

Table 2: Exemplary logistics and performance management

|   | Companies with an excellent supply chain | Companies with a less effective supply chain | All respondents |
|---|--|--|-----------------|
| Delivery time for an order              | 15 days                                  | 21 days                                      | 20 days         |
| Rate of on-time delivery                | 95%                                      | 90%  | 93%             |
| Financial cycle                         | 60 days                                  | 95 days                                      | 70 days         |
| Annual inventory turnover rate          | 10 turns                                 | 6 turns                                      | 8 turns         |
| Length of new product development cycle | 180 days                                 | 340 days                                     | 180 days        |

Source: Laugen et al. (2005)

These studies demonstrate that logistics practices have a positive effect on the operational performance of companies. However, the impact on the organization's financial performance would be more indirect. One of the few studies that establish a direct link is the survey by D'Avanzo et al. (2003) of 636 of the top 3,000 international companies. This study reveals that 90% of respondents consider supply chain management a critical aspect of an organization's performance. The authors suggest a very strong direct link between supply chain management and financial performance. Other surveys reveal that companies with more mature logistical practices are 40% more profitable than manufacturing companies whose practices are not as highly developed (Beaulieu and Roy, 2009).

Moreover, beyond its positive impact on companies' operational and financial performance, there is increasing recognition that supply chain management also constitutes a key source of competitive advantage for organizations that excel in their business line. Examples in this regard include internationally known companies such as Wal-Mart, Dell and Zara, whose success is essentially based on a forward-thinking logistics strategy. In Canada, companies such as L'Oréal Canada, Uni-Select and Groupe Dynamite also stand out for their innovative logistics practices in their respective markets.

### 3. Comparative analysis of the logistics performance of Canadian and American companies

In Section 1, we saw that Canada ranked 14th in the World Bank classification based on the international Logistics Performance Index classification, just ahead of the United States. In the preceding section, we demonstrated the effect of good logistics practices on operational and general business performance. This section answers the question of how the performance