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# Technological Capability and Logistical Reality

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Supply Chain Management  
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# Technological Capability and Logistical Reality

## U.S. - Ireland Cross Sectoral Initiative eLogistics Forum

Farmleigh, Dublin,  
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# Technological Capability and Logistical Reality

- Successful adoption of any e-solution requires fulfillment capability
- This has implications in terms of logistics and supply chain configuration
- Examples: buying a shirt in Dublin  
Toysrus  
general industry problems

# The B2C Shopping Proposition

## Benefits

- Customers shop from where they choose
- Online support can improve customer service

## Inconveniences

- Customers can't "feel" the goods
- Lack of human touch
- Price comparison is easier
- The "Last Mile" conundrum

# The “Last Mile” Conundrum

- Also known as the *longest mile*!
- Critical due to tight margins, high volumes of low-cost goods, perishable goods, etc
- Delivery to (a) home, (b) office or (c) third-party place
- (a) 25% of people refuse to stay home (Chilton 1999)
- (b) often forbidden by employers
- (c) e.g. petrol stations, post offices, local shops, etc

# Fulfilment Issues: front-end

- Poor customer service
- Abandoned virtual shopping basket - 88% (Anderson 1999)
- Returns
- Speed and cost of fulfilment

# Fulfilment Issues: back-end

- Under-investment in the fulfilment chain
- Outsourcing policy
- Integration of front-end and back-end operations
- Last mile delivery



# Technological Capability and Logistical Reality

- No IT is a magic solution
- IT should be regarded as an enabling technology and implemented as an integral part of a company's strategy and supply chain re-engineering



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