Performance / Customer Value Based Incentives and Their Impact on Logistics Strategy and Processes

Logistics systems knowledge is key to achieving effective incentivization

System (Value Stream) Understanding Suppliers/Inputs/Process/Outputs/Customers

Identify Interdependencies / Integration / Interface Points

Determine Process Capability and Capacity

Establish Common (aligned) Metrics, Targets, Incentives & Mitigating Controls

Execute Logistics Plan

Implement Measurement Communication and Management Plan

Adjust Targeting/Process, or Source

Needs — Requirements — Performance — Incentives — Control Plan