



Where there are (no) boundaries to the spirit of innovation...

Our everyday private and professional lives are shaped by an influx of all kinds of new products and services being promoted by omnipresent adverts which employ both conscious and subconscious methods. These methods mostly have a highly stimulating effect on the consumer behaviour of the target group in question. However, it is no secret to the general public that new products disappear from the market again as quickly as they have been launched. Consumers are left asking how such product flops can happen to renowned companies given the high level of research and marketing activity involved.

When communicating with the outside world, a misjudgement of purchasing behaviour or shift in consumption are often blamed, but various different components in fact play a key role upon closer inspection. During the development and creativity phase, the strong identification/integration of the new products with the company's purpose, core competencies and aims is often underestimated, which leads to the development of new and often cost-intensive organisational units. The integration of key and existing customers within all product phases is not deemed to be sufficiently important in many cases and instead greater focus is placed on evidence and results from various market studies as well as the company's own interpretations of the market. As a direct result of this, the customer benefits hoped for cannot be adequately identified and potential new customers and target customers cannot be reached. Something that has often struck me as being negative in my regular dealings with customers is the lack of appreciation and failure to integrate logistics departments into all product phases. This often takes place too late or else half-heartedly leading to a serious additional time input and expenses which have not been budgeted for and which play a crucial role in the product process and price calculation.

As exemplified by innovative and successful companies, logistics must be integrated as a key component during the initial planning stage when the production and sales strategy are established. During this phase, the purchasing, storage and distribution processes and the integration of suppliers and potential customers must be adapted and often completely re-worked. At the same time, goods flows, stock quantities and logistics costs must be calculated at production start-up based on purchase volumes and the planned sales figures and any modifications to quantities must be assessed based on the possible sales process. Stocks (internal and external) and expected flow quantities and times throughout the supply chain also depend on this. The more accurate the definition of the logistics processes and flow and quantity structures, the faster, more cost-effective and above all the more successful the implementation, which benefits the consumer.

My advice is therefore to bring logistics back into the spotlight. Logistics is the key and will give your product innovations the boost they need to secure your company's success in future.

Yours,

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