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**National civilian logistics potencial's aspects for home defense
from the possible viewpoint of using the services of the existing
Logistics Centres**

PHD DISSERTATION

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„The logistics influences all the battles – and some of them are fought out by it”

(General Dwight David Eisenhower)¹

INTRODUCTION

Shaping the scientific problem

According to the NATO policies and the All Service Logistical Doctrine² of the Hungarian Army: „The mission of supporting logistical forces – with making use of the optimisation of the military and civilian resources – accomplishing the logistical assistance for the military’s national and coalitional mission tasks”.

Above this guiding policy my scientific dissertation’s main subject and task is to make researches on the home civilian logistics potential, and within this, considering the possible roles played by the services of the Logistics Centres, my object is to examine the converting of the processes moving along at these sites and so also how can they fit in the military logistics, so called military supply service, military engineering defence technology and transportation, in some concrete cases health peace and operational requirements. On this last field – health – I gave exact solving proposals, I shaped interoperable procedures, which are compatible to the up-to-date NATO operational supply chain management.

My assumption: Can there be reached bilateral effectiveness and optimization upon accomplishing at the same time both: the economical-business shaped logistics services and the home defense criterias, so also the operational supply chain management’s purposes? The answer lies in the chapters of this dissertation, as result of the researches made and can be found of course in the closing conclusion.

The logistics, in a wider sense is an organization, or an aggregation of activities for coincidenting parties on disposal of goods, products, stocks distribution, coordination, stocking, transporting and handing, including their planning, execution, measuring, forecasting and controlling.

¹ www.lba.vbs.admin.ch/internet/lba/de/home/armee Logistik/logistikxxi/logistik.html, date of downloading: 18 February, 2007

² MH ÖLTP Doctrine 2005 (Planning)

The logistics even in the ancient times had a social procreator effect to the other economical-social segment's development: science, telecommunication, vehicle manufacturing, development of traffic routes, education, technical developments, and environment. In many cases an absolute determinative role plays the: catastrophe defense, army, waste materials, hazardous goods transportation, and the civilian strategical reserves.

As a social procreator the Constitutional Court itself in the 1310/D/1990. AB resolution examines the government's distribution obligation: „The duty of the government is to create a balance between the basic rights demandings of the society members and the raising the material needs covering these demands. If the government would not meet this demand, and would cover others, also basic right demandings disproportionally causing a disadvantage, this way would cause an unconstitutional situation”.

According to this the following strategical planning policies have to be taken into consideration:

The strategical planning serves the long distance insurance, across of which the success potentials are marked and strengthened. The strategical planning is bringing about such measures, which are influencing these success potentials, and hereby the logistics future development.

The strategical planning always averts the measures to be taken by the operative management.

The plannings worked out and reconciled in the frame of the national strategy are future-oriented and result-oriented.

The dissertation does not contain:

- The international civilian support's proportionate analysis in the NATO multinational operations, missions.
- The complex home defense potential's analysis.
- The Receptive National Support and the Ability-planning Catalogue are part of this dissertation just for their optional role play in the Logistics Service Centres.

Research objectives:

1. The national civilian logistics potential's complex examination, for which, because

of the lacking synopsis I took the documents of the '90-es and in main part the documentation created in the last years – 2003-2007 – upon the national civilian logistics potential, and the targeted development of this:

- National Development Plan (NFT) I.- Hungary, as a logistical centre,³
- National Logistics Strategy⁴
- NFT II. – New Hungary Improvement Plan⁵

Analysis: Hungary, as an integrating logistics centre: infrastructure, capacity service:

Logistics Flagship Program⁶,

United Traffic-development Strategy⁷.

2. At the analysing of the Logistics Service Centres, (LSC), was a great help the results of my researches upon the Hungarian Logistical Service Centres Union, where I pointed out the followings:

- the LSC's system, their shaping and development,
- the LSC's functions and their services,
- the organisations work and cooperation which operate the LSC's,
- the LSC's qualification system, which helps the army 's logistical supply,
- the data maintenance, updating of the LSC's disposition packages, and other improvement possibilities.

3. Based on the example of a logistics centres I present the possible health defense targets:

- Product-security and service-security in the LSC's based on the FDA, GMP, HACCP, ADR, and TAPA standards and policies, NATO supplier quality policies and practical

³ By entering the Union, there had been opened those development sources, which could be taken by the member countries after having a country wide development conception project forwarded and accepted on different tenders. For achieving this, first of all was made a plan not for covering 7 years, but on short term, namely the National Development Plan 2003-2007, for which the logistics part had been prepared by the professionals of the MLBKT. Chikán, Kiss, Déri, Rónay, Mondovics, Némon: Hungary, as a logistics centre. – Pre-study – 6 December, 2004.

⁴ The study was prepared for the government by the Logistics Conciliation Forum (LEF), finalized in April, 2007. The task of the organization is to integrate the viewpoints of the main questions of the civilian organizations according to the logistics trade and to represent this on the governmental-, entrepreneurial-, and civilian forums where the tasks of the logistics trade are discussed and decisions are made. Members: Hungarian Logistics Supplying and Stocking Co., Hungarian Logistics Association, Hungarian Logistics Service Centres Association, Hungarian Customs Association, Hungarian Logistics Services and Shippers Association.

⁵ The New Hungary Development Plan

⁶ Document prepared by the GKM and NFÜ

⁷ Document prepared by the GKM

settlements.

Research methods

In the dissertation's theme revelation I used as applied and empirical research upon the scientific methods typical and formal ranging besides all else based on the general and limited sample the special method type analysis-research:

- My achievable target was to study and utilize first the national, then the international special technical literature, documentations and rules in connections with the researched area

- I studied the practical succeedings of the regulators in contact with the researched area, I pointed out their presence, or their lack,

- Using my own army and civilian logistical experiences, researches and my professional skills, I reached at some conclusions for utilizing the LSCs, hereby the enterprise levelled LSCs utilization in the home defense.

- Based on this theme first I have to mention Dr. Zoltán Szenes ex-regular lieutenant general, with whom I had many exchange of views, so also I took part on the professional, army conferences, organized by the ÖLTP and FLÜ, studied presentations and held supplementary papers, and what helped me a lot in reaching the research's successes were the consultations kept with Tibor Gáspár, engineer major general;

- Joining the labours performed by the Hungarian Logistics Association and the Logistics Conciliation Forum secured me in bringing up-to-date my dissertation, and also insured me an access to the sources;

- I kept, and still keep up permanent consultations with relevant workers on army and civilian logistics fields:

- with acknowledged placement professionals;

- ÖLTP/FLÜ professionals;

- the MZUD Logistical-, Traffic-engineering-, and Military Supply institute's instructors, and the MAGLITE's exercise organizers;

- the Military Science Society's authorities;

- the Hungarian Logistics Association;

- and the Hungarian Logistics Service Centres Association.

Summary

The economical-defense potencial is a specific potencial, established for defense objectives, constructed from dual designated resources, and from those that are not defense potenciales, but can be used in case of a need for defense purposes. Determining the defense potencial's dimensions and its composition can be done upon gathering the different economical mobilization situations and with special data assembling. This, upon my opinion, can be validated for determination of the civilian logistics potencial's dimensions and composition, good for this purpose the form that had been put in practice with my contribution in the Hungarian Logistics Service Centres Association in 2007.⁸ **So, the national civilian logistics potencial is determined by the infrastructures, – such as traffic routes, railways, waterways, airways, - and the sites standing nearby these, or at the meeting point of these, – like: warehouses, Logistics Service Centres, industrial estates, - the setting into action organizations and those satisfying the consumer's/buyer's needs, and the organizations possessing these capacities, so also I mean the knowledge competence and at last the all-covering informational technology. During my studies at the military college and academy to the question, what do you mean by military supply services our answer was the same: organizations, procedures and traffic routes system.** The developments of the last 20 years increased this simple definition with one thing, that is the information technology, which is also part of the military supply service.

Deductions

Studying the documents upon last period's actual logistical improvements, frame of future and competitions, I realized that the Hungarian Logistics Strategy, hereby, the development of the Traffic Infrastructure, the shaping of the economical background, the prominent big projects are all influencing to reach a full meeting of the objectives of the defense criterias. During my researches I observed, that the logistics centres own a determinant importance in the planning and implementation phase of an up-to-date supply chain's management.

⁸ HLSCA form

Simultaneously, near the profit orientation there can be found the social demands, as being part in forming and upkeeping the possibility of a secure environment and human life. The LSC's network, or even the individual local or enterprise logistics service centre can assure the needs of the multinational missions and national army based upon agreements. For this, there has to be created a planning cooperation and an operational coordination in peace time, especially with the reaching of on-line capacities and fulfilling special demands.

With becoming member of the NATO and EU, with the dynamic change of the global and regional security politics, there are included the synergies in those advantages and factors, that cannot be left out of attention, from the viewpoint of a country or a prosperous allied system's successfulness.

I think, that Hungary's first steps made since 1989 are the beginning of a historical era, where the last, almost 20 years could consolidate the basis to make up our arrears of backwardness towards the west-european and american economy, being part of it the social stuffs and the home defense too.

The logistics and the supply chain management in these days form a multidisciplined network with the informational technology and so with the unexploitable human knowledge management has a social responsibility.

The logistics service centres, as the national logistics potential's determinant elements are objectives, which in a cost-effective and result-oriented background mean much more than simple profitable meeting points for a country's defense and security system.

But this can be attained just in case that the transparent datas have the needed communication level, and the changes are followed by the cooperation of the defense and business sector's parties.

Nowadays, in the government's sphere, hereby, minly in the defense sector can be felt the vigorous budgetary cutting downs, and these in short term period will enforce, and also make possible the advantagesof the synergyst cooperations.

In my dissertation I tried to show up alternatives and solvings to this pretty complex mission, so also I tried to present those preparing the decisions, as well those who bringing decisions already existing, functioning service systems,or systems which are going to be introduced in the near-, far future.

The possibilities shown in the III. and IV. chapters are not just alternatives, but they

are reachable capacities that can be introduced in meeting the needs of defense, they can fit the needs of moving on from this standard positionstandard position. In this case, the movement made in any direction can be measured, can be shown in numbers, because right now the measured numbers are at the disposition of the KPI. The positive movement, (cost reductions, efectiveness enlargement) can assure place for increasing the process, which can be a model for the HM/MH logistics and economy, to create a new NATO conform basis for it. An enterprise logistics centre today has the parametres, and assures such an agreement based operational work day by day, which can maximally serve the needs of the defense.

Summarized deductions

1.) The main theme of the researched area is that in present (2007) takes place the whole country covering economical reform which has as main target to demolate the old, less effective structures, and resetting them to new basis, with creating a way of their measurings.

2.) The economical-defense potencial, as organic part of the Hungarian economical potencial, also shows forward that special demand, which applies a pressure on the Hungarian Army to create a more rational functioning structure, with lightening on the burden of the budget. This can be done with the support of the modern business sphere and with meeting the different opinions at a common target in a way that the parties should have the feeling of satisfaction.

3.) For the organizations of the Ministry of Defense the drawing aways are not considered to be recent, because these processes after the political transformations begany with the break up of the mass-army, processes called by the military backgrounds as reorganizations. In the pharmaceutical industry we can see the same processes, too. The budgetary reductions and outsourcings made by the Ministry of Defense (like: stationing, catering, security, etc.) although draw up a quality logistics security demand, but simultaneously this could not be realized in all the cases.

4.) The logistics service centres should meet all the needs of the new logistical and operational supply chain management, which is not a difficulty for them because they have a day by day practice in satsfying the demands created in agreements.

5.) I tried to emphasize the ways to the target in my dissertation, with the theoretical elaboration of the theme, so also with showing up the concrete enterprise practices. In working up the theme I payed pretty much attention to the market figures, and their practical experiences. During my dissertation, if we take in considerance the connection of the chapters, their analysis, from theory-, market-, budget-, points of view till the local characteristics, (MZUD), I got to declare that the economicalness, effectiveness (budgetary organs), the coalitional systems (EU, NATO, etc.) so also the global market systems were the main achievable targets in the past and will be in the future too.

6.) At last, focusing on my very micro-environment, as I presented and analized the most

detailed the TLC, I can make the conclusion that the capacities being at my disposition, so also the use of the practices based on good standards are setting free the most synergies, that are basic demands for reaching economical effectiveness and in having good results considering the „win-win”.

Recommendations:

1.) The theoretical training at the MZUD upon the development processes in the multidisciplinary logistics and the supply chain management till now and in the future, the operating systems tending to the virtual world, the penetrability between countries, and their connections to the coalitional systems.

2.) The Ministry of Defense prepares, taking in consideration the database kept under dynamical development by the Hungarian Logistics Service Centres Association the national LSCs potencial database.

3.) Meanwhile there has to be examined if the corps is there a possibility for outsourcing, based upon Service Level Agreements.

4.) The HLSCA should take the initiative for periodical agreements with the representatives of the defense sector where together they can fix new achievable targets.

Scientifical results:

1. I pointed out that the business logistics possibilities are used just in a very small part, especially the long lasting decision making procedures causes serious damages, so my researches and analysis upon this theme – according the national potencial, - are founded by the documents prepared for the government’s use.

2. I proved, that the Logistics Service Centres, as the Hungarian logistics potencial’s determinant parts altoguh they take part in fulfilling military demands on the level of the

government and the defense department, but the use of the capacities upon a daily demand does not happen, which causes a low effective and uneconomical operational work.

3. As member of a team, I worked out a possible, dynamic on-line formation for the maintenance and the reporting of the capacities, which after being revised by the HLSCA had been accepted and put in practice, its development is required.

4. I demonstrated upon analysing the MAGLITE practice, that into a possible RSOM, or operational fields health system can be fitted even one of the Hungarian enterprises's LSC's building and services, because it could serve very trustworthy the army in the last period.

5. I justified that besides the constitutional characteristics of the Hungarian Army there are outsourcing possibilities, which do not endanger the fulfillment of the military tasks.

List of publications

Foreign publication:

1. Logistics: A Hungarian Army Challenge (Army Logistician - 1994. November, December).

Hungarian publications, 2001-2006:

1. The civilian logistics aspects for supporting the national army and the operations of the allies – **Logistical Annual Chronicle**, 2005, HLA.

2. Managing the operations of a public bonded warehouse, its plannings and organising upon new principles in the year of becoming Union members – **Logistical Annual Chronicle**, 2004, MLE.

3. The forwarding, - X-docking, as synergic worth creating element in the retail supply chain, **Logistical Annual Chronicle**, - 2002 HLA. (Common publication with Ildikó Szilágyi.)

4. Practical solvings for reducing the free routes at the Tesco's non food distribution – **Loginfo**, 11. year. 2002/5. sept.-oct.- edition. (Common publication with Ildikó Szilágyi.)

5. Planning and realization of the logistical outsourcing at the Tesco Global Ltd., - **Logistical Annual Chronicle**, 2001, HLA.

Publications based on the theme:

Military publications list: 1991-2006:

1. Joining the logistics service centres operation into the continental troops distributional system, - Preliminary survey: **Army Logistics, 2006/1.**
2. „Train the trainer” – or, a successful logistical course at Szabadszállás. Training, preparing: **Army Logistics, 2005/2.**
3. Thoughts about Trianon, the army doctrines and the defense conception – **Listeners Articles, 1991/31.** ed.
4. How ends up the „peace-prospect” into Universitas – **Hungarian Soldier, 1992/29.** ed.
5. Problems and possibilities caused by drawing into the national resources defense brigade’s material and technical security – preparings and execution – **Listeners Articles, 1992.**
6. The „The social being” and the uniform, - **New Military Survey, 1993.**
7. Who stands for the Hungarians? – **Listeners Articles, 1992.**
8. In the **Academical Forum**, the MZUD’s inner chronicle edition, 8 articles - (“Excursion to Isles”, „Blood problems”, „Styles”, „Night at the academy”, „ The components of our prestige and rate”, „Just in time at the academy”, „Let’s progress our limits”, „Students comfort feeling”.)
9. Integration – Informational technology – Language courses for soldiers, - **New Army Survey, 1996,** available on the internet, too.
10. Non – Profit Army – Readers letter, **Népszabadság,** - newspaper - 1995 April.

Competition results:

1. TOP-POINT 2000 – **Top logistical prominency:** 4. place.
2. TOP-POINT 2002 – **Top logistical prominency:** 2. place shared with Ildikó Szilágyi.

Trainings:

1. Logistical services, Logistical service companies. Common presentation at the St. Stephen University with **Prof. Dr. Imre Knoll**. (25 April, 2001)
2. **Study aid for the material- technical security knowledges**, 1992-93, - (for students at the KLKF). Co-worker captain János Gajdács.
3. **Training students in army service corps knowledge** – 360 hours, in the year of 1992-93 at the Lajos Kossuth Military College.
4. Aiding the diploma work made by finishing students, **consultations**, reports, - 4-6 persons/year.

Publicated translations:

1. The changing strategy of the USA, (Translation: **New Military Survey**, 1992/6).
2. Mine-warfare in the Gulf war, (Translation: **Technical Military Journal**, 92/4. ed.).
3. The victory of logistics, - or let's talk over the Desert Storm operation, (Translation: **New Military Survey**, 1993/1. ed.).
4. Securitypolitics and the army in the USA, (Translation: **Listeners Articles** 1993. ed.).

Interviews, presentations on conferences 1998 – 2006:

1. TESCO non – food logistics outsourceng, (Interview Network, 2001).
2. Realization of the gradual outsourcing - presentation, (IIR Conference, Thermal Hotel Helia – 16. May, 2001).
3. The symbiosis of logistics and business, or the logistical challenges and practical solvings in the partnership between TESCO and the Tibbett & Britten. Presentation with László Csorba – T & B Distribution Centre's manager. (LOGI – TECH 2001. – 13. September).
4. Logistics 2004 – Increasing role of the enterprise logistics activity. Presentation: How can be realized an effective outsourcing process? (2-3 March, 2004, Hilton, Budapest). The first day's leading chairman.

5. Effective techniques and further development possibilities in the logistics. Performance measurement in logistics. Count your logistical system's effectiveness. (Presentation IIR Conference, Mercure Buda Hotel, 20. March 2002).
6. FMCG: Focusing on logistics. (Progressive Magazine VIII.year. 11.ed. – November, 2000.)
7. „Open Book” in practice (how to build up a team). Common presentation with Sándor Barényi, (Tibbett & Britten, November, 2000. November: Tihany.)
8. TESCO – Outsourced logistics services in the retail market, (PR article: Loginfo, VIII. year. – 1999/ 6. ed.).
9. Planning and realizing the logistics outsourcing at the Tesco-Global Supermarket Ltd., (Progressive Magazine VII. year. 1999 / 12. ed.)
10. Interview given for the Voice of America – radio station, – January, 1998, in comon with Dr. Miklós Eördögh Miklós NATO BKNYK director general.
11. The actual questions on the national logistics, II. Bi-Regional Logistics Conference. Questions raised on using logistics in the region, Pécs, 20 May, 2004. (MTA Pécsi Subcommittee's publication, February, 2005.)

Professional Curriculum vitae

Professional-scientific curriculum vitae:

Qualifications:

BME

Military Academy-Certified operational officer 1993

Military College-Certified master of business finances and Military supply services officer 1983

Further studies:

Logistical instructional trip to Holland under the organization of the Logistics Improvement Centre (Eindhoven, Rotterdam, 1997)

UN Peacekeeping Logistics course (Borden, Canada 1996)

Planning the defense's source of energy, course (Ottawa,Canada 1994)

Professional skills:

Memeber of the Hungarian Logistics Association, since 1995

The MLBKT and the HLA's certified logistics expert, 2004

Informatical skills:

Office softwares: MS OFFICE,
Operational systems: Windows
Others: GOLD, Viaware, UNILOG, Chain store

Languages:

Russian – high leveled (on military field) 1990 ,
English – high leveled (on military field) 1993.

Workplaces:

2005- Teva Hungary Ltd.-Logistics Director

2004-Den Hartogh Co. - manager

2003- Hungarian Logistics Association – project manager

2002 – 2003 Menlo Worldwide Hungary Co. , Public Custom-house store, Manager

**1997-2002 TESCO Global Supermarket Ltd. Budapest Logistical Manager (Non-food), HR
Manager (DC)**

1983-1997 Hungarian Army, Different logistical and economical leading positions