
Editorial

Per Hilletoft*

Department of Industrial Engineering and Management,
School of Engineering,
Jönköping University,
P.O. Box 1026, SE-551 11, Jönköping, Sweden
E-mail: per.hilletoft@jth.hj.se
*Corresponding author

Carl Philip T. Hedenstierna

Logistics Systems Dynamics Group,
Cardiff Business School,
Aberconway Building, Colum Drive,
Cardiff, CF10 3EU, UK
E-mail: cpthed@gmail.com

Biographical notes: Per Hilletoft is an Assistant Professor of Logistics at Jönköping University in Sweden. His research interests include supply chain management, customer-orientation, demand and supply alignment, outsourcing, and information technology. He is currently a member of the editorial board of *Industrial Management and Data Systems*.

Carl Philip T. Hedenstierna is a PhD student at Cardiff Business School. He previously completed an MSc in Logistics at Cranfield School of Management, and has worked with the automotive industry and the fast-moving consumer goods industry. His research investigates how companies can run a cost-efficient operation through the use of appropriate production and inventory control policies.

Current theories concerning logistics and supply chain management (SCM) tend to ignore the prospect of competing through logistics. Tradition dictates that marketing sets the business strategy and that SCM executes it. In other words, SCM must shape its capabilities and advantages to fit the marketing strategy. One example of this is the producers of low-priced and high-volume products. In these companies, the management focus tends to be on reducing supply chain cost. A common result is that the business vision and strategy are replaced with focus on internal efficiencies, ultimately resulting in reduced overall effectiveness.

A different type of company is necessary when customers want customised products, they could also prefer customised service and delivery solutions, and perhaps be willing to pay more for this. Additionally, there is a trend towards commoditisation in many industries, resulting in customers perceiving little difference between products. This implies that brand loyalty dwindles and that competition through customer service becomes a major determinant of success. Such a situation, in turn, implies that companies must enhance customer value to remain competitive. This is often achieved by adding

value to the core product in the form of customer desired services, which can only be done with a service-capable supply chain.

This special issue aims to shed light on how firms can use logistics and supply chain capabilities to enhance their competitiveness and to investigate the role of logistics and supply chain capabilities in overall competitiveness.

Beck et al. discuss how companies can gain a competitive advantage by differentiating their supply chains to better fit customer needs. They develop a framework for how this can be brought about, and validate it by testing the framework via five case studies. Another approach is taken by Hilletoft and Lättilä, who investigate the concept of demand chain and supply chain coordination. In particular, they develop a framework that indicates different coordination possibilities between demand chain management (DCM), and SCM, that ultimately will affect the competitiveness of a firm.

Bruch and Bellgran place their emphasis on the timely communication of design information. Their case study suggests that the largest communication problems to overcome relate to interpersonal barriers and language difficulties, while intra-departmental communication seldom becomes a problem of its own. The more general concept of supply chain coordination is investigated by Singh, who employs an analytical hierarchy process to explore how small and medium sized companies prefer to increase their performance. Inventory reduction was most sought after, tightly followed by a more general cost reduction.

International logistics flows and their effects on national economies are covered by Hilmola, who analyses the trade situation between Finland and Sweden with Russia, India and China. Combining many sources of data, Hilmola shows that China is an already established exporter to the two Nordic countries investigated, but that Russia and India are still growing as exporters. Agrawal retains the focus on India, where he investigates how DCM is perceived in the automotive, consumer durables, and fast moving consumer goods industries. The results suggest that the industries do not place a great emphasis on having a demand-driven business strategy, but are instead more concerned with having access to real-time information across the supply chain.

Last, but not least, is a treatise by Wikner, who investigates the difference between services and manufacturing, which is then used as a basis for understanding service and manufacturing operations. Wikner successfully expands the customer order decoupling point concept to also encompass services, and calls this the 'service decoupling point'. Along with processes that are governed either by forecast or by customer orders, the service decoupling point concept is used to explain how customer value best can be achieved.