



Dar Al Riyadh Insight #38

Logistics

Dar Al Riyadh Insights reflect the knowledge and experience of our Board, executives and staff in leading and providing PMC, design and construction management services. Dar Al Riyadh believes in the importance of broadly sharing knowledge with our clients and staff to improve project outcomes for the benefit of the Kingdom of Saudi Arabia.

Logistics may be thought of as the “management of inventory at motion and at rest.” Logistics in many ways represents the “connecting arrows” along the entirety of the supply chain.

Introduction

Major industrial players are increasingly emphasizing the putting in place of modern supply chains, managed by so-called control towers that deploy elements of artificial intelligence (AI). Efforts to modernize supply chain management were accelerated by the COVID-19 pandemic and the resulting and sudden reconfigurations of supply chains globally. Supply chain challenges have been further aggravated by emerging trade policies from nations around the world.

This Insight looks only at one element of the supply chain: logistics. It does so from a procurement and construction perspective.

What is Logistics?

Logistics may be thought of as the “management of inventory at motion and at rest.” Within a construction context, logistics relates to the planning, procurement, transport, delivery, inventory management, and staging of resources for a construction site. As discussed in this series of Insight’s, logistics as a minimum relates to the movement of labor, equipment, and materials, which all are driven by construction site demands and that are constrained by supply chain capacity and the efficiency and effectiveness of logistical flows.

Logistics in many ways represents the “connecting arrows” along the entirety of the supply chain.



What are the Elements of Logistics Management?

The primary elements for logistics management include:

- Resource assessments
- Lead times
- Supply and demand management
- Sourcing and procurement
- Packaging, shipment protection, labeling, and tracking
- Inventories
- Transport
- Consolidation centers, warehouses, and laydown areas
- Site-based logistics
- Waste management

Each of these will be discussed in the subsequent Insights in this series.