

A logistics quality system involving three basic elements—metrics/measurement, process/procedure, and reporting/repair—will lead to better outcomes.

I AM OFTEN ASKED HOW IMPORTANT quality systems are in logistics. I always answer by saying that it depends on the scope of the transportation. If the scope of transport is relatively noncritical, then the need is less than for critical transport. For example, a simple LTL—or “less than truckload”—transport requires less of the attention than of a critical just in time delivery. It is a lesson I learned in school; the importance of precision in your work. More importantly, the amount of that precision required versus the costs required to obtain that precision. “What is the acceptable level of precision required” is a question that I always asked myself while planning for projects. It is a major input when considering the scope, resources, and time required on projects.

Quality can easily be exchanged for precision within logistics. I define logistic quality as the ability to deliver the right item, in the right condition, in the right quantity, at the right time, and with the right supporting information. Any logistics quality system needs to be defined by these five actions. If all the actions are completed successfully, then the overall project is successful. It is something that is often called “the perfect order,” and it is a metric that many companies track.

The logistics quality system needs to be designed to address the perfect order. I first learned of this quality concept from Dr. Edward Frazelle while attending logistics seminars at Georgia Tech. It is the quality concept of measuring all the inputs that affect an order and measuring the overall metric. This overall metric is then the indication of the performance of the overall system. Your logistics quality system has to reflect the perfect order score that is your target for your company. Admittedly, some company’s targets are lower than others, and it can even be different for different products, services, and projects within the same company.

After answering the initial importance of logistics quality, I am often asked as a follow-up what makes up the system and how do you insure it is followed? There is really no short answer for these questions, but here are my guidelines. The system needs three basic elements: metrics/measurement, process/procedure, and reporting/repair.

Metrics/measurements will determine the amount of precision that is required within your scope. Does the transport require a delivery performance of high precision or not? The metric is your target, the measurement is your score. Process/procedure tells you what actions and how to do the actions. Process illustrates what needs to

be done, while procedures indicate how. I often use high-level flow charts for communicating what steps need to happen for the particular process. This is very effective in the field with subcontractors. It paints what has to be done, and in what sequence. It also allows me to gage if they really understand the process by describing the flow chart back to me. One more step for assuring a high-quality result. Procedures are step by step instructions on how something is done. Once again, an understanding of precision really helps when writing the procedure. The greater the required precision, the more detailed the procedures.

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Process/procedure documents are critical to have for quality certification, but they do not need to be so cumbersome as to not be used in the field. These need not be an exercise of document creation, but rather a working tool used by your company and subcontractors. Reporting/repair closes the loop on the quality systems. Whereas metric/measurement tells what the target is, process/procedure tells how to get there, reporting/repair tells you if you’ve achieved your target, and if you didn’t what needs to be done to improve. Reporting should be made easy to do, but capture the critical data required to first gage your process and secondly to indicate a problem. I also encourage sharing this reporting will all participants. If something happens outside the metric, what is the root cause, what needs fixed and what are the follow up actions required? Repair is the action that gets you back on track.

In logistics, precision and quality are related. It is important to understand the level of precision that is required so that your quality systems reflect it. Too much precision when not required will cost you money and time. Not enough will affect your quality of product or service. ✪