Logos

Logos is a structured, fact-based approach to optimizing supply chains
Supply chain optimization

Logos addresses all elements of a supply chain transformation program to enable companies to:

- Identify the baseline on direct and indirect costs and ‘pain’ points for current supply chain configurations
- Establish value potential and prioritize areas of optimization
- Implement a structured lever-based process for supply chain optimization
- Define critical service levels and KPIs to reach better supply chain partner agreements and value sharing
- Access an extensive proprietary database to benchmark supply chain performance and track operational and cost improvements

In addition, Logos offers a carbon footprint calculator that quantifies the CO₂ footprint of any supply chain configuration.

The Logos solution

Logos’ proven methodology and expertise help companies extract hidden value from logistics routes. The service includes:

- Access to an intuitive web-based platform that supports the end-to-end supply chain optimization program
- Comprehensive support material and training including a Logos methodology guide, technical manuals, and a carbon footprint calculator
- Optional subscription-based knowledge and benchmark database
- Expert support from the Logos Service Line and McKinsey experts, tailored to specific company needs

About Logos

Logos is a structured, fact-based approach to optimizing supply chains. It delivers McKinsey’s proven methodology and expertise to enable companies to quickly identify and capture value in the rapidly changing and globalizing supply chain world.

“With Logos, we can now design integrated supply chain solutions within 2-3 weeks, whereas it used to take 3-4 months.”

Senior Vice President
Global Marketing Services,
Leading Logistics Service Provider
Logos’ intuitive, easy-to-roll-out methodology for supply chain optimization has been successfully applied across industries. Over 400 supply chain slices have been analyzed in companies from the high-tech, automotive, pharmaceutical, transport and logistics, retail, and FMCG sectors.

Practitioners receive significant benefits from using Logos:

**High impact**
- Achieve typically 20-50% savings on direct and indirect supply chain costs

**A complete overview of performance**
- Analyze supply chain configuration end-to-end to identify all associated costs (direct and indirect) and benchmark performance for a comprehensive assessment of improvement potential

**A road map to total transformation**
- Apply the lever-based approach to redesign the supply chain; create a needs-based configuration based on clear performance and cost/benefit metrics that capture value

**Accelerated action**
- Leverage McKinsey’s highly structured methodology and expertise to provide answers in just a few days
Working with Logos

Logos delivers McKinsey’s proven methodology, expert support and training, and an online platform to support an end-to-end supply chain optimization program. The unique approach quickly identifies improvement potential and the levers to capture value.

End-to-end optimization
- Maps representative supply chain flows from origin to final destination. These ‘slices’ provide the optimal basis to assess a company’s logistic routes and identify value-creating levers.

Total cost perspective
- Categorizes performance of the ‘slices,’ taking into account both direct costs, such as transport or warehousing, and indirect ones, such as obsolescence and lost sales.

Needs-based supply chain configuration
- Assesses the current performance of the supply chain slice along three key dimensions: speed, reliability, and flexibility (the DNA of every supply chain).
- Analyzes input data to define a new needs-based slice categorization, reflecting the needs of the supply chain from a customer perspective.

Performance benchmarking
- Benchmarks the performance of the supply chain slice against peers. The Logos slice database contains a large number of slices across industries, representing all Logos archetypes.

Logos output
- Provides a comprehensive overview of the current and improved supply chain, including the total cost perspective and prioritized improvement levers.
- Is fully integrated into a ready-to-use report that can be leveraged by both cargo owners and logistics service providers to communicate with their business partners.
The Logos suite provides direct access to McKinsey’s supply chain optimization platform and expert support tailored to company needs. The service can be implemented with workshops to explain the overall approach and to address any company-specific issues or as part of a broader engagement with a McKinsey team to launch a full transformation program.

Logos Online Subscription Service

Access to the Logos platform plus expert and technical support including:

- Independent use of the Logos diagnostic tool 24/7
- Upload input variables for Logos analysis through an online questionnaire
- Instantly calculate cost structure and categorization of supply chain slices
- Run a sensitivity analysis for multiple scenarios by adjusting input variables and quickly assessing the impact
- Receive instant output in a reporting format that can easily be leveraged in offline presentations
- Logos methodology guide
- Technical manual to guide users through each stage of the process
- On- and offline support and training

Logos Expert Services

Expert Services are available on demand. They include access to McKinsey’s benchmark services and supply chain expertise. These services allow clients to tailor support in line with their specific needs:

- Expert consultations: on-demand access to supply chain experts’ support
- Logos workshops: one - two days on specific Logos or supply chain topics, industry perspectives, and strategy-related topics
- Logos deep-dive: one-week quick diagnostic
- Logos inside: incorporation of the Logos approach as part of a broader McKinsey engagement