

Is Just-in-Time Just-not Efficient?

The recent dramatic rises in fuel prices are making many organisations think hard about what they can do to make their transport more efficient and those that aren't should.

One area of focus is Just-in-Time delivery where smaller vehicles are typically used to regularly drip feed stock into manufacturing plants or distribution centres. There are many advantages to this. Stocks can be kept low and with changing customer needs responded to more quickly.

The principle of Just-in-Time really took off in Japanese car plants in the '80's and '90's and during this period alarm bells were already beginning to ring as roads around those plants became increasingly congested with small vans queuing to get in. As fuel efficiency has become more of an issue we have realised that smaller vehicles use more fuel to move a given volume of goods a given distance (expressed as litres per tonne kilometre). And so it is that large vehicles are more efficient than small, small ships are more efficient than large vehicles and large ships are more efficient still – hence the development of every bigger cargo ships.

So does this mean the end of Just-in-Time? Probably not entirely but organisations will have to look long and hard at how valuable it really is to them. If it's any easy way out of having to do more accurate planning or as result of allowing the product developers and marketeers to offer more product variety than is really necessary then it should stop and customers should start thinking about how they can help their suppliers to make the largest single deliveries in the largest vehicles and at the longest intervals possible.

The Logistics Business is one of the country's leading supply chain consultancies helping Companies better understand how these issues impact them through the use of a range of modelling techniques.