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What skills do logistics and supply chain professionals need?

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In 2023, Bangladesh's logistics industry had a market size of \$28.7 billion and was expected to grow by over 6.5 percent per annum until 2028, according to the Bangladesh Freight and Logistics Market report. Currently, it comprises around 1,000 local small- and medium-sized firms and 20 multinational logistics and freight forwarding companies (World Bank) and employs over 40,000 people (report by Origin to Destination). A World Bank study on the Logistics Performance Index (LPI) in 2023 ranked Bangladesh at 88th place—an improvement of 12 positions from the previous survey.

Despite the improvement, Bangladesh still has the lowest logistics performance compared to other South Asian nations such as India, Pakistan and Sri Lanka. This reduced competitiveness is attributed to high logistics costs. Exorbitant costs impact all industry sectors. For example, logistics costs of horticulture products account for 47.9 percent of sales, and leather footwear products for 4.5 percent of sales. A World Bank study suggests that a decrease in the logistics cost by 26 percent could boost \$55.55 billion in Bangladesh exports by 19 percent. Hence, improving logistics performance has become a strategic priority for the government.

A multifaceted approach including investments in infrastructure,

developing and enforcing laws and regulations, incorporating tracing, and tracking services, and establishing world-class warehouses is critical to improving the efficiency of the logistics industry. However, often we overlook perhaps the most critical aspect of this industry: the human factor.

At times, it's considered the missing link in achieving higher performance. Likely, skilled logistics and supply chain professionals would use advanced logistics technologies, such as warehouse management systems, GPS tracking, and real-time monitoring. In addition, they would generally be compliant with the regulations, develop risk mitigation strategies, and get involved in continuous improvement of logistics and supply chain processes, thus offering better service solutions. These benefits and others offered by the skilled professionals are aligned with criteria such as customs, logistics competence, timeliness, and tracing and tracking used by the World Bank's LPI ranking systems. Hence, such skilled professionals play a central role in improving Bangladesh's position in global ranking in logistics services.

Against this background, we conducted a study to identify and prioritise the relevant skills required by logistics and supply chain professionals in Bangladesh.

Through an extensive literature

review in logistics and supply chain service management, a total of 100 professionals were considered for this study. To investigate the skills required by these professionals, a representative sample of relevant managers was asked to rate how important the skills are to perform logistics and supply chain functions efficiently and how competent they are in these skills. Results suggest that the top 10 important skills are inventory management, knowledge of the industry, negotiating skills, ability to see the "big picture," information system management, demand forecasting, customer service, database management, and understanding of supply chain orientation, quality management, and supply chain cost management.

Firstly, both soft and hard skills are essential for logistics and supply chain professionals. Second, all top 10 skills are highly rated with regards to the importance of the skills in the workplace, but the professionals indicated low competence. The gap between importance and competence indicates their weakness and an opportunity for improvement.

Another analysis demonstrates that nine out of 49 skills fell into the "high priority" category. Skills in this category mean that management must concentrate their attention on these skills and develop policies and systems to improve them immediately. These skills are people skills, customer service, distribution planning, ability to see the "big picture," understanding of supply chain orientation, demand forecasting, ability to manage risk, waste management, and knowledge of the

latest technology. Worth highlighting is that out of the nine skills, five are soft skills.

Thus, alongside hard skills, developing soft skills in logistics and supply chain professionals is of paramount importance.

The question is, how do we develop these skills?

One way is to provide on the job training. Globally, in-house training is considered the most popular method of developing competencies amongst logistics and supply chain professionals. Likewise, training institutions may design and deliver training programmes incorporating along with other relevant skills. Official recognition of these competencies through certification is advantageous for companies as it enables them to identify experts with ease.

Meanwhile, supply chain and logistics related courses offered by Bangladeshi universities are very limited. The findings of this study may assist universities in designing new logistics and supply chain curricula that meet the industry needs and prepare job ready graduates. Perhaps an integrated in this regard. Local universities could join hands with the national peak industry bodies such as the Bangladesh Supply Chain Management Society, and government agencies such as the Skills for Employment and Investment Program under the National Skills Development Authority to co-develop and co-deliver a unique professional development programme. Such a triangular approach would appeal to and attract potential participants and deliver value to all stakeholders.