LogOnBaltic - Logistics Survey

Status and needs of logistics users and providers in the Baltic Sea Region

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KühneSchool

Wachstumsinitiative Süderelbe AG Metropolregion Hamburg

Project part-financed by the European Union (European Regional Development Fund) within the BSR INTERREG III B Neighbourhood Programme

Agenda

- Empirical Findings of the Logistics Survey
  - Introduction
  - Results for Manufacturing and Trading Companies
  - Findings for Logistics Service Providers
- Empirical Findings from the Expert Interviews
- Conclusion

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Logistics Survey – Introduction


XX. Bitte wählen Sie eine Sprache/ Please choose the language you would like to use. *

- Deutsch
- English

LogOnBaltic

Sehr geehrte Damen und Herren,

vielen Dank für Ihre Teilnahme an der von der EU geförderten Umfrage zu der Studie "LogOn Baltic" (De
and Logistics & ICT Competence).

Als Dank für Ihre Unterstützung erhalten Sie auf Wunsch **kostenlos** einen detaillierten Bericht mit den Ha
Logistik-Studie. Die ausgewerteten Ergebnisse werden im Dezember 2006 in elektronischen Form an alle
E-Mail-Addresse angegeben haben.

Die Beantwortung des Fragebogens wird max. 20 Minuten in Anspruch nehmen. Es ist jederzeit möglich,
späteren Zeitpunkt mit der Beantwortung der Fragen fortzufahren.

Wir bedanken uns im voraus für Ihre hilfreiche Unterstützung und Kooperationsbereitschaft!

G1. Allgemeine Informationen

Name Ihrer Firma bzw. Geschäftseinheit

Postleitzahl *

E-Mail-Adresse (nur erforderlich, falls der Bericht zugesandt werden soll)

Ihre Position in der Firma:

(Bitte wählen Sie)

G2. Aus welcher Perspektive beantworten Sie diesen Fragebogen?

(Im Folgenden wird allgemein die Bezeichnung „Unternehmen" verwend

- Ich antworte für ein Unternehmen/einen Konzern
- Ich antworte für eine einzelne Geschäftseinheit

G3. Wie viele Mitarbeiter waren Ende 2005 in Ihrem Unternehmen beschäftigt? *

(Bitte wählen Sie)

25 questions - pre-tested in Southwest Finland - about:

- Logistics costs
- Outsourcing of logistics operations
- Costs and performance measurement
- Use of information and communication technologies

A total of about 1,050 answers in the whole BSR

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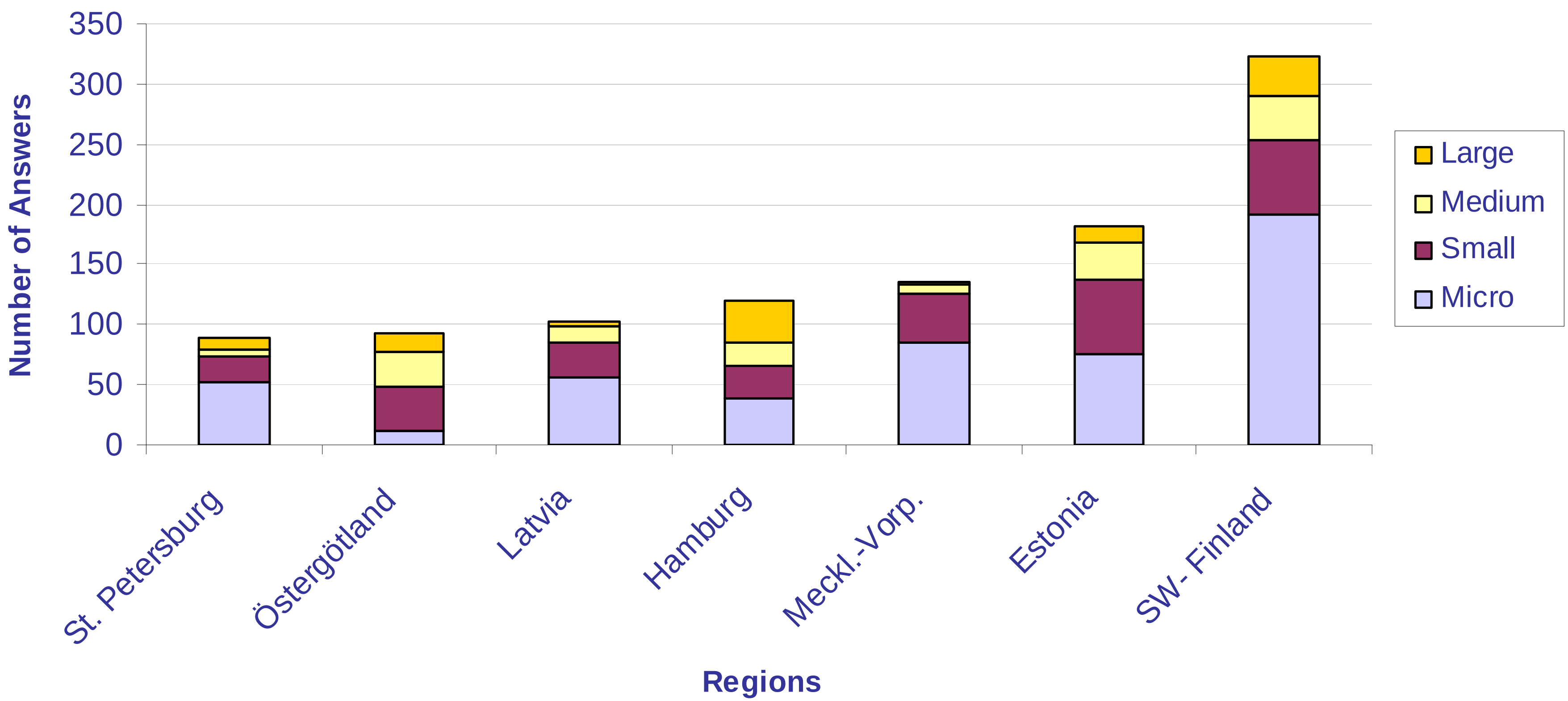
Structure of respondents



Big differences can be found not only in the absolute number of participants but particularly in the response rate.

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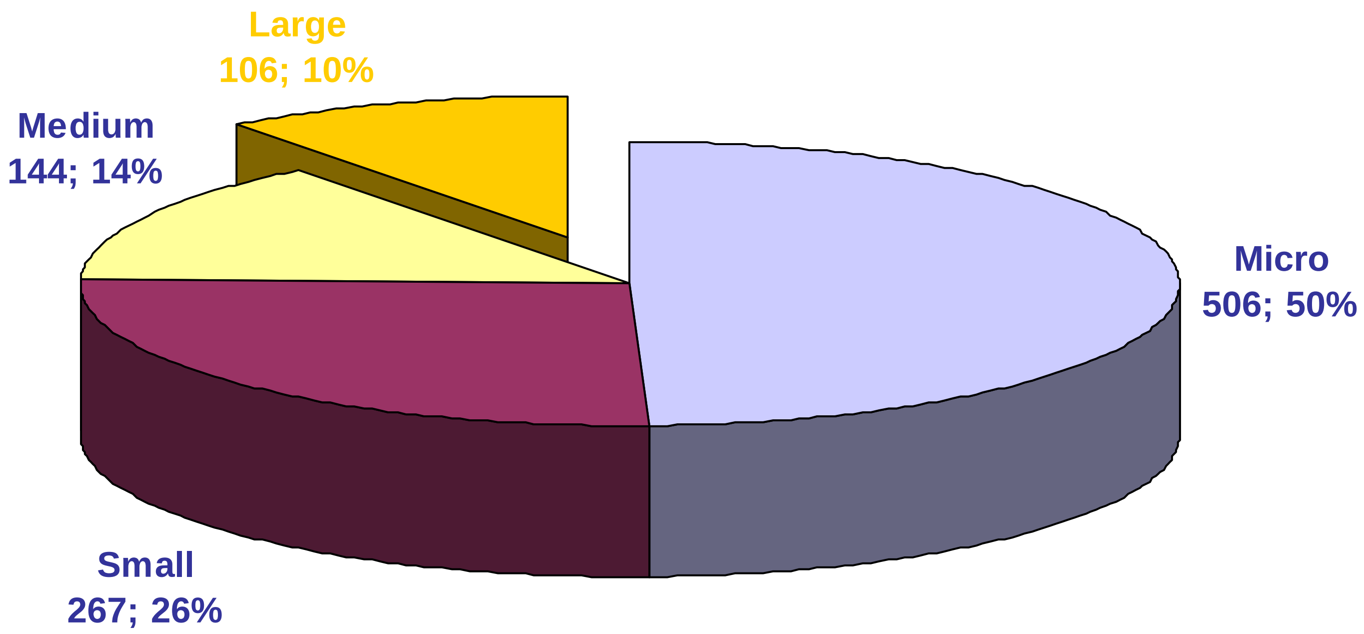
Number of respondents according to company size



As a result, about 90% of the respondents can be classified as SMEs.

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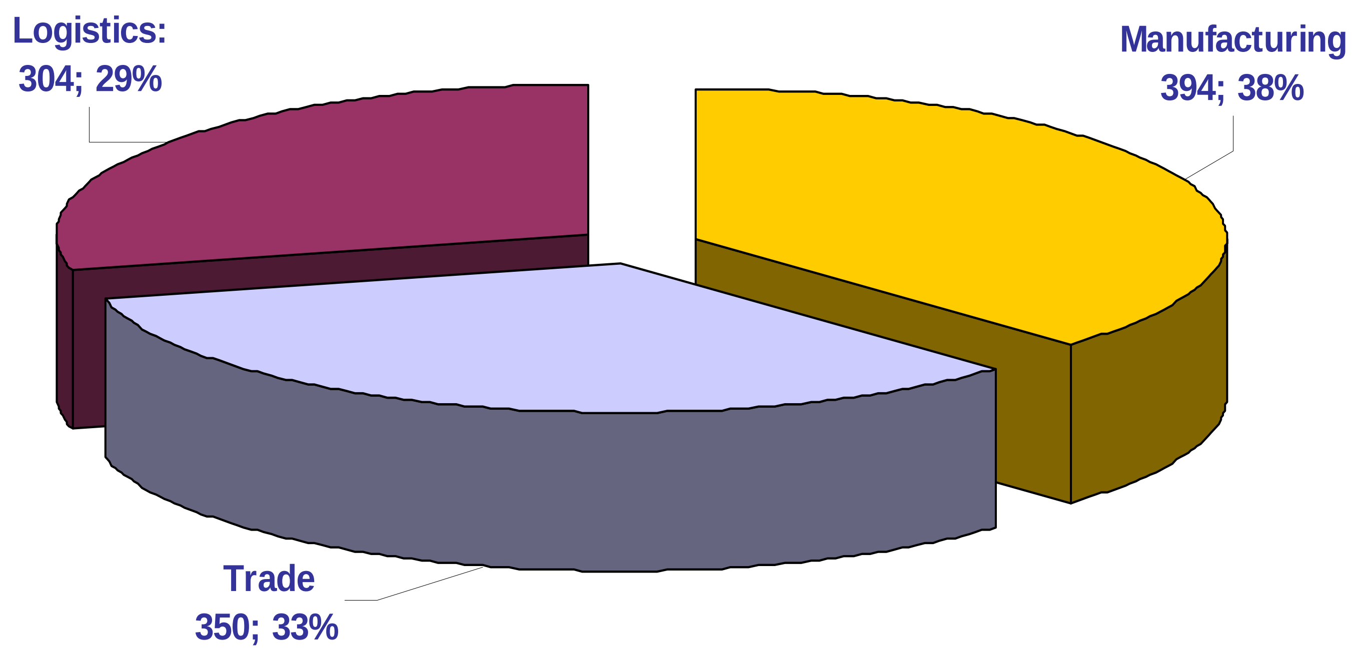
Number of respondents according to industry



Companies from the manufacturing, trade and logistics industry approx. have the same share and hence represent a realistic extract of the logistics sector.

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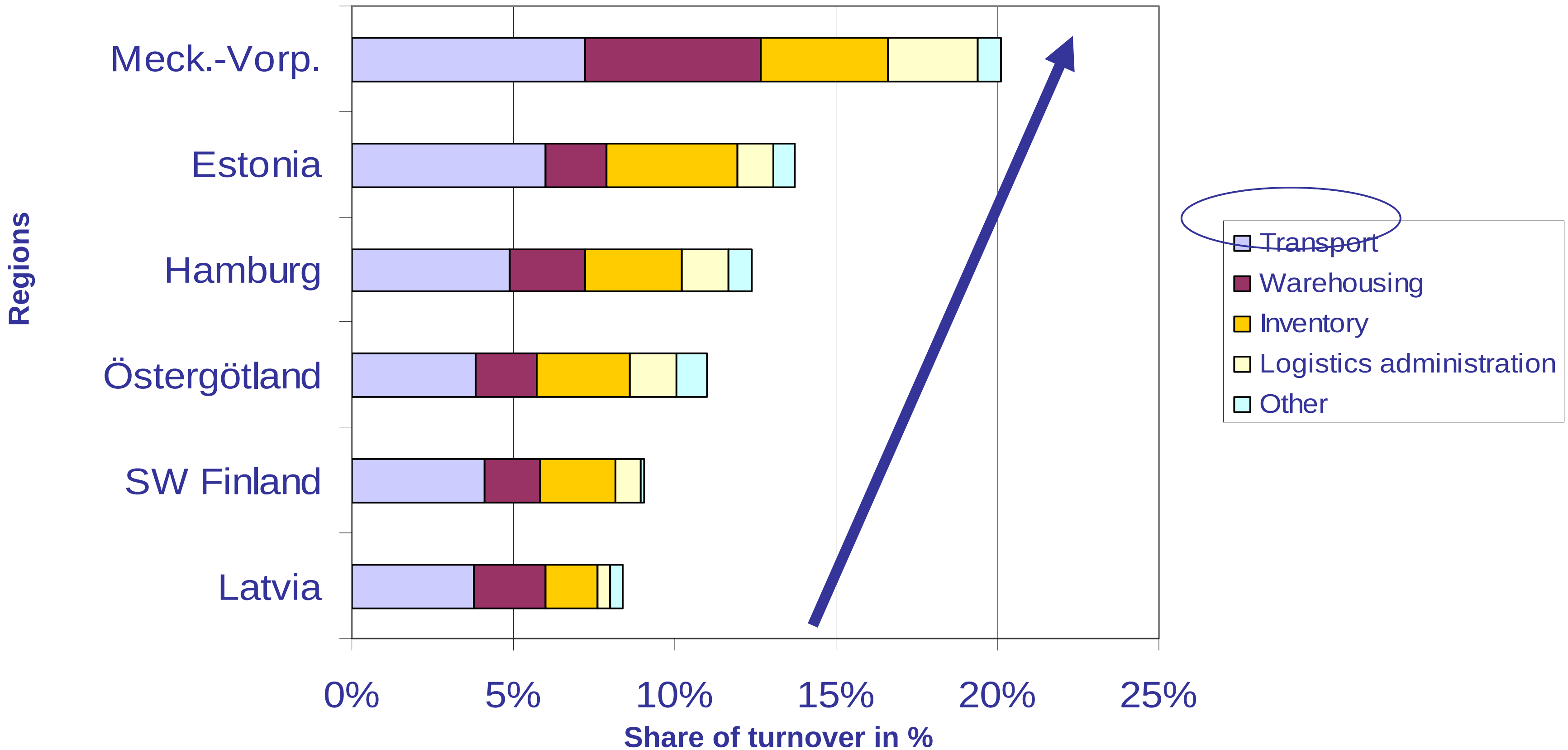
Logistics costs – status quo (Manufacturing)



Transportation costs represent the largest share of logistics costs.

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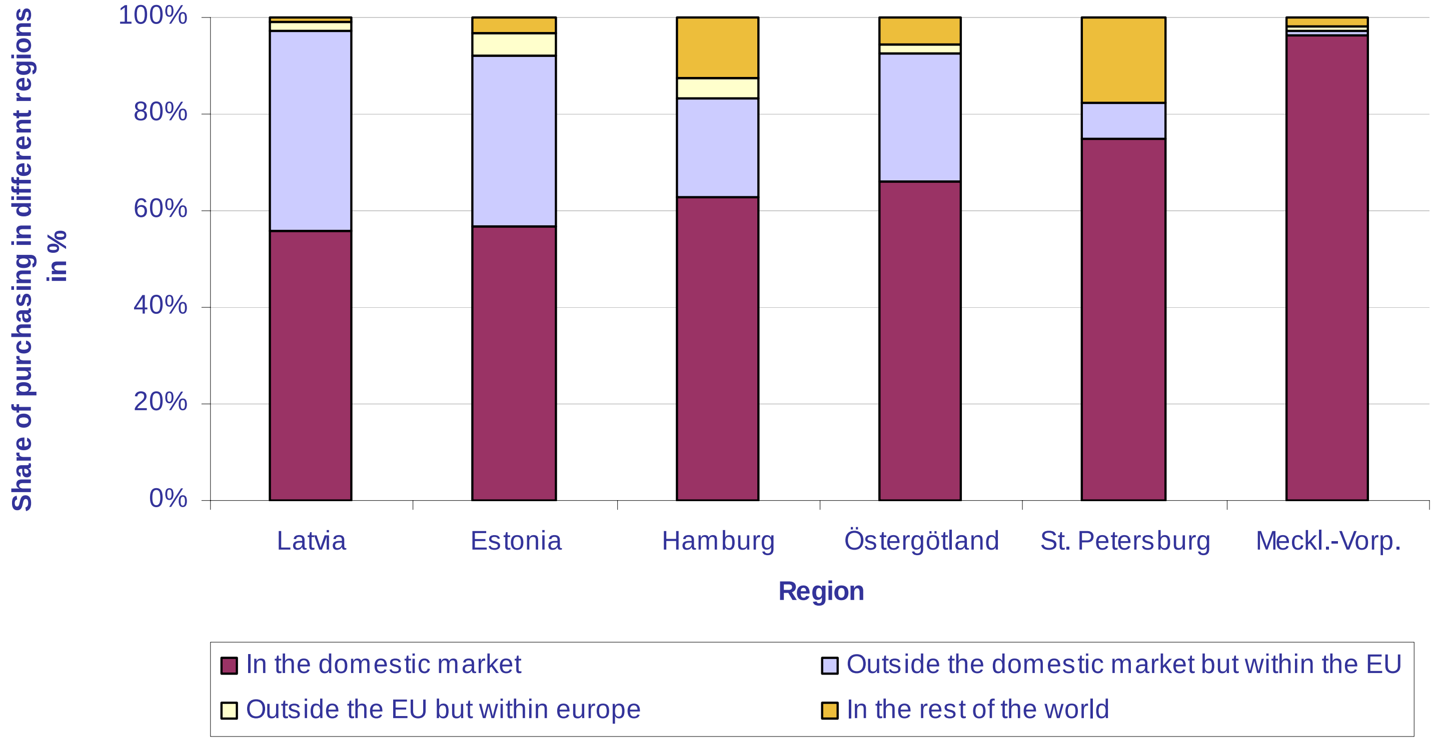
Degree of internationalisation – share of purchasing volumes (Manufacturing)



- The Baltic States as small countries have the highest share of international purchasing.
- Meckl.-Vorp. has the highest potential for going abroad.

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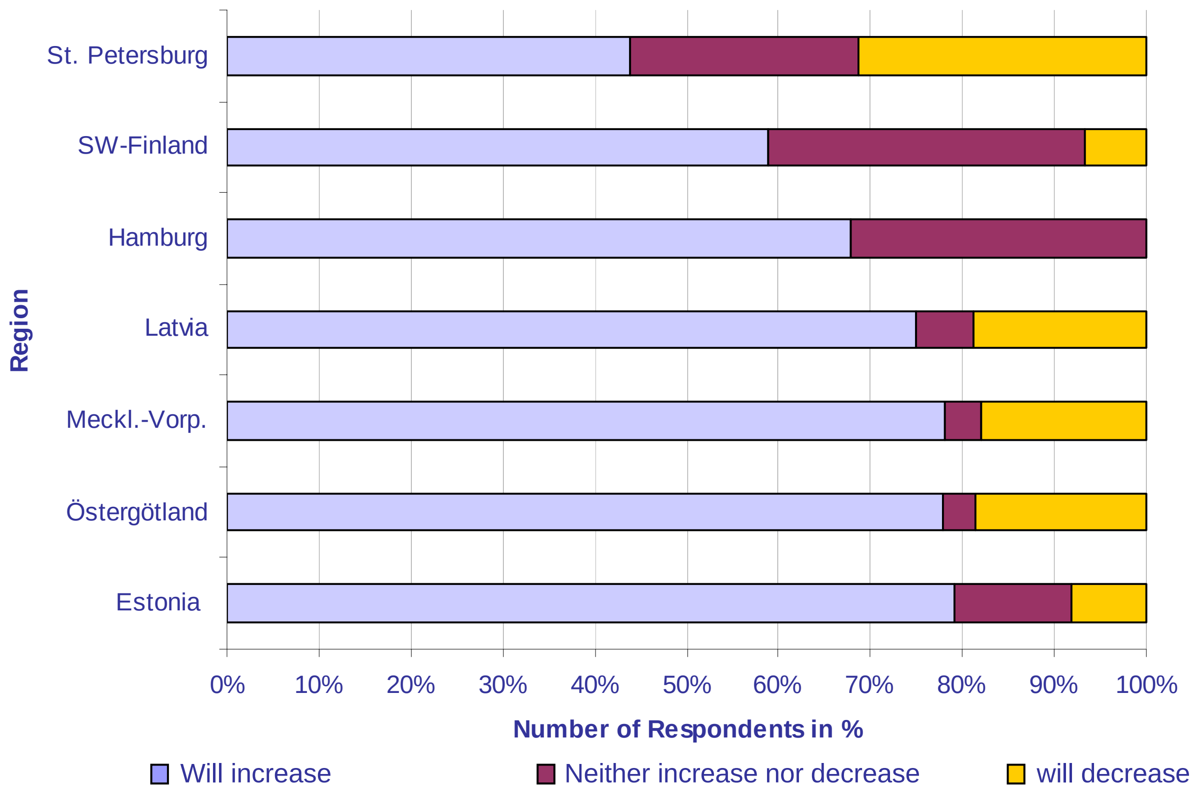
Transportation costs – expected development until 2010 (Manufacturing)



The majority expects an increase in logistics costs, especially in transportation costs.

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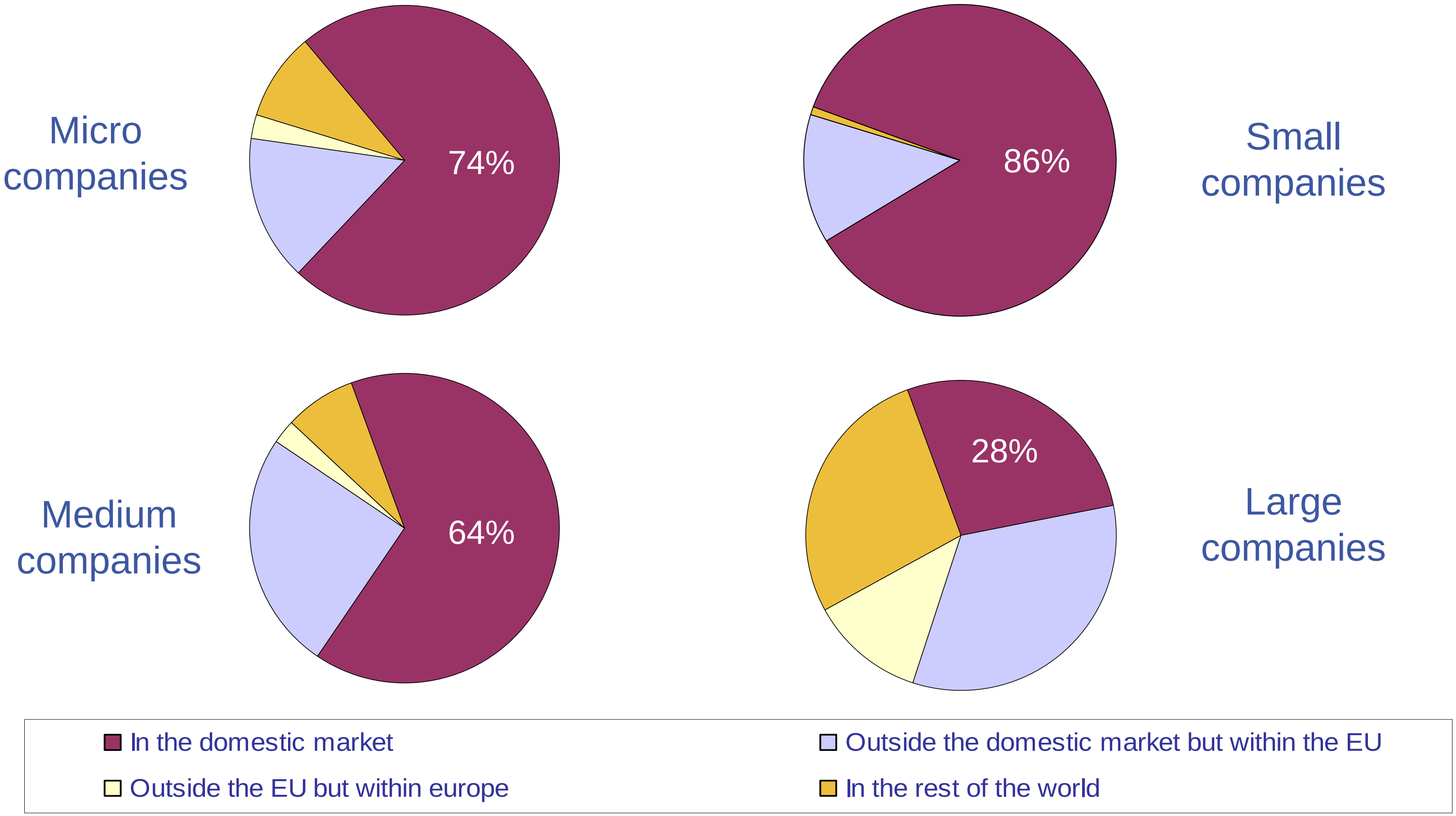
Degree of internationalisation – share of purchasing volumes (Manufacturing companies in Hamburg)



The degree of international purchasing strongly depends on the company size.

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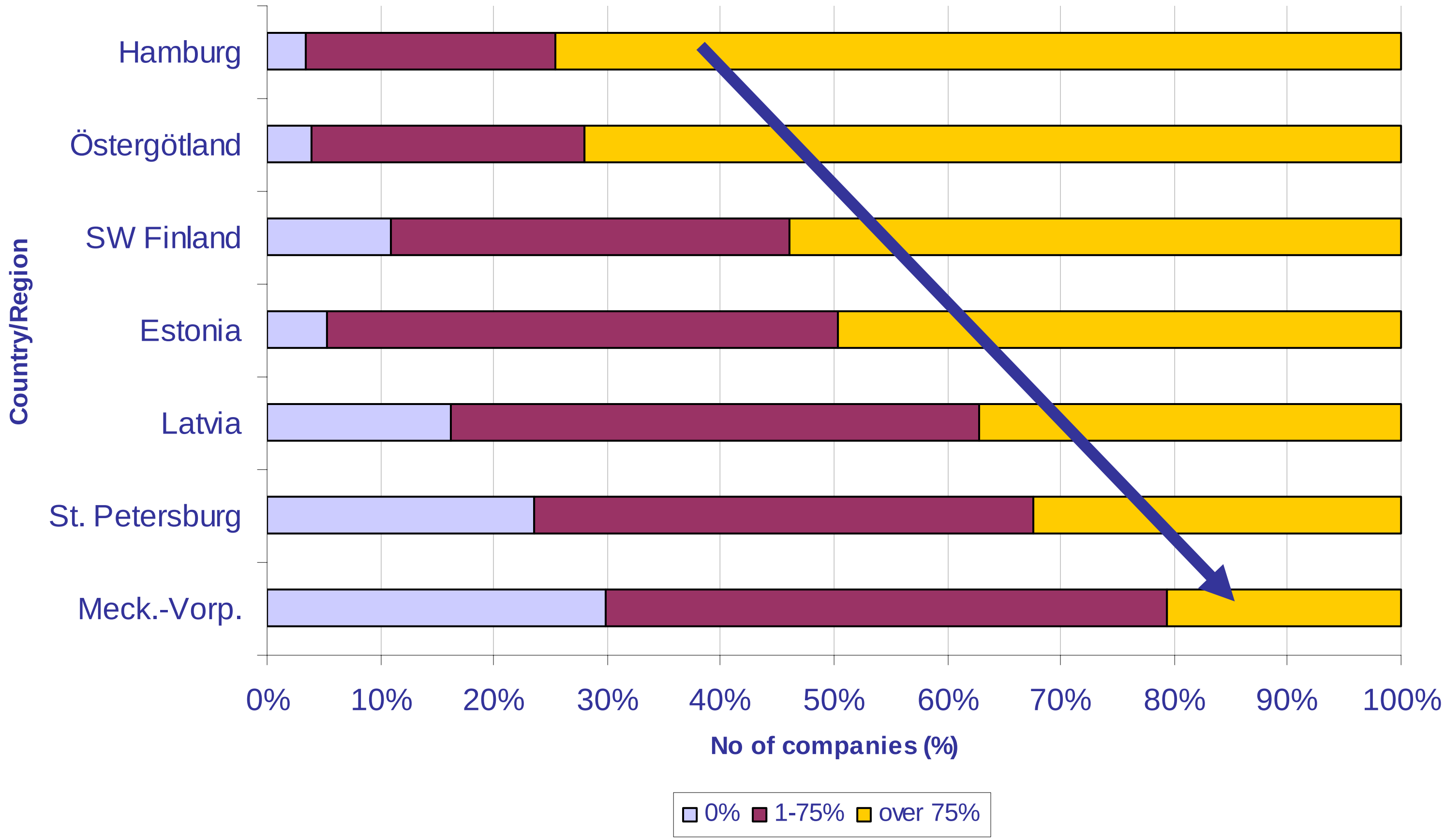
Outsourcing of domestic transportation (Manufacturing and Trade)



Logistically advanced regions have the highest share of outsourcing of domestic transportation.

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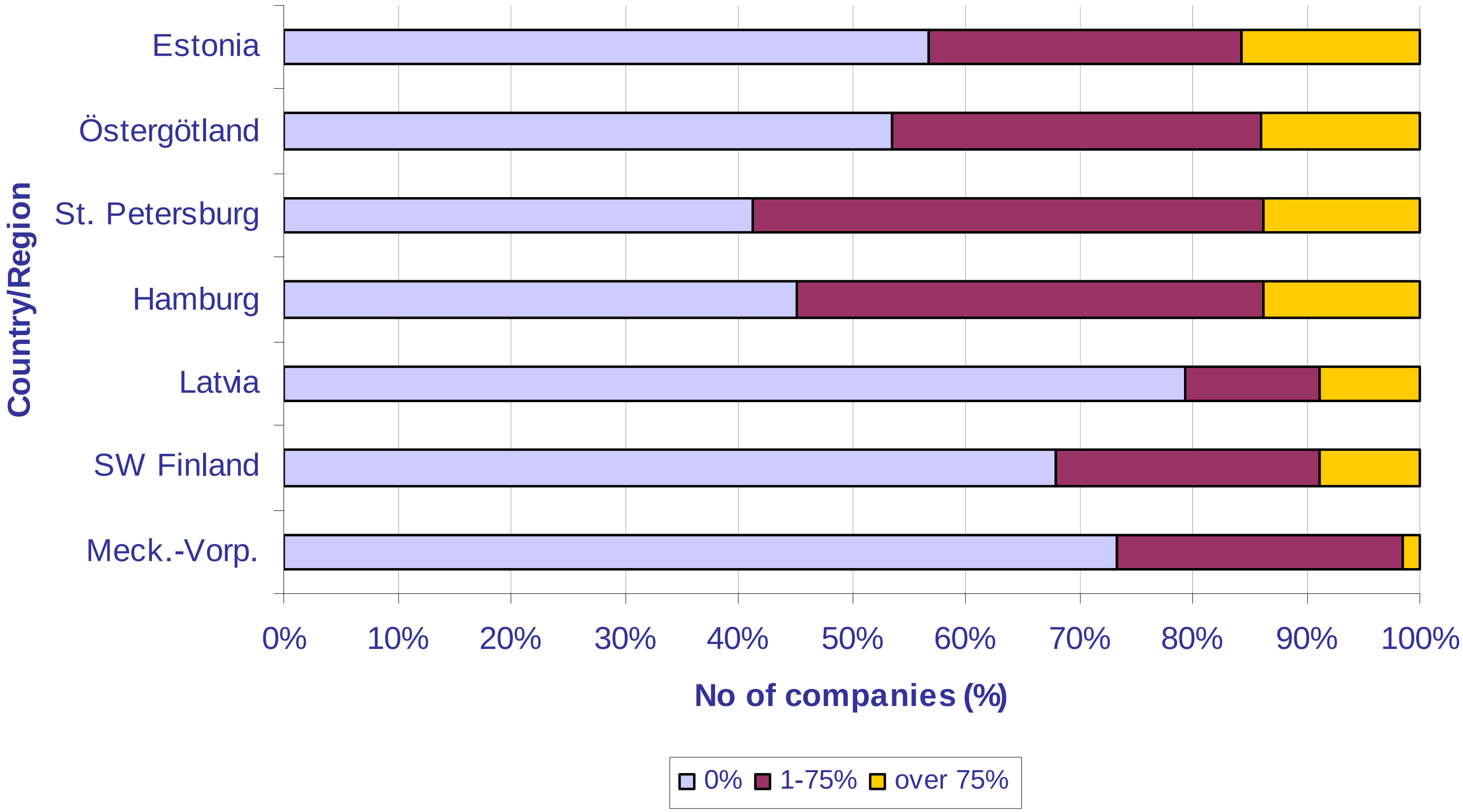
Outsourcing of IT systems (Manufacturing and Trade)



- Logistics IT systems are clearly less outsourced than transportation services.
- Regions that are leading in outsourcing IT systems are different from those leading in outsourcing transportation systems.

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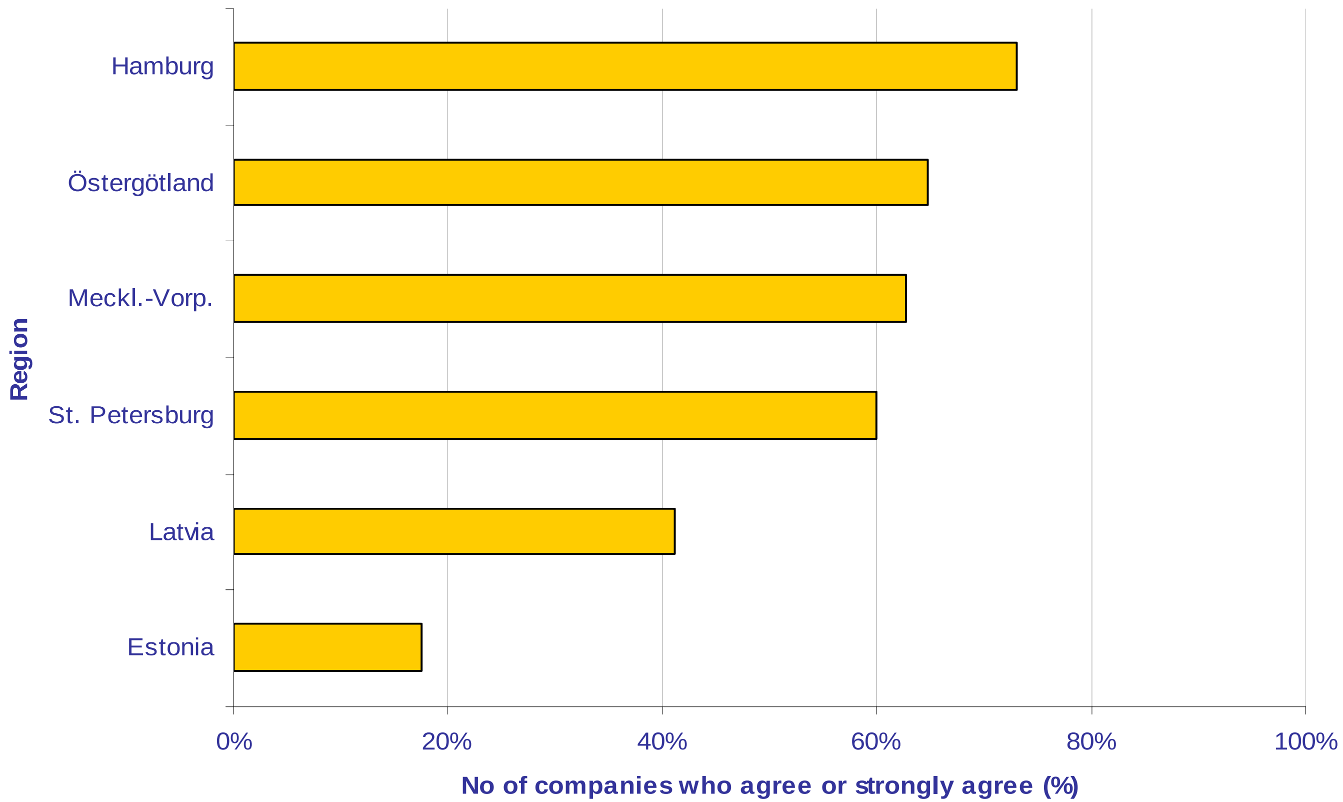
Logistics as a source of competitive advantage (Manufacturing)



- In Western European countries logistics plays a major role as a key source of competitive advantage for the companies.

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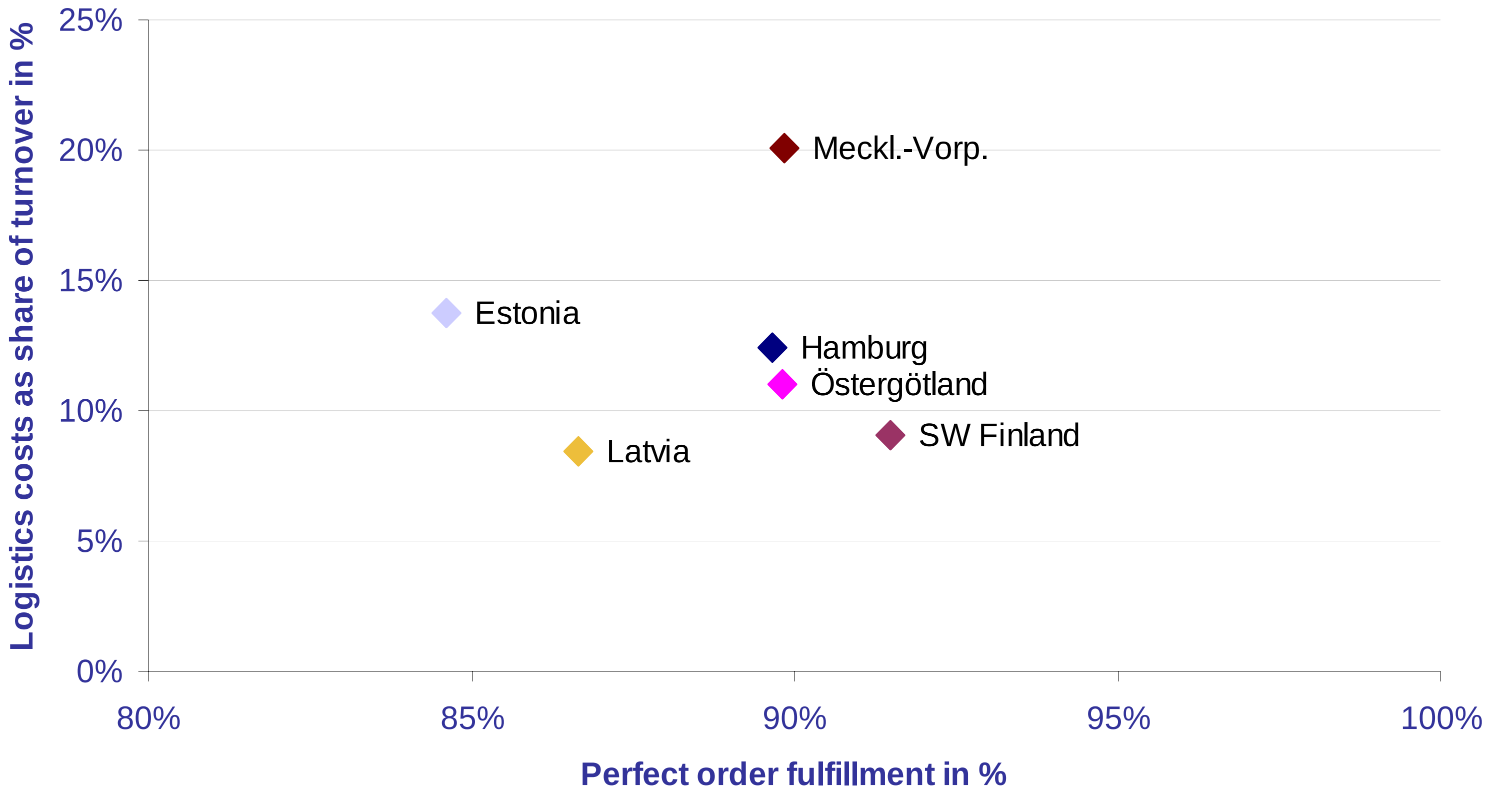
Relationship between order fulfillment and logistics costs (Manufacturing)



There is no clear positive or negative correlation between perfect order fulfillment rate and costs.

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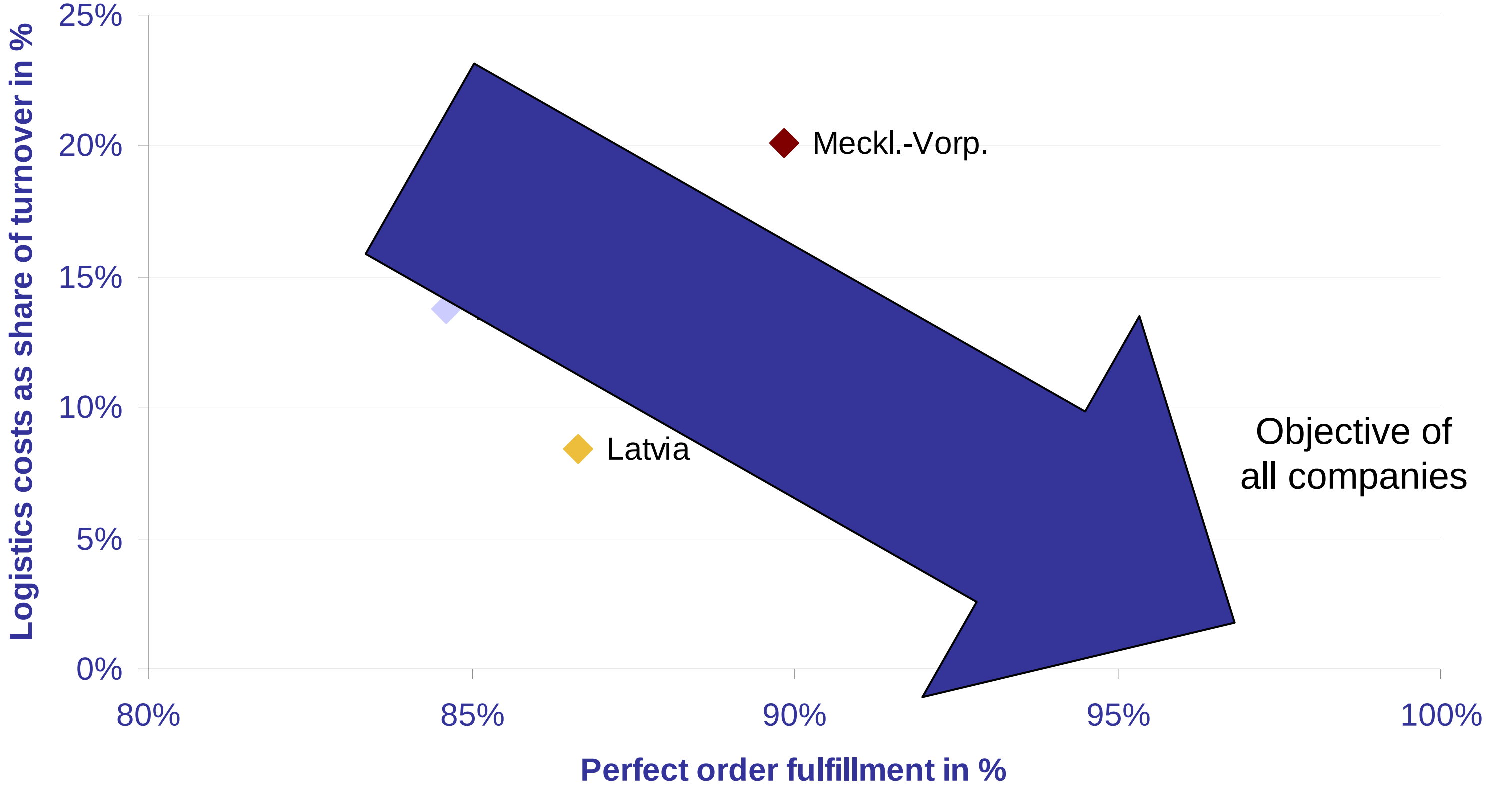
Relationship between order fulfillment and logistics costs (Manufacturing)



The objective of all regions and companies is to reduce costs and improve perfect order fulfillment rates.

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Most important development needs of companies in the future (Manufacturing)

	Hamburg	St. Petersburg	Estonia
Priority 1	improvement of customer services	development of information systems	decrease of logistics costs
Priority 2	decrease of logistics costs	improvement of customer services	selection of logistics service providers
Priority 3	selection of logistics service providers/ increase of supply chain transparency	decrease of logistics costs	development of information systems

One important target of all regions is to reduce logistics costs.

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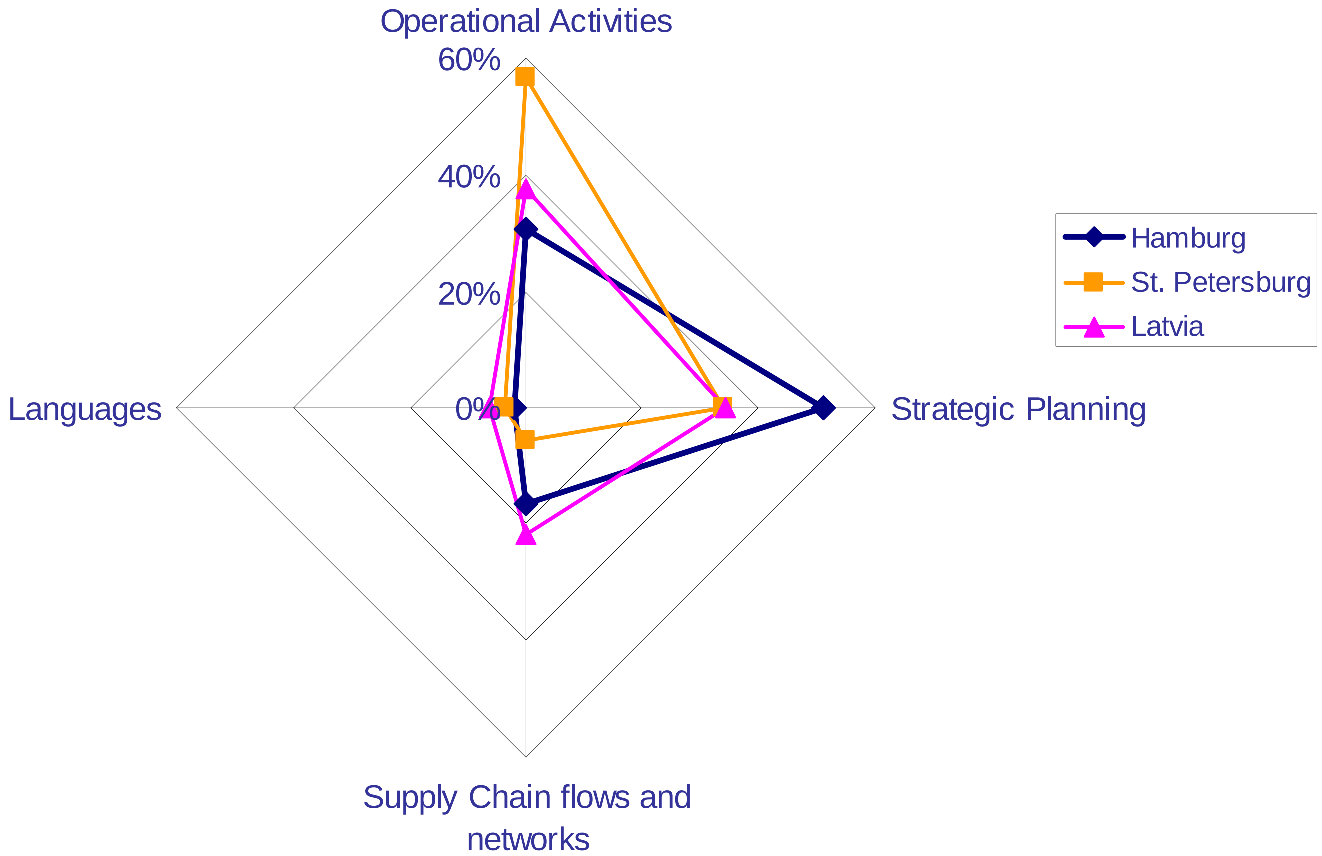
Development needs for personnel competence (Manufacturing)



Strategic planning and operational activities are the most important development needs for manufacturing companies, especially for those that are located in regions with well-developed logistics.

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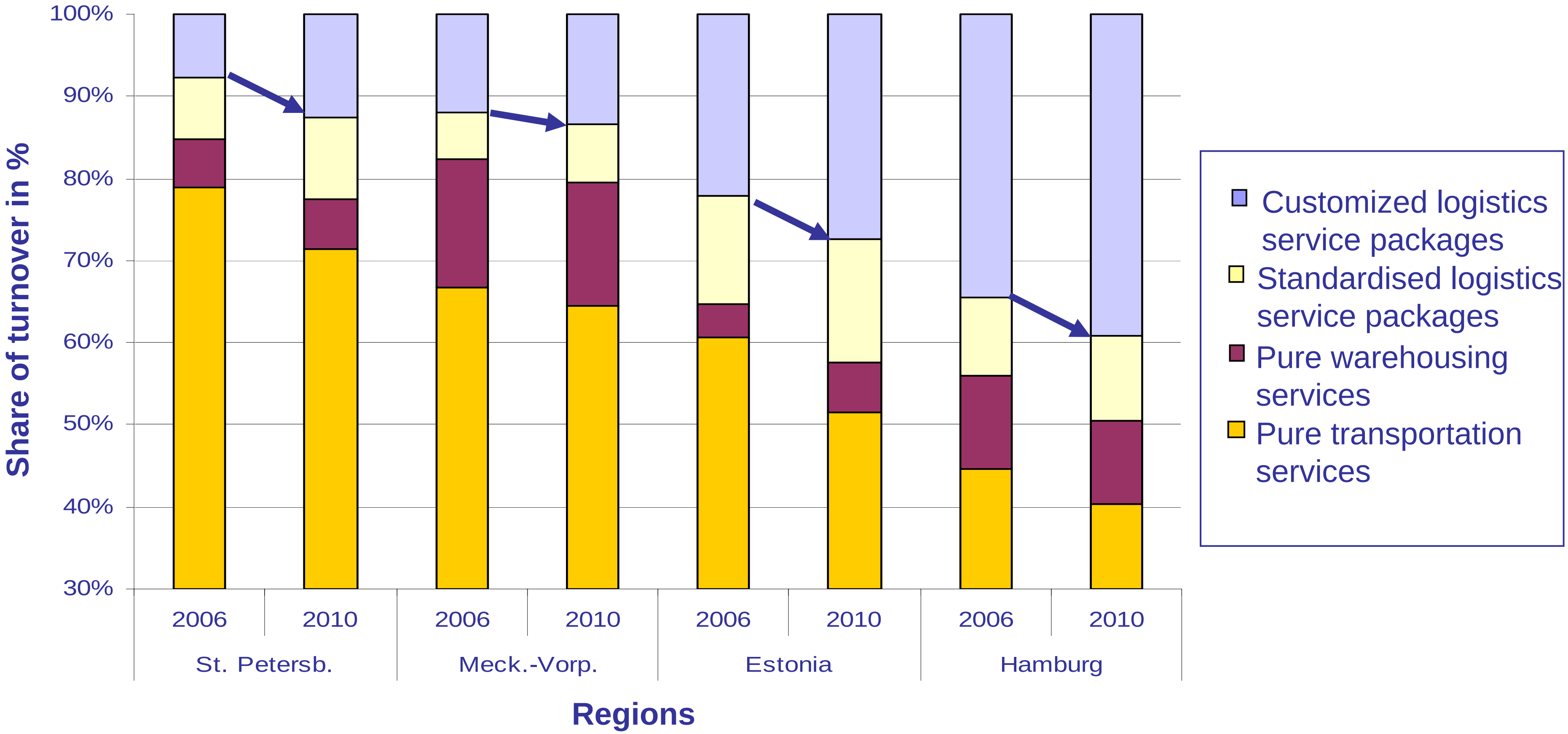
Distribution of turnover for different types of services – 2006 and 2010



The demand for more individual products is expected to increase in the future.

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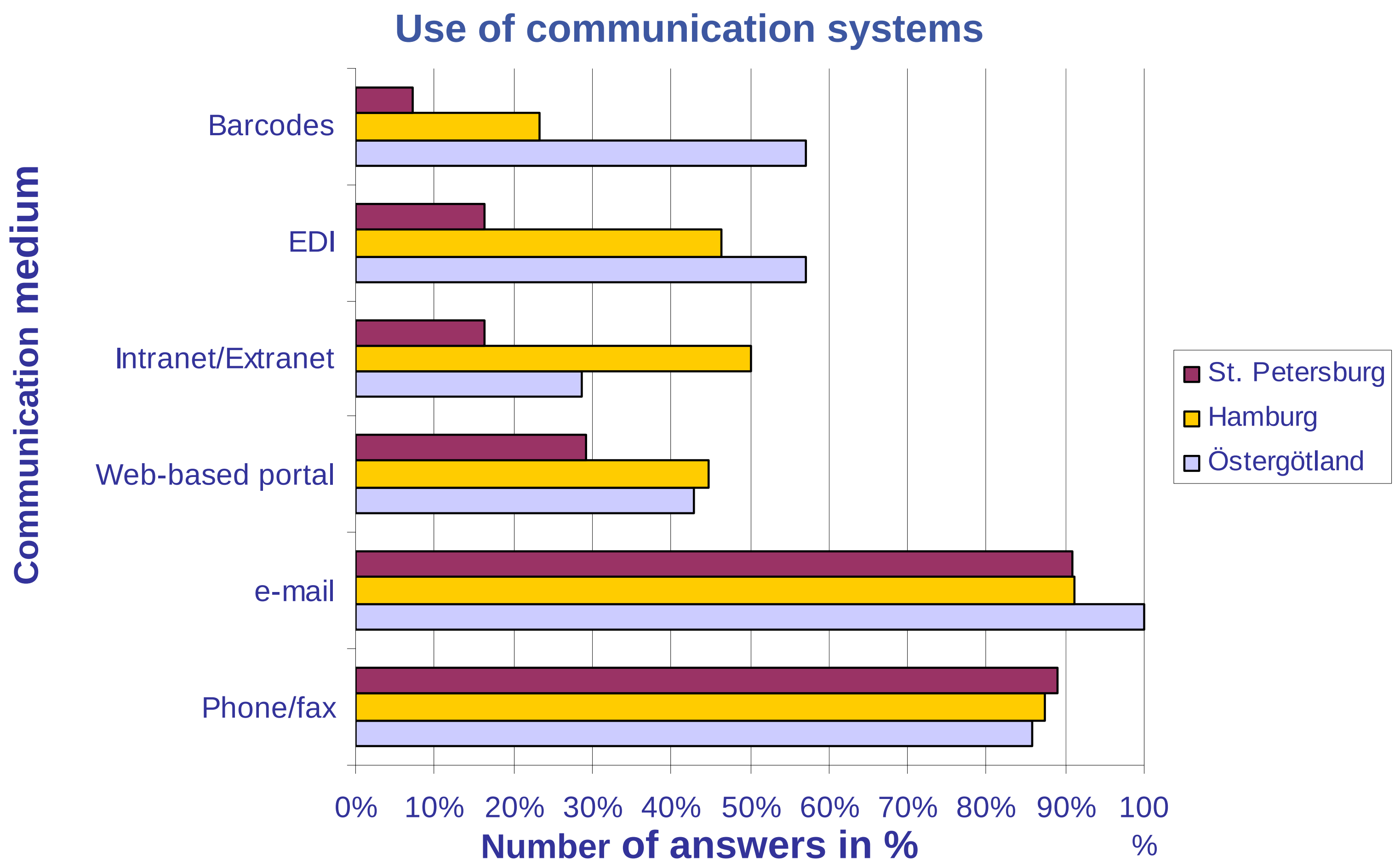

Traditional communication media like telephone and e-mail are still used the most, while new technologies such as EDI are applied infrequently.

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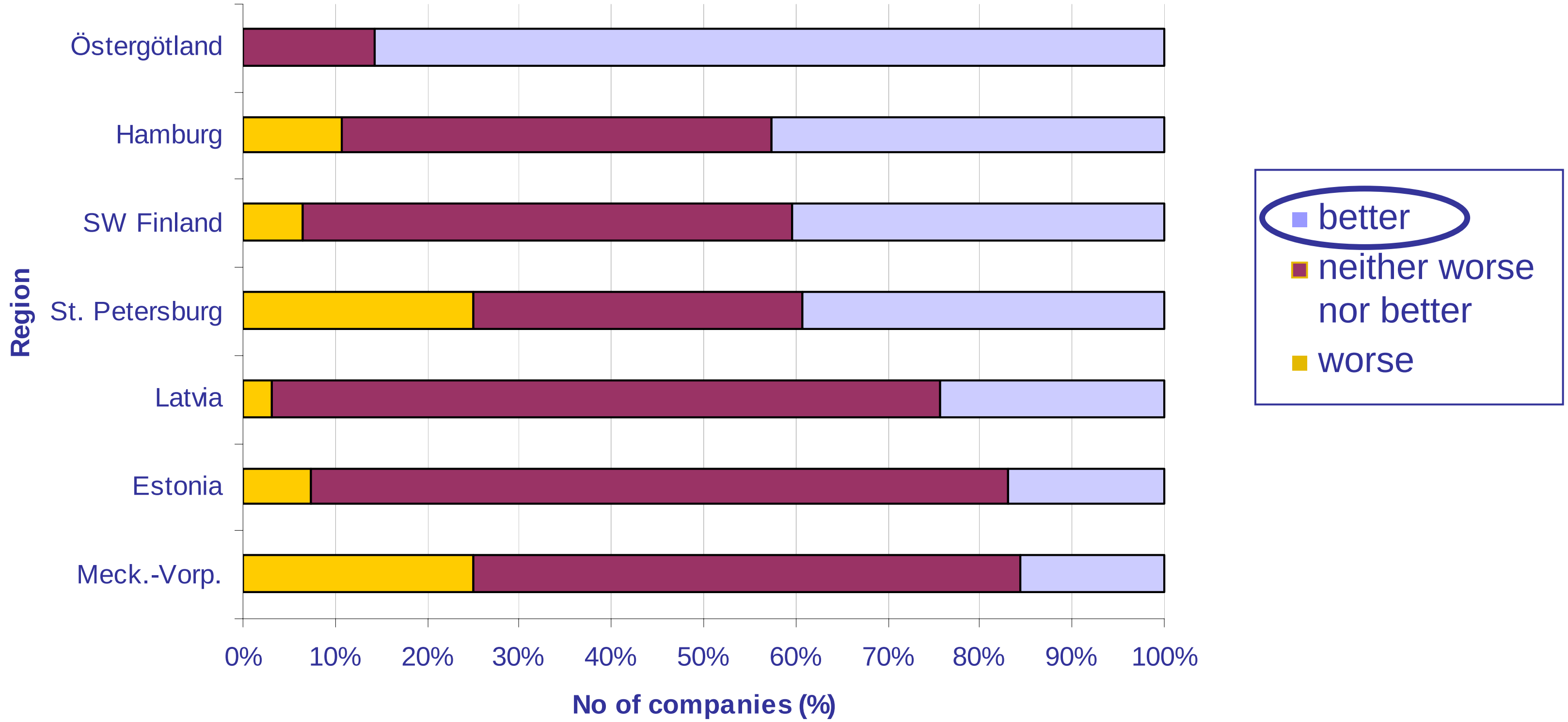
Evaluation of the operating environment compared to competitors



- A relatively large share of companies considers the business environment of their own region neither better nor worse than that of their competitors.
- The results show that there are always things that can be improved.

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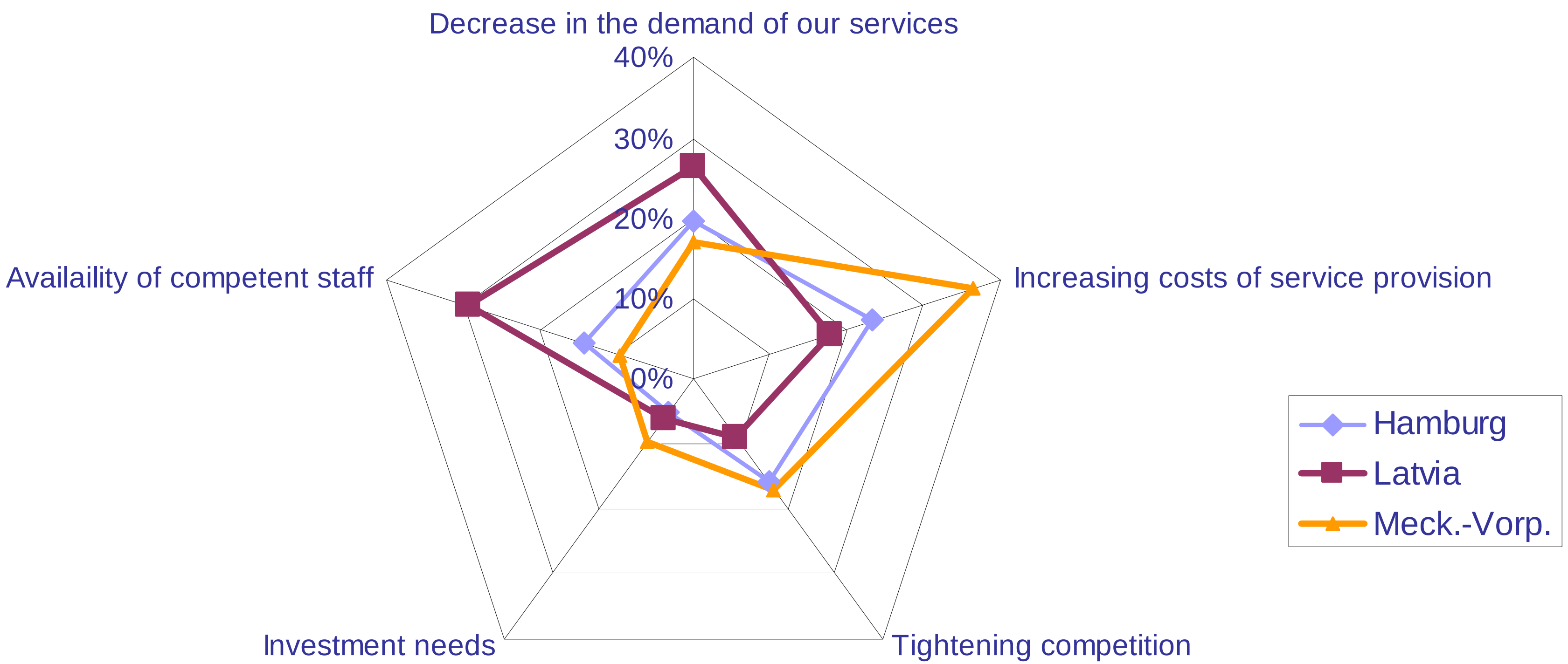
Threats for the future business



Logistics service providers regard different threats as most important in the three regions.

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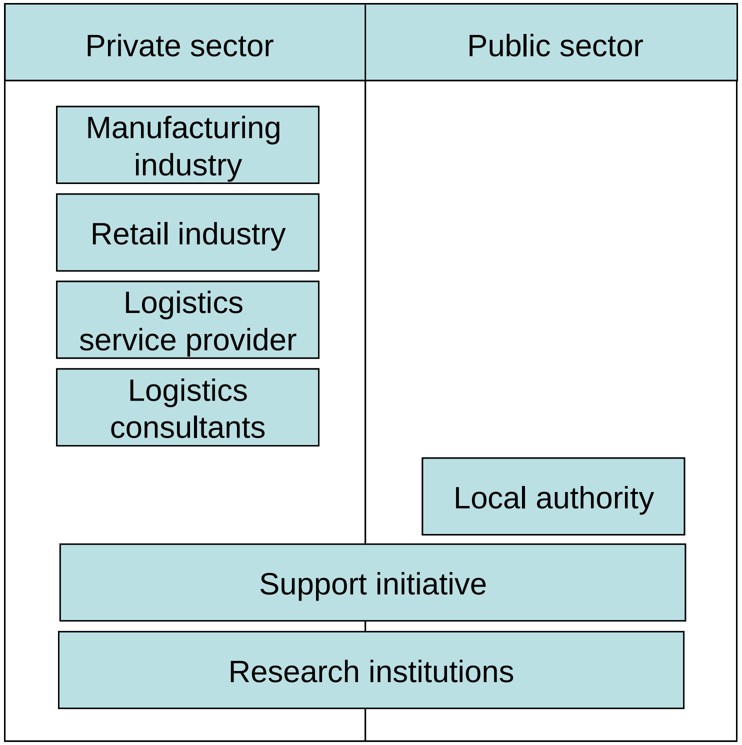
Expert interviews

- 10 to 15 experts in each region
- Partly open questions and partly scaled response options
- Topics:
  - Trends in logistics and ICT
  - Business contacts in the BSR
  - Regional development with regard to logistics and ICT
  - Further education
  - Companies' expectations for policy



More than 90 interviews have been conducted within the Baltic Sea Region

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Support of local policy

Very unsatisfied	Unsatisfied	Neither unsatisfied nor satisfied	Satisfied	Very satisfied

“The support of local authorities depends on the subject a company needs help for”

Hamburg

Estonia

“Logistics is not included in governmental development programs”, “Lack of information about authorities’ actions “

“Authorities should be more active in furthering regional interests, not only interests of larger cities”

Finland

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Competence level in the field of logistics

Very low	Low	Neither low nor high	High	Very high

"Further education is essential concerning specialised knowledge and soft skills"

Hamburg: Management

Hamburg: White collar

Hamburg: Blue collar

Estonia: Management

Estonia: White collar

Estonia: Blue collar

"Further education in SCM, IT systems, customer service, esp. engineers and programmers are wanted"

"Further education is essential, esp. in the areas of intercultural competence, project management, new technologies"

Finland: Management

Finland: White collar

Finland: Blue collar

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Conclusion

- The results of the LogOn Baltic project enable first-time comparative analyses on logistics data.
- In Western European countries, logistics plays a major role as a key source of competitive advantage in manufacturing companies.
- Logistics costs has proven to be one of the most important topics for companies from all industry groups and are expected to increase.
- There is, however, also a tendency towards more individualized logistics services and higher quality.
- Future development needs differ from operative to strategic depending on the level of the logistics competence.
- The expert interviews show that regional competences and political support are evaluated differently.

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Thank you for your attention!

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