LogOn Baltic logistics survey
preliminary results of the state of logistics in the Baltic Sea Region
Focus of the survey:

- The focus of the study is on the logistics solutions and costs of manufacturing, construction and trading companies.
- Logistics service providers and logistics markets are also included in the survey.
The survey has been conducted in several countries around the Baltic Sea:

- Regions from 8 countries are included in the survey.
  - Russia (St.Petersburg region), Germany (Hamburg and Mecklenburg-Vorpommern), Estonia, Latvia, Lithuania, Poland, Sweden (Linköping) and Finland.

- Of which preliminary results of 6 countries are presented here.
Respondents according to company size

- Micro: 424
- Small: 234
- Medium: 159
- Large: 119

Preliminary results
Respondents according to main industry

- Manufacturing: 358
- Trade: 314
- Logistics service providers: 263
Respondents according to position in the company

- 60.3%
- 26.1%
- 6.7%
- 6.9%

- Senior management
- Middle management
- Operational staff
- Expert
Logistics cost by company size, manufacturing

- Preliminary results -
Logistics costs by region, manufacturing

- Preliminary results -
• Throughout the Baltic Sea Region, large companies tend to have lower logistics costs than other companies.

• There is some natural variation between industries, which is not shown in these results.

• Transportation costs account for as much as 5% of turnover and over 30% of companies logistics costs.
Development of transportation costs, manufacturing companies

- Preliminary results -
Development of inventory carrying costs, manufacturing companies

- Preliminary results -
• The companies seem to agree that transportation costs are rising in the future.

• The price of oil is an explanation, but only a partial one

• For example, tighter order-delivery frequency is shifting costs from warehouses to wheels
Outsourcing of domestic transportation

- Preliminary results -
Outsourcing of warehousing activities

- Preliminary results -
Future development in the outsourcing of logistics operations

- Logistics IT-systems
- Product customisation
- Inventory management
- Warehousing
- Invoicing
- Order processing
- Freight forwarding
- Reverse logistics
- International transportation
- Domestic transportation
• Transportation is already widely outsourced.

• In the future outsourcing of other logistics functions, for example warehousing will increase

• The biggest growth will be on the outsourcing of logistics IT-functions
The most important development needs in logistics operations

- Increasing transparency in the supply chain
- Developing the logistics competence of our personnel
- Utilizing mobile solutions
- Improving customer service
- Cutting logistics costs
- Structural change of distribution network
- Selection of logistics service providers
- Developing information systems
- Increasing transparency in the supply chain

Preliminary results
The most important development needs of logistics service providers

- Utilising mobile solutions
- Developing information systems
- Developing the competences of our personnel
- Cutting service provision costs
- Increasing service provision capacity
- Selection of subcontractors
- Developing agent network
- Improving customer service quality
- Extending the range of service offerings

Preliminary results
• Costs, transparency and structural change of distribution network seem to be the most urgent development needs of manufacturing and trading companies.

• Logistics service providers seem to acknowledge that the scene is changing and they are seeking ways to match the changing demand.
Operating preconditions on company’s location, general business perspective

- Preliminary results -
Operating preconditions, logistics efficiency

- Preliminary results -
Operating preconditions, compared to location(s) of competitors

- Preliminary results -
• Generally, the companies seem to be satisfied with their location

• Regarding logistics efficiency (and transport infrastructure) there seem to be differences between regions

• Since the companies all over the Baltic States see the location compared to competitors as a problem, one question arises: Where should they be located?
Thank you for your attention!