

## SEVEN FUNDAMENTAL PRINCIPLES OF LOGISTIC CHAIN MANAGEMENT

**Principle 1:** Segment customers based on the service needs of distinct groups and adapt the supply chain to serve these segments profitably.

**Principle 2:** Customize the logistics network to the service requirements and profitability of customer segments.

**Principle 3:** Listen to market signals and align demand planning accordingly across the supply chain, ensuring consistent forecasts and optimal resource allocation

**Principle 4:** Differentiate product closer to the customer and speed conversion across the supply chain

**Principle 5:** Manage sources of supply strategically to reduce the total cost of owning materials and services

**Principle 6:** Develop a supply chain-wide technology strategy that supports multiple levels of decision making and gives a clear view of the flow of products, services, and information

**Principle 7:** Adopt channel-spanning performance measures to gauge collective success in reaching the end-user effectively and efficiently