

Executive Summary

Logistics as a Competitive Factor for SMEs in LAC Countries.

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International commerce has undergone tremendous changes in the last ten years. The opening of markets at the worldwide level, exemplified in tariff reductions and the elimination of other non-tariff barriers in the 1990s, has brought about notable changes in commercial activity.

In the field of logistics, the rise of concepts such as the global supply chain, 3PL / 4PL services, cold chain management or transport security have all been associated with this growth. Supply chain management is therefore today a key element in the management of any enterprise, and particularly in those with a clear export vocation, where it is standard practice for businesses to supply, produce and commercialize their products globally.

Beyond its intrinsic importance, the logistics sector acts as a motor for development for other economic sectors in a country or region. An efficient logistics sector, easily accessible to all businesses, is a key element enabling SMEs in a given region or country to successfully compete within this new global framework. Despite improvements shown at the logistical level in recent years, some structural problems persist in LAC countries, which hamper the efforts of SMEs to export. These include:

- Deficiencies in education and formation in the logistics field.
- Limitations in access to best practices, technologies and supply chain management performance improvement mechanisms.
- Inadequate access to advanced 3PL services.
- Over-complex customs inspection processes and the bureaucracy associated with them, and a lack of coordination between governmental agencies.
- Lack of collaborative instruments to achieve the economies of scale required to compete globally.
- Limited multimodal connectivity.
- Limited availability of concentrated centers of logistical activity.
- Inefficiencies in port operation.
- Deficient cold chain infrastructure.

Many different initiatives have been successfully carried out in the region aimed at providing solutions and increasing the logistical competitiveness of the countries that comprise it. Investments in infrastructure have a clear and immediate impact as soon as they are put into place, but they require large sums of money. Other actions designed to facilitate and guide businesses involved in the export process must therefore be considered, such as:

- Development of institutions to support and guide exporting SMEs.
- Development of plans for the innovation and adoption of new technologies.
- Design of a logistics training and education policy.
- Development of "Single Window" models.

- Introduction of risk management techniques into the customs system.
- Promotion of associability among SMEs.
- Reforms in the port sector.
- Promotion of a modal change towards more sustainable forms of transport: short-distance maritime traffic, railways, etc.

Whereas it is down to the public organisms to instigate these measures, the SMEs themselves must also adopt measures that contribute to building efficient operative logistics that foster the creation and maintenance of a competitive advantage. These actions can be grouped under seven headings. 1) Organizational, promoting changes that go beyond the traditional approach of dividing into functional silos; 2) Process-based management, applying standard methodologies such as the "Supply Chain Operations Reference" (SCOR®) model that enable the identification of best practices; 3) Management based on logistic process-linked indicators and metrics; 4) Development of the potential of all persons working in logistics, via training and empowerment; 5) The deployment of information technologies linked to both logistical planning and its execution systems. 6) The application of global integration systems at business level, which enable the objectives in each of the functional areas to be aligned with business objectives; 7) The development of collaborative policies both with clients and suppliers, as well as with the supply chains of other businesses in the same sector.

SMEs in LAC countries today find themselves in a privileged position compared to the other emerging economies with regard to exports to North America, but not with regard to exports to Europe and Asia. If every SME adopted these measures at a country-wide level it would undoubtedly lead to increased logistical competitiveness among SMEs in the region, thereby placing them in a better position to tackle international markets in the current climate of growing global competition.