In September 2019, the ICRC’s Directorate approved the Logistics Strategy 2019–2022, which was developed based on the ICRC Strategy 2019–2022.

The aim of this strategy is not only to fulfil the logistics mission, related to the delivery of goods and services in support of the ICRC’s operations, but also to pursue some of the broader ambitions outlined in the ICRC Strategy. It focuses on the following five areas:

- logistics quality and performance
- improving sustainability, environmental preservation and social equity in humanitarian supply chains
- working with others within the International Red Cross and Red Crescent Movement and beyond to have a greater impact
- promoting an inclusive and efficient working environment
- embracing the digital transformation, with a focus on innovative thinking, new technologies and digitalization.

The strategy also includes plans for excelling in humanitarian procurement, while continually striving to consolidate core business processes and adjusting or changing priorities as the ICRC’s ambitions change.

The change called for is incremental rather than radical, since the strategy builds on the existing ICRC logistics mission and on previous gains in efficiency, reliability and performance. But it also embraces new, creative approaches and ways of working.

BACKGROUND

Logistics is responsible for moving materials from their source to their destination and managing the related data. The logistics mission is to provide professional support in that regard for the ICRC’s diverse and complex activities around the world, by developing timely, cost-efficient and tailored supply chain solutions, while ensuring quality, compliance and accountability, managing risks and maintaining high ethical standards. We aim to make that support sustainable by creating and maintaining an efficient organizational structure staffed by a diverse group of motivated, trained professionals.

Two key objectives therefore underpin our activities:

- supporting the ICRC’s operations by handling activities related to supply chain management (e.g. order management, procurement, warehouse management, transport, customs)
- providing and maintaining safe and efficient means of transport for passengers and cargo by air, sea and road.

At the ICRC, logistics encompasses: master data management, harmonization and management of the ICRC’s standard products catalogue, forecast and demand planning, customer service, strategic procurement, and transactional purchasing for direct (those for the ICRC’s humanitarian activities) and indirect (those in support of ICRC infrastructure and staff) supplies and services. Its areas of expertise also include warehousing, transportation of goods and people, import and export, quality management, and coordination of the related services.

The organizational structure for logistics centralizes strategic decision-making and information management in Geneva; decentralizes delivery, know-how and inventory to the five Logistics Support and Supply Centres (LSCs), including Satigny; offshores transactional activities to the Belgrade and Manila Shared Services Centres; and outsources selected activities.

The organizational setup and functioning of logistics has undergone a transformation, which includes devolving responsibilities to the field and Corporate Services Network, mainly the LSCs of Abidjan, Amman, Nairobi and Peshawar and to the two Shared Service Centres. The transformation was carried out under the ICRC’s Logistics Strategy 2013–2016, complemented by the Logistics Transformation Programme 2015–2018. Coming as it did during a period of rapid operational growth
and following the launch of JD Edwards software, this transformation enabled ICRC logistics to catch up and better respond to the additional challenges generated by changes in the humanitarian environment.

Several key factors have influenced the development of this latest strategy:

- Logistics manages a procurement portfolio of 474 million Swiss francs, which represents its level of activity. Its operational costs amount to 239 million Swiss francs,¹ and it has a workforce of over 4,200 employees who are diverse in terms of their expertise, nationality, age and gender. Some 95% are on resident contracts, and logistics staff are present in all delegations.
- A detailed benchmarking exercise comparing the ICRC’s supply chain organization (i.e. level of centralization, degree of complexity) with that of other, comparable humanitarian organizations, a state institution and an oil and gas company confirmed that our model is largely well-suited to our operations and organizational footprint.
- An internal survey conducted among key stakeholders confirmed that logistics is a strategic asset, but also revealed that they expected the ICRC’s supply chain organization to be more efficient.

This strategy therefore aims to increase the efficiency and effectiveness of logistics services while also contributing to the implementation of the ICRC Strategy 2019–2022. It sets requirements for improving performance and quality management and making the ICRC’s response more sustainable and pursuing opportunities to that end. It considers existing partnerships and potential partnership opportunities. The strategy also factors in the ICRC’s staffing needs, in terms of the diversity of the required profiles and expertise, and employee expectations about well-being, engagement and talent management. In addition, it stresses the importance of capitalizing on technological developments and innovation in delivering logistics services.

**STRATEGIC PRIORITIES**

This strategy focuses on consolidating core business processes and implementing the five strategic priorities below.

1. **Performance and organizational excellence**
2. **Sustainable supply chain**
3. **Partnerships with others in the Movement and beyond**
4. **Management of logistics talent**
5. **Catching up with technologies and innovation**

To guide their implementation, each strategic priority has been broken down into specific workstreams. Tentative timelines, key internal and external stakeholders, and potential risks have been established for each.

1. **Performance and organizational excellence**

   Measure logistics performance and establish global, regional and local key performance indicators. Ensure quality management (ISO 9001) and pursue a continuous-improvement approach.

   Specific workstreams
   
   - Align the logistics mission with customers’ and recipients’ expectations and feedback, including through process mapping and analysis, by:
     - defining what performance is and how to measure it
     - setting indicators and targets
     - determining which processes these indicators should cover, and breaking indicators down by business process.

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¹ December 2020 unaudited figures
Optimize the use of dashboards, including by creating dashboards to monitor logistics globally, by site and by function

Achieve organizational excellence, by:
• implementing a quality management system that follows ISO 9001 methodology and good distribution practices
• upholding a culture of continuous improvement in line with lean management principles.

Review how logistics is overseen

2. Sustainable supply chain

Contribute to making the humanitarian response sustainable by developing a reliable, environmentally-conscious and ethical supply chain and influencing the practices of others in this area.

Specific workstreams

- Support the Movement’s Sustainable Supply Chain Alliance by setting up an oversight mechanism, establishing sustainability indicators for supply chains and developing a toolkit to measure these indicators
- Implement joint activities identified as priorities by the ICRC and the International Federation of Red Cross and Red Crescent Societies (IFRC), such as improvements in waste management, redesign of relief items, optimization of packaging and implementation of green fleet management
- Carry out a regional mapping exercise on responsible sourcing, inventory management and transportation to limit the ICRC’s environmental footprint; conduct audits to help build the capacities of suppliers; and include sustainability criteria in the procurement process
- Anticipate needs for materials through collaborative demand planning and regular exchanges with delegation management in order to permit efficient sourcing of appropriate products, use low carbon transport and reduce reverse logistics needs
- Ensure the safety of suppliers and partners, staff and recipients

3. Partnership with others in the Movement and beyond

Increase the global humanitarian impact and improve the quality, speed, accountability, sustainability and cost efficiency of the ICRC’s humanitarian response through logistics service exchanges, both within the Movement and beyond.

Specific workstreams

- Lead the Logistics Strengthening Movement Coordination and Cooperation 2.0, in order to increase the interoperability of humanitarian logistics within the Movement, including by:
  • concluding a new action plan with the IFRC and National Red Cross and Red Crescent Societies and implementing new workstreams, as appropriate.
- Develop existing and new partnerships with external organizations (e.g. Médecins Sans Frontières)
- Explore Humanitarian Procurement Centre (HPC) accreditation to provide services to Movement partners and possibly other organizations, by:
  • determining the feasibility of pursuing HPC accreditation and developing a related business case; accreditation involves having consistent procedures, due diligence processes (ethical screening) and service level agreements.
➢ Develop financial tools, including by:
   • assessing different financial models, ensuring the total cost of ownership can be tracked.

4. Management of logistics talent

Ensure that logistics operations are supported by well-balanced (i.e. diverse), expert and competent staff, through ongoing dialogue and collaboration with colleagues that spans from talent acquisition to the development of rewarding career paths, and through the development of skills, assignment planning, work-life balance and overall well-being at work.

Specific workstreams

➢ Adapt staff members’ expertise to meet evolving needs, following a gap analysis
➢ Acquire and build logistics capacities by attracting staff who are diverse in their expertise and gender
➢ Develop staff through constant dialogue and feedback, using training and coaching
➢ Manage the logistics workforce, strengthening talent management processes and ensuring equity among staff members
➢ Retain staff by ensuring the working environment is safe and respectful, taking into consideration staff safety, security and well-being (according to the ICRC’s duty of care), and having flexible and suitable HR processes

5. Catching up with technology and innovation

Improve logistics delivery by optimizing existing tools and working practices, and continuously exploring more efficient and innovative technologies.

Specific workstreams

➢ Expand the use of big data and artificial intelligence
➢ Explore the use of intelligent hardware
➢ Promote smart contracts
➢ Increase the ability to track and trace commodities, by:
   • introducing real-time location and status updates for commodities.
➢ Explore the use of extended reality technology

Complementary workstream

In addition to the five strategic priorities above, this strategy also includes the complementary workstream below.

➢ Endorse the “strategic procurement ambitions”, which aim to get the best possible value for money in humanitarian procurement practices, by:
   • strengthening the one-global-procurement approach, i.e. managing both the direct and indirect supplies and services in the field as well as at headquarters
   • accelerating procurement-related practices and applying fast-track procedures when required in emergencies
   • buying ethically and managing quality while considering risks, compliance and safety
   • managing donor requirements, including those related to international financial institutions, and complying with regulatory requirements.
RESPONSIBILITIES

The Head of the Logistics Division is the person who is ultimately responsible for ensuring this strategy is implemented successfully and who has the authority to be flexible and adjust priorities as circumstances – including the availability of resources – change.

Each of the five strategic priorities and associated workstreams, and the complementary workstream, is managed by a Strategic Priority Lead. Strategic Priority Leads oversee the activities related to their priority and organize a supervisory platform that meets regularly to assess progress on the priority and make decisions when needed. They also establish a roadmap with timelines and indicators, develop a plan of action to achieve the objectives set, manage the allocated resources, and identify risks and take the related mitigation measures. They are responsible for ensuring that the strategic priority and its implementation are adapted as needed. Strategic Priority Leads must continually solicit input from key stakeholders and regularly consult with the assigned representatives of the ICRC departments concerned. They must also consult with delegations and external stakeholders.
LOGISTICS’ EMBRACE OF THE ICRC STRATEGY 2019–2022

SO1
Influencing behaviour to prevent violations of IHL and alleviate human suffering

SO2
Building relevant and sustainable impact with people affected

SO3
Working with others to enhance impact

SO4
Creating an inclusive and diverse working environment

SO5
Embracing the digital transformation

- High-quality, environmentally-conscious, socially responsible and ethical supply chain
- Due diligence processes
- Safety of recipients
- Accountability and proximity to affected people: the “ICRC Amazon” marketplace
- Contextualized response: wider and more specialized portfolio of items, and adapted procedures
- Sustainable impact: ability to deliver for and comply with alternative funding sources, e.g. World Bank, international financial institutions
- Inclusive Movement response: Strengthening Movement Coordination and Cooperation
- Service exchanges with other humanitarian organizations

- Managing talent by attracting, developing, and retaining talent, and helping staff members adapt their expertise and perform well
- Innovating in HR management and piloting the ICRC’s ambitions by creating one global workforce, and managing competencies, learning and development, and knowledge, etc.
- New technologies and innovation
- Business process optimization and digitization
- Optimizing backbone tools, from Oscar to IRIS
HOW LOGISTICS’ STRATEGIC PRIORITIES CONTRIBUTE TO THE STRATEGIC ORIENTATIONS

How logistics’ strategic priorities contribute to the Strategic Orientations

- **SO1**: Influencing behaviour
- **SO2**: Sustainable impact
- **SO3**: Working with others
- **SO4**: Working environment
- **SO5**: Digital transformation
- **Expectations from OPs**: Speed/costs

### Strategic Priorities
- **SP1**: Performance and organizational excellence
- **SP2**: Sustainable supply chain
- **SP3**: Partnership with others in the Movement and beyond
- **SP4**: Management of logistics talent
- **SP5**: Catching up with technology and innovation

**Consolidate core business processes**

(documentation, knowledge management and training)