

#### Collaborative Relationships between Humanitarian Organisations and Logistics Service Providers: Current Practice and Future Opportunities

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### Motivation

- There are examples of successful collaborations between HO and LSPs such as:
- TNT and WFP
- UPS and Red Cross
- DHL and UN
- ...but not as wide as one would expect!
- Key question: why is it the case and how HO-LSP collaborations can be improved?

#### TNT And WFP Celebrate 10 Years Of Partnership

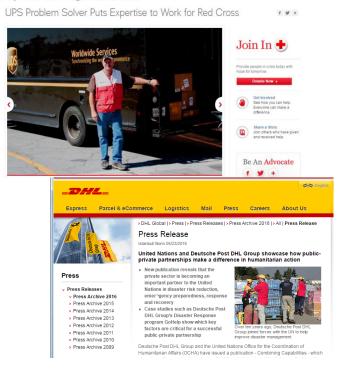
12 September 2012

WFP's partnership with transport and logistics giant TNT was the UN agency's first ever hook-up with the private sector. It paved the way for a series of partnerships which have helped WFP improve the way it carries out its humanitarian mission. Partnership manager Anne Kohli looks back on the 10 years of this landmark partnership.

ROME -- A ten year collaboration is something to celebrate, especially when this first ever WFP private partnership opened the door to cooperating with the private sector and finding innovative solutions. It



A TNT plane is loaded with WFP food assistance at the Un Humanitarian Response Depot in Brindisi, Italy. Copyright: WFP/Rein Skullerud





## Objectives

- O1: to explore drivers and barriers for collaboration between LSPs and HOs;
- O2: to develop a better understanding of the services and disaster phases that are more attractive for HO-LSP collaboration; and
- O3: to make suggestions to improve collaborative partnerships between LSPs and HOs using OR/MS methodologies.



### The main source

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#### Collaborative relationships between logistics service providers and humanitarian organizations during disaster relief operations

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#### Abstract

Purpose – The purpose of this paper is to explore barriers and benefits of establishing relationships between humanitarian organizations (HOs) and logistics service providers (LSPs) in order to improve humanitarian disaster relief operations (DROs). The perceptions of a variety of actors are explored to determine key factors which influence collaboration.

Design/methodology/approach – This study comprises of qualitative and quantitative methodological approaches. A comprehensive literature review was undertaken alongside an online survey with a variety of respondents. Descriptive statistics, data visualization and qualitative data analysis were implemented to analyse survey results. A follow-up survey and interviews with LSPs validated the results.

Findings – The research presents the opinions of a variety of actors involved in DROs and reveals barriers which affect HO/LSP collaboration. Explanations for these barriers and possible solutions to mitigate them are disclosed. The findings also uncover gaps between research and practice; providing new insights into behaviour in the humanitarian field.

Practical implications – The authors provide an in-depth understanding of the barriers and challenges faced in this field and suggest a reevaluation of corporate decision making in order to increase trust between LSPs and HOs. The authors identify future research topics including the impact of donors and military organizations on HO decision making, and analysis of variables which may affect the formation of collaborative partnerships.

**Originality/value** – The authors introduce a unique empirical insight into the perspectives of HOs, LSPs and academics and offers suggestions for mitigating the numerous barriers associated with successful collaborative partnerships between HOs and LSPs.

Keywords Humanitarian logistics, Disaster relief operations, Supply chain management in disaster relief, Logistics service providers Paper type Research paper

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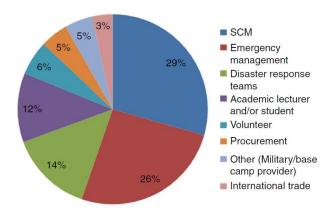
## Key literature

- LSPs role in DRO: e.g. Hertz and Alfredsson (2003)
- Motivations for corporate LSP engagement in DROS: e.g. Johnson et al. (2010); Rieth (2009)
- Challenges and barriers to the formation of effective HO-LSP partnerships: e.g. Gonçalves (2011); Blecken (2010), Tatham and Spens (2011); Christopher and Tatham (2011); Kovács and Spens (2007, 2011); Argollo et al. (2012); Hingley et al. (2011); Schulz and Heigh (2009); Sohrabpour et al., (2012).
- Successful LSP-HO collaborations: e.g. Demirovic and Brunet (2012).



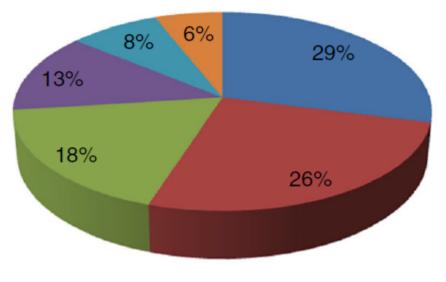
## Research methodology

- Mixed method comprising of quantitative and qualitative methods
- Literature review to understand research context and questionnaire design
- Online survey (multiple choice and open ended questions):
  - 15 LinkedIn groups
  - Purposive sampling targeting 169 individuals identified through online discussions
  - 85 responses (50.3% response rate)
- Post analysis validity check
  - 28 responses to online invitations on LinkedIn and Twitter
  - 2 interviews





## Motivations for collaboration



- Strategic Decisions
- Corporate Social Responsibility

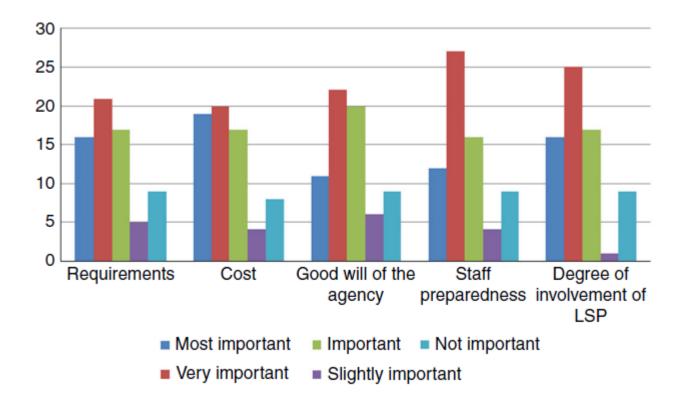
Publicity

- Commitment to help vulnerbale people
- To start operations in the country or region
- Other



## Barriers of collaboration

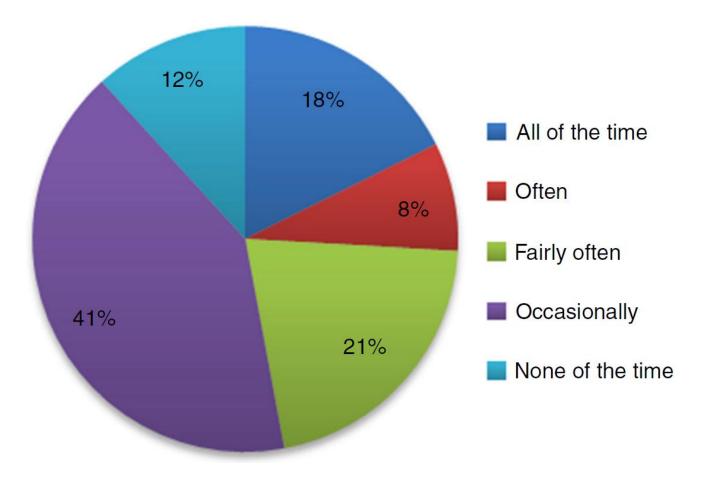
• 58% of participants reported establishing successful relationships, while 42% did not. Below are the main reasons by these 42% of respondents:





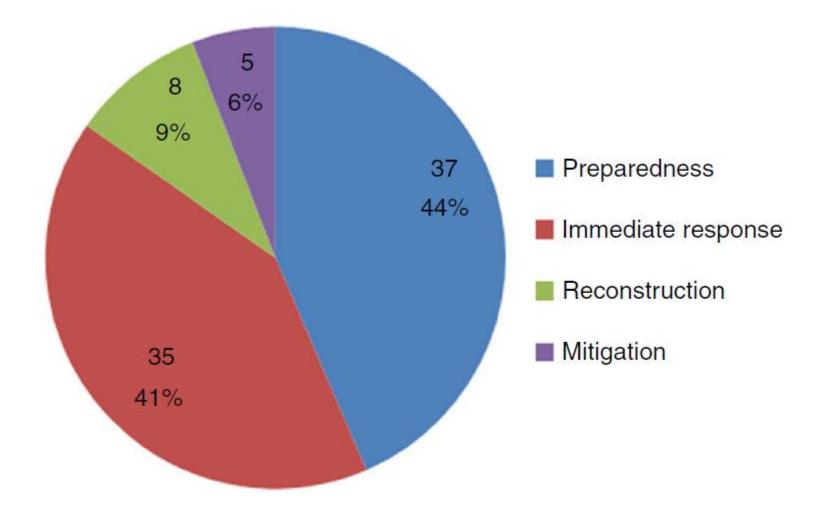
## Collaborations before a disaster

• HO sourcing preparation





#### Appropriate phase for collaboration





### From HO perspective

• Collaboration with LSPs:

Offer flexibility and easy management when most needed (Participant 49).

(I think they are well trained and have expertise (Participant 55).

(From personal experience, I believe they are capable of performing well in disaster relief through their wide and efficient network (Participant 39).

The two challenges are for them [LSPs] to learn our context and adapt to it, and on the other hand for the [humanitarian] industry to evolve to better accommodate and interact with their processes, tools, approach & methods. Unfortunately they [LSPs] learn faster than we [HOs] are evolving (Participant 48).

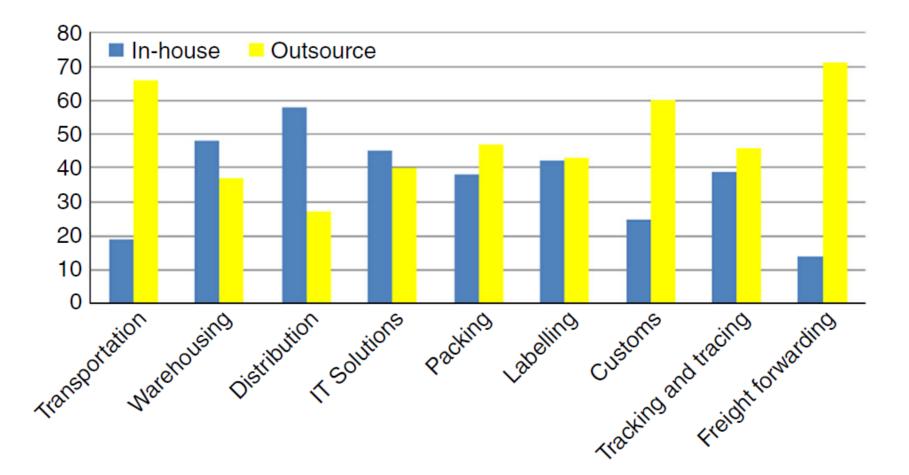


# Drivers of collaboration from HO perspective



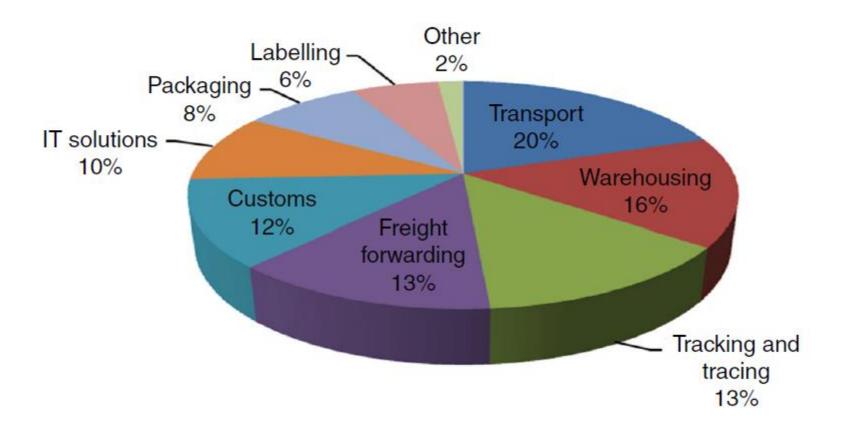


#### Which services to outsource to LSPs?





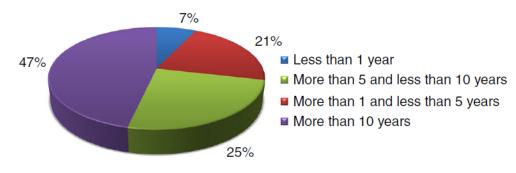
# Services to improve performance of HOs





# Validation of results from LSP perspective

- Through an online survey and follow-up interviews, views of LSPs were sought regarding the following statements:
  - S1: the most common services that LSPs provide to HOs are: freight forwarding, transportation and customs;
  - S2: services such as packaging, labelling and IT in DROs are not commonly outsourced by HOs to LSPs;
  - S3: LSP services are more needed in the preparedness phase of a disaster (before a disaster) compared to the response phase (immediately after a disaster);
  - S4: the high cost of LSP services is the main barrier for HOs when seeking collaboration from LSPs; and
  - S5: the main reasons for LSPs to collaborate with HOs in DROs are: strategic business objectives, CSR, and publicity.
- 28 responses from LSP participants on LinekdIn and Twitter





After the Mocoa landslide in Columbia 01 April 2017 https://www.theguardian.com/world/2017/apr/01/c olombia-landslide-mocoa-putumayo-heavy-rains It took Samsung 18 days to be allowed to send relief equipment including refrigerators, only after the president himself got involved in the relief operation and stayed 5 days in the disaster area

Indian Ocean Isun

during

and New Year's season) → LSPs have bargaining power, OR/MS methodologies such as contract design and incentive mechanisms may work

#### tviocoa landslide. April

Bogotá, abril 18, 2017 Finalizada la fase de respuesta empezamos la estabilización y la recuperación

les

nand (mainly

during off-peak



**LL: Low supply; Low demand**→ Can collaboration take place?

seasons, i project)→ OR/MS m design foi optimisat prepositic

may

Luego de 18 días de atención a la emergencia en Mocoa, el Presidente de la República, Juan Manuel Santos Calderón, tras el Consejo de Ministros que se llevó a cabo en este municipio de Putumayo, anunció que en "Un periodo de tiempo muy corto se dio la

#### Supply (by LSPs)



## Conclusion

- HOs and LSPs have different expectations from collaboration hence finding a common ground for win-win relationships is challenging
- Both HOs and LSPs believe that collaboration is equally important in preparedness as well as response phase
- OR/MS methodologies seem to be more promising when one side has bargaining power over the other side – LL and HH collaborations either won't happen or tend to happen naturally!



#### Thanks for your attention ③

#### Comments, questions?