

Extreme Logistics

Daring deliveries in the desert

Here's the situation. The U.S. Military has beaten what forces stood against it in Iraq. Now, despite guerilla actions, comes the task of restoring basic services throughout the country. The rebuilding process has been contracted out to companies like *Halliburton* and *Brown and Root*, but to do that these companies need generators. The logistics challenge, then, is to get those generators into Iraq and onto the job sites.

Logenix International is a logistics company that specializes in these types of challenges. According to Ron Cruse, the company's president, "We move materials in where there's labor force on the ground, prepared to install. The problem in Iraq is that the [rebuilding process] is not working that well. You have to plan constantly, but the problem with the planning is that once it's a day old it's ancient, because things are changing so much."

Port delays, for instance, have been tough to deal with. The smallish port in Kuwait has been a bit overwhelmed, since it was never meant to handle an army of 250,000, as well as the resulting onslaught of civilian equipment. However, Cruse says the port had done a good job and delays in Kuwait have been minimal.

The story is different in Jordan. The Port of Aqaba has experienced delays of anywhere from 10 days to two weeks.

"Our problem was that once we had product on the water and delays developed, we had to spend time troubleshooting," says Cruse. For instance, a great number of used cars were being brought by entrepreneurs and shipped through Aqaba to be sold to Iraqi citizens. "There were something like 70,000-100,000 cars mauling the port for a while," Cruse says. "I'm not sure what the exact reasons were for the volume. I just know the result."

Locating generators and moving them to the port is just the first problem, though. The next is what Cruse refers to as a paperwork jungle. Product is moving through countries that haven't been prepared to allow humanitarian goods - other than those from the U.N. - to enter and exit. Processes have been set up in Turkey, Jordan and Kuwait to allow goods to transit duty-free, but the paper work gauntlet is another part of the supply chain Logenix has to micromanage.

"Vendors don't pay enough attention to paperwork," says Cruse. "If someone ships for the receiver to pay cost, insurance and freight, you've probably shot yourself in the foot because the paperwork is just not going to be correct. Any day or two in shipping you thought to gain by having the vendor do it, you'll probably lose five or six times that many days in the paperwork nightmare."

Once the product is released from the point of entry, the challenge is to move it to the job site. One serious problem is the thieves. Just before the war began, Saddam Hussein released 100,000 criminals from prisons.

"These people are giving our business fits," says Cruse. "They are very sharp. If they get their hands on a generator, they might not re-sell it intact. They might not have the equipment to lift and move a generator, but they can certainly strip every conceivable item of value out of it for resale."