

LOGISTIC MANAGEMENT

Logistics management consists of the process of planning, implementing and controlling the efficient flow of raw-materials, work-in-progress and finished goods and related information-from point of origin ie production unit to point of consumption; with a view to providing satisfaction to the customer.

CERTAIN OBSERVATIONS AS PER DEFINITION :

- (i) The actual work of logistics is supportive in nature. Logistical support is a must for manufacturing and marketing operations
- (ii) The concept of logistics is based on a total system of many functions in movement of materials and goods from sources of supply to users. Accordingly, it forces management to think in terms of managing the total system; rather than just one part of it.

TYPES OF LOGISTIC ACTIVITIES :

Two types of logistic activities are there—

- (a) **Inbound logistics** : It is concerned with smooth and cost effective inflow of inputs like raw material and other tools etc. inside the plant or from supplier to plant (their storing, warehousing ,transportation etc.)
- (b) **Out bound logistic** : It is also known as physical distribution management. Here we are concern with storing, warehousing transportation and management of finished goods and information from plant to customers.

SIGNIFICANCE OF LOGISTIC MANAGEMENT

Logistics management results in cost reduction and profit maximization, primarily due to:

1. Improved material handling :

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- (iii) Safe , speedy and economical transportation
- (iv) Optimum no. of store and warehouses.

2 EFFICIENT FLOW OF MANUFACTURING OPERATION :

Inbound logistic helps in efficient flow of operation due to timely availability of materi, proper utilization of proper and semifinished goods timely.

3 COMPETITIVE EDGE:

Logistics provide and maintain competitive edge by—

By arranging rapid and timely delivery

By increasing sales due to timely delivery t customers.

Avoiding errors in order processing.

4 SOUND INVENTORY MANAGEMENT :

Logistics helps channel members in maintaining inventory in order to meet sudden demands.

5 EFFECTIVE COMMUNICATION SYSTEM :

Logistics management also include development of sound and effective information system for continuous interface with suppliers and rapid response to customers queries.