

Example of essay on benchmarking logistics performance

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Essay

Benchmarking Logistics Performance

The main objective of benchmarking logistics performance is to identify the weak points of the process. One of the best practices that Amazon for example can do is to learn from the best performers in the industry.

Benchmarking is defined as the unit of measuring the quality of the certain business process (Piotrowicz, Cuthbertson & Islei, 2007). For instance, logistics is something that the company (Amazon) largely relies upon in terms of delivering the good to their customers. Without an adequate benchmarking, the company's logistics operation would not be able to meet their delivery deadlines as promised to the customers. Measuring the strategies, policies and programs associated to Amazon's logistics operation is critical to ensure that all the elements involve in the process are well coordinated and within the acceptable standards. The company analyzes the existing frameworks and strategies of other players in the e-commerce industry such as E-Bay, Walmart, Macy's and Sears. This way Amazon would be able to point out the effective approach that each online store implements and further develop that strategy to improve the performance of its own logistics operation.

In order to further improve the company's logistics operation, they should consider incorporating the use of effective benchmarking in performance measurement. Amazon should breakdown their logistics process into two phases. The first phase is to analyze and measure the performance level of

competitors in the industry and non-related companies that also employs logistics. One way of doing so is to create a criteria in which the companies to be assessed are being placed according to the level of their performance. The hierarchical leveling of the companies to be benchmarked encompasses a clear view of their performance level. The second phase of benchmarking will involve deciphering the improvement alternatives derived from the analysis of the companies that landed on the higher criteria and use the findings as an optimal solution option for improvement (Chan, et al., 2006).

References

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