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Humanitarian Logistics

Cross-Sector Cooperation
in Disaster Relief Management

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To my daughter Emma

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Chapter 1

The Burning Topic

Abstract Chapter 1 introduces the topic of the book. Section 1 presents an overview of the importance of logistics and supply chain management in disaster relief operations. Section 2 defines the specific “open” question investigated in the book, referring to cross-sector cooperation in disaster relief management. Section 3 describes the structure of the work. The chapter provides the reader with a brief introduction on the burning topic covered in the book.

Keywords Humanitarian logistics • Humanitarian supply chain • Disaster-relief efforts • Complex relationships • Inter-organizational interactions • Cross-sector cooperation • Humanitarian-business partnerships • Best practices • Logistics organizations • Learning opportunities

1.1 Overview

The last decade has seen a significant increase in the number, magnitude, and impact of both natural and man-made disasters in the world, and these points to a dramatic upward trend. Moreover, according to some forecasts, the incidence of such disasters will unfortunately continue to rise.

In 2011 alone, 302 natural disasters were recorded in the Emergency Events Database of the Centre for Research on the Epidemiology of Disasters (EM-DAT database). These disasters claimed over 29,780 lives, affected nearly 206 million people, and caused record economic damage of US\$366 billion. The number of disasters and human impact figures in 2011 were below the average for the last decade. However, the economic losses from disasters in 2011 were the largest ever registered, much higher than those documented in the previous record year of 2005 (\$243 billion).

It is unsurprising, therefore, that there has been increased interest on the part of international academic and professional communities in humanitarian logistics and

supply chain management research, specifically in the challenges presented by disaster relief operations. The impact on affected populations can be reduced by the efficiency and effectiveness of humanitarian operations in response to the emergencies. Since about 80 % of disaster-relief efforts consist of logistics, it follows that the only way to achieve this efficiency and effectiveness is through logistics operations and supply chain management (Van Wassenhove 2006). Humanitarian logistics in disaster relief probably amount to around US\$15 billion a year (Christopher and Tatham 2011). Thus, proper investment in disaster-relief logistics provides the main opportunity to develop and implement effective, efficient use of resources in humanitarian operations. In addition, more strategic use of resources allows humanitarian organizations to raise donor trust and long-term commitment by increasingly skeptical benefactors.

Logistics and supply chain management can be of enormous value in humanitarian relief. They represent the most important element in such relief and are the one that determines the difference between a successful and a failed operation.

1.2 The Asked Question

In relief operations, many different actors are involved in complex relationships to meet the various challenges of preparing for and responding to disasters. In some very recent studies, inter-organizational interactions among these various actors have emerged as an interesting area. More research would seem to be required to move from inter-agency coordination to cross-sector cooperation between humanitarian organizations and companies. This research should focus on one specific “open” question: what are the (logistics and supply chain management) cross-learning opportunities for both businesses and humanitarian organizations that cooperate in disaster relief through partnership agreements? This is still a minimally explored research area in terms of the available academic literature and management practice (with the exception of the important work by Van Wassenhove and Tomasini from INSEAD), and so the present study is one of the first attempts to investigate the issue.

Humanitarian organizations have shown greater interest in the resources, expertise, processes, and technologies that companies possess. At the same time, the business sector has become more aware of many advantages that derive from cooperation with humanitarian organizations. Working together can produce benefits for both humanitarian organizations and companies, and in complex relief efforts it can be crucial to success.

When two or more entities from the business and humanitarian sectors with complementary resources agree to cooperate by virtue of their mutual interests, they set up a partnership. Through cooperating in this partnership, the two sectors can learn from each other and build up a process of transferring “best practices,” which are one of the most successful drivers for this type of cross-sector involvement. Learning is the process of developing knowledge that is embedded in transmitting

the best practices. Thus, partnerships between companies and humanitarian organizations can be a forum for sharing knowledge; in addition to ensuring a successful intervention, they can act as innovation-learning laboratories.

By virtue of their core competencies in logistics and supply chain management, logistics companies have taken the lead in proposing themselves as partners for humanitarian organizations. They have approached the latter not only out of charitable concerns but also as an opportunity for learning and business development.

It is in pursuit of detailing such efforts and exploring the useful ideas involved that the present book has been written. It is organized as follows.

1.3 Structure of the Work

Chapter 2 defines humanitarian logistics. **Section 2.1** underlines the crucial role of logistics and supply chain management in the humanitarian context; it identifies the main categories of disasters and describes disaster-relief operations. **Section 2.2** delineates the phases that constitute the disaster management cycle; in particular, it identifies the specific phase of the humanitarian logistics stream that demands agile and lean principles. **Section 2.3** indicates the different key actors in the humanitarian system, and it describes their role in disaster relief, underlining the complexity of humanitarian supply chain relationships.

Chapter 3 defines humanitarian supply chain relationships among the actors in disaster relief. **Section 3.1** describes inter-organizational interactions (governance forms and coordination mechanisms); in particular, it examines the move from inter-agency coordination to cross-sector cooperation. **Section 3.2** delineates humanitarian-business partnerships, and it stresses the benefits they produce for both humanitarian organizations and companies; it shows how they are vital to a successful operation, and it also focuses on the importance of cross-learning opportunities. **Section 3.3** underlines the role and main features that logistics companies should possess to become partners for the humanitarian sector.

Chapter 4 presents an emblematic example of a strategic integrative partnership between humanitarian organizations and logistics companies in disaster relief. **Section 4.1** describes the initiative; **Sect. 4.2** describes the logistics business partners; **Sect. 4.3** describes the logistics humanitarian partner; and **Sect. 4.4** describes a set of relationship guidelines for ruling partnerships.

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Chapter 2

Humanitarian Logistics and Supply Chain Management

“Since disaster relief is about 80 % logistics it would follow then that the only way to achieve this is through slick, efficient and effective logistics operations and more precisely, supply chain management.”

Van Wassenhove (2006) p. 475

Abstract Chapter 2 defines humanitarian logistics. Section 1 underlines the crucial role of logistics and supply chain management in the humanitarian context; it identifies the main categories of disasters and describes disaster-relief operations. Section 2 delineates the phases that constitute the disaster management cycle; in particular, it identifies the specific phase of the humanitarian logistics stream that demand agile and lean principles. Section 3 indicates the different key actors in the humanitarian system, and it describes their role in disaster relief, underlining the complexity of humanitarian supply chain relationships. The chapter provides the reader with a brief introduction on the key concepts of humanitarian logistics and supply chain management, and underlines the complexity of an emergency relief operation.

Keywords Humanitarian logistics · Humanitarian supply chain · Types of disaster · Disaster relief operations · Disaster management cycle · Humanitarian logistics stream · Disaster preparation phase · Disaster response phase · Agility and leanness principles · Humanitarian players

2.1 Humanitarian Logistics and Disaster Relief Operations

“Logistics is the part [of any disaster relief] that can mean the difference between a successful or failed operation.”

Van Wassenhove (2006) p. 476

The 2004 earthquake and resulting tsunami in South Asia claimed approximately 230,000 lives and displaced 1.7 million people. Over 40 countries and 700 non-governmental organizations (NGOs) provided humanitarian assistance. The response in the private sector was unprecedented: for example, US companies alone mobilized more than US\$565 million (cash and in kind), and the role of

logistics companies (e.g., UPS, FedEx, and DHL)—together with their existing aid agency partners—was also crucial in providing free or subsidized transportation and logistics. The world responded by donating more than \$13 billion and initiating the largest relief effort in history (Thomas and Fritz 2006).

As a result of the Indian Ocean tsunami in 2004, logistics applied to disasters has received increasing interest from both researchers and practitioners (Kovács and Spens 2007). In fact, the tsunami provided evidence that the effectiveness of the emergency aid response hinges on logistic speed and efficiency (Pettit et al. 2011), thereby increasing the awareness of the crucial role of logistics in humanitarian relief operations (Christopher and Tatham 2011).

Specifically, the activities of “planning, implementing and controlling the efficient, cost-effective flow of and storage of goods and materials as well as related information, from point of origin to point of consumption for the purpose of alleviating the suffering of vulnerable people” are known as “humanitarian logistics” (Thomas and Kopczak 2005 p. 2). Briefly, “for humanitarians, logistics is the processes and systems involved in mobilizing people, resources, skills and knowledge to help vulnerable people affected by disaster” (Van Wassenhove 2006 p. 476).

In a disaster context, it is of course important to ensure efficient and effective delivery, such that the appropriate commodities and people reach the victims of the emergency (logistic point of view). However, optimizing the logistic performance requires that all the relationships among the actors involved are managed through an integrated approach to efficiently and effectively coordinate inter-organizational performance, eliminate redundancy, and maximize efficiency along the entire emergency supply chain (supply chain management point of view). In fact, though logistics is more focused on moving something or someone from a point of origin to a destination, supply chain management mainly focuses on relationships among the actors that make such movement possible. Logistics and supply chain management are both crucial to properly set the response to a disaster.

Usually, the term “disaster” refers to a “disruption that physically affects a system as a whole and threatens its priorities and goals” (Van Wassenhove 2006 p. 476). With respect to cause, it is possible to distinguish between a natural and a man-made disaster; with respect to predictability and speed of occurrence, it is possible to distinguish between a sudden-onset and a slow-onset disaster (Van Wassenhove 2006). Taking into account also the different impact in terms of required logistic effort (from higher to lower), it is possible to identify four types of disaster (Fig. 2.1):

- Calamities, characterized by natural causes and sudden-onset occurrences (e.g., earthquakes, hurricanes, tornadoes);
- Destructive actions, characterized by man-made causes and sudden-onset occurrences (e.g., terrorist attacks, coups d'état, industrial accidents);
- Plagues, characterized by natural causes and slow-onset occurrence (e.g., famines, droughts, poverty);

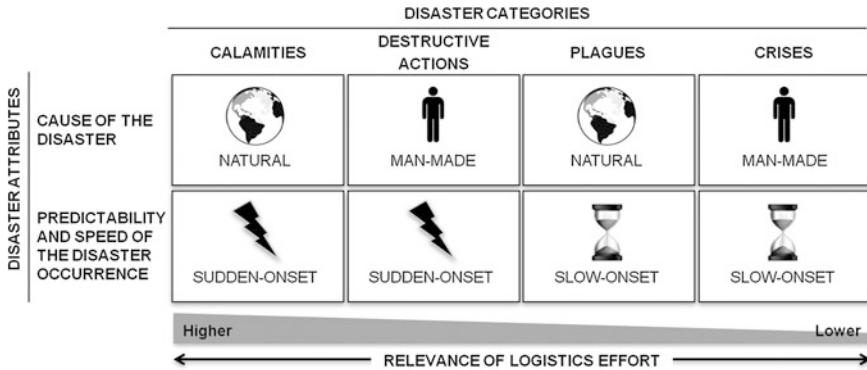


Fig. 2.1 Types of disaster

- Crises, characterized by man-made causes and slow-onsets occurrence (e.g., political and refugee crises).

Calamities and destructive actions are disasters that demand a higher logistic effort in terms of knowledge and cost because sudden-onset occurrences require a very fast response in devastated areas. The four categories may be interlinked: a calamity (such as an earthquake) may cause plagues (such as an epidemic disease) and crises (such as an economic crisis). Thus, it is sometimes more appropriate to talk about disasters instead of a single disaster.

Different types of disasters need to be managed in different ways: the aid provided to assist in a region’s development is distinct from that given to deal with famine and drought; running refugee camps is very different to providing the kind of aid that is needed after a sudden-onset natural disaster or a nuclear accident. Humanitarian efforts are organized along two broad lines (Kovács and Spens 2007):

- Disaster relief;
- Continuous aid work.

Ordinarily, disaster relief deals with calamities, destructive actions, and plagues (Long 1997). Continuous aid work is mainly required in the case of plagues and crises.

Logistics is the most important element in any disaster relief effort, and it is the one that makes the difference between a successful and a failed operation (Van Wassenhove 2006). But it is also the most expensive part of any disaster relief: it has been estimated that logistics accounts for about 80 % of the total costs in disaster relief (Van Wassenhove 2006). And given that the overall annual expenditure of aid agencies is of the order of \$20 billion, the resultant logistic spending is around \$15 billion (Christopher and Tatham 2011).

Thus, proper investment in logistics in disaster relief provides the main opportunity to develop and implement effective and efficient use of resources in

humanitarian operations (Cozzolino et al. 2012). In addition, a more strategic use of resources allows humanitarian organizations to raise donor trust and long-term commitment by increasingly skeptical benefactors (Scholten et al. 2010). Humanitarian organizations are therefore under greater scrutiny to monitor the impact of aid and the arrangement of their entire operations; they have to prove to donors, who are pledging millions in aid and goods, that they are really reaching the ones in need (Van Wassenhove 2006).

As a consequence, it would be useful identify each of the different phases that constitute the overall logistics process to provide a better guide for potential improvements. In the next section, therefore, the typical stages of an emergency supply chain are described.

2.2 Humanitarian Logistics and Stages in the Emergency Supply Chain

*“A successful response to a disaster is not improvised.
The better one is prepared the more effective the response.”*

Van Wassenhove 2006 p. 480

Since disaster relief efforts are characterized by considerable uncertainty and complexity, they need to be properly managed in order to address and implement better responses. Thus, disaster management is a key factor that drives successful execution of relief efforts, and it begins with strategic process design (Tomasini and Van Wassenhove 2009).

Disaster management is often described as a process composed of several stages, even though there is disagreement among authors as to the structure and nomenclature of the stages (Kovács and Spens 2007, 2009; Altay and Green 2006; Pettit and Beresford 2005; Van Wassenhove 2006; Lee and Zbinden 2003; Thomas 2003; Cottrill 2002; Nisha de Silva 2001; Long 1997). However, for the most part, the literature concurs on the existence of the following phases:

- Mitigation;
- Preparation;
- Response;
- Reconstruction.

These four phases constitute the *disaster management cycle*. With the focus on logistics and supply chain management, the process that involves logisticians mainly concerns the preparation, response and reconstruction; together these constitute *humanitarian logistics stream* (Fig. 2.2).

The *mitigation phase* refers to laws and mechanisms that reduce social vulnerability. These are issues that relate to the responsibilities of governments and do not involve the direct participation of logisticians.

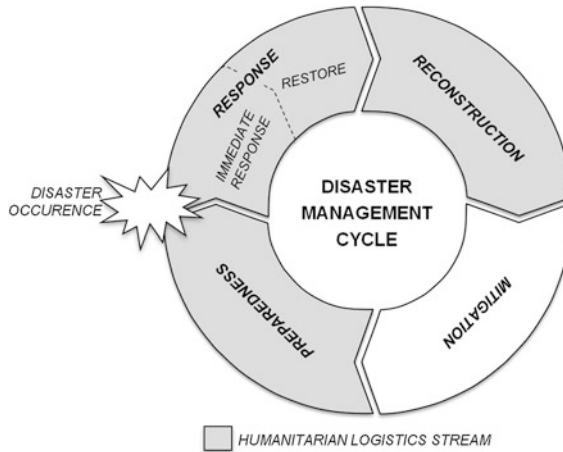


Fig. 2.2 The humanitarian logistics stream

The *preparation phase* refers to various operations that occur during the period before a disaster strikes. This phase incorporates the strategies put into place that allow the implementation of a successful operational response. This phase is crucial because it is the one in which the physical network design, information and communications technology systems, and the bases for collaboration are developed. The aim of this stage is to avoid the gravest possible consequences of a disaster. This phase also incorporates the efforts that are made between disasters in learning and adapting from past experiences so as to meet new challenges.

The *response phase* refers to the various operations that are instantly implemented after a disaster occurs. This phase has two main objectives; they are consecutive and constitute two sub-phases (Cozzolino et al. 2012):

- The first objective is to immediately respond by activating the “silent network” or “temporary networks,” as defined by Jahre et al. (2009); this is the *immediate-response sub-phase*;
- The second objective is to restore in the shortest time possible the basic services and delivery of goods to the highest possible number of beneficiaries; this is the *restore sub-phase*.

In the response stage, coordination and collaboration among all the actors involved in the humanitarian emergency deserve particular attention (Balcik et al. 2010; Kovács and Spens 2007, 2009; Maon et al. 2009; Tomasini and Van Wassenhove 2009). Connections to feasible donors, suppliers, NGOs, and other partners are made in the first phase, but they are not activated until the catastrophic event takes place. Then, all the actors involved operate as quickly as possible: at the start, speed—at any cost—is of the essence, and the first 72 h are crucial (Van Wassenhove 2006).

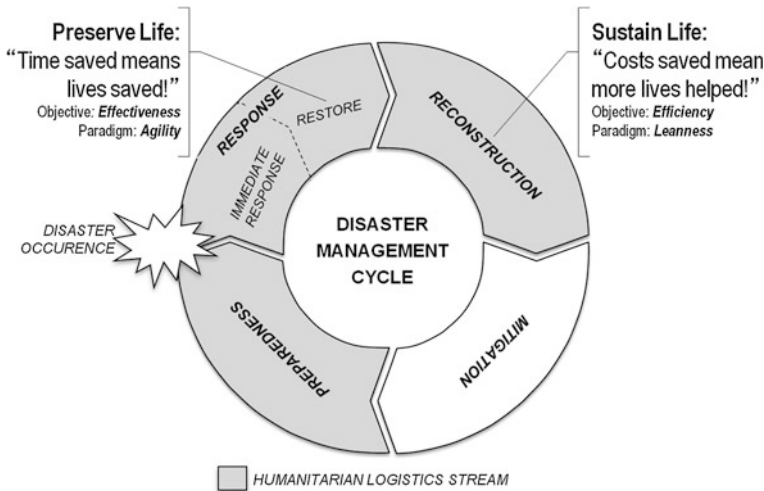


Fig. 2.3 Agility and leanness in the humanitarian logistics stream

The *reconstruction phase* refers to different operations in the aftermath of a disaster. It involves rehabilitation, and this phase aims to address the problem from a long-term perspective. The effects of a disaster can continue for a long period of time, and they have severe consequences on the affected population. In addition, disasters can also have long-term effects on the management of companies. For example, immediately after a disaster, transportation companies may undergo a modal shift from road to rail that prevails long after the occurrence of the disaster (Kovács and Spens 2007).

With regard to *humanitarian logistics stream*, it is interesting that the transition between the stages involves the shift in focus from speed to cost reduction in terms of operational performance (Tomasini and Van Wassenhove 2009b). Each stage of the process has a specific objective that can be achieved through the application of two supply chain principles: agility and leanness (Cozzolino et al. 2012).

Agility is usually defined as the ability to respond to unexpected changes (Sheffi 2005) when an unpredictable demand is combined with short lead times (Christopher 2005). Leanness usually refers to doing more and better with less when demand is relatively stable and predictable (Childerhouse and Towill 2000). Briefly, while agility focuses on effectiveness and speed, leanness focuses on efficiency and cost saving (Charles et al. 2010; Scholten et al. 2010; Kovács and Spens 2009; Pettit and Beresford 2009; Taylor and Pettit 2009; Oloruntoba and Grey 2006; Narasimhan et al. 2006; Christopher 2005; Sheffi 2005; Aitken et al. 2002; Towill and Christopher 2002; Christopher and Towill 2001; Childerhouse and Towill 2000; Mason-Jones et al. 2000; Naylor et al. 1999). In consideration of their specific objectives, agility and leanness may be applied to the stages of humanitarian logistics.

In humanitarian supply chains, effectiveness ensures that we save time, and time saved means more lives saved; efficiency ensures that we save costs, and costs saved means more lives helped. The objective of the restoring sub-stage (as part of the response phase) is saving as much time as possible, and it can be achieved through agility. The objective of the reconstruction phase is saving as many costs as possible, and it can be achieved through leanness (Fig. 2.3 and Box 2.1). It is through preparedness and the immediate response that agility and leanness can be used to design and develop processes and procedures to be performed in the following steps, restore and reconstruction (Fig. 2.3).

Box 2.1. The United Nations World Food Programme humanitarian logistics. In the case of an emergency, the Emergency Preparedness and Contingency Planning team ensures that United Nations World Food Programme (WFP) is ready to act at any time because time saved amounts to lives saved. In the early days of an emergency, the WFP quickly establishes how much food assistance is needed and the best way to deliver that assistance to the hungry. To do so, it works with Emergency Assessment Teams. On the basis of their assessment, the WFP draws up a detailed plan of action and budget, which is termed Emergency Needs Assessment and Operational Planning. Equipped with answers to its questions, the WFP draws up an Emergency Operation (EMOP), which includes a plan of action and a budget. This lists who will receive food assistance, what rations are required, the type of transport the WFP will use, and which humanitarian corridors should lead to the crisis zone. EMOPs usually last for between three and 12 months. If further assistance is required, the WFP prepares a Protracted Relief and Recovery Operation (PRRO), which helps to sustain disaster-hit communities as they re-establish their livelihoods and stabilize food security in more efficient way such that costs saved amount to more lives being saved. It is possible to propose a correspondence between the theoretical phases of the humanitarian supply chain process and the empirical stages of the emergency relief process of the WFP (Table 2.1).

Table 2.1 Humanitarian logistics stream: literature and the WFP case (Cozzolino et al. 2012)

Literature		WFP
Preparedness		Emergency preparedness and contingency planning
Response	Immediate response	Emergency needs assessment and operational planning
	Restore	EMergency OPERATION—EMOP
Reconstruction		Protracted Relief and Recovery Operation—PRRO

Table 2.2 Principle-stage correspondences: literature and the WFP case (Cozzolino et al. 2012)

Principle	Stages in literature	Stage in WFP
Agility	Restore	EMOP
Leanness	Reconstruction	PRRO

The WFP humanitarian supply chain exhibits (Table 2.2):

- Agile principle—according to the objective of urgent effectiveness—in the EMOP stage, which corresponds to the restoring stage in the response;
- Lean principle—according to the objective of efficiency—in the PRRO stage, which corresponds to the reconstruction stage.

Source: Cozzolino et al. 2012.

In each of these phases many different actors are involved in meeting the challenge of answering to disasters, as described in the following section.

2.3 Humanitarian Logistics and the Players Involved

“The diversity of the humanitarian community is an asset if we build on our comparative advantages and complement each other’s contributions.”

Global Humanitarian Platform 2007

Humanitarian relief-operation management engages very different players, who may have a high degree of heterogeneity in terms of culture, purposes, interests, mandates, capacity, and logistics expertise (Balcik et al. 2010). Key players can be categorized as follow: governments, the military, aid agencies, donors, non-governmental organizations (NGOs), and private sector companies—among which logistics service providers are preeminent (Kovács and Spens 2007; Kaatrud et al. 2003). Considering the whole players and relationships among them, the *humanitarian relationships model* can be defined (Fig. 2.4).

Governments—host governments, neighboring country governments, and other country governments within the international community—are the activators of humanitarian logistics stream after a disaster strikes since they have the power to authorize operations and mobilize resources. In fact, without the host government authorization, no other player—with the exception of national aid agencies and the military—can operate in the disaster theater. Host government authorization is fundamental for the involvement of other countries (neighbors or not). The engagement of other countries is a delicate matter since it can be facilitated or blocked as a consequence of the relationship quality between the host government and the international community (in many cases host countries do not enjoy good

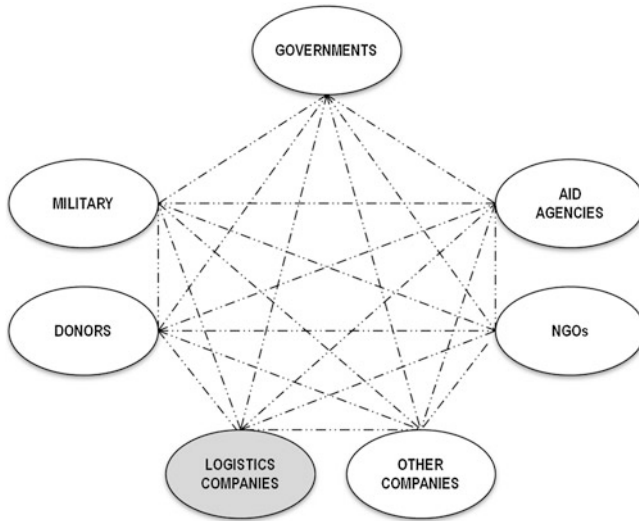


Fig. 2.4 The humanitarian relationships model

relations with their neighbors). Another important role in the aid process can be played by international agreements to which the host government subscribes with other countries (e.g., the European Union, North American Free Trade Agreement, Asia–Pacific Economic Cooperation, Arab League, African Union). Moreover, host governments have the responsibility to put into place protocols and take action to reduce the probability of disasters (mitigation).

On many occasions, the military has been a very important actor since soldiers are called upon to provide primary assistance (i.e., hospital and camp installation, telecommunications, and route repair) thanks to their high planning and logistic capabilities.

Aid agencies are actors through which governments are able to alleviate the suffering caused by disasters. The largest agencies are global actors, but there are also many small regional and country-specific aid agencies. One of the most important for its logistic role and contribution is the WFP.

Donors provide the bulk of funding for major relief activities. Generally, donations consist of giving financial means (in-cash donations) to support humanitarian operations or providing goods and/or services for free (in-kind donations) while performing logistics operations. Since each player within its own specific role can provide in-kind donations, in the humanitarian relationship model the term “donor” refers to those who exclusively give financial means to fund aid operations. Thus, in addition to country-specific funding provided by governments in recent years, foundations, individual donors, and companies have become important sources of funds for aid agencies.

NGOs include several and disparate actors, ranging from influential and international players, such as CARE (a leading humanitarian organization fighting global poverty), to small and micro-organizations that develop within local communities but are also able to operate at the international level. Some of these players are temporary, being created just to address one particular crisis.

The presence of private-sector companies (logistics and others companies) is increasingly growing in the humanitarian relief environment. In the humanitarian logistics, companies can play one or more of the following roles:

- Donors;
- Collectors;
- Providers.

As a *donor*, a company can support humanitarian logistics by giving financial contributions (in cash) to fund aid operations. As a *collector*, a company can gather financial means from its customers, its employees, and its suppliers in order to fund aid operations. As a *provider*, a company can offer its goods and services for free (in-kind donation) or as a consequence of a selling action. In the humanitarian relationship model, when a company exclusively plays the role of donor and/or collector, it simply belongs to the donors category. The model refers to the company category only when the organization in question acts only or also as a provider.

Companies are capable of providing technological support and logistics staff and managers. They also provide specific services that may no longer be available on the ground immediately after a disaster has occurred, such as electricity supply, engineering solutions, banking support, and postal services. Initially, companies are moved to participate in humanitarian efforts because they have observed that enormous losses are inflicted when disasters interrupt the flow of their business; so they invest in re-establishing their business continuity. Working to alleviate the economic impact of such disruptions “makes good business sense” (Thomas and Fritz 2006).

Within the company category, logistics service providers are excellent contributors at each stage of a disaster-relief operation through their logistics and supply chain management core capabilities. Leading international logistics service providers, such as Agility, DHL, FedEx, Maersk, TNT, and UPS, have raised their importance in terms of the resources, assets, and knowledge shared with their humanitarian counterparts. Thanks to their capabilities in enhancing the speed and efficiency of relief efforts, logistics companies are assuming a more prominent role as the partners of humanitarian organizations.

In the next chapter, the inter-organizational interactions among actors in the humanitarian relationship model are described, with particular attention being paid to partnerships between profit and non-profit organizations.

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Chapter 3

Humanitarian Supply Chain Relationships: Working Together to Meet the Challenge of Preparing for and Responding to Disasters

“Disasters come to test the reactivity of our systems, especially the capacity of different actors to work together. They demand solutions that include governments, military, civil society, and humanitarian organizations. Under normal circumstance these actors have little incentive to work together for an extended period of time. Yet, when a disaster strikes, they are suddenly faced with the pressure to combine all their capacity and capability to relieve human suffering.”

Tomasini and Van Wassenhove (2009a) p. 549

Abstract Chapter 3 defines humanitarian supply chain relationships among the actors in disaster relief. Section 1 describes inter-organizational interactions (governance forms and coordination mechanisms); in particular, it examines the move from inter-agency coordination to cross-sector cooperation. Section 2 delineates humanitarian-business partnerships, and it stresses the benefits they produce for both humanitarian organizations and companies; it shows how they are vital to a successful operation, and it also focuses on the importance of cross-learning opportunities. Section 3 underlines the role and main features that logistics companies should possess to become partners for the humanitarian sector. The chapter provides the reader with a description of inter-organizational interactions in emergency relief operations, and reveals the importance for cross-learning between the private and the humanitarian sector.

Keywords Humanitarian supply chain relationships • Inter-organizational interactions • Inter-agency coordination • Cross-sector cooperation • Relationships building • Humanitarian-business partnerships • Cross-sector learning opportunities • Best practices • Logistics companies • Logistics integrator’s role

3.1 From Inter-Agency Coordination to Building Cross-Sector Relationships in the Humanitarian Supply Chain

“If two or more organizations can save more lives or ease more suffering by working together, they should seriously consider it.”

McLachlin and Larson (2011) p. 35

Among the actors in the humanitarian relationship model, inter-organizational interactions can be governed through the market, through hierarchy or cooperation.

Market interactions are transactions of goods and/or services between independent entities, i.e., companies paid by aid agencies to offer goods and to provide such additional support as services and assets. Market interactions have the characteristic of being adaptive to environmental changes through enabling autonomous decision-making by each organization involved in the transaction.

Hierarchical interactions are supply relationships between superordinate and subordinate entities within the same economic organization (a single organization or group of organizations). Hierarchical interactions have the characteristic of being centralized, with formal rules and patterns for decision-making in a stable environment.

Cooperation embraces various possible forms of inter-organizational interactions that are located in a continuum between the two extremes of market and hierarchy. Cooperation is rooted in common intentions and leads via negotiations to agreements in which the partners remain legally and—with certain restrictions—economically independent, e.g., business-humanitarian partnerships to share logistics and supply chain management expertise and knowledge in relief operations.

Markets, hierarchy, and cooperation use specific coordination mechanisms to manage interactions. Coordination mechanisms provide tools for effectively managing these types of interactions:

- Market—coordination by prices;
- Hierarchy—coordination by instructions;
- Cooperation—coordination by agreements.

Thus, coordination consists of a set of methods used to manage inter-organizational interactions (Fig. 3.1).

Coordination does not automatically produce good performance; it has to be properly managed to generate positive results.¹ In fact, poor coordination among the actors involved in humanitarian disaster relief is cited as the main cause of

¹ The performance metrics in the humanitarian context should be related both to the implementation of programs (input, process, and output indicators) and on the results of such programs (outcome and impact indicators); these metrics should consider the entire “impact chain” or “results chain” (Roche 1999) and show the causality between an action and its ultimate impact (Tatham and Hughes 2011; OECD/DAC 2010; Hofmann et al. 2004; Buckmaster 1999; Roche 1999). Reduced to its simplest form, the impact chain looks like this: inputs—activities—

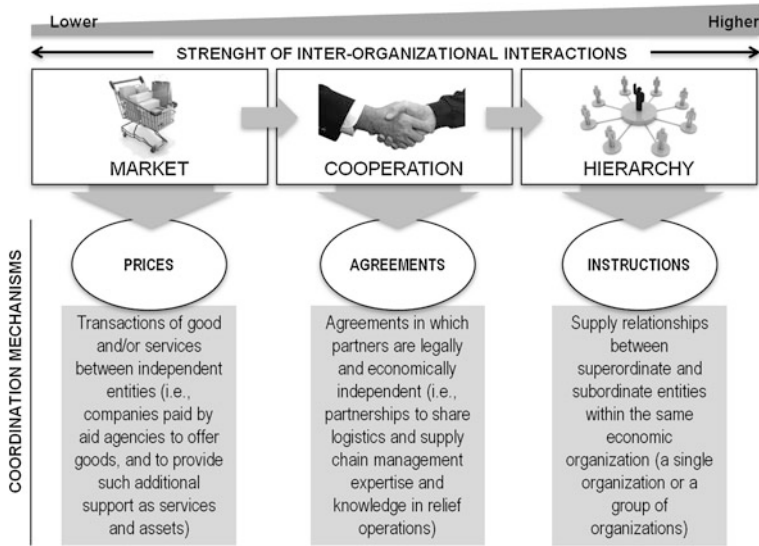


Fig. 3.1 Inter-organizational interactions: coordination mechanisms for market, hierarchy, and cooperation

performance gaps; conversely, good coordination is crucial to guarantee successful emergency operations (McLachlin and Larson 2011; Seybolt 2009; Tomasini and Van Wassenhove 2009; Kovács and Spens 2007; Van Wassenhove 2006). It follows, therefore, that improvements in humanitarian coordination translate into better logistic performance. This has been particularly evident since the 2004 South Asia tsunami, following which inter-organizational coordination (or the lack thereof) became one of the main issues of humanitarian logistic practice and research. The first and major efforts in this direction were very much focused on inter-agency coordination (Kovács 2011).

The attention on coordination relies on many initiatives. The importance of coordination is well known within the agencies and programs of the United Nations (UN system). The UN system has agencies and programs with particular mandates, e.g., World Food Programme (WFP) for food, United Nations Children’s Fund (UNICEF) for children, and United Nations High Commissioner for

(Footnote 1 continued)

outputs—outcomes—impact. In particular, output indicators are those that indicate the direct products of a specific program of activities, i.e., how much food it has distributed, how much shelter it has provided, and the percentage of the population that has received aid. Outcomes indicators are those that reflect the benefit received by recipients as a consequence of aid activities, i.e., the lives saved or suffering alleviated and new knowledge and increased skills. Impact indicators are those that describe positive or negative, direct or indirect effects and lead to primary or secondary long-term intended or unintended effects, i.e., changed attitudes, modified behavior, and increased learning capabilities.

Table 3.1 The list of the clusters and their respective lead organization(s)

Cluster (Sector or area of activity)	Cluster lead
Technical areas:	
1. Nutrition	UNICEF (United Nations Children's Fund)
2. Health	WHO (World Health Organization)
3. Water/sanitation	UNICEF
4. Emergency shelter	UNHCR (United Nations High Commissioner for Refugees)
Cross-cutting areas:	
5. Camp coordination/management	UNHCR/IOM (International Organization for Migrations)
6. Protection	UNHCR
7. Early recovery	UNHCR/OHCHR (Office of the High Commissioner for Human Rights)/UNICEF
Common service areas:	
8. Logistics	WFP (World Food Programme)
9. Emergency telecommunications	OCHA (Office for the Coordination of Humanitarian Affairs)/UNICEF/WFP

Refugees (UNHCR) for refugees. However, no crisis ever involves solely food, children, or refugees. Agencies and programs have to work together to achieve sustainable and comprehensive results, and coordination is needed among them to avoid inefficiencies, including mainly the wasteful duplication of efforts. The Emergency Relief Coordinator and the Inter-Agency Standing Committee were created in the nineties; these were followed by the Office for the Coordination of Humanitarian Affairs. In view of the importance of logistics coordination, the United Nations Joint Logistics Center was activated under the custodianship of the WFP with the mandate to coordinate and optimize the logistics capabilities of humanitarian organizations in large-scale emergencies.

Among the UN's recent initiatives, the Humanitarian Response Review (HRR), established in August 2005, represents one of the most significant and innovative attempts in coordinating the humanitarian response and disaster management (Altay and Labonte 2011). The HRR was planned to assess the humanitarian response capacities of the UN—and also the Red Cross and Red Crescent Movement, the International Organization for Migration, and NGOs—map the gaps, and make recommendations to address them. The recommendations contained in the HRR reflect the experience of the UN humanitarian reform program following many relief operations: the inefficiencies, duplications, and overlaps that emerged with those responses showed the need for greater coordination (Kovács 2011) and also the necessity to consider the private sector in terms of response capacity.

One of the major innovations introduced by the HRR is the Cluster Approach (CA). The CA identifies different sectors or areas of activity (technical areas, cross-cutting areas, and common service areas), and it assigns each of them to a specific entity (cluster lead) within the UN system that has the exclusive

responsibility of providing services to all UN agencies and programs. Details of the different clusters and their respective lead organization(s) appear in Table 3.1.

The HRR introduces a coordination mechanism (instructions) within the UN hierarchy. It is the responsibility of each cluster leader to facilitate and improve inter-agency coordination through the pooling of resources. It is also part of the assigned task of each cluster leader to make appropriate recommendations to enlarge cooperative efforts by involving entities outside the UN system, such as NGOs and companies.

Focusing on logistics, the WFP—the leader of the logistics cluster—has to improve the surge capacity, speed, and effectiveness of the humanitarian response by ensuring better logistics preparedness (Box 3.1).

Box 3.1. The World Food Programme and its engagement as an inter-agency logistics service provider.

The World Food Programme (WFP) is the world's largest humanitarian organization and the frontline agency of the UN in the fight against global hunger. Although its focus remains on delivering food and saving lives, the WFP provides services that include the transport and storage of general cargo and non-food items, the transportation of humanitarian aid workers and donors, coordination of the logistics response on behalf of the humanitarian community, and the provision of training for humanitarian logisticians from other international organizations. Initially, the WFP was mainly a development agency that had minimal involvement in emergency operations, but it has gradually become the primary focus of operations; more than a third of the total official development assistance has been directed to emergencies.

When disaster strikes, the primary objective of the WFP's logistics activities (procurement, transportation, storage and distribution, by shipping, aviation, and surface transport) is to ensure that personnel and commodities are transported in the most efficient, timely, and cost-effective manner. This process includes the following:

- Strategically pre-positioned stocks of operational support equipment, ready-to-eat food, and non-food items that can be quickly deployed to the affected areas at the onset of the crisis;
- Emergency-staff rosters and stand-by partnerships to immediately deploy technical experts to kick-start logistic operations in support of the humanitarian community;
- Equipment by air, road and sea—including all-terrain trucks, helicopters, and landing craft—to reach people in remote and inaccessible places;
- Strategic airlifts of relief cargo, also for the humanitarian community.

Logistics is at the core of WFP operations. In fact, the WFP is at the forefront of humanitarian logistics, as demonstrated by its leadership of the Logistics Cluster (LC), its management of the United Nations Humanitarian Air Service (UNHAS) and United Nations Humanitarian Response Depot

(UNHRD) network, and its role as a logistics service provider to other humanitarian organizations.

As the global leader of the LC, the WFP is responsible for ensuring that a well-coordinated, efficient, and effective logistic response is initiated for each emergency, not just for WFP food, but also as part of the larger humanitarian response. The WFP-led LC provides effective coordination of the logistics sector and, if needed, augments the logistic infrastructure and provides common logistic services for the humanitarian community as a whole. Since the first cluster activation in the Pakistan earthquake response of 2005, the WFP-led LC has supported the logistic response for over 30 emergency operations worldwide.

As manager of the UNHAS, WFP provides passenger air services for the entire humanitarian community.

The WFP has established five Humanitarian Response Depots in key locations around the world: Brindisi, Italy; Panama City, Panama; Accra, Ghana; Dubai, UAE; and Subang, Malaysia. Humanitarian organizations use the network of depots to keep strategic stocks of emergency relief goods, such as medical kits, shelter items, IT equipment, and prefabricated office and storage units so that they are better able to respond to the immediate needs at the onset of an emergency. In addition to storage services, the UNHRD network is a one-stop shop for procurement, transport, customs import-and-export services, and technical field assistance for participating organizations.

Through the Augmented Logistics Intervention Team for Emergencies (ALITE), the WFP provides rapid services to launch logistics operations. The ALITE mobilizes staff, partners, assets, and emergency-response equipment required to augment the logistic capacity of both the WFP and the humanitarian community reaction at the onset of a crisis. The ALITE also manages relationships with logistics actors to strengthen operational cooperation and emergency preparedness, such as with the WFP's standby partners, private-sector logistics organizations, and military entities.

The WFP works to enhance the surge capacity, predictability, and effectiveness of the global humanitarian response by improving logistic preparedness and inter-agency coordination. The WFP designs and conducts specialized training in technical logistics, management skills, and developing a service mindset. Emergency simulation training is organized to equip logisticians with the skills to respond to emergencies. The WFP also develops innovative tools, including tracking systems, online toolkits, and manuals. Trainings and tools are made available to WFP staff as well as to the wider humanitarian community.

Source: "Logistics: we deliver" (www.logistics.wfp.org).

In particular, the WFP, with its engagement as an inter-agency logistics service provider, is clearly aware that it cannot undertake all the logistic efforts on its own: partnerships with humanitarian participants and with the private sector are critical in

effective responses to major emergencies. In fact, much of the WFP's success over the recent years has been due to the strength of its partnerships with governments, other UN agencies, NGOs, and the private sector. The WFP cooperates with private-sector partners to increase the effectiveness of emergency operations without adding to the administrative burden. Among its major private partners are the Boston Consulting Group, TNT, Caterpillar, Citigroup, Unilever, DSM, the Vodafone Group Foundation, the United Nations Foundation, the Bill and Melinda Gates Foundation, the ELMA Relief Foundation, and the Howard G. Buffett Foundation (Quinn 2010). Private-sector partners also contribute to the WFP's coordination of logistics for the wider humanitarian community. Logistics cluster operations are supported by Logistics Emergency Teams (LETs), which have been established by TNT, UPS, and Agility (LETs will be examined more closely in Chap. 4).

In recent years, governments have also moved in the same direction as the WFP: they have experienced the speed and effectiveness of the private sector in response to a disaster. For instance, the mayor of Kenner, Louisiana, a suburb of New Orleans, publicly noted that Wal-Mart distributed aid to Hurricane Katrina victims more quickly than the U.S. Federal Emergency Management Agency (Spring 2006). The U.S. response structure and its strategies for responding to disasters have significantly changed over the last decade, and this has permitted the involvement of private companies (Goentzel and Spens 2011). In fact, a number of companies in different sectors have developed emergency-response capabilities (Budhiraj and de la Torre 2010), for example, in manufacturing (Coca Cola, GlaxoSmithKline), in retail (Home Depot, Lowe's, Target, Wal-Mart), and in transportation (Federal Express). Therefore, the focus of interest on inter-organizational interactions has shifted from inter-agency coordination to cooperation between nonprofit and private sectors, especially with respect to building relationships between humanitarian and business organizations.

The next section describes humanitarian and business partnerships with the aim of improving logistics and supply chain management in relief operations.

3.2 Humanitarian-Business Partnerships to Improve Logistics and Supply Chain Management in Disaster Reliefs: an Opportunity for Cross-Learning

“As disasters become increasingly complex better collaboration not only with government agencies, military units, humanitarian organizations, but also through partnerships with private business becomes ever more important.”

Van Wassenhove (2006) p. 487

The last 20 years have witnessed a shift toward nonprofit and private engagement, especially in humanitarian logistics. Prior to this, cooperation between the two sectors seemed unfeasible (Stapleton et al. 2012). Traditionally, business viewed the social sector as a dumping ground for spare cash, obsolete equipment, and tired

executives (Kanter 1999). Conversely, from the humanitarian sector point of view, profit-driven companies were perceived to be the cause of, rather than solution to, problems affecting the developing world, e.g., child exploitation, environmental disasters, pollution, and intensive monocultures. The humanitarian sector dealt with companies when necessary and on a purely commercial basis, such as to buy goods or services. In some cases, the humanitarian viewpoint was tempered by the philanthropic efforts of individual companies as donors.

The 2004 tsunami represented a turning point in the engagement of the corporate sector in humanitarian relief. Subsequently, companies and aid organizations alike have been examining ways in which they can cooperate more fruitfully. With that disaster, the urge to donate non-monetary offers—of in-kind goods, communications and IT equipment, and logistics supports—was enormous, and it has revealed some important criticalities (Thomas and Fritz 2006). In this respect, the following points deserve mention:

- There was no comprehensive list available to the various companies of what was needed and by whom;
- There was no information as to what materials companies had available and where;
- No staff was available to evaluate or accept resources from new actors in relief operations;
- Too many unsolicited and inappropriate items accumulated at airports and in warehouses, lying unclaimed for months;
- There was a lack of fuel for scheduled flights because of the arrivals of provisions that had not been requested;
- Many companies received no thanks for the help they rendered.

A number of companies were, however, able to provide significant support to humanitarian organizations in the relief effort. The difference here was that these companies had established relationships with aid agencies well before the tsunami struck. Coca-Cola, for example, has for years maintained a relationship with the Red Cross and other aid agencies in many countries. Working with local subsidiaries, Coca-Cola converted its soft-drink production lines such that they could bottle huge quantities of drinking water, and the company used its own distribution network to deliver the water to relief sites. Similarly, British Airways, UPS, FedEx, and DHL all used their existing cooperative relationships with aid agencies to furnish free or subsidized transportation for relief cargo (Thomas and Fritz 2006).

Humanitarian organizations, which at one time regarded cash as the only useful form of corporate giving, have shown greater interest in the resources, expertise, processes, and technologies owned by companies. In fact, humanitarians have started to think about their growth not just in terms of more goods, services, and funds, but also in terms of stimulating and improving professional and managerial skills by acquiring them from the business sector (Blansjaar and Van Der Merwe 2011).

At the same time, the business sector has become more aware of the many advantages that derive from cooperating with humanitarians. Companies may be interested in looking for opportunities to improve their impact on society through responsible actions (corporate social responsibility) and increasing the company's reputation and image. They may be interested in welcoming humanitarian organizations as their customers for the specific reason that the humanitarian "industry" is booming: for instance, companies in the pharmaceutical, packaging, food, and logistics sectors have even started to develop tailor-made products and services for humanitarian purposes (Kovács 2011). Companies may also be interested in re-establishing business continuity after a disaster and in playing an active role in relief operations delivered in regions where they have facilities, employees, suppliers, and customers; in this way, they will be able to sustain their own business in the wake of a disaster. Moreover, companies may be interested in reaching specific geographic areas after a disaster and in building relationships with governments to identify new markets and open new business opportunities in countries where they are not yet present. Companies may be especially interested in boosting their efforts to find innovative solutions in the event of a disaster, such as with products, services, and processes: working under the extreme conditions that characterize complex disasters may stimulate the creativity and accelerate the learning process of employees who are accustomed to working under less strenuous conditions; in this way, they may bring improvements to their own business and help identify new solutions (see Box 3.2). Moreover, since humanitarian organizations have decades of experience in solving problems on the front lines of disasters, they could offer companies the opportunity to experience how to manage logistics in extreme circumstances.

Box 3.2. DHL Speedball—innovative transport solution for the final mile. Following the South Asian earthquake of 2005, DHL employees recognized that conventional transport containers, such as boxes, are often insufficiently robust. Instead, they used durable, waterproof DHL courier bags to deliver goods as part of relief efforts to remote and inaccessible areas. When packed with donated relief goods, these "DHL Speedballs" can hold up to 25 kg; they are better able to withstand airdrops and stay afloat longer than other containers. Speedballs have been tried and tested in numerous relief efforts. In 2010, delivery using DHL Speedballs was extremely effective for the flooding in Pakistan, after the earthquake in Chile, and after the tropical storm in Guatemala. In Pakistan alone, more than 2,500 DHL Speedballs were packed and prepared for delivery to the flood-affected areas. The filled bags were then loaded onto helicopters of the Pakistan Air Force, US Air Force, and British Royal Air Force; the bags were flown to victims in remote towns and villages, where they were either dropped or, where landing sites were available, handed over to people on the ground. The DHL Speedball combines handling ease with effectiveness, making it an excellent way to deliver aid to those who need it most.

Source:

www.dp-dhl.com/en/responsibility/society/disaster_response_teams.html.

For both humanitarians and companies, working together seems to provide benefits and it can also make the difference in complex relief efforts between successful and unsuccessful operations. When two or more entities from the business and humanitarian sectors and with complementary resources agree to cooperate by virtue of their mutual interests, they establish a partnership. Humanitarian-business partnerships are called diagonal partnerships, and they differ from vertical and horizontal partnerships in terms of the value chain perspective.

Vertical partnerships take place between different actors along the same value chain within one industry, such as suppliers, manufacturers, distributors, and customers. The substantial convergence of interests and the complementarity of positions along the chain explain the natural propensity that organizations have toward these forms of collaboration. Horizontal partnerships involve actors that operate at the same level in the industry to which they belong. They are particularly delicate forms of collaboration because they occur between competitors.

By contrast, diagonal partnerships occur between actors at different levels on the value chain (without direct competition or direct service relationship) and from different sectors or industries. For this reason, they are also (and more often) called “cross-sector” partnerships. Thanks to the possibility to transfer knowledge experienced in a given sector to other areas of application, this type of partnership is often used to boost the search for innovative solutions.

Thus, partnerships between companies and humanitarians can be a forum for innovation and sharing knowledge; such a forum can act as a kind of “learning laboratory” (Kanter 1999) as well as helping to ensure successful intervention. In cooperating within their partnership agreement, the two sectors can learn from each other, and they can build up a process of transferring the best practices (see Box 3.3), which is one of the most successful drivers for this type of cross-sector involvement. Learning is the process of developing knowledge that is embedded in the transmission of the best practices.

Box 3.3. An example of the transmission of the best practices: TNT and its knowledge of warehousing and distribution.

The transmission of the best practices is not about acquiring new knowledge, but about taking advantage of existing knowledge. Such was the case with TNT, when they were asked to help redesign humanitarian warehousing in Brindisi, Italy. TNT transferred their vast knowledge of commercial warehousing, while at the same time gaining a better appreciation of the complexity of humanitarian operations. Subsequently, TNT was requested to examine the distribution network in war-torn South Sudan. The transfer of the best practices was more difficult because of the complexity of the situation. After 20 years of fighting, primary access to the area was by air, and new roads had to be built to bring in aid by land using cost effective

means. The TNT team required more in-depth analysis before they were able to make a reasonable contribution to the World Food Programme's efforts in South Sudan. The challenge of transferring knowledge was an opportunity for TNT to refine their understanding of a new setting with different conditions.

Source: Tomasini and Van Wassenhove (2009b) p. 162.

According to some authors, humanitarian logisticians are “relatively unsophisticated” compared with business logisticians (Pettit and Beresford 2005). Specifically, humanitarian organizations are many years behind the private sector in understanding the importance of logistics and in adopting efficient supply chain management. Recent years have seen considerable improvement in the humanitarian sector with respect to the general science of logistics and supply chain management. In fact, just as the science of logistics and supply chain management have become critical for private-sector logisticians, the same applies to humanitarians.

Through cooperation in both supply chain management and in logistics operations, the organizations involved can show the following improvements:

- Agility, the capability to respond to rapid deployment on demand;
- Adaptability, the capability to adjust supply chain design to accommodate changes in demand;
- Alignment, the capability to establish incentives for supply chain partners to improve performance of the entire chain²;
- Forefront management, the capability to be active involved in running relief operations at the scene of the disaster;
- Back-office management, the capability to plan activities and perform analysis.

Humanitarian organizations are specialized in being agile and adaptable since they usually face extreme and complex logistic conditions owing to the great uncertainty that characterizes disasters. Thus, thanks to cooperation with humanitarians, companies may practice new logistic solutions in difficult circumstances, thereby improving the agility and adaptability levels of their supply chains. For example, companies could learn from humanitarian organizations how to reach the most remote parts of the world by imaginatively employing unconventional delivery systems, such as air-drops, bicycles, elephants, yaks, donkeys, and camels (www.wfp.org/logistics).

Conversely, companies have particular competency in structuring interactions among different players along the supply chain, in developing appropriate information and communication technology platforms and processes, in implementing greater visibility (e.g., monitoring about the status of a shipment whilst in transit),

² The best supply chains are not just fast and cost-effective. They are also agile and adaptable, and they ensure that all their organizations' interests stay aligned (Lee 2004).

and in planning and forecasting—in other words, alignment capabilities. Through cooperation with companies, humanitarians could learn how better to structure disaster supply chains and improve their short-term delivery capabilities via a major level of alignment.

The forefront capabilities in relief operations are the core competencies of humanitarian organizations by virtue of the primary role they play. These organizations are in fact licensed to operate in disaster areas thanks to their guiding principles of humanity, impartiality, and neutrality³; these principles create a space in which the organizations can operate free of political and economic agendas.⁴

Facing a disaster, humanitarian organizations develop knowledge related to errors that are to be avoided and solutions that can be reused; however, experience does not move easily between disaster events and responders. This difficulty depends on the high turnover of the personnel (knowledge owners) involved in field operations between disasters; it also depends on the absence of a structured knowledge system that allows experiences to be shared among people and for them to be transmitted from one occurrence to another.

Acquiring major back-office management capabilities from companies could support humanitarians in developing a knowledge-management system; such a system could capitalize on lessons learned from past disasters, avoid repeating such errors, and readopt successful solutions. This could help bridge the knowledge gap from one disaster to another.

The form of partnership that is best able to enhance cross-sector learning opportunities is the integrative partnership. In addition to integrative partnerships, companies and humanitarians may cooperate in other ways. The literature identifies various cooperation categories between profit and nonprofit organizations (Austin 2000; Wymer and Samu 2003), such as philanthropic and transactional partnerships (Austin 2000)⁵; however, these partnerships have no specific focus on

³ These three widely accepted principles—humanity, neutrality, and impartiality—must be present to constitute a “humanitarian” operation. Humanity implies that human suffering should be relieved wherever it is found; neutrality implies that relief should be provided without bias or affiliation to a party in the conflict; impartiality implies that assistance should be provided without discrimination and with the priority given to those in most urgent need (Tomasini and Van Wassenhove 2009b).

⁴ Humanitarian space exists in both a physical and a virtual sense. In the physical sense, humanitarian space represents a zone where civilians, noncombatants, and aid workers are protected from violence and attack and can move and operate freely. In the virtual sense, humanitarian space represents the interaction between the different members of the humanitarian system and how they create an environment in which their mandates can be executed (Tomasini and Van Wassenhove 2009b).

⁵ Referring to partnerships between business and nonprofit organizations, Austin (2000) conceptualizes a “cross-sector collaboration continuum,” along which there are three types and stages of relationships—philanthropic, transactional, and integrative. The philanthropic stage refers to the most common type of relationship between business and nonprofit organizations, with a non-strategic level of engagement; it is mainly characterized by annual donations of money or goods made in response to requests from nonprofit organizations. The transactional stage refers to more focused activities in which there is a significant two-way value exchange;

learning processes. An integrative partnership has specific characteristics (Austin 2000): core competencies are not simply deployed but combined to create unique high-value combinations; high level of engagement, intensive interactions, broad scope of activities, and extensive resources are the main elements of the relationship; depending on the degree of organizational integration, there may a tendency to form joint-venture projects. Examples of integrative partnerships are the one between TNT and WFP (see Box 3.4), which was established in 2002, and that between DHL and the UN Office for the Coordination of Humanitarian Affairs (see Box 3.5), established in 2005. If an integrative partnership is formed between a humanitarian organization and two or more companies, it is called a multi-company integrative partnership (Thomas and Fritz 2006).⁶ An example of a multi-company integrative partnership is that between Agility, TNT, UPS, and A.P. Moller-Maersk and WFP (examined in Chap. 4).

Box 3.4. TNT-WFP.

TNT has been an active partner of the WFP since 2002, when the two became involved in a five-year partnership program called Moving the World. The partnership was a first for both the WFP and TNT: WFP had never established such a partnership with the private sector, and TPG had never engaged with a humanitarian organization. The partnership has been extended beyond the initial 5 years of engagement. TNT has committed its knowledge, skills, and resources to support the WFP. In 2004 alone, TNT invested 8.5 million euros in the partnership, of which 7 million euros came in the form of in-kind services and knowledge-transfer projects and 1.5 million euros as cash donations. To date (2009), TNT has invested 40 million euros in the partnership in the form of hands-on support in emergencies, knowledge-transfer projects to help the WFP become more efficient and effective, and advocacy and fund-raising activities. Knowledge transfer is considered the backbone of TNT's partnership with the WFP. TNT staff mainly help in developing and implementing WFP programs and initiatives in four particular supply chain management related areas: transport optimization, fleet management, aviation, and customs support.

Source: Maon et al. (2009), Tomasini and Van Wassenhove (2009b), Samii and Van Wassenhove (2004).

(Footnote 5 continued)

these activities mainly encompass such areas as cause-related marketing programs, event sponsorship, and special projects.

⁶ Following the taxonomy proposed by Austin (2000), Thomas and Fritz (2006) identify four types of private corporation disaster-relief agency partnerships: single-company philanthropic partnerships (e.g., Abbott Laboratories and American Red Cross); multi-company philanthropic partnerships (e.g., Partnership for Disaster Response, an initiative of the Business Roundtable, and the Disaster Resource Network, a creation of the World Economic Forum); single-company integrative partnerships (e.g., TNT and the WFP); and multi-company integrative partnerships (e.g., the two consortiums of Partnership for Quality Medical Donations and the Corporations for Humanity).

Box 3.5. DHL-OCHA.

DHL and the UN Office for the Coordination of Humanitarian Affairs (OCHA) established a strategic partnership in 2005 (extended for another 3 years in December 2010 until the end of 2013), in the field of disaster response and preparedness. OCHA calls on the DHL Disaster Response Teams (DRT), made up of around 300 specially trained DHL employees, when disasters strike. DRTs are responsible for free handling of relief goods that arrive on charter flights at the airport closest to a disaster-affected area. Professional preparation of DRT volunteers is key to successful deployment. In 2010, DHL trained 143 new DRT volunteers. The training takes the volunteers through the basics of disaster-relief operations, the role of the DRT, and team building to adequately prepare them for deployment. Participants learn how a DRT is put together in the wake of a disaster and how airport logistics management works in cooperation with the UN.

A memorandum of understanding sets out the types of pro bono services, such as warehousing and logistics, which a DRT could offer to governments dealing with a natural disaster. The memorandum helps to minimize the administrative efforts needed to launch a deployment, thereby helping to avoid on-the-ground delays when major natural disasters strike.

Source:

www.dp-dhl.com/en/responsibility/society/disaster_response_teams.html.

By virtue of their core competencies in logistics and supply chain management, logistics companies have taken the lead in proposing themselves as partners of humanitarian organizations; they have approached the latter not only through charitable concerns but also as an opportunity for learning and business development (Tomasini and Van Wassenhove 2009b).

The next section briefly describes the role and main features that logistics companies should possess to become partners for the humanitarian sector.

3.3 Cross-Sector Cooperation: Role and Main Features of Logistics Partners

“Private logistics companies participate in partnerships with humanitarian organizations, approaching the latter not only from a charitable concern but as an opportunity for learning and business development.”

Tomasini and Van Wassenhove (2009a) p. 557

Logistics companies serve a critical role in achieving effective logistics integration as well as intra- and inter-organizational connections for the members of the supply chain. This is extremely useful in a humanitarian supply chain, where



Fig. 3.2 Strategic positioning framework for logistics companies

logistics companies can be engaged in the strategic coordination of very complex logistic activities and of different actors involved in the relief.

Logistics companies that aspire to be in a strategic partnership with humanitarian organizations need to be able to offer comprehensive strategic innovation. Specifically, they should be able to provide a differentiated outsourcing engagement, whereby they can exercise greater strategic responsibility and hand over the management and even direction of an entire operation or process on behalf of their customers. Only some of the most innovative logistics companies have made substantial investments in this direction and strategically differentiated their service. The literature on logistics service providers details the variables that need to be taken into account for a better understanding of this situation (Marasco 2008; Selviaridis and Spring 2007). Notably, some authors have proposed segmentation of the logistics industry in terms of strategic differentiation:

- Berglund et al. (1999) distinguished logistics providers that offer “services” from those offering “solutions”; they also distinguished those that offer “basic logistics” from those offering “value-added logistics”;
- Persson and Virum (2001) identified “physical asset-based” and “non-physical asset-based” (also called “system-based” or “management based”) logistics providers; in addition, they identified “variety-based” and “needs-based” logistics providers;
- Hertz and Alfredsson (2003) recognized the “ability of customer adaptation” (“high” or “low”) and the “general ability of problem solving” (“high” or “low”) as variables to describe logistics providers.

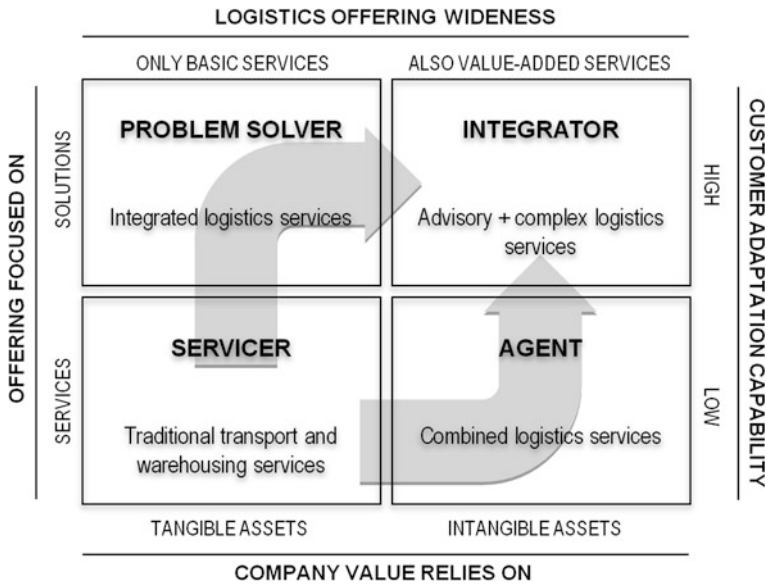


Fig. 3.3 Evolutive path

In examining the main features that logistics companies should possess to work as partners for the humanitarian sector and taking into account the literature classifications, it is possible to define a strategic positioning framework as illustrated in Fig. 3.2.

Logistics companies called “Servicers” represent the traditional logistics provider offering basic services, such as transportation and warehousing, mainly by exploiting its tangible assets (e.g., trucks, airplanes, ships, and warehouses) but with a low capability of customer adaptation. Logistics companies called “Agents” are those that offer combined logistics services and play an intermediary role (e.g., freight forwarders and logistics brokers) between logistics servicers and client companies thanks to their strong relationship capabilities (intangible assets). The “Problem Solver” category refers to logistics providers that organize their tangible assets to offer a set of integrated logistics basic services to solve specific problems for their customers with high levels of adaptability (e.g., multimodal transport operators and express couriers).

Logistics companies indicated as “Integrators” (e.g., global supply chain management companies) are logistics providers that offer complex value-added solutions with a high degree of personalization and exploit their intangible assets (organizational and managerial skills). By virtue of these features, the integrator is able to both organize and guide part or the whole logistics process on behalf of its customers. The integrator can develop to become a central point in the

Table 3.2 Examples of leading logistics companies cooperating with the humanitarian sector

Source	FedEx	DHL	Agility	TNT	UPS
Quinn (2010)			Logistics cluster operations are supported by logistics emergency teams (LETs) established by TNT, UPS, and Agility		
Tomasini and Van Wassenhove (2009a)		Collaboration more project based		Long-term partnership between TNT and WFP with their Moving the world initiative	
Tomasini and Van Wassenhove (2009b)			Many private-sector logistics companies—including TNT, DHL, UPS, FedEx, and Agility—have recognized a match between their competencies and activities and those of humanitarian aid agencies specializing in emergency relief		
Tomasini and Van Wassenhove (2009b), Samii (2008), Van Wassenhove (2006), Samii and Van Wassenhove (2004), Tomasini and Van Wassenhove (2004)			Partnerships between the two sectors can work out in ways beneficial for both parties; one example is TNT and WFP with their moving the world joint venture		
Maon et al. (2009)	DHL provides comprehensive disaster management responses, working with the UN Development Programme, UN Office for the Coordination of Humanitarian Affairs and national Red Cross and Red Crescent societies			TNT provides comprehensive disaster-management responses, working with the WFP through the moving the world program	UPS offers free warehousing facilities to the UN Humanitarian Response Depots, run by the WFP in Panama

(continued)

Table 3.2 (continued)

Source	FedEx	DHL	Agility	TNT	UPS
Thomas and Fritz (2006)				A good example of a single-organization integrative partnership is the partnership between TNT and the World Food Programme	
Spring (2006)	FedEx has been a partner of the American Red Cross since 1996	In April 2006, DHL of Germany launched its Disaster Response Team in cooperation with the UN		TNT has a humanitarian arm it calls Moving the World, in partnership with WFP	

“governance”⁷ of the logistics network and has more strategic responsibility; it is thus unlike traditional operators, which merely execute specific operative activities decided by the customer. In general, the integrator’s role represents the final step in the evolutive path of a logistics provider (Fig. 3.3), and it is fueled by the growth of the science of logistics and supply chain management and an awareness of the importance of relationship building (Cozzolino 2009; Massaroni 2007).

Logistics companies that create strategic partnerships with humanitarian organizations belong to the integrator category. Their supply chain management capabilities are those needed by the humanitarian sector in disaster relief (see Sect. 3.2). The most important integrators cooperating with the humanitarian sector are leading logistics companies, such as Agility, DHL, FedEx, TNT, and UPS (this is also evident in the academic literature; Table 3.2).

The next chapter deals with an emblematic example of a strategic integrative partnership between humanitarian organizations and logistics companies in disaster relief.

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⁷ Giving emphasis to the issue of the governance of the supply chain, the integrators may also be described as “Orchestrators” within the supply chain. Orchestration is metaphorically reminiscent of the role of the orchestra maestro: as symphony composer, he writes the music, defines the tempo, and synchronizes each musical instrument; as orchestra conductor, he directs the performance of every single contribution to the execution of the planned harmony. The contribution of every musician, as an individual, is an essential component of the orchestra’s overall performance (Cozzolino 2009). The idea behind orchestration is that there has to be a common agenda that drives the achievement of the supply chain goals, and it implies that all parties in the chain subscribe to the overall supply chain strategy (Christopher 2005). Other academic contributions have been made on this topic, such as Hacki and Lighton (2001), Hinterhuber (2002), Schweizer (2005), Dhanaraj and Parkhe (2006), Bitran et al. (2007, 2006), Cozzolino and Vakharia (2007), Cozzolino (2009) and Zacharia et al. (2011).

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Chapter 4

Emblematic Example of Strategic Cross-Sector Partnership: Logistics Emergency Teams

“Logistics Emergency Teams provide surge capacity—warehouse space, offices, airlifts, shipping, trucking—but most importantly they have experts with on-the-ground experience, knowledge, and relationships”

Sean Doherty, Head of Logistics and Transport Industry,
World Economic Forum

Abstract Chapter 4 presents an emblematic example of a strategic integrative partnership between humanitarian organizations and logistics companies in disaster relief. Sect. 4.1 describes the Logistics Emergency Teams (LETs) initiative; Sect. 4.2 describes the logistics business partners—Agility, TNT, UPS, and Maersk, all of them leading logistics and transportation companies; Sect. 4.3 describes the logistics humanitarian partner—the United Nations Logistics Cluster (LC), led by the World Food Programme (WFP); and Sect. 4.4 describes a set of relationship guidelines for ruling the LET/LC partnership. The chapter provides the reader with a short case study description of an emblematic partnership between humanitarian organizations and logistics companies in disaster relief, and shows how the cooperation could leverage and match the capacity and resources of the logistics industry with the expertise and the experience of the humanitarian community.

Keywords Strategic relationships • Private-humanitarian cooperation • Multi-company integrative partnership • Emblematic example • Disaster relief support • Logistics emergency teams (LETs) initiative • Logistics and transportation companies (Agility TNT, UPS, and Maersk) • Logistics cluster • World Food Programme • Parameters of engagement

4.1 Logistics Emergency Team Initiative

“We are in a very closed cooperation with WFP. We know each other and we know each other’s needs very well. So, in case of a disaster like this, we come together very quickly and we generate concrete plans.”

LET employee declaration during a disaster relief operation

In the wake of the December 2004 Indian Ocean tsunami and under the auspices of the World Economic Forum, three leading logistics companies—Agility, TNT, and UPS—decided to examine coordinated, industry-wide logistics emergency support for humanitarian organizations. They developed a joint operating structure called Logistics Emergency Teams (LETs) that could be deployed worldwide upon request from the United Nations Logistics Cluster, led by the WFP. In 2011, A.P. Moller-Maersk also joined the initiative. LETs are also open to other logistics and transportation companies that may be interested in becoming engaged.¹

The LET initiative is a strategic cross-sector multi-company integrative partnership with the purpose of providing more effective and efficient relief for the survivors of disasters. It leverages and matches the capacity and resources of the logistics industry with the expertise and the experience of the humanitarian community. It is designed to promote innovation by utilizing the expertise of different types of organization that have decided to cooperate in disaster relief. LETs support the ongoing process of UN reform through increased agency cooperation.

The support is provided through pre-agreed operating procedures and training, and it includes:

- Logistics specialists (e.g., airport coordinators, airport managers, and warehouse managers);
- Logistics assets (e.g., warehouses, trucks, and forklifts);
- Logistics services (e.g., airlifts, trucking, and customs management).

LETs are groups of experienced logistics personnel that are ready to be deployed to an emergency within 48 h of a WFP request, which is made on behalf of the LC that coordinates the logistic response of the humanitarian community at the time of the disaster. Recruitment for LETs is carried out among company staff, who voluntary sign on for a two-year commitment. LET training takes place yearly. It aims at preparing this pool of company logisticians on the standby roster for potential deployment to an emergency environment. Together with facilitators and speakers of the LC and the WFP Logistics Development Unit, LET members with previous experiences of emergency operations contribute to the training. At present, around 100 trained volunteers are on standby.

LETs make a contribution not only during the response phase but also in that of preparation. LETs develop knowledge internally and assist agencies and governments to improve their preparedness for humanitarian crises, for example using Logistics Capacity Assessment (LCA). LCAs are formal evaluations designed to obtain a fundamental understanding of a country or a region's transportation infrastructure. The LCA concentrates on critical elements of the logistic links and examines specific elements of a country's logistics system, such as roads, bridges, ports, and airports, as well as such issues as milling capacity, quarantine procedures,

¹ The content in this section largely derives from the following Web sites: www.logisticsemergency.org, and www.logcluster.org.

and telecom facilities. Particular consideration is given to identify any physical or material shortcomings that may result in bottlenecks in the delivery pipeline. The assessment also maps out disaster contingency plans. Lessons learned from these scenarios, it is hoped, could save lives in the event of a disaster or pandemic.

LETs have a solid track record of deployment. In 2008–2011, LETs were deployed in Mozambique, Myanmar, Haiti, the Philippines, Indonesia, Pakistan, Chile, the Horn of Africa, and Japan (Box 4.1).

Box 4.1. Activating the first LETs in Myanmar

In May 2008, a category 4 cyclone hit Myanmar, killing 30,000 people and displacing over 2 million others. In response to this disaster, Agility, TNT, and UPS were mobilized by the LC to offer support to relief operations. This was the first time that cross-company LETs were called into action to help the humanitarian community set up a supply chain for relief goods. It marked the first time that the three partners worked together in a major disaster operation to support the humanitarian community as an integrated team.

The first part of the relief efforts involved using Bangkok as the logistics hub into Myanmar. LETs partners provided basic information on transportation, warehousing, and customs-clearance support for organizations like the WFP, Oxfam, and International Medical Corps during the start-up phase of the relief operation. Agility and TNT, in particular, transformed a commercial operations warehouse into a humanitarian operation by implementing inventory and management processes that were compatible with the WFP systems. Agility, TNT, and UPS also worked on a daily basis with the UN to receive and dispatch cargo as efficiently and quickly as possible.

Source: <http://www.agilitylogistics.com/CorporateSocialResponsibility/Pages/ActivatingthefirstLETsinMyanmar.aspx>.

4.2 LET Business Partners

“I am sitting in a room with a lot of dedicated professionals, and [...] it is very evident that there is a sense of community even if we are competitors.”

“This is a very special partnership: we are all in the logistics and transportation industry, and [...] we come together as one team.”

Logistics provider employee declarations after participating in the LET annual training

LET business partners are all top companies in the logistics and transportation industry. They have robust corporate social responsibility programs and previous experience in disaster-relief operations. A brief profile of LET business partners is presented in Table 4.1.

LET business partners signal their commitment in the initiative in the corporate or social responsibility sections of their institutional Web sites (see Table 4.2).

Table 4.1 A brief profile of LET business partners

Company	Profile
Agility (www.agilitylogistics.com)	From its roots in emerging markets, Agility brings efficiency to supply chains in some of the world's most challenging environments; it offers unmatched personal service, a global footprint, and customized capabilities in developed countries and emerging economies. Agility is one of the world's leading providers of integrated logistics with more than 22,000 employees in 550 offices across 100 countries
Maersk (www.maersk.com)	The A.P. Moller-Maersk Group is a worldwide conglomerate. The group operates in more than 130 countries and has a workforce of some 108,000 employees. In addition to owning one of the world's largest shipping companies—providing comprehensive coverage of the world's need for cargo, oil, and gas transport, terminal services and, on-land logistics—Maersk is involved in a wide range of activities in the energy, logistics, retail, and manufacturing industries
TNT (www.tnt.com)	TNT provides businesses and consumers worldwide with an extensive range of services for their mail and express delivery needs. Headquartered in the Netherlands, TNT offers efficient network infrastructures in Europe and Asia, serves more than 200 countries, and employs about 160,000 people
UPS (www.ups.com)	UPS (United Parcel Service Inc.) is a global express carrier and package delivery company, and it also provides specialized transportation, logistics, capital, and e-commerce services and supply-chain solutions. UPS manages daily the flow of goods, funds, and information in more than 200 countries and territories worldwide

The content in this table derives from the Web sites of the respective organizations

Table 4.2 LET initiative in business partners Web sites

Agility	http://www.agilitylogistics.com > Social responsibility > Disaster relief http://www.agilitylogistics.com/EN/Pages/Agility_CSR_Humanitarian.aspx
Maersk	http://www.maersk.com > Sustainability > (Social responsibility) > Disaster response program http://www.maersk.com/Sustainability/DisasterResponseProgramme/Pages/DisasterResponseProgramme.aspx
TNT	http://www.tnt.com > Corporate responsibility > Moving the World http://www.tnt.com/corporate/en/site/home/about_us/corporate_responsibility.html
UPS	http://www.ups.com > Corporate responsibility > UPS foundation http://www.responsibility.ups.com/UPS+Foundation/Humanitarian+Relief

The dedication to help in disaster response is included in the priorities of social responsibility initiatives. A short description of the companies' commitment to

disaster relief is presented in Box 4.2.

Box 4.2. LET partners' commitment to social responsibility²

AGILITY (www.agilitylogistics.com/EN/Pages/Agility_CSR_Humanitarian.aspx)

Agility deploys its logistics expertise, global network, and multicultural workforce to provide humanitarian disaster relief. The company recognizes that its global presence in business demands a global commitment to social responsibility. Agility delivers goods and services for customers in some of the world's most challenging environments. It follows that these capabilities are readily adaptable to crisis situations stemming from natural disasters, such as floods, earthquakes, and tsunamis.

In the case of disaster relief, Agility works under the auspices of the International Medical Corporation and the World Economic Forum. When disaster strikes, Agility provides basic logistics services, such as transport, trucks, forklifts, warehousing, and refrigeration; it also shares its expertise in supply chain management. Within hours, it can mobilize its global network, leverage its contacts with shipping companies and airlines, solicit employee donations, and deploy trained employee volunteers to provide assistance on the ground.

Since 2006, Agility has donated relief to 20 disaster locations (Pakistan, Haiti, and Chile in 2010; Indonesia, the Philippines, and India in 2009) through its Humanitarian and Emergency Logistics Program. This program is founded on Agility core logistics capabilities and knowledge of local markets, culture, and language.

Agility, along with other private-sector partners, has participated in LETs since they were first developed under the auspices of the World Economic Forum in 2008.

MAERSK

(www.maersk.com/Sustainability/DisasterResponseProgramme/Pages/DisasterResponseProgramme.aspx)

The priorities of A. P. Moller-Maersk for social responsibility include disaster response. The Maersk Group wants to play an active role in helping communities recover from humanitarian crises:

- in the pre-disaster preparation phase, assessing risks and capabilities before events happen to leave governments and agencies better prepared in case of a humanitarian disaster;
- in the very first phase of an emergency, providing medicine, food, and shelter on the field to minimize human suffering;
- in the reconstruction stage, for the local business and economic rehabilitation of the affected society.

² The content in this box derives from the Web sites of the respective organizations.

With the group resources, knowledge of logistics and transport, and dedicated personnel, Maersk has been able to offer expertise, equipment, and financial support to humanitarian disasters in many of the regions in which it operates. Maersk has adopted a systematic approach for its engagement and devised a Disaster Response Programme with clear criteria to ensure the company responds appropriately to different scales of emergencies.

Recent interventions include the provision of expertise and support following the earthquakes in China (2008) and Haiti (2010) and the Pakistani floods (2010).

In 2011, the Maersk Group was invited to join LETs, responding to the most serious international disasters. On a case-by-case basis, the group supports local governments and humanitarian organizations to intervene in major events, not served by LETs.

TNT

(http://www.tnt.com/corporate/en/site/home/about_us/corporate_responsibility.html).

TNT Express supports the WFP. This covers sharing knowledge and skills, emergency response, advocacy and engagement, and building partnerships to support WFP's fight against world hunger through different initiatives: Moving the World (support in emergency situations); Walk the World (fund raising); Fleet Forum (road safety); and North Star Alliance (well-being of truck drivers).

TNT Express's vast knowledge of distribution and supply chain management puts it in a unique position to help WFP feed the hungry. By sharing knowledge and skills, TNT helps WFP optimize its operations and save costs. Since 2002, TNT has invested €51 million in its partnership with WFP. TNT benefits in terms of goodwill and publicity as well as the experience gained through working with WFP.

TNT has a dedicated team for emergencies: the Emergency Response Team (ERT) was created after the realization that logistics support is of great importance in providing assistance during major disasters like earthquakes, floods, and the 2004 tsunami in Indonesia. In 2010, the ERT was relaunched with a brand-new team of 41 members from all over the world who will remain on the team for three years. ERT members support bilateral requests from the WFP for logistics assistance during major disasters. ERT members also work hand in hand with LETs to provide a more consolidated assistance to the LC headed by WFP together with other partners.

UPS

(www.responsibility.ups.com/UPS+Foundation/Humanitarian+Relief).

As an organization that serves an important role in transporting relief items to affected areas, UPS has long sought a more effective means of vetting in-kind donations and aligning those offerings to the actual needs of organizations active in the field. Together with the UPS Foundation (its philanthropic arm), UPS has developed a multi-sector commitment to urgent

humanitarian relief, allowing the company to leverage its logistics and supply chain knowledge to help organizations better respond to disasters. UPS delivers three key components to disaster relief efforts: time (volunteerism); talent (skills and knowledge of the employees); and treasure (financial support, infrastructure, and physical assets). UPS programs are designed to have a global impact, reach disproportionately underserved populations, minimize human suffering, and speed economic recovery when disasters strike by supporting innovative NGOs and UN agencies, such as the American Red Cross, Safe America Foundation, AidMatrix, CARE, UNICEF, and the WFP.

UPS's multi-million-dollar global disaster preparedness and relief strategy supports these organizations to increase their capacity and efficiency by sharing expertise, business practices, and resources. Moreover, UPS, along with other logistics partners, put its competitive nature aside to collectively develop a system for sharing core competencies with relief organizations within LETs. UPS has 20 employees trained as LET emergency responders prepared for deployment in support of WFP in the aftermath of major natural disasters.

4.3 Logistics Cluster at the Global and Field Levels

“When disaster strikes, our job is to mobilize massive assistance and to make sure it reaches those in need - fast! . Private sector expertise and corporate partnerships are critical to helping us save lives.”

Josette Sheeran, Executive Director, World Food Programme

The Inter-Agency Standing Committee (IASC) designated the WFP to lead the LC at the global level. In practice, this means that in most cases the WFP will also lead at the national level. However, in exceptional circumstances, when the WFP is unable to fulfill this role at the field level (e.g., the WFP may not have a presence in a particular country) another organization may be appointed cluster leader at the national level. The appointed organization then assumes full responsibility and is accountable to the humanitarian coordinator (HC) for ensuring that the required services are provided and identified gaps addressed. Regardless of whether the LC lead at the field level is the WFP or another organization, the field-level cluster is supported by the WFP through the global LC support cell (GLCSC).³

The GLCSC consists of a dedicated, multi-skilled, diverse group of logisticians drawn from various humanitarian organizations (UN agencies, NGOs, and government organizations) to implement the work plan of the global LC. The GLCSC is situated in the Logistics Division of the WFP in Rome. In addition to shoring up

³ The content in this section derives from the document “Logistics Cluster and Humanitarian Reform” (www.logcluster.org).

field activations, the GLCSC has a role to play in advocating and supporting preparedness and capacity-building projects that have a positive impact on logisticians working in the humanitarian field. The cluster approach provides a unique opportunity for the humanitarian logistics community to exploit shared assets, aptitudes, and competencies. The mission of the GLCSC is to facilitate these joint ventures at both the global and field levels. The GLCSC does not exist to define the global logistics strategy of other organizations; rather, it exists to support LC field operations and the needs identified by staff of the global LC.

The decision to activate a LC at the field level lies primarily in the field. In close consultation with the humanitarian country team (HCT), the HC is responsible for securing agreement on the establishment of appropriate sectors and sector groups as well as designating sector leads. This decision should be based on a thorough assessment of needs and gaps; it follows a detailed examination, as appropriate, of response capacities, including those of the host government, local authorities, the local civil society, international humanitarian organizations, and other actors. When the need for a LC is identified, the HC or resident coordinator makes a request to the emergency relief coordinator (ERC) for activation. The ERC then contacts the global cluster lead for feedback. If all parties are in agreement, the cluster is activated. At this point, the global cluster lead has the opportunity to advise on the structure and the nature of the cluster response. Then, the activities of the national-level cluster are established with a range of activities appropriate to the scale and nature of needs.

Logistics cluster operations vary in nature and scale depending on the needs of each particular country. They may range from basic coordination and information-management services (such as infrastructure assessment, port and airport coordination, transporters and rates, customs, equipment-supplier information) to those involving common air, ocean, and overland transport and storage, i.e., heavy logistics operations. Where there are gaps, such as a lack of transport capacity, the first option will be for the various organizations to help each other, with the LC instigating such interaction. Where this is not possible, the LC lead (usually the WFP) will be required to act as provider of last resort, e.g., providing common transport services to the humanitarian community, such as a common trucking service or a common shipping service.

4.4 LET Parameters of Engagement in the Partnership

“The strength of LETs lies in engaging, in advance, all the private and humanitarian members in the design of the entire mechanism behind their partnership. The result is a set of pre-arrangements and an effective contingency plan ready to be triggered to support the relief effort to large-scale natural disasters.”

Olivia Bessat, Senior Manager, Global Agenda Council Team, World Economic Forum

Some general guidelines can help to direct the partnership in situations in which the LC is active and has invited LET initiative member companies to participate. The guidelines may change with time as the partnership evolves through the lessons learned in the cooperation experience. The LC has listed a set of relationship guidelines for partnerships with LET members⁴:

1 *Partnership cornerstones*

The LET/LC partnership is mutually beneficial: member companies have the opportunity to motivate their employees through participation and help fulfill their commitments to the community; the LC benefits from pro bono logistic support from leading global logistics and transportation companies. Each member of the partnership may in addition pursue other interests. A spirit of cooperation, good faith, and willingness to learn from each other are key to success. To sustain this partnership, LET member companies and the LC must engage in ongoing dialogue and feedback and maintain transparent and open relations throughout.

2 *Bilateral humanitarian partnerships*

Each LET member company currently runs a pro bono program that supports humanitarian relief. For example, TNT works with the WFP and Agility, and UPS works with local partner organizations identified by its country offices. These bilateral partnerships remain unaffected by the LET initiative. The LET initiative is an additional project undertaken by the member companies and is subject to the specific guidelines cited in this paragraph.

3 *Commercial contracts*

LET member companies will continue working on all commercial contracts as usual, including working with military or governmental organizations, even in the theater of emergency. Companies would not be interested in cooperating with humanitarian organizations if doing so meant disrupting their commercial obligations, with consequently serious implications for business, reputation, and sustainability. However, to avoid possible conflicts of interest, commercial contracts are not disrupted by the LET initiative. LET member companies can “firewall” LET operations in the theater of an emergency: as far as possible, they will keep personnel dedicated to pro bono operations separately tasked from regular commercial operations.

4 *Operational coordination*

When the LET group is activated at the invitation of the LC, the cluster is the operational leader of the LET group. As such, the humanitarian community via the cluster becomes the interface between companies and the military or local

⁴ The content in this section derives from the document “Relationship guidelines for LETs Members / Global Logistics Cluster Collaboration” (www.logcluster.org).

governments. LET operations take their lead on civil and military coordination and engagement with governments from the LC.

5 *External public relations and communications*

Public relations activities are important for both the humanitarian community and LET members because they increase transparency, encourage others to become engaged, and recognize the contributions made. The LC and the LET members handle external public relations and communications collaboratively. Mutually agreed-upon language is developed to describe the Cluster-LET partnership in advance of a disaster. All parties pre-identify media points of contact and standard operating procedures for releasing media information in a timely manner. In a disaster situation, the LET group will coordinate with the humanitarian partner involved in the operation prior to making a release to any media.

6 *Internal public relations*

Inspiring employees through internal communications about the LET/Cluster partnership is an important motivator for companies. As such, internal public relations will be at the discretion of the LET member companies, though it will be accurate and proportionate and recognize humanitarian partners' roles.

Note: *This case study has certain limitations that may be addressed in future research. This qualitative desk analysis represents an initial attempt at examining a concrete emblematic integrative multi-company partnership between humanitarian organizations and logistics companies, and it underlines the importance of cross-learning in humanitarian cooperation. However, additional research needs to extend the analysis. Further research following the direction indicated in this book should deepen our understanding using empirical analysis to address two specific questions related to cross-learning:*

- *Knowledge management: sharing knowledge in humanitarian logistics is extremely valuable as part of the preparedness strategy. It can certainly contribute to improving performances in the response stage, not only within a single organization, but also between organizations that cooperate in disaster relief by means of a partnership agreement. It may be interesting to analyze the concrete knowledge management systems that apply in cross-sector partnerships.*
- *Innovation management: cross-sector (or diagonal) partnerships are often used to boost the search for innovative solutions because they enable the transfer of knowledge gained in one sector to other areas of application. It may be interesting to analyze concrete innovative solutions (e.g., products, services, processes) that are applied in relief operations—especially in the last mile distribution—within a cross-sector partnership agreement.*