

**PRESS RELEASE****2<sup>nd</sup> SIL Logistics Circle Barometer**

# SERVICE AND QUALITY, MAIN LOGISTICS CONCERNS

- **653 logistics directors have participated in the 2<sup>nd</sup> SIL2011 Logistics Circle Barometer and have stated that quality, saving and flexibility are the most valued aspects for taking on logistics services.**
- **Experience, team work skills and formation are the most appreciated traits in the decision of hiring a logistics professional.**

**Barcelona, 28<sup>th</sup> April 2011.** The thirteenth edition of the **International Logistics and Material Handling Exhibition (SIL2011)** has carried out the **2<sup>nd</sup> SIL Logistics Circle Barometer** which analyzes the logistics sector. This study has counted with the collaboration of 653 Spanish logistics directors participating under their condition of SIL2011 Logistics Circle members. The activity sector profile of the different logistics managers and directors which have participated in the said barometer are as follows:

Which is you activity sector?	
FOOD AND MASS MARKET	32.00%
AUTOMOTIVE	7.00%
TEXTILE	6.50%
TECHNOLOGY AND ELECTRONICS	9.50%
CHEMICAL, PHARMACEUTICAL AND COSMETICS	18.00%
CONSTRUCTION AND REAL ESTATE	8.00%
MACHINERY AND IRON AND STEEL	9.00%
OTHERS	10.50%

Among the different questions answered by these logistics directors can be highlighted the most valued aspects for subcontracting a logistics service, the activities most

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**SIL Press Department:** Lluís López Yuste.

**Phone:** + 34 932 638 150

**E-mail:** [comunicacionsil@el-consorci.com](mailto:comunicacionsil@el-consorci.com)

frequently subcontracted, their main logistics concerns, the investment level in environmental practices or the most appreciated traits for hiring a logistics professional.

### **Quality, saving and flexibility, the most valued aspects**

Quality and saving, as it happened in 2010, continue to be the most appreciated traits for logistics directors when it comes to outsource a logistics service.

Logistics managers of the main Spanish companies value more and more the quality of the services rendered when they have to subcontract a logistics provider, reaching 77.2 % (68.9 % in 2010). Likewise, saving aroused from outsourcing a logistics service (56.4 %) continues to be one of the most appreciated traits, although this argument loses a bit of its force with regards to the data obtained by this same barometer in 2010 (65.9 %).

Some other aspects taken into consideration by logistics directors for subcontracting logistics services are flexibility (48.5 %), experience and confidence in the provider (48 %), specialization (20.8 %), speed in the provision of services (15.8 %) and business optimization (11.9 %).

<b>Which aspects do you take into consideration for subcontracting logistics services?</b>	
<b>QUALITY</b>	77.20%
<b>SAVING</b>	56.40%
<b>EXPERIENCE AND CONFIDENCE</b>	48.00%
<b>SPEED</b>	15.80%
<b>FLEXIBILITY</b>	48.50%
<b>SPECIALIZATION</b>	20.80%
<b>BUSINESS OPTIMIZATION</b>	11.90%
<b>HUMAN RESOURCES AND FORMATION</b>	3.50%

### **Transport, the most subcontracted logistics activity**

Amongst the most subcontracted logistics activities one sets apart from the rest: transport. From the 653 logistics directors who have participated in the 2<sup>nd</sup> SIL2011 Logistics Circle Barometer, 87.3 % declares to outsource the company transportation services. This figure is far from the second most externalized activity, distribution, with 44.9 %. However, this year the barometer shows a decrease in the outsourcing of transportation services with regards to 2010 when it reached 92.7 %, a figure that represents 5.4 % more than in this year's study.

The externalization of packaging and labeling, which was on third place last year, falls to fifth position with 14.6 % and it is overcome by stock management with 18 % and material handling, with 15.1 %. This ranking is completed by the main outsourced logistics activities: systems automation (11.7 %), sales (5.8 %), production (4.9 %) and others, as it may be not externalizing any activity, human resources or handling (2.4 %).

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Which logistics activities are most commonly externalized?	
TRANSPORTATION SERVICES	87.30%
DISTRIBUTION	44.90%
STOCKS MANAGEMENT	18.00%
PACKAGING AND LABELING	14.60%
AUTOMATION SYSTEMS	11.70%
MATERIAL HANDLING	15.10%
PRODUCTION	4.90%
SALES	5.80%
OTHERS (handling, HR, nothing)	2.40%

### **Companies with quality certification, greatly valued**

Another conclusion of the 2<sup>nd</sup> SIL2011 Logistics Circle Barometer is that logistics directors of Spanish companies greatly value those companies offering logistics services boast a quality certification or a code of best practices. In this sense, 83.2 % requires their providers to have quality certifications and codes of best practices in front of 16.8 % who do not take that into account.

When contracting a logistics activity, has the fact of having a quality certification or a code of best practices an influence in your decision?	
Yes	83.20%
No	16.80%

### **Service and quality, main sector's concerns**

Unlike last year's barometer, when logistics directors' main concerns were efficiency and costs optimization, in 2011's their main concerns are service and the quality they offer to their clients (20.4 %). Efficiency and costs optimization are on second place (17.6 %) followed by costs (15.5 %), speed, punctuality and commitment (12.9 %) and communication and information (7 %).

In this section, a rise in the concern for planning (6 %), sustainability (4.7 %), innovation (4.6 %) and loading and unloading in urban areas (2.3 %) can be observed.

On the contrary, with regards to last year's study, concerns like the evolution of the transportation sector (3.2 %), human resources (1.1 %), current uncertainty (1.7 %), rail infrastructures for goods (2.1 %) and late payment (0.8 %) have dropped.

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Which are your main logistics concerns?	
COSTS AND STOCK SEFFICIENCY AND OPTIMIZATION	17.60%
SERVICE AND QUALITY	20.40%
SPEED, PUNCTUALITY AND COMMITMENT	12.9%
COSTS	15.50%
EVOLUTION OF TRANSPORTATION SECTOR	3.20%
COMMUNICATIONA AND INFORMATION (CONTROL TECHNOLOGY)	7.00%
SUSTAINABILITY	4.70%
HUMAN RESOURCES	1.10%
CURRENT UNCERTAINTY	1.70%
PLANNING	6.00%
RAIL INFRASTRUCTURES FOR GOODS	2.10%
INNOVATION	4.60%
LATE PAYMENTS	0.80%
LOADING AND UNLOADING IN URBAN AREAS	2.30%
OTHER (specify)	0.10%

## Experience, the most valued aspect for hiring logistics professionals

When it comes to hiring a logistics professional, working experience of the candidate (39.4 %) is what Spanish logistics directors value most of all. According to the 2<sup>nd</sup> SIL2011 Logistics Circle Barometer, team working skills (22.3 %) or formation (20.8 %) are also considered great assets.

Aspects as references by an acquaintance or a professional of the sector (7 %), command of languages or computer skills (5.8 %) or the psycho technical profile (3.3 %), though being considered also important, have less prominence in the decision of hiring a logistics professional.

Which aspect has more weight in the decision of hiring a logistics professional?	
EXPERIENCE	39.40%
FORMATION	20.80%
REFERENCES BY AN ACQUAINTANCE OR A PROFESSIONAL OF THE SECTOR	7.00%

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LANGUAGES COMMAND AND COMPUTER SKILLS	5.80%
PSYCHO TECHNICAL PROFILE	3.30%
TEAM WORKING SKILLS	22.30%
OTHER	1.40%

### **Sustainable criteria, a rise in the companies**

The last aspect analyzed by the 2<sup>nd</sup> SIL2011 Logistics Circle Barometer has been the level of implication of companies with environmental practices. 96.9 % of companies polled invest on environmental practices, 77.60 % of those affirm to be quite or very aware of those items. In comparison with last year's study, a slight rise (5 %) of the companies who invest on sustainable criteria is shown.

43.2 % of the companies polled affirm to assign lots of resources to environmental practices, while 34.4 % assures to assign many. On the contrary, 19.3 % says to invest a few in those practices and 3.1 % affirms to assign nothing to that field.

<b>Does your company invest on sustainable criteria?</b>	
YES, A LOT	43.20%
YES, MANY	34.40%
A FEW	19.30%
NOTHING	3.10%

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