



Disasters Demand Supply Chain Software, Research Shows

By Jacqueline Emigh, Ziff Davis Internet

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In dealing with disasters such as Hurricane Katrina, government should take cues from private industry about using SCM (supply chain management) systems for managing inventory and predicting demand, according to a top official of the Fritz Institute. The San Francisco-based think tank recently released research findings about post-disaster management.

Officials of the institute are calling on government to make improvements in disaster planning by setting new standards around coordination, logistics and SCM.

"Coordination is the first thing. There needs to be a coordination point for [immediate] command and control," said Anyisia Thomas, Ph.D., the institute's managing director, in an interview with Ziff Davis Internet.

"But building a supply chain is also critical. The private sector has long used SCM to predict demand, and to gain visibility into inventory. These tools can play a similar role in disaster planning," according to Thomas.

Last month, the Fritz Institute co-sponsored "Effective Disruption Management," a one-day exchange of ideas and best practices around bettering the effectiveness of major international disaster relief efforts. Other co-sponsors included Stanford Business School's Global Supply Chain Management Forum and Center for Social Innovation and the MIT Center for Transportation and Logistics.

Meanwhile, the Fritz Institute has released two reports based on research into the Tsunami disaster. Experts from KPMG and MIT helped the institute to create a supply chain survey around the Tsunami. Alongside the survey research, a team of supply chain executives from businesses in the U.S. and Asia visited areas impacted by the devastating tidal wave.

Thomas said during the interview last week that, in her opinion, FEMA (Federal Emergency Management Agency) ought to be in charge of setting best practices standards for disaster management in the U.S.

But these standards should also make good use of the contributions that can be made by experts in state and local government, NGOs such as relief organizations, and the business community, according to Thomas.

"Local government can be very important in the plan of action," since it is so well positioned to know about the real day-to-day supply chain needs of disaster victims, according to the managing director.

In addition, government agencies and NGOs should be able to collaborate online, and to view what kinds of resources are at their mutual disposal for aiding disaster victims, Thomas said.

Thomas also pointed to what she sees as "holes in logistics planning" around Hurricane Katrina as well as the Tsunami disaster.

In the institute's research, a whopping 60 percent of aid agencies in India said that available warehouse facilities were inadequate to support their Tsunami relief efforts. Another 40 percent said they lacked transportation to carry relief supplies to victims.

These logistical problems caused a perception among those affected by the Tsunami that supplies had merely been "dumped," according to Thomas.

"Somewhat similarly, in watching [the aftermath of] Katrina on TV, you could see people sorting through clothing left in mounds outside the Astrodome," according to Thomas.

"The perception of [supply] 'dumping' can make people who are already vulnerable feel even more vulnerable," the managing director said.

In addition, researchers found that only 26 percent of relief organizations had access to software that provided track-and-trace capabilities for anticipating the receipt of requested goods.

"The majority of organizations relied on homegrown technologies, solutions using [Microsoft] Excel spreadsheets or manual processes for tracking goods in the field," according to a report by the institute.

"Without adequate supply chain systems in place, acquired donor reports were onerous and time-consuming and produced very few metrics beyond the speed of delivery."

The institute also cited a shortage of

trained logistics experts in the field to deal with the tsunami disaster; insufficient assessment and planning; and limited collaboration and coordination.

Moreover, researchers pinpointed significant differences in how the governments of India and Sri Lanka handled tsunami relief efforts. In India, people affected by the disaster ranked government as the number one provider of aid. They also reported satisfaction

with "the visible role of the district level administrators" in providing and coordinating relief.

In addition, 85 percent of the NGOs surveyed in India said they found the government's coordination role around tsunami relief to be helpful.

In Sri Lanka, on the other hand, aid recipients and NGOs pointed to an "absence of government" in providing

assistance, especially during the first 48 hours of the emergency.

Relief organizations in Sri Lanka rated the military, medical organizations, and religious groups as more helpful in dealing with the impact of the Tsunami disaster in that country.
