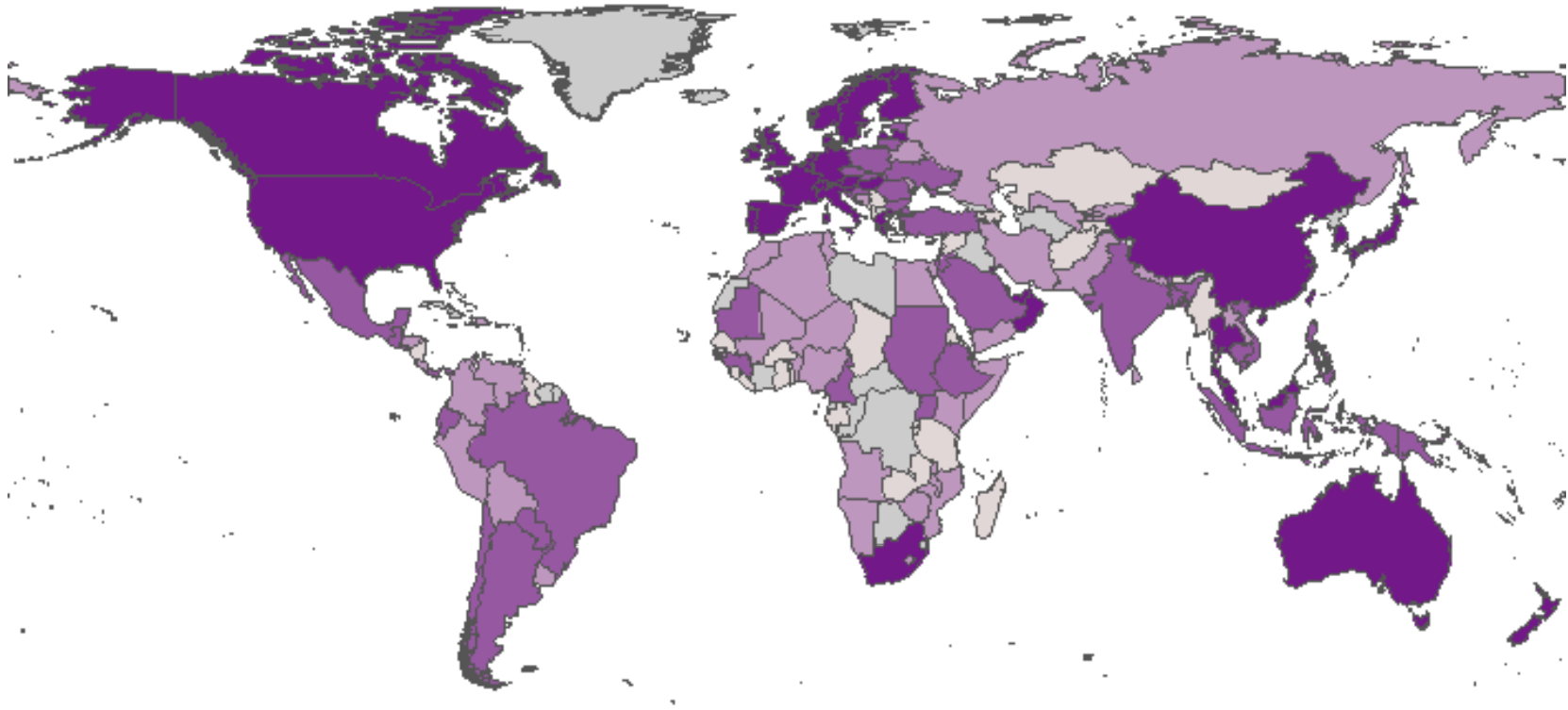
Tracking and Tracing



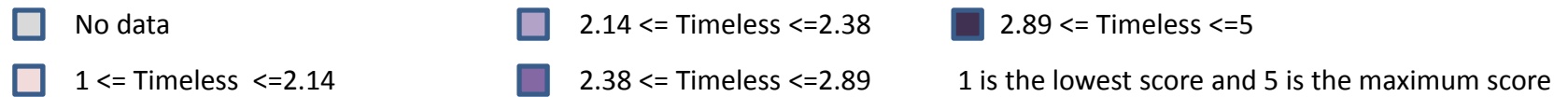
Source : www.worldbank.org



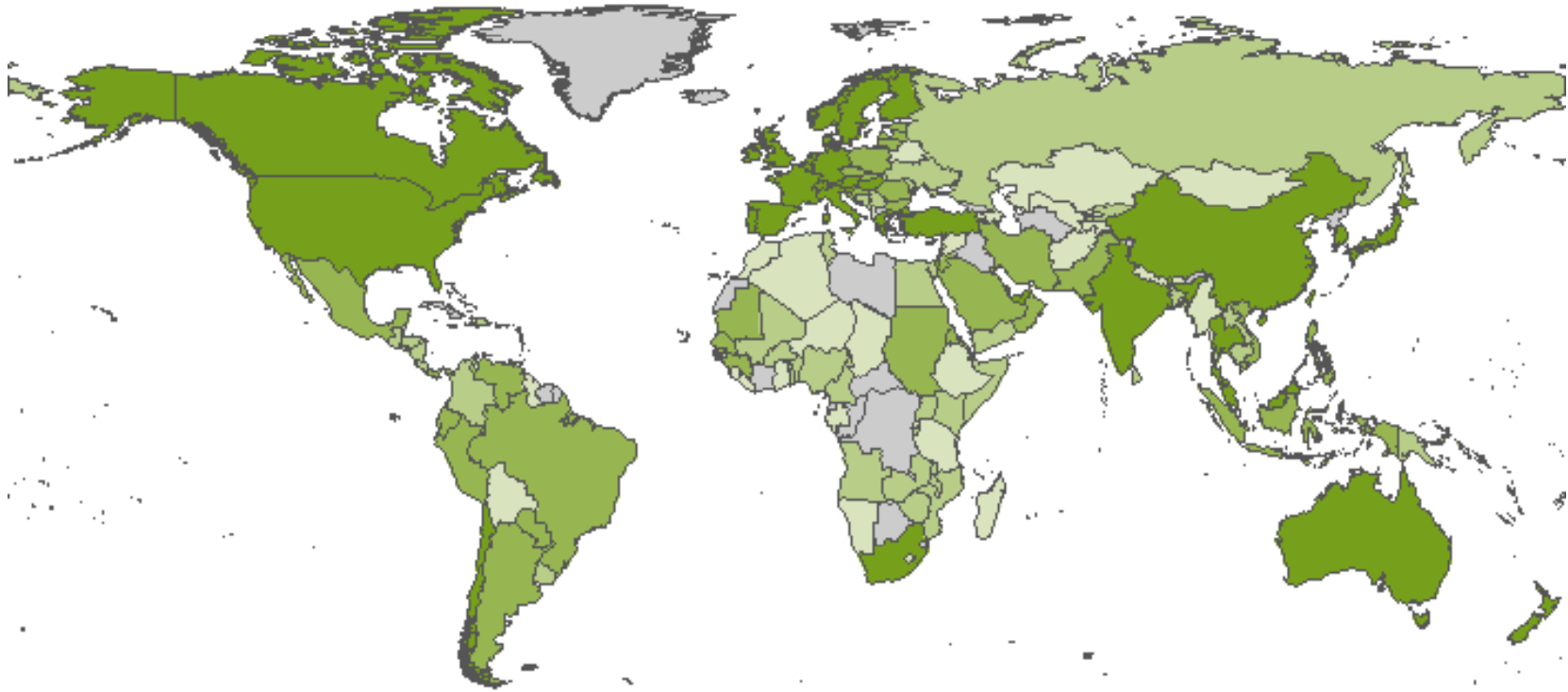
Timeless



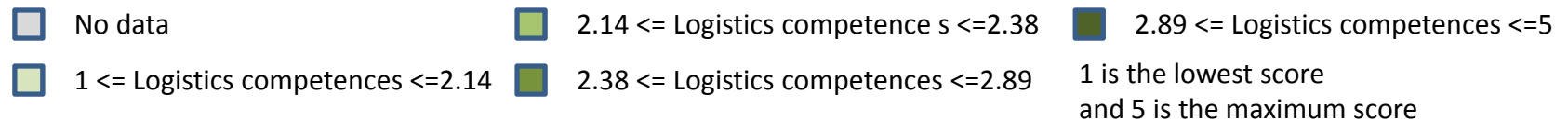
Source : www.worldbank.org



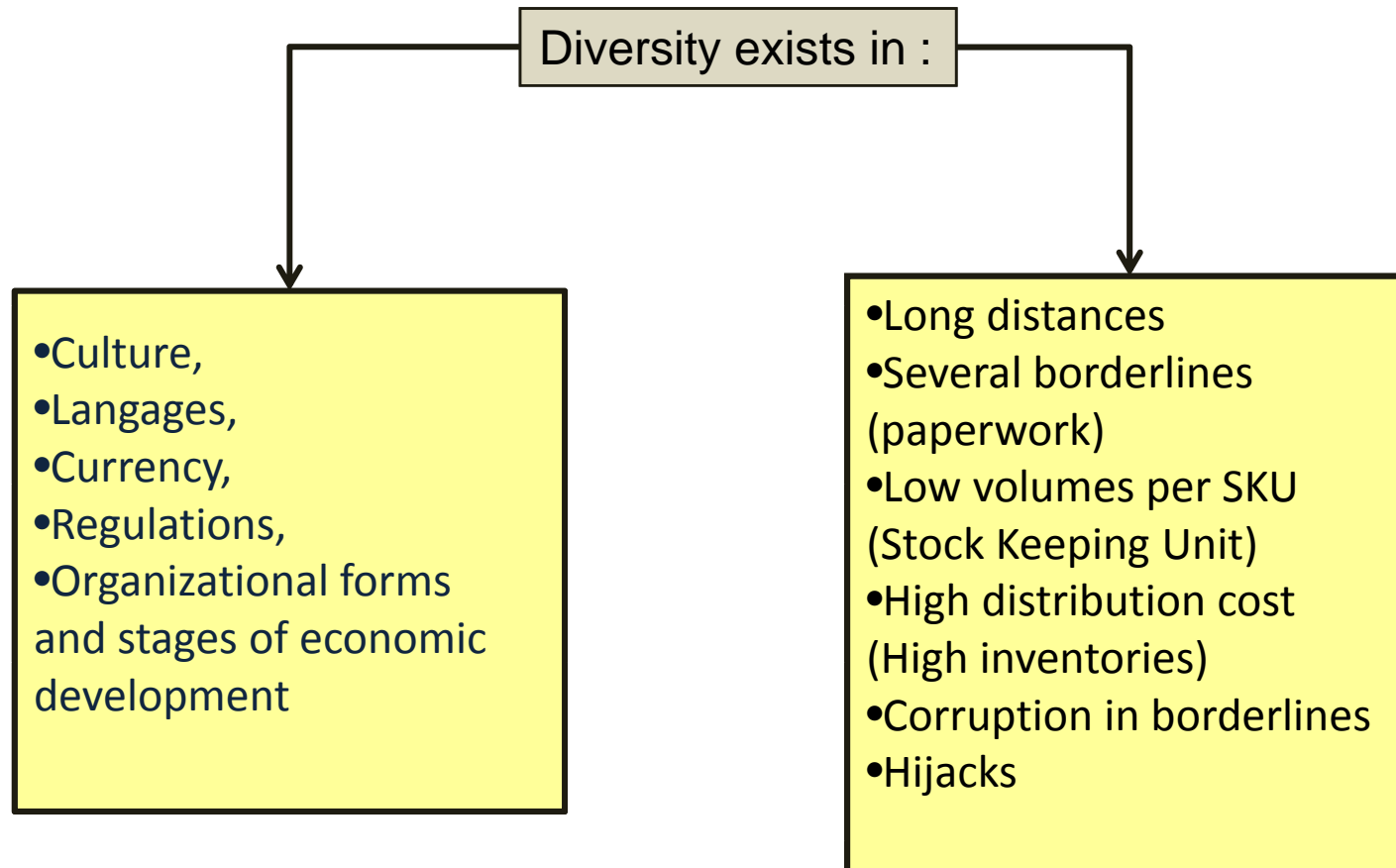
Logistics Competences



Source : www.worldbank.org



Characteristics of LAC supply chains



LAC Supply chain networks are very complex

The logistics market is very fragmented

Little consolidation due to fragmentation and governmental regulations

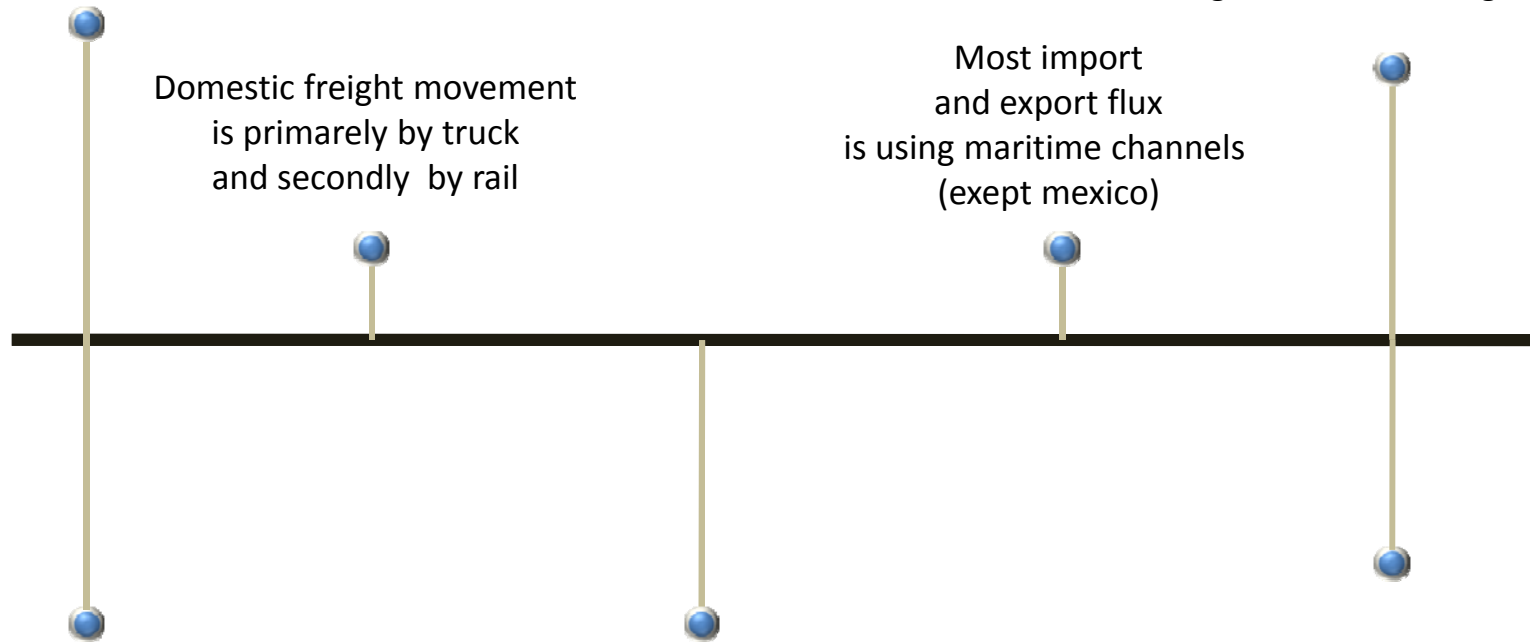
Domestic freight movement is primarily by truck and secondly by rail

Most import and export flux is using maritime channels (except Mexico)

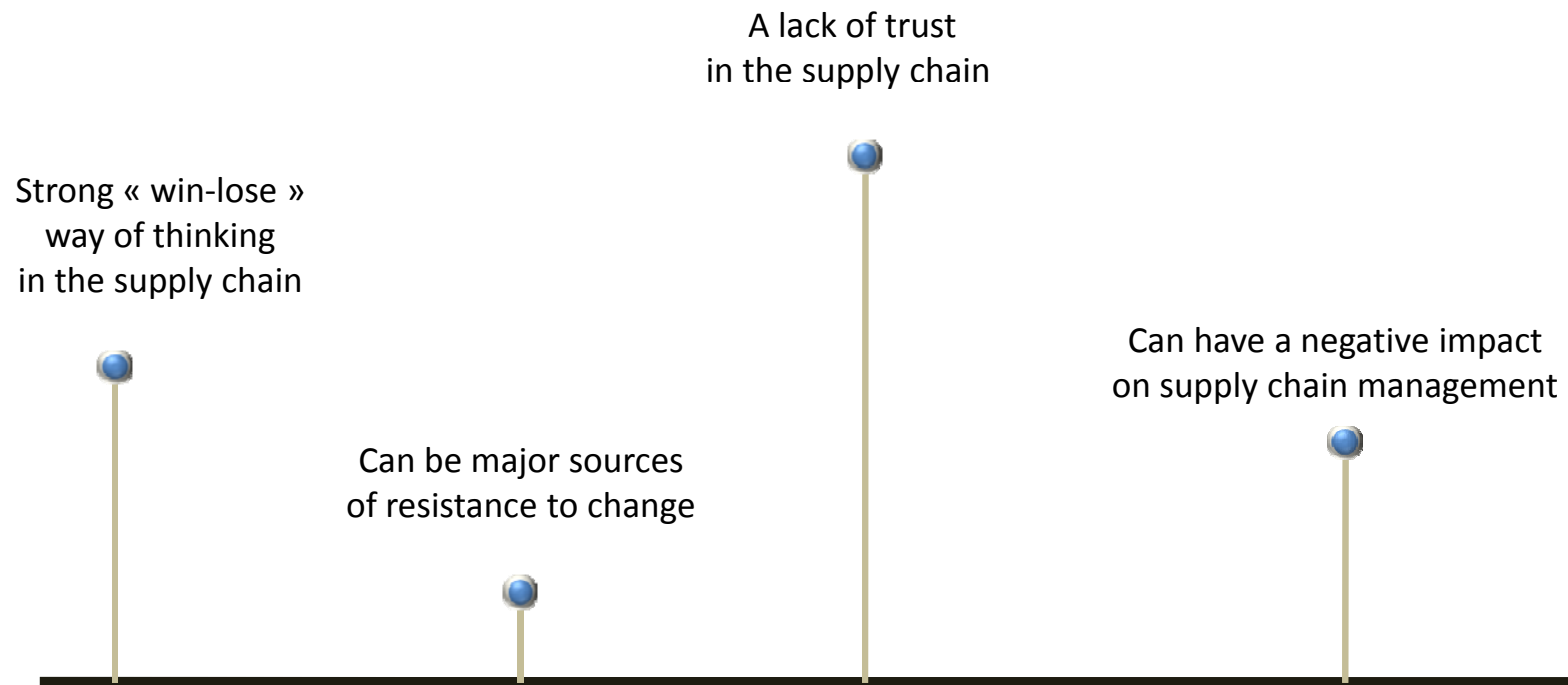
Small and mid-size players in the market

Shortfall of truly national logistics carriers because of :
- up-front investment
- high financing charges

Local and subregional players leaders on their market through :
- corruption
- basic monopolistic practices

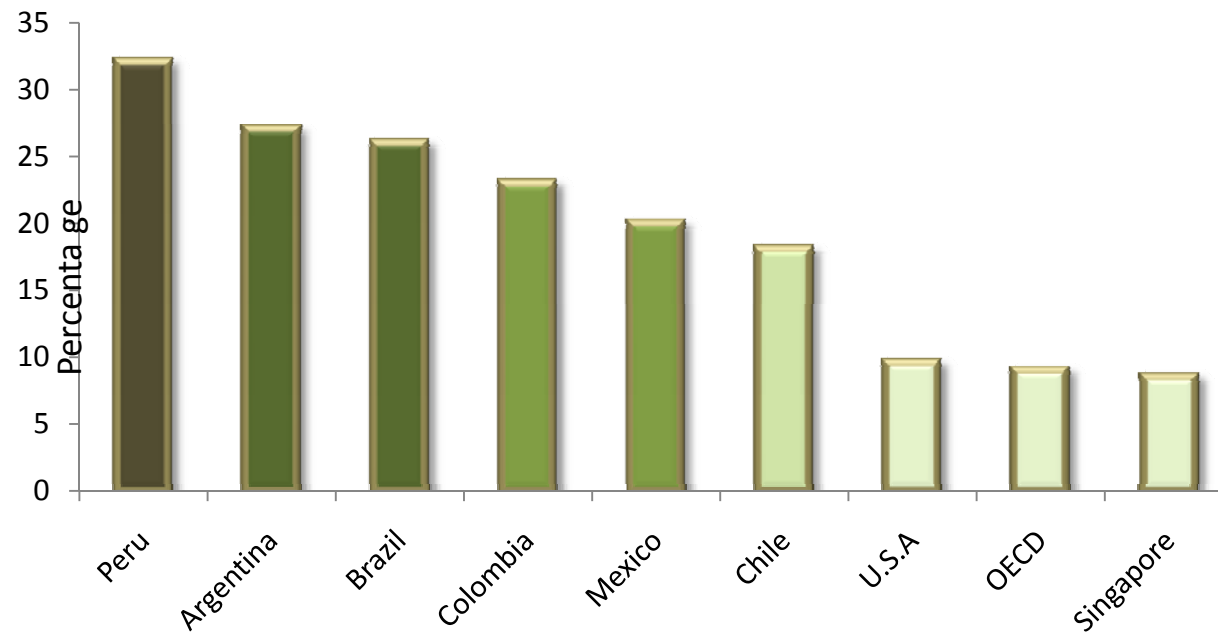


Cultural mindset in LAC supply chain



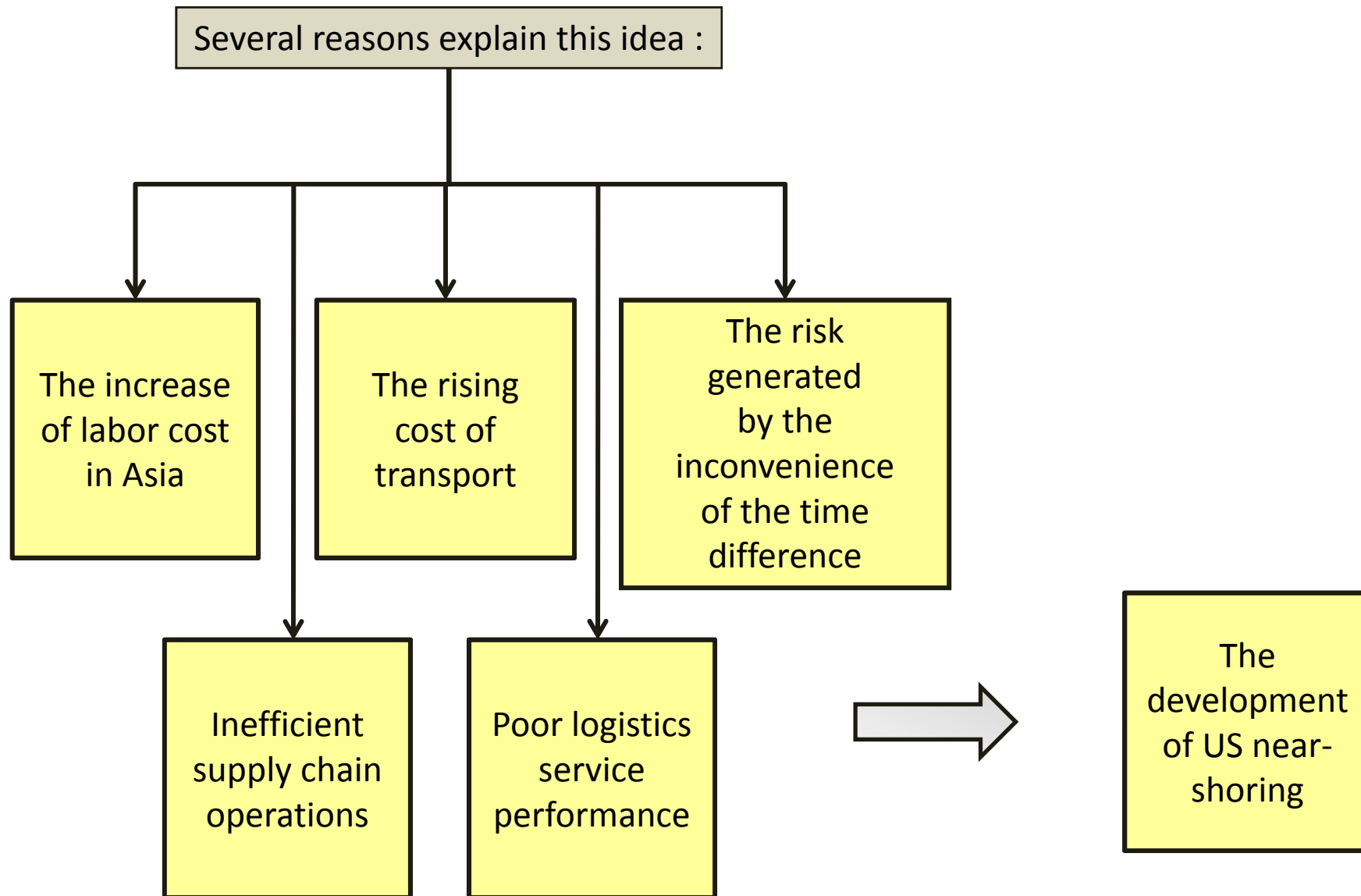
A Region with High Logistics Cost

Logistics cost as percentage of product value, 2004.

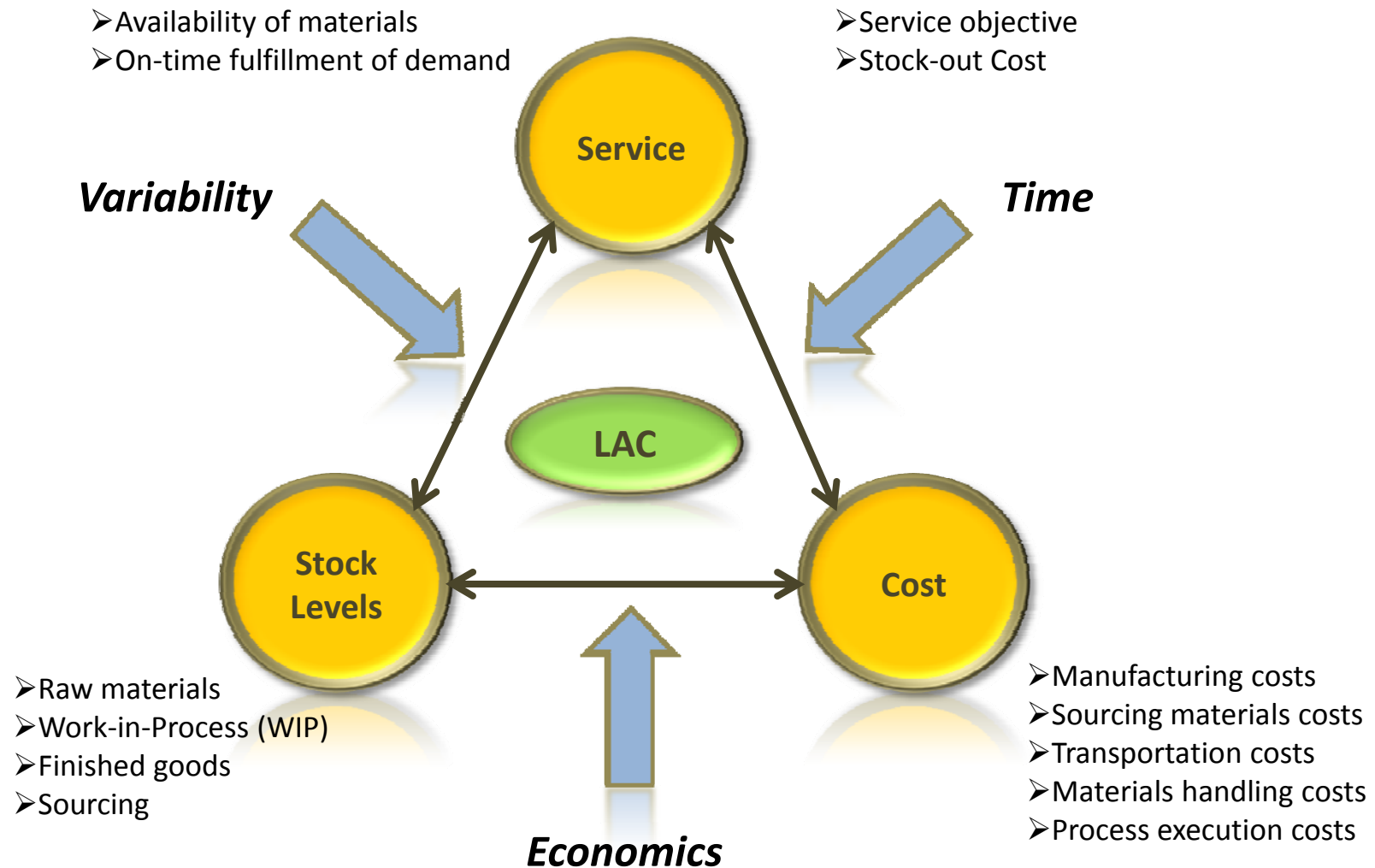


Source : Guasch and Kogan (2006)

Opportunities and Challenges
–
Recipes
for
competitiveness



Challenge 1 – Strategy and optimize the supply chain network

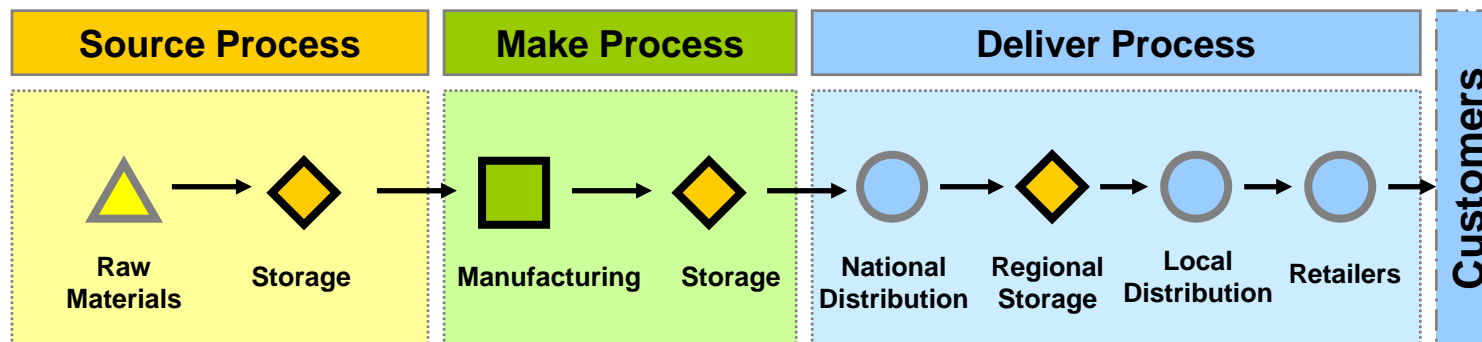


Source : adapted from Gattorna (2003)

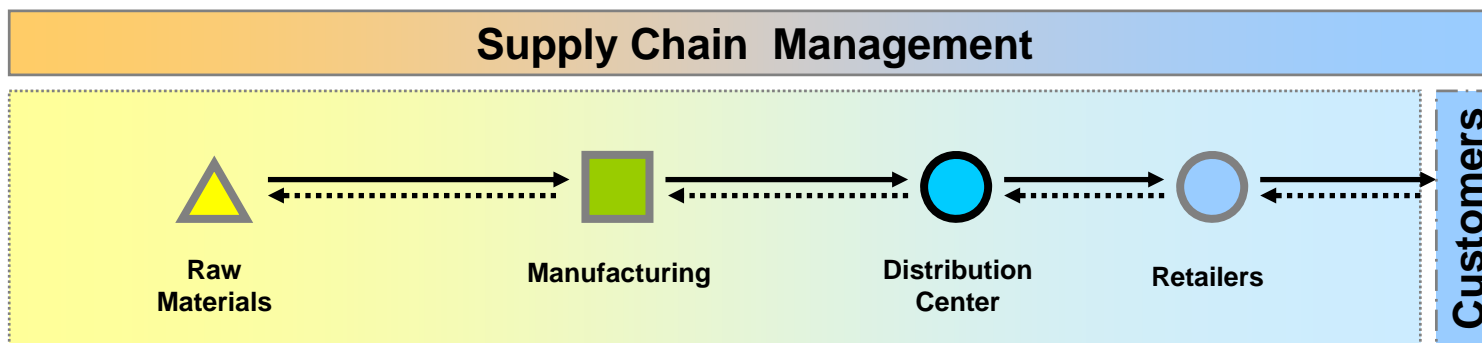
Challenge 2 – Achieve functional excellence

Improving the supply chain integration of Latin America and the Caribbean corporations

From traditional supply chains ...



... to integrated supply chains

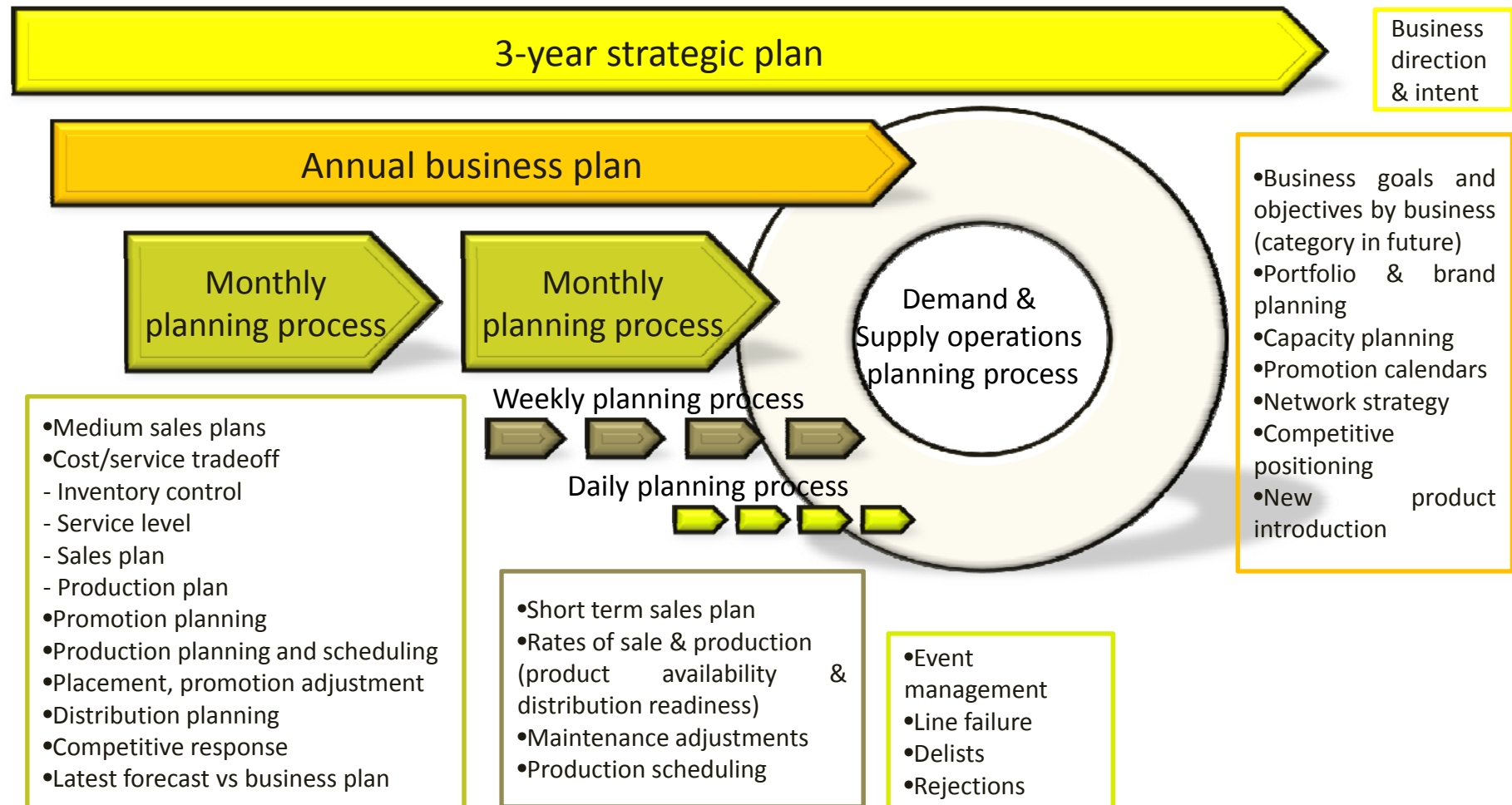


→ Material flow (delivery)
→ Information flow (order)

Source : adapted from Rodrigue, J.P. (2006)

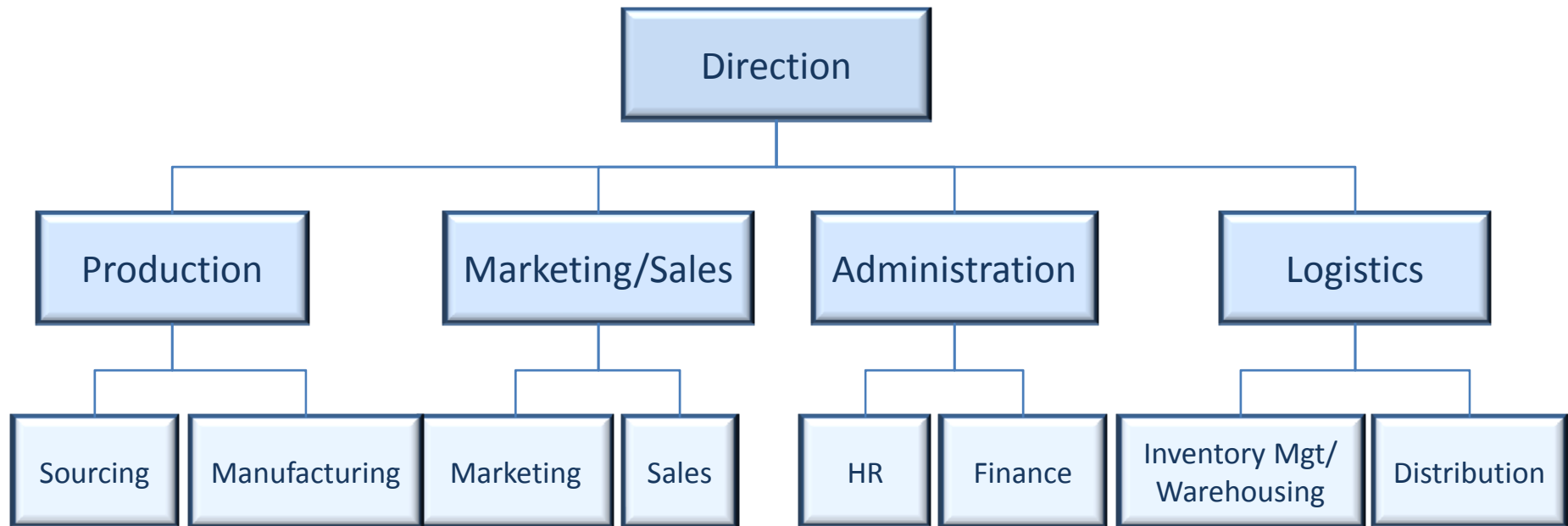
Challenge 3 – Integrate demand and supply

Implement an effective demand and supply planning process



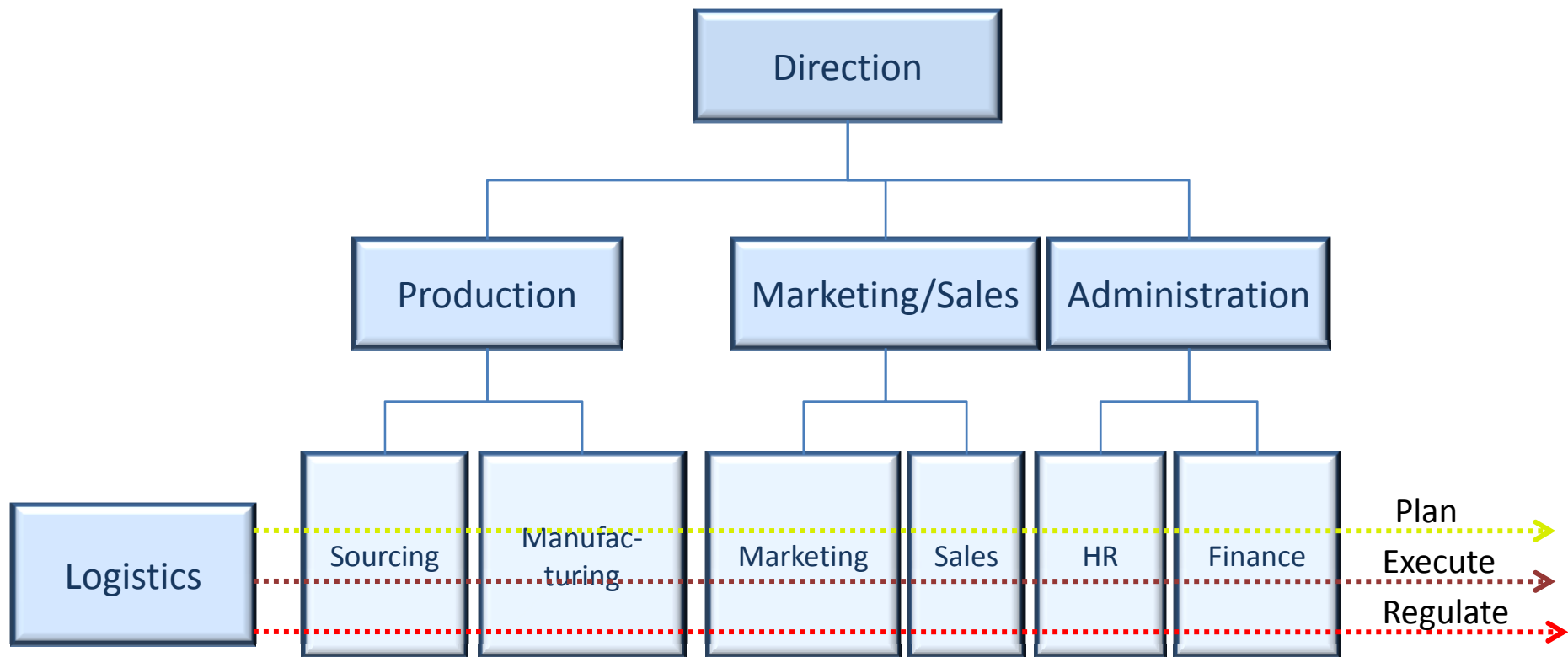
Challenge 4 – Organize and measure for supply chain efficiency

Migrate from a functional or sub-process logistics orientation ...

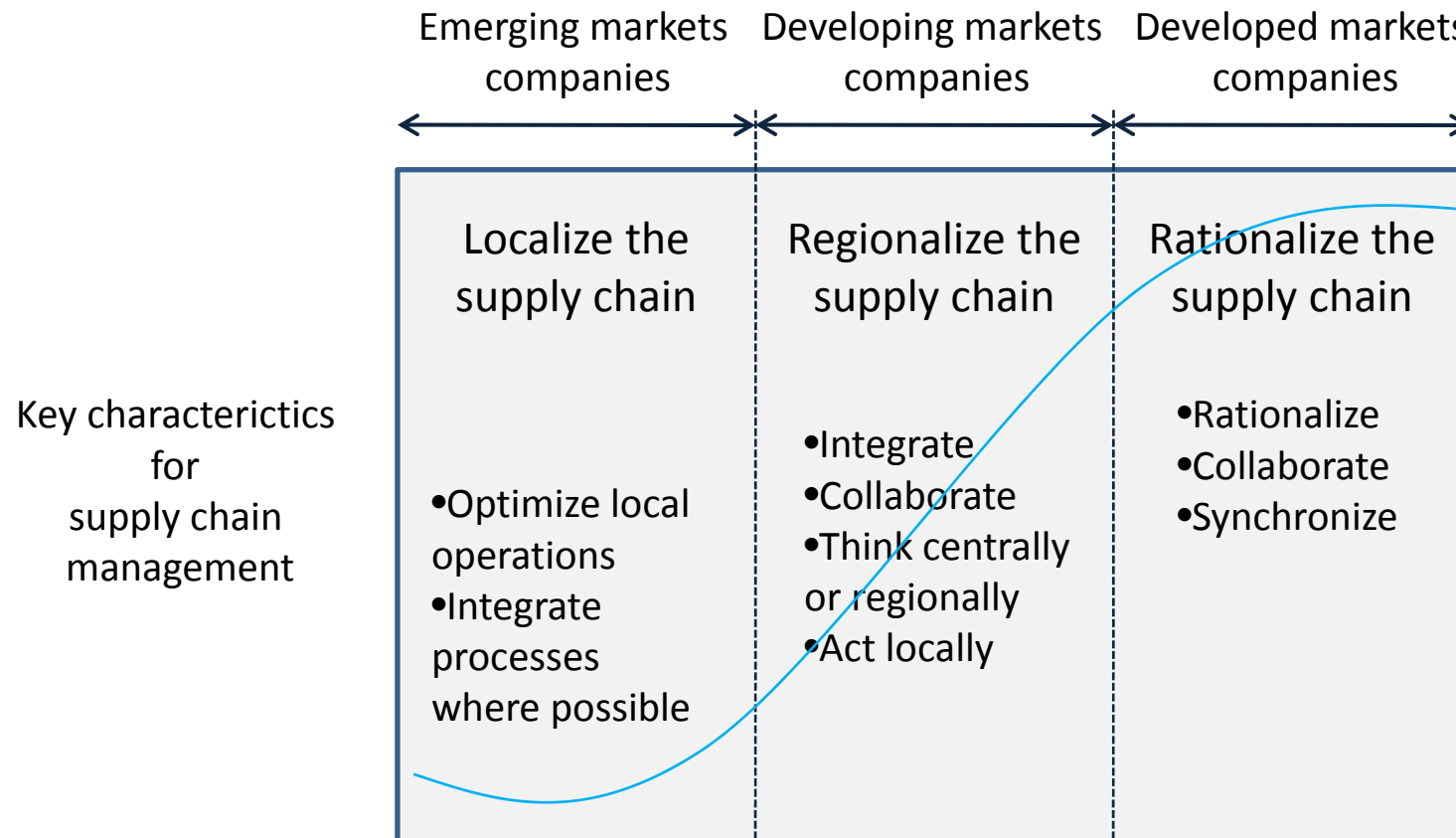


Challenge 4 – Organize and measure for supply chain efficiency

.... to a single cross boundary logistics process



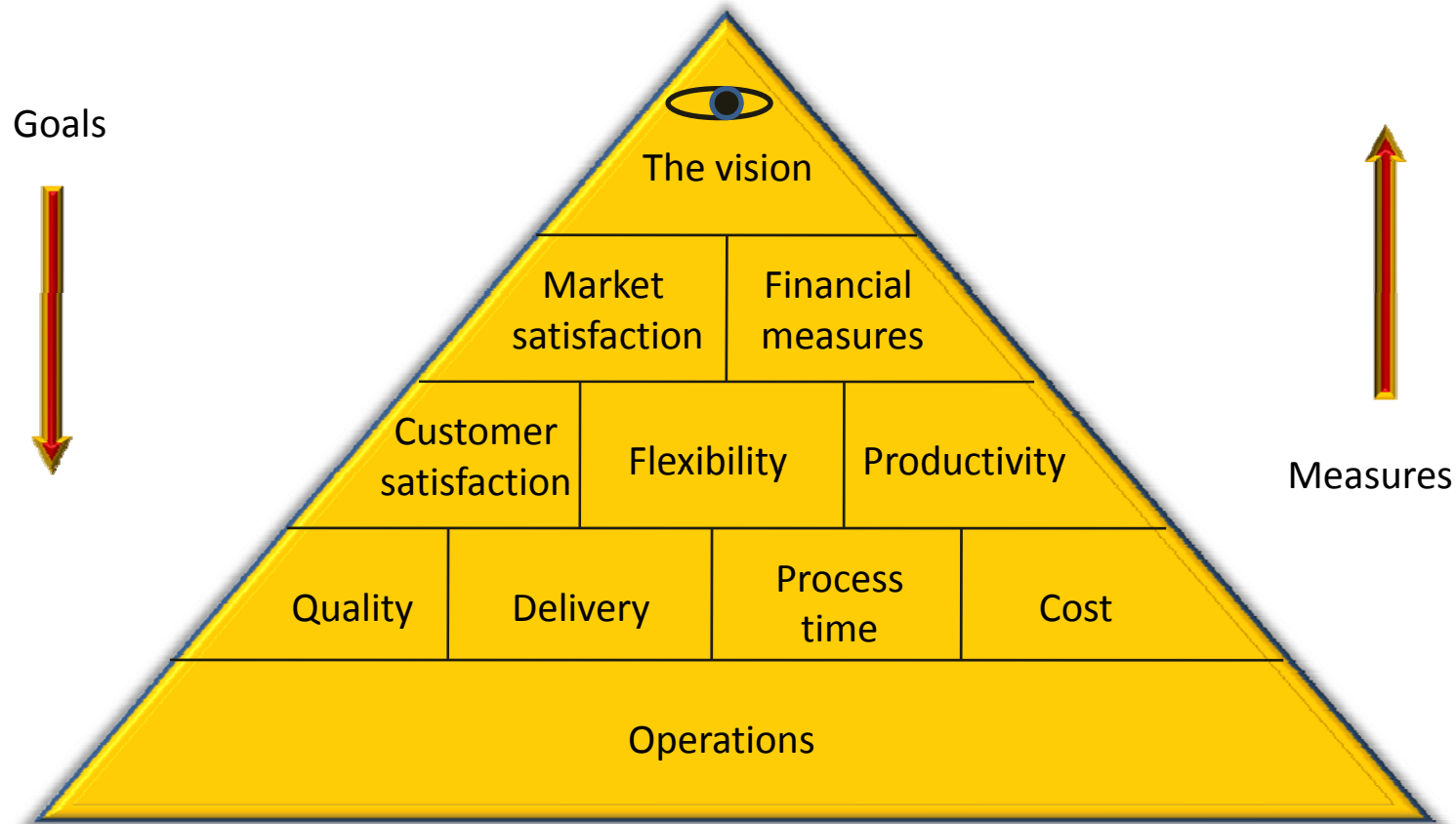
Challenge 4 – Organize and measure for supply chain efficiency



Source : adapted Accenture (2003)

Challenge 4 – Organize and measure for supply chain efficiency

Focus on performance measures and benchmarks

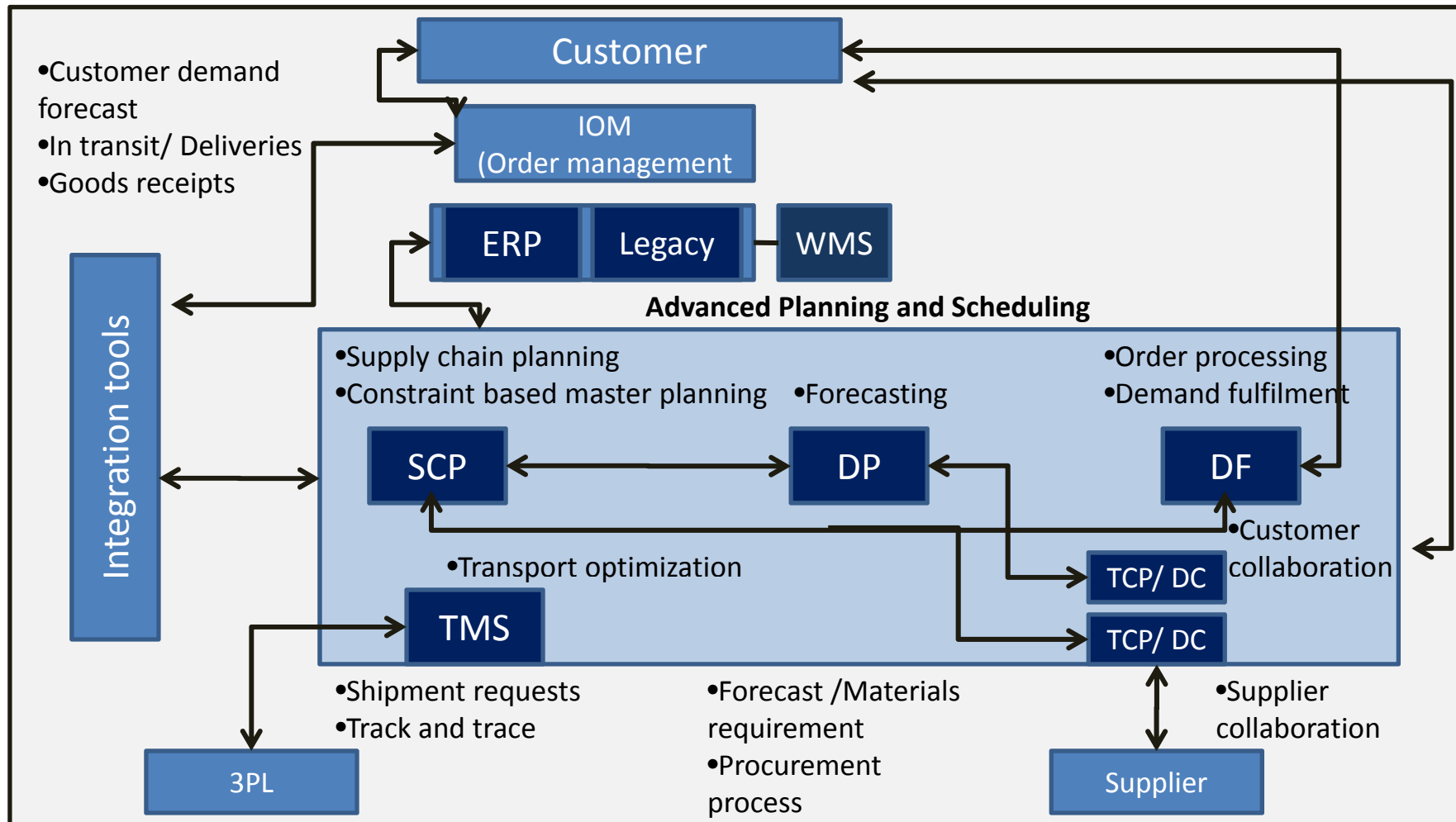


The performance pyramid

Source : adapted from Gattorna (2003)

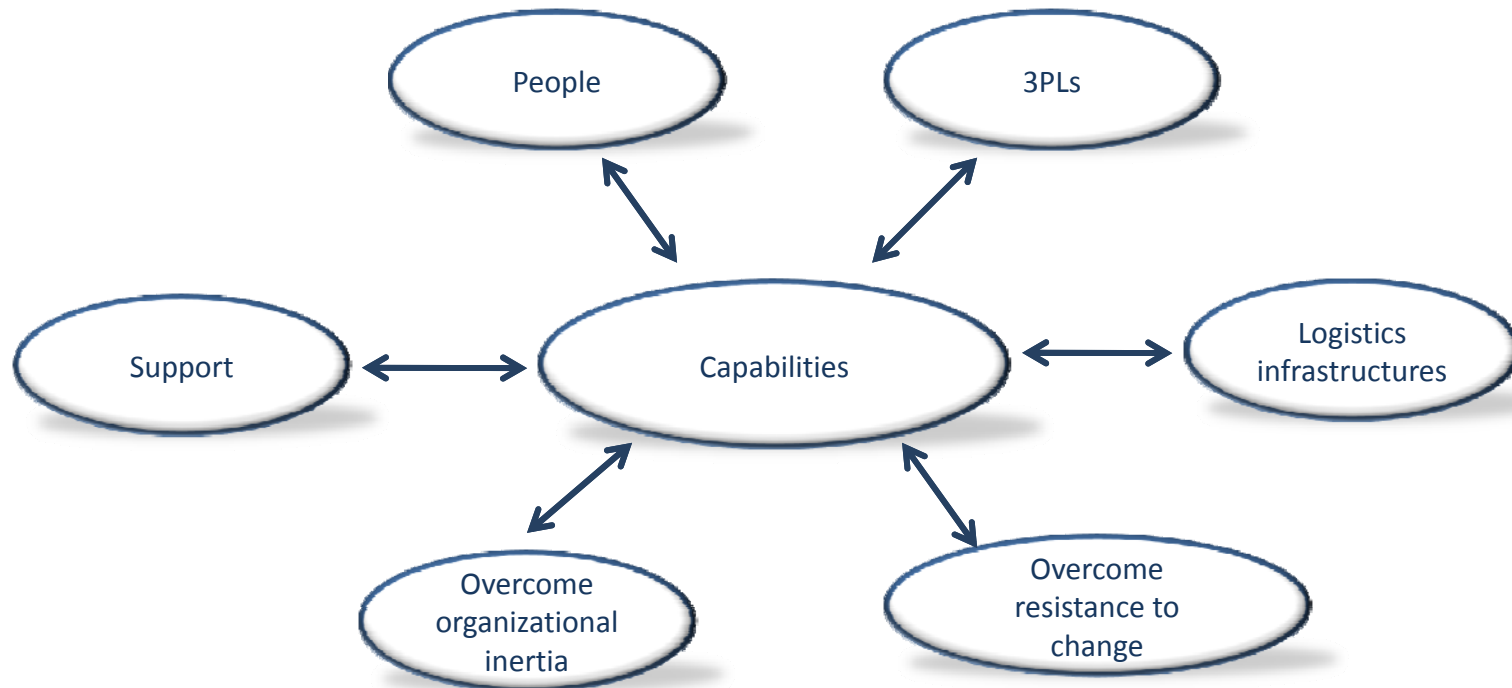
Challenge 5 – Integrate technology systems architecture

Extend the use of integrated demand and supply planning and execution systems and tools



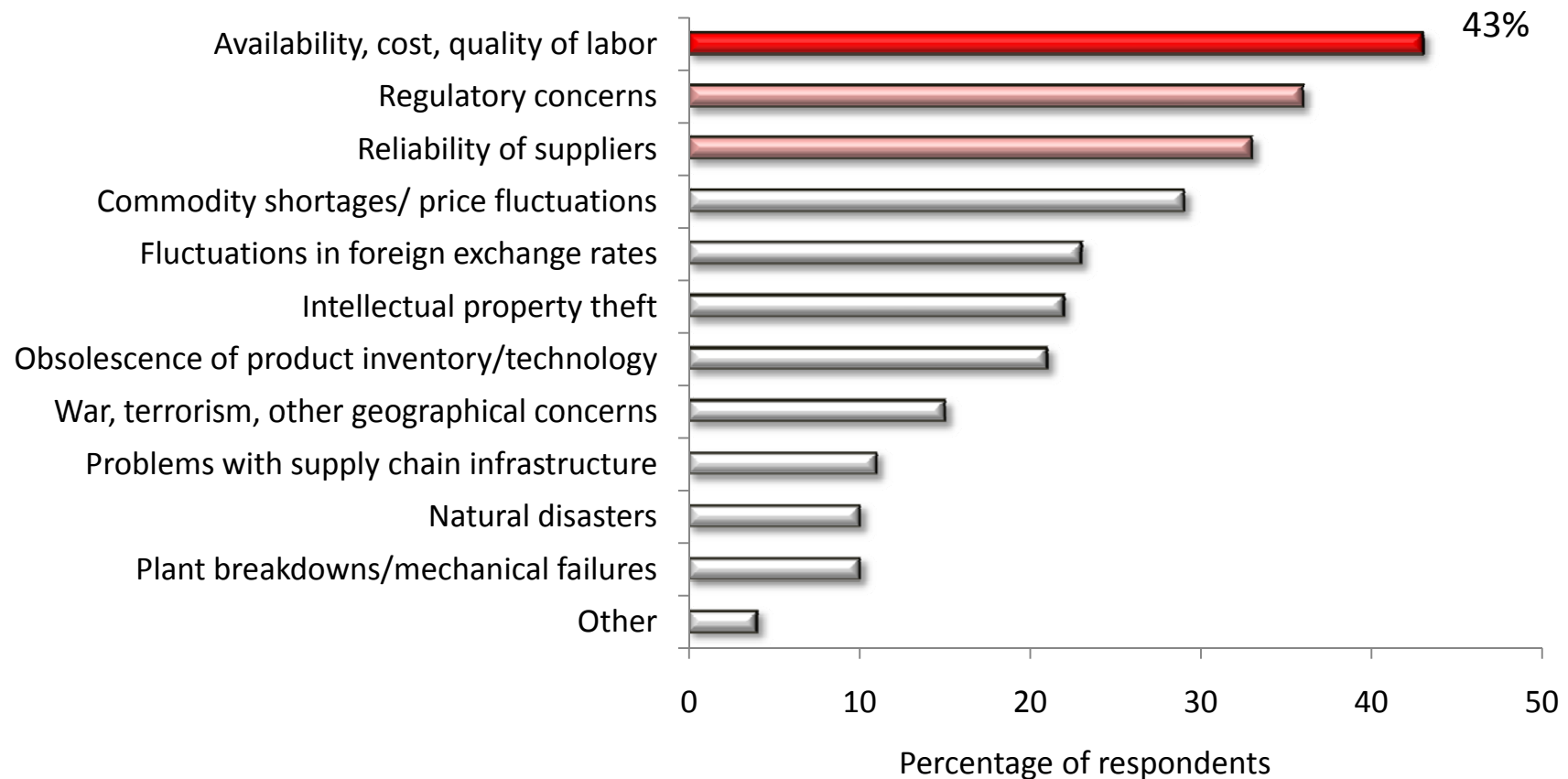
Source : adapted from Gattorna (2003)

Challenge 6 – Source capability intelligently



Challenge 6 – Source capability intelligently

Supply chain risks that concerned executives for their companies' most recent strategic operational planning cycle



Source : McKinsey & Co (2008)

Challenge 6 – Source capability intelligently

Develop people's skills



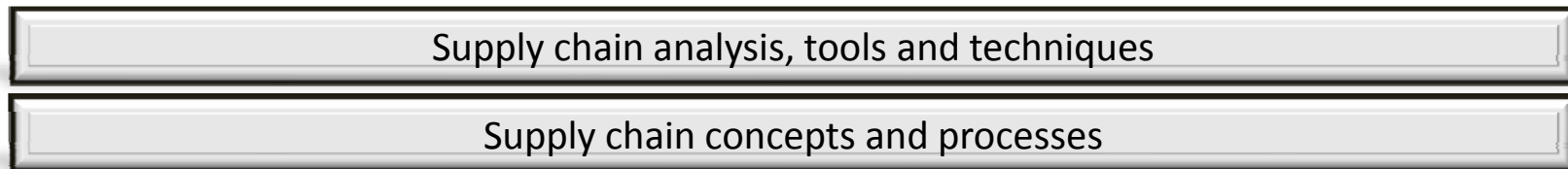
Framing the issues and solutions

Source : Parekh (2008)

Challenge 6 – Source capability intelligently

Develop people's skills

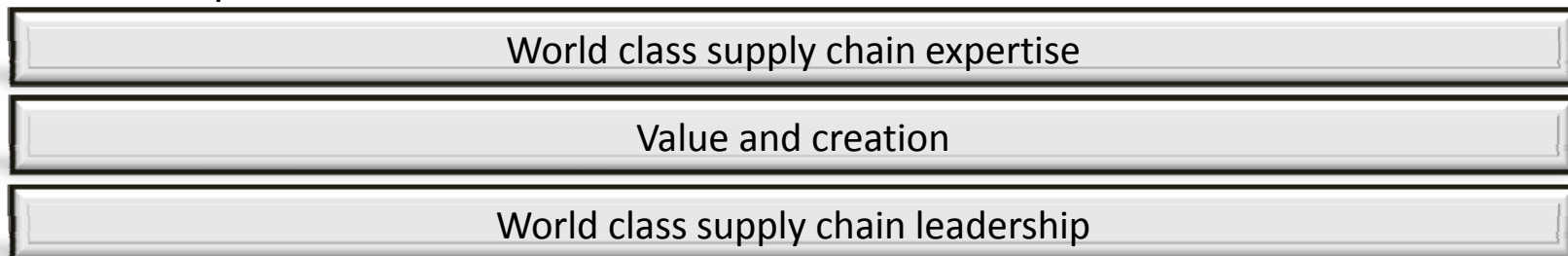
Common foundation



Specialty areas

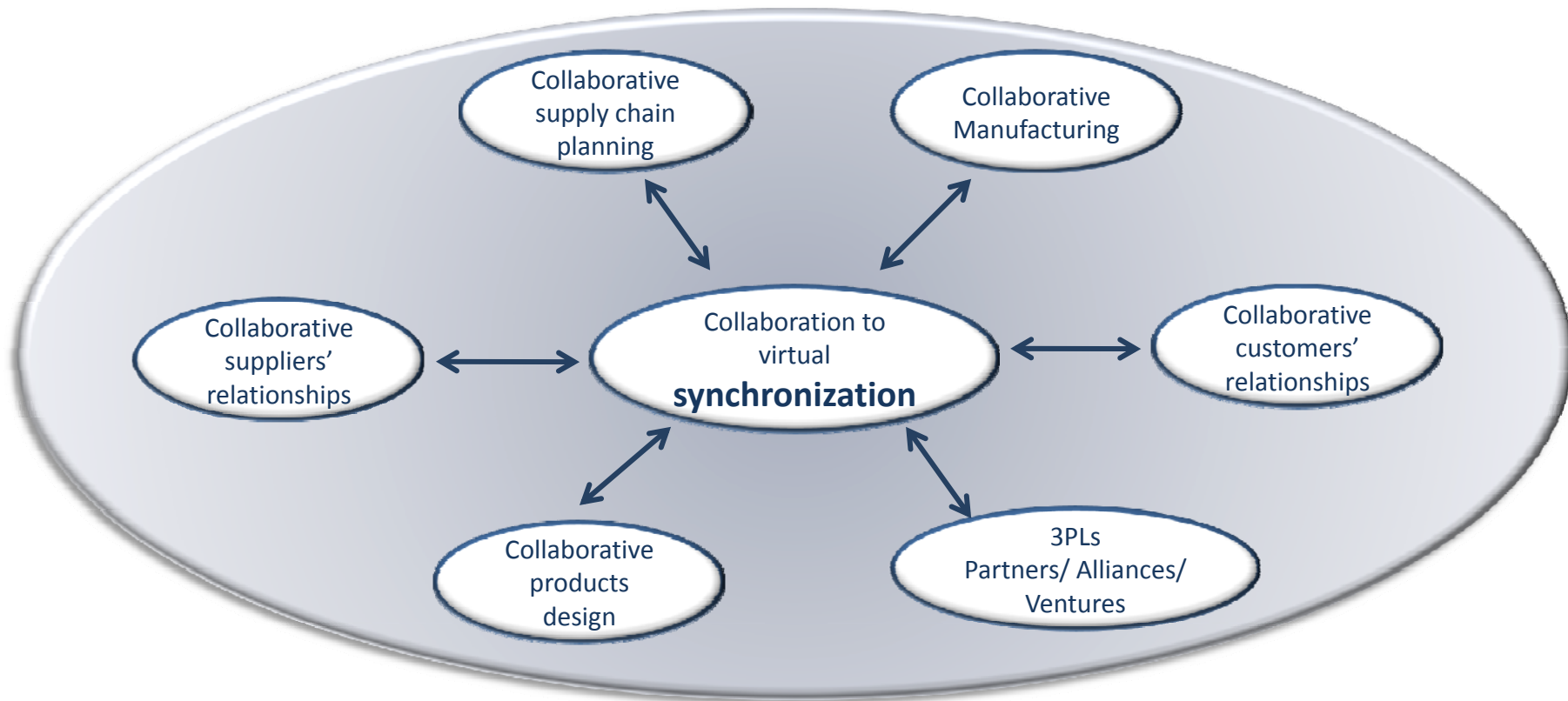


Leadership skills



Challenge 7 – Extend the supply chain ...

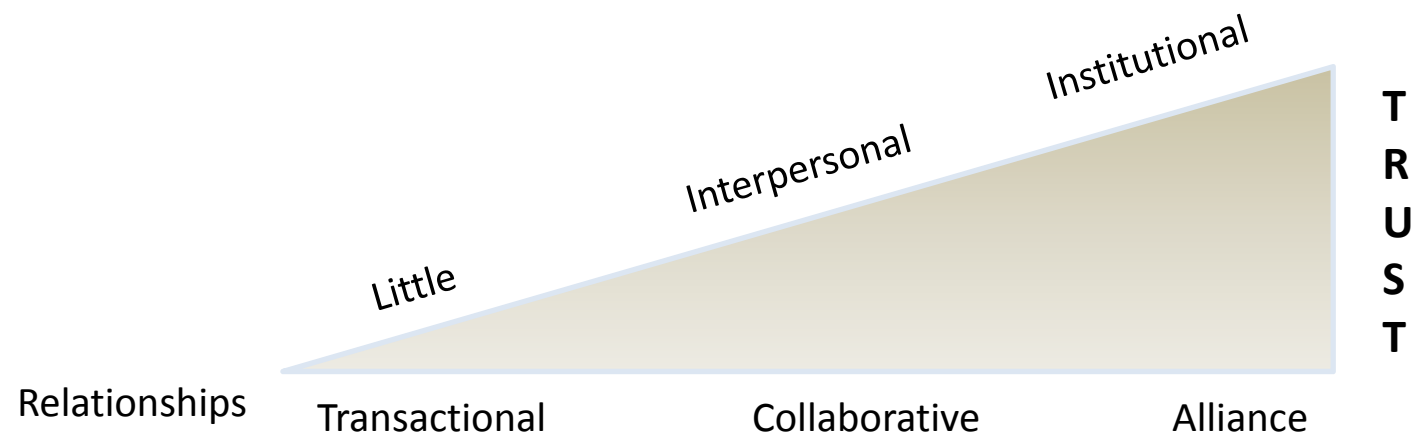
Extend the traditional supply chain



Manage a portfolio of supply chain relationships

Source : adapted from Gattorna (2003)

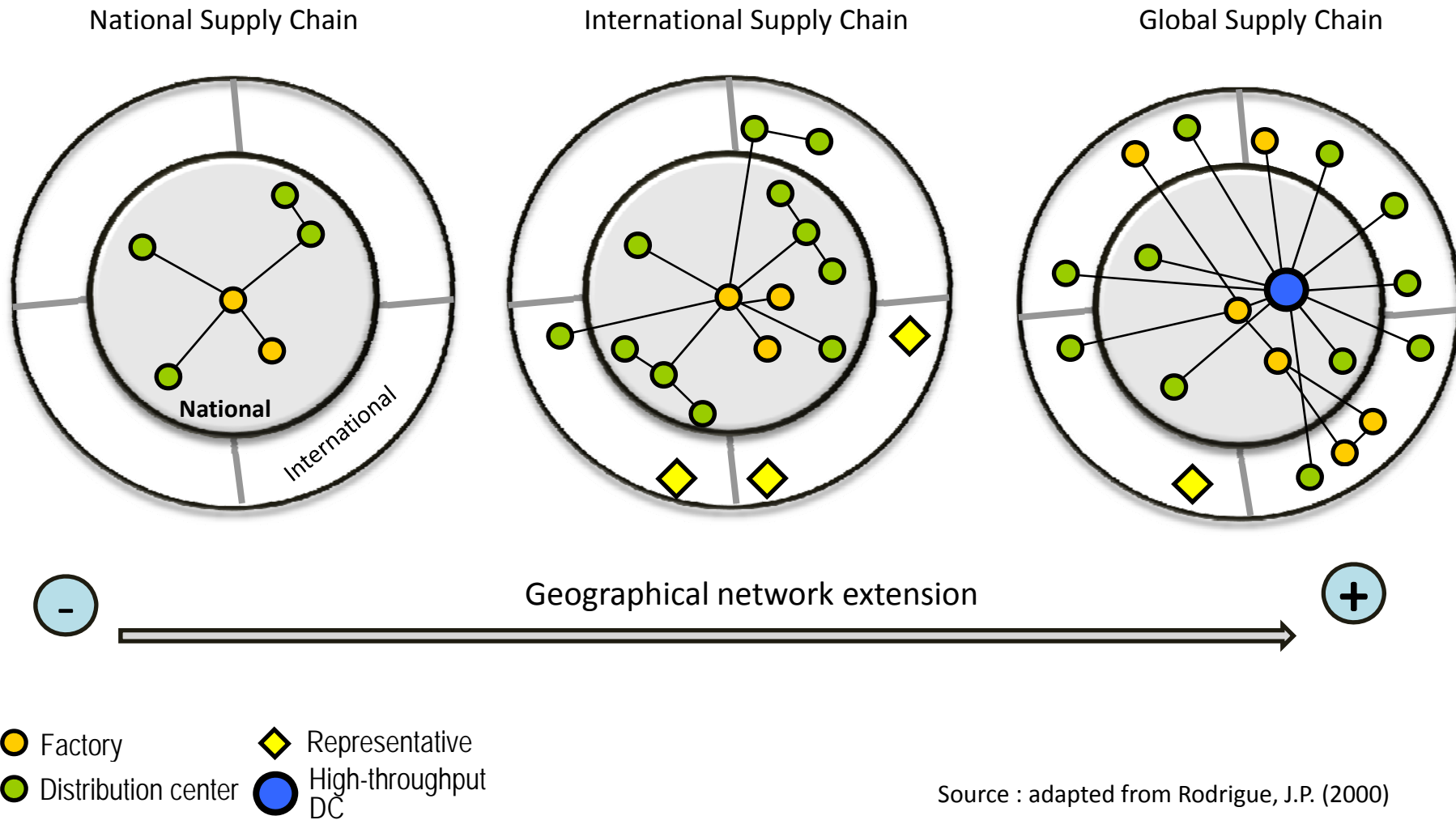
Challenge 7 – Extend the supply chain ...



Supply chain relationships and trust

Source : Burt & alii. (2003)

Challenge 7 – ... and become (part of) world class supply chains.



Source : adapted from Rodrigue, J.P. (2000)

Thank you for attention !



***Pontifical Catholic University of Puerto Rico
and Maine Maritime Academy***



Awards this

Certificate

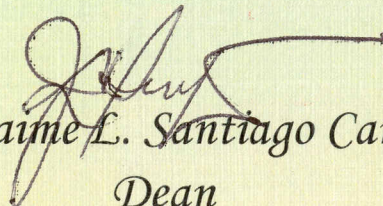
to

Eric Lambourdiere

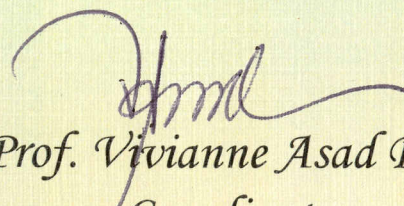
For participating as a presenter in the

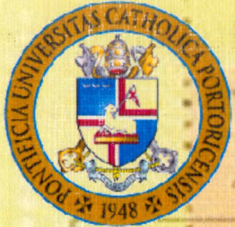
Transportation and Logistics Forum

in Bayamón, Puerto Rico on February 20, 2009.


Dr. Jaime L. Santiago Canet
Dean




Prof. Vivianne Asad Pérez
Coordinator



***Pontifical Catholic University of Puerto Rico
and Maine Maritime Academy***



Awards this

Certificate

to

Elsa Porbin

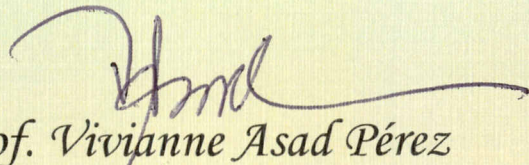
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