

Logistics Tycoon Oils the Wheels of the Aid Effort

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By Frances Williams

This autumn the International Federation of Red Cross and Red Crescent Societies received an unusual donation: a logistics system that promises far greater efficiency for the IFRC's disaster relief operations and its ability to save lives.

The San Francisco-based Fritz Institute, founded and run by Lynn Fritz, a logistics industry pioneer, has spent more than \$1m (£600,000) developing a humanitarian logistics software package tailored to the federation's requirements.

These are perhaps the most demanding of any aid organisation - the IFRC is the world's largest relief agency, grouping 181 national societies with more than 100m members. Last year some 256m people were affected by disasters; over the past 10 years the average has topped 200m a year.

When earthquakes, floods and other disasters strike, the national society is typically among the first on the scene, backed by the IFRC in Geneva, which mobilises donations and co-ordinates supplies and volunteers.

"Our resources are being stretched to the limit as we see the numbers of people affected by disasters worldwide increasing dramatically year after year,"

says Abbas Gullet, IFRC's director of disaster management.

Good logistics systems are obviously crucial - but aid donations are typically earmarked for direct relief rather than infrastructure.

The IFRC, though it has improved its logistics capability, has been managing with a mixture of computerised systems, telephone contacts and paper trails. "For us the new system will be a big leap," says Bernard Chomilier, IFRC's head of logistics. "We'll have full control of the supply chain from origin to destination."

In 2001 Mr Fritz, who built a family business into a global logistics group, sold Fritz Companies to UPS for \$450m and decided to find a good use for his expertise. "Logistics developments have had an extraordinary impact on the efficiency of private sector companies and I felt they would be highly applicable to humanitarian aid," he says.

The IFRC, the first beneficiary of the Fritz Institute's efforts, calculates the easy-to-use web-based technology could speed up relief delivery by 20-30 per cent.

"Even if the system simply reduces the need for thousands of phone calls about what happened yesterday, there will be an

extraordinary efficiency gain," says Mr Fritz.

Mr Chomilier compares the IFRC's response to the Gujarat earthquake in 2001 with its response to Hurricane Mitch in central America just three years earlier.

After Hurricane Mitch, the IFRC admits, it failed to co-ordinate relief contributions. Its technical staff and relief delegates arrived far too late. Its specialised equipment was deployed only "at the eleventh hour". And basic supplies took weeks to mobilise and distribute.

In Gujarat, an assessment team was on the scene in 48 hours and within three days the IFRC's response plan had swung into action. Over the next month, 45 chartered aircraft brought in aid for 300,000 people.

The new logistics package should help the federation do even better. It will give donors, suppliers, shippers, local organisations and IFRC headquarters access to the same information.

The federation buys about \$120m of relief goods a year, a sum that is doubled or tripled if in-kind donations are included. Using a standardised catalogue of 6,000 items, the system allows the matching of purchases