Case Notes

# Chapter 11: Logistics Management

# How Sustainable Logistics Solutions and Technologies Have Helped Walmart Become More Efficient

## Case Summary

*This case gives a detailed account of Walmart’s sustainability program in the logistics area that resulted in reaching its sustainability goals.*

Case Analysis *This case illustrates the relationship between logistics management and sustainability. The impressive results of Walmart’s sustainable logistics solutions show that it is viable to achieve a balance between economic, environmental, and social objectives. For example, by optimizing routing and loads of its trucking fleets with a focus on reducing waste, energy consumption, and carbon emissions, Walmart, in 2015 reported that it had exceeded the greenhouse gas emission goal set in 2010 by 8.2 million metric tons, doubled the fuel efficiency of its fleets since 2005, and saved $1 billion along the way. Walmart is extending its sustainability programs to all its logistics suppliers.*

## Sample Answers to Case Questions

1. Why are the logistics decisions of a retailer like Walmart so important for other firms to be aware of and emulate?

The logistics decisions of a retailer like Walmart will set a new retail standard, i.e., the triple bottom line of sustainability, for other firms. Therefore, it is important for other firms to be aware of and emulate Walmart’s sustainable logistics solutions to bring about a concerted effort in implementing sustainable solutions to conserve resources, minimize environmental impacts, and ensure safety and health of people.

2. Why has Walmart has taken a more environmentally conscious approach to logistics?

The logistics industry has been a growing contributor of carbon dioxide emissions and consumer of fossil fuels due to its transportation activities. Consumers and public officials, aware of these negative consequences, have demanded more transparency and accountability from the logistics sector. Walmart’s sustainable logistics solutions demonstrate its commitment to sustainability as it operates a large private trucking fleets in the U.S. and the UK.

3. How does sustainable logistics equal ethical logistics?

Sustainable logistics solutions are to achieve economic, environmental, and social objectives. In case of Walmart, it has plans to extend its sustainability program to bring about such social benefits as helping consumers make more sustainable choices through product labeling. By taking people’s health and safety into consideration, these socially sustainable logistics solutions often help companies avoid ethical violations (e.g., ignore worker safety, bribe customs officials, manipulate inventory figures, etc.). Therefore, sustainable logistics equals ethical logistics.