Characteristics of hub-and-spoke operations

> Needs the accompanying warehouse infrastructure. Each hub (or node) would require some kind of storage requirement. This can be costly and labour-intensive.

> Optimises transport due to the fact that bulk deliveries can be made up to certain points and that volume capacity of vehicles is fully used.

> This system will require plenty of goods handling, with much loading and unloading. The idea of well-planned logistics is to reduce handling. However, where labour is cheap the handling costs can be negligible, but the potential for damage and theft is increased. The case for strong packaging should be highlighted here.

> The main benefit of the system is that it is easier to control, monitor and manage. If each hub has a staff presence from your organisation there are clean lines of responsibility. Similar to a central logistics manager, this system will ease the workload more than any other, and information flow will be easier to design.

> Each area is different. It helps to have regional hubs decide the best way of managing onward transport in their areas. Hub and spoke allows for decentralised planning at the local level, or even using different distribution partners as hub managers.

> Your organisation hands over the goods at EDP[1] level. It is then transported to the end-user either sometimes with your organisations financial assistance. Alternatively, users travel to the EDP (especially if EDP is school or clinic).

> Suppliers deliver either to the main warehouse or to regional warehouses, but there is a bridge between supplier and counterpart, to ensure quality control.

> This model is recommended for very complex distribution plans, with many EDP's over a large geographically spread area.

It should be noted that this is just a model. An EDP can be a school or a clinic, or a district health office (that would then organize transport to clinics), or a provincial health authority. However, the principle of a central point with spokes leading away to other smaller hubs remains basically the same.

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[1] EDP: Extended Delivery Point