Frontier Economies Logistics Laboratory

Introduction

There are hundreds of millions of others that are living on less than two dollars per day in addition to the approximately 65 million refugees currently displaced around the world. Many of these individuals living in poverty reside in high-growth areas. For example, it is projected that in 2050 Africa will have a larger population than China\(^1\). It is projected that 20 percent of the world’s population under 20 years of age in 2050 will reside in Africa.

This high population growth will place great strain on resources that are already stretched. It will also provide great opportunity for growth and innovation. This innovation will likely include new types of products and services as we look towards an explosion of population, culture and technology.

We propose an Emerging Markets Logistics Lab (FELL) that will bring together several researchers from Arizona State University to study problems and propose solutions to developing, sourcing, manufacturing and distributing products and services to frontier economies\(^2\) around the world. Infrastructure solutions could also be part of this lab.

Frontier economies are places where “politically manipulated markets, weak legal systems, and low per capita income or faltering GDP”\(^3\). Of the countries projected to grow the fastest over the next few years, most of them are frontier economies. The FELL will incorporate researchers and centers from diverse colleges at Arizona State University to work on solutions that are required in these economies to facilitate better lives for people living in these countries.

The FELL could be partially funded through government grants and corporate investments. For many firms that are operating in mature markets such as North America or Europe, frontier economies represent areas where they are likely to experience the most growth. People around the world want access to high-quality products and services. Because of lack of infrastructure, education and other impediments, the difficulty and cost of servicing these markets is often problematic. Firms are investing in frontier economies because of high growth and often less competition than they would see in other, more developed markets. The potential in these high-growth markets is attractive to multi-national firms and it is likely that they would be interested in working with a university-based lab to study both the problems and potential solutions.

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\(^1\) http://www.pewresearch.org/fact-tank/2014/02/03/10-projections-for-the-global-population-in-2050/


Vision and Mission

The initial goal of the FELL will be to study problems and propose solutions to developing, sourcing, manufacturing and distributing products and services to frontier economies around the world. We also hope to bring innovative solutions from frontier economies to the US and the developed world.

Ultimately, the FELL will become an interdisciplinary lab working to study the problems of and develop solutions for logistical challenges in frontier economies.

ASU Organizational Structure

The FELL would be administratively managed from OKED, with minimal staffing requirements.

Dr. Dale Rogers will have the role of FELL Lab Director and will manage the annual, collated research agenda, coordinate annual meetings, manage member relationships and recruit new members.

Dale Rogers is a professor of logistics and supply chain management. Dr. Rogers is the leader in supply chain finance, sustainability, and reverse logistics practices for the Instituto de Logística e Supply Chain in Rio de Janeiro, Brazil. In 2012 he became the first academic to receive the International Warehouse and Logistics Association Distinguished Service Award in its 120-year history. He is a Board Advisor to FLEXE and also serves on the Board of the Reverse Logistics and Sustainability Council.

Research projects will be managed and executed by faculty and/or research staff assigned by faculty.

The FELL will hold a couple of research planning meetings during the year, and likely host some focused training events. The meeting schedule could be September and March here in Tempe, with training events offered in Tempe or at member company locations.

Research and projects worked on as part of the Lab will be driven by the member companies during the research planning meetings.

Funding and Membership model

The FELL will be made up of researchers and member companies. The researchers may come from various colleges around ASU, and faculty from outside ASU with ties to ASU faculty. The FELL would also include faculty from universities in frontier economies.

Research funding can come from research grants that are pursued by the faculty, or through corporate member funding.

Corporate member companies will pay an annual fee to participate in the FELL. There could be multiple membership tiers where firms that pay a higher fee get a greater say in driving the research and participating in the Lab. It would be good if we could offer multiple year memberships where firms join for three to five years. This could decrease the dropout rate – but may not be possible because of

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**Interdisciplinary Approach**

The FELL will start with a focus on logistics and supply chain management. Eventually, the FELL would encourage collaboration with other disciplines such as sustainability, engineering, marketing, design, education, public policy, global health etc.