Importance of Logistics as Strategic Function

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Introduction

Logistics is characterized as an essential feature when it comes to the idea of overall organizational management. All the functions of logistics are vast that play a vital role in the entire procedure of task planning and proper execution. The perspective of logistics is defined as the systematic system comprises on thorough organization and application of the complex operation. In other words, it can be ranked as the significant form of management that is used to attain the required flow of all the activities under the paradigm of general operation. The idea of logistics can apprehend in many different related forms. It is crucial to critically and comprehensively figure out the actual method of logistics by referring to all the relevant aspects. This form of understanding ultimately helps to make better inferences about the actual performance of the sphere of logistics. The rational decisions about the vast implications of the facet of logistics are only possible through the proper identification and management of all the components of this specific approach. The advancement of logistics management demands to examine diverse domains relevant to the process of logistics critically. Changing features of organizational management also influence the functioning and the actual role of logistics. It is viable to consider logistics as the strategic function that have the potential to create value and increase the opportunity of competitive advantage. Here the main focus is to analyze the logistics not just as the operational function but the prospect of strategic function that is used to achieve enhanced forms of value and competitive advantage.

Discussion

Undoubtedly, logistics management is one broad field that can be examined in many different forms or aspects. The practices related to logistics have the potential to impact the performance of working in a varied manner. It is worthy to mention that generally the idea of logistics mainly associated with the phenomenon of transportation of the goods and products relevant to the business domains. Initially, it is essential to have adequate knowledge about the different functions and activities associated with logistics. Inbound and outbound logistics management, inventory management, proper resource handling, warehousing, transportation management, order execution, planning about demand and supply, logistics network design and the appropriate organization of all the related services referred as the crucial and fundamental activities related to the primary approach of the logistics management.

Logistics as Advance Area of Management

The advancement of the area of logistics demands to consider it more than the practical approach of transportation. The implications of this managerial facet are vast that are linked with different managerial operations. The advancement of the area of logistics demands to consider it more than the operational phenomenon that is systematically connected with different organizational domains and practices. It is one practical perspective that not just deal with the feature of transportation, but it also apprehends the activities of procurement, proper planning, and sourcing, storing, controlling, and significant dispersal of the desired product. Accurate attainment of all the related procedures ultimately ensures the effective and efficient product delivery system for the targeted customers. They got what they ordered that eventually enhance the value of the organization in the business market. It is essential for the business corporations to understand that attainment of the tasks of increasing value and competitive advantage are not possible without the crucial focus on the aspect of logistics. All the steps related to the wider concept of logistics needs to be established according to their actual and desired importance. Balanced consideration of all the related logistic activities ultimately achieve the criteria of logistics in the field of supply chain management. This certain objective can also explain as the delivery of all goods or products to the customers at the right time and in the right way.

The activity of delivery in the form of the logistic process is also closely related to the other managerial aspects. The success of the business comprised of the fact that clients only get the product in the way they ordered at the right time. Completeness and accuracy are two critical components of the idea of the delivery method adopted and further established by the business companies. This particular form of initiatives in terms of order delivery referred to the proper consideration of customer service that is eventually the backbone of the success of the business. Integral planning is apparent to warranty the targeted utilization of all the interrelated business activities and assure the effective production and distribution of the final product in the market. Another crucial aspect that exists in the overall logistic approach is that many logistic value chains encompass various forms that are linked with each other through integrated networks. Combination of these different features plays their role as the fundamental aspects of the logistics with their relevance to the whole concept of a value chain. Proper utilization of all the related factors ensures business suitability and effectiveness for both the shareholders of customers and business producers. It is necessary that all the modules of the supply chain are well-connected and align to achieve the actual business goals in the most accurate way. Cooperation is one essential tool that helps all the related links to ensure the understanding and consideration of the standard business aim and enhance efficiency level to achieve the ultimate goal. The desired level of integration of all the elements of logistics ensures the desired outcomes. These results can observe in the forms of increasing profit margins, lower cost, improved chance of competitive advantage in the market, and the faster growth of the new products. The phenomenon of supply chain requires urgent attention to better apprehend the concept of logistics. The facet of supply chain denoted as the network approach that plays its role to ensure the connection and interdependence of the organizations. The primary objective of this sort of adoption is to provide better cooperation to attain the domain of control. Management and improvement of the proper flow of the materials are only possible through the significant adjustment and contribution of all the supplier under the one well-organized network (Sukati, Hamid, Baharun, & Yusoff, 2012). The balanced link between all the integrated elements increase the chances of useful and desirable delivery of the products to achieve the objective of business enhancement and increase the chance of market share.

Logistics as Systematic Procedure

It is foremost vital for any business organization to improve and develop the comprehensive form of supply chain and all the related logistics procedures to ensure the features of success and attainment of the competitive advantage in the market. Another noteworthy aspect connected with the idea of logistics is that it is vital for the business entities to timely and correctly measure the overall delivery performance to take necessary and rational business decisions further. Measurement of the overall delivery performance helps managers in business organizations to better understand the actual business positioning and take measures needed to meet the targets of product improvement. A thorough assessment of the current situation of the delivery system also ensures the attainment of the essential knowledge about the feature of business expenses (Fabbe-Costes & Colin, 2017). This form of knowledge assists business managers in creating a balance between the prospects of cutting expenditure and ensure the provision of good product services to the customers. The proactive role of business leaders and managers are vital to guarantee the proper utilization of all the related activities of logistics and supply chain. It is one main duty of the higher management of the organizations to proactively observe the entire business scenario and act in a fast manner to ensure the attainment and continuation of the active business strategy. The proactive business approach adopted by the business leaders further helps them to play their positive role to timely detect corporate hazards and take necessary measures to minimize the harmful influences of the economic decline appears in the market. Current performance and the projected growth of the business are also dependent on the proper utilization of the related supply chain activities in a logical manner. Business organizations need to develop and follow a system that ensures the features of business accuracy and the practical delivery approach. Collection of the required information is the first step that helps the organization to observe and further foresee the balance between the actual and desired performance levels (Rushton, Croucher, & Baker, 2014). Adoption of the proper measurements ultimately helps related entities to analyze the entire business situation critically and proposed the required strategies and policies to attain the balance of cost efficiency and desired level of performance. Detailed consideration of the information about the real business scenarios helps managers to determine the actual situation and assess the actual element that causes an issue or any form of corporate concern. This form of information ultimately helps to establish policies or plans that are suitably liked with the organizational goals and targets of product enhancement. Detailed consideration of the information on the current business position ensures the assessment of the performance level of all the supply chain and logistic functions. Evaluation of the performance of all the logistics activities is essential to figure out the actual value and market positioning of the business entities. This form of consideration is also vital because it helps to determine the financial performance of the business companies that is certainly enhanced through the effective utilization of all the processes of logistics management.

The advancement of the area of logistics demands to not only it consider it as the approach of the operation function, but it refers to the integrated domain of strategic functions adopted by the business organizations. The influence of all the activities of logistics and supply chain management ultimately impact the performance of different functional levels of the business organizations. Identification of the idea of the logistics as the strategic function demands to evaluate its contribution in the various paradigms of the business set by the management of the corporate entity. This form of assessment further helps to make judgments about the role of the logistic activities to achieve the objective of value enhancement and increasing competitive advantage for the product offered by the business company. All the relevant activities of logistics and supply chain management referred to as the integral domains to enhance the financial performance of the business organization. It is worthy to understand that the increasing form of the financial features of the organizations ultimately helps management of the business entities to create an adequate form of value and competitive advantage for their products. The crucial business factors of profit and loss for the business company immensely influenced by the overall consideration of the main idea of logistics. Different activities relevant to the central paradigm of logistics play a vital role to determine the potential form of profitability or the loss for the business organization through the idea of necessary projections and estimation. The prominent role of logistics can also never ignore when it comes to the idea of economic value for the company. Proper alignment of all the related and interlinked activities of the logistics have the potential to increase the amount for the business entity through the consideration of the profit maximization and enhanced market share.

Connection between Logistics and Financial Performance of the Organization

Financial performance of the business organization is enormously influenced by the consideration of different activities related to the main idea of logistics. Proper planning and implementation of different logistics practices ensure the increasing rate of the financial performance of the company that ultimately helps to create and attain the perspective of value. In other words, it can be said that the financial performance if the business organization closely linked with the better consideration of the various logistics activities under the spectrum of supply chain management. It is perceived that the features of logistics and supply chain management play their role as the facilitator for the business organizations to increase their opportunity of lower total cost and increase value in different forms. Consideration of the logistics as the strategic functions helps corporate entities to utilize its practices for the attainment of business tasks in a desirable manner. An adequate domain of the main idea of logistics ensures expenses cut that are closely linked to the generation of the business anticipations, count available inventory, develop purchase order through comprehensive planning systems, receive required resources, warehouse, etc. The effectiveness of the major ideas of logistics and supply chain management is not limited only to the operational domain that is used to plan different activities, but it also influences the performance of different integrated areas in a suitable way (Sezhiyan, Page, & Iskanius, 2011). It is one core responsibility of the management of the business companies to consider the effectiveness of the entire idea of logistics management and effectively apply it in organizational settings to achieve desired outcomes. Financial performance of the business forms is one primary indicator to make inferences about the performance of the logistics activities under the domain of various business practices.

The implications of the broad idea of logistics are vast as the related activities have the potential to impact the financial performance of the companies positively. Proper utilization of the concept of the logistics helps organizations to make decisions about the overall expenses that are associated with the objective of value creation and enhancement. Adequate management of the logistics practices allows organizations to reduce their cost and expand the chances of value creation and attainment of the competitive advantage in the growing market. Consideration of the related activities of the logistics and supply chain management directly influenced by the rational decision-making approach adopted by the top management of the business companies. Low cost of production and delivery of goods to the customers helps organizations to set prices that are rational to all the shareholders. This form of consideration further allows companies to increase their value by attracting more and customers through the idea of low price for their product. The contemporary perspective of the business world demands organizations to consider the changing aspects and requirements of the market and take necessary measures to align with the modern trend. The prospect of modern business techniques is also applied in case of logistics and supply chain management. It is essential for the business firms to adopt the policies and procedures that determine the enhancing domain of the value creation and attainment for the long-run. Today, logistics management is used as a useful business tool to obtain and attain the desired form of business value and competitive advantage in the business market. The changing domain of the logistic management defines it as the strategic process that comprises on the components of procurement, proper movement, and storage of all the materials, all the elements of the inventory along with the appropriate information about the flows (Carter & Liane Easton, 2011). The crucial feature linked with the strategic standpoint of logistics management is that it is also associated with different and crucial marketing channels that contribute to the overall procedure of value creation and enhancement. Cost effective attainment of the desired orders plays a decisive role to encourage the corporate idea of value creation and enhance the chances of competitiveness in the market.

Logistics as Strategic Function

Understanding of the actual objective of logistics management also helps to determine its role in the overall process of business enhancement. The main mission of the approach of the logistics is to ensure the proper form of planning and coordination of all the activities relevant to the target of proper delivery of the services. This form of attainment ultimately provides the minimization of the cost and the increased chances for the value creation. The phenomenon of the logistics recognized as the bridge between the overall domain of the market and the operational activities adopted by the organizations to achieve their business targets. The conventional role of the logistics dramatically changes with the advancement and the utilization of the technology in the business. The contribution of the logistic management expands to the adoption and implementation of the main idea of provision of an integrated set of all the services to achieve the target of delivering the right products to the customers. This form of business consideration ultimately refers to the adoption of the right strategies to achieve the target of business expansion and enhanced level of competitive advantage. Now the role of logistics is not only bound to the features of warehousing and transportation, but it also related to the business policies and procedures to ensure the way of creating and enhancing value for the business organizations. Assurance of the delivery of the right product at the right time with the right cost is the primary objective associated with the operational and strategic domains of the broader idea of logistics management. A proper understanding of the customer demands and take necessary measures to achieve those requirements are the basic features that need to be considered by the business entities. It is essential to encourage the activities of the logistics management that play their positive role to deliver products of the customers that are projected. Improved cost competitiveness is the vital feature of consideration for the logistics management that requires the necessary attention of the management department of the business organizations. The broader perspective of logistic management also consider all the related aspects of supply chain management. It refers to the considering measures that effectively manage both forms of upstream and downstream association with suppliers and customers. The main focus of this form of consideration is to ensure the appropriate delivery of the services and enhance the perspective of superior customer value.

The increased form of customer value ultimately helps organizations to achieve their targets of value creation and improved chances of competitive advantage. The comprehensive perspective of logistic management attain the consideration of all the related stakeholders appeared in the explicit forms of transporters, warehouses, retailers, and clients. Development of the necessary coordination between all the related entities is the key to success when it comes to the proper consideration of the procedures of logistics. Adequate collaboration between the features of production, inventory, location, and the delivery of the final products categorized as the main aspects that determine the effective utilization of the main idea of logistics management. The positive outcomes of the logistics in the area of transportation ultimately appears in the other related perspectives of the business. The results of the logistics influence the customer value that eventually impacts the profitability level and the market share of the business company in the highly competitive corporate environment. The main focus of the logistics management in the form of optimizing flows related to the final approach of the delivery of desired products to the customers. In other words, it can be said that logistics is illustrated as the comprehensive framework of the planning orientation that has the potential to assimilate important information relevant to all the joint departments working for the accomplishment of the business targets (Christopher, 2016). It ensures the effective and efficient linkage between all the activities and processes that play their role in the establishment of the products for the customers. The focal point linked with the position of the logistics is to ensure the effective utilization of all the operations to attain the successful execution of the plan. All the activities under the paradigm of logistics are established in the strategic form with the focus on value creation and gaining competitive advantage.

Role of Technology in Advance Role of Logistics

It is essential to consider that the feature of the technology advancement changes the overall functioning of the critical area on organizational management appears in the form of logistics. The growth of the transport management system and the warehouse management system change the traditional role and influence of logistics management. The impact of the activities related to the logistics management can observe in different interrelated departments functioning for the business organization. Logistics is referred to as the field that involves the performance of different interrelated organizational activities that perform their roles to achieve organizational goals of value creation and enhancement of the feature of competitive advantage. Positive outcomes of all the operations can only achieve through the adoption of better strategic domains. The approach of logistic characterized as the major support for the overall strategic function adopted by the business corporations. The paradigm of logistics provides direction to the entire range of various operations and strategies considered by the management. The competitive prospect of the business environment demands the organization to consider the importance of the logistics and supply chain management as a vital tool to attain a better contribution to the market. Today, organizations compete with each other through the comprehensive perspective of the supply chain and logistics management.

Logistics and Competitive Advantage

The growing competitiveness of the market demands organizations to consider the paradigm of the logistics as the strategic function and effectively utilize it to achieve the targets of value creation and competitive advantage. Now, the business organizations are more focused to restructure and redefine their strategies about logistics to attain the better form of competition in the market. The desired phenomenon of strategic advancement of the logistic management is achieved through the step by step criteria that influence the overall performance level of the business entities. The idea of hierarchy is used by the organizations to assess the actual areas that require improvement and take necessary practical measures accordingly. Strategic, structural, functional, and implementation are the four major paradigms linked with the whole idea of management. It is viable for the management of the organizations to assess the actual needs of these spheres and proposed better strategies to apprehend the desired objectives. The framework of the logistic management considered different integrated areas that play their critical role in the entire process of product manufacturing to its delivery to the customers.

The contribution of the logistics at the strategic level is crucial as it provides directions to achieve the desired targets relevant to the systematic procedure of product delivery. Strategic level function in the form of a top-level strategic domain that is directly concern with the approach of customer service strategy. It is vital to identify and establish the role of the logistics at this particular level to evaluate its functions under the perspective of strategic paradigm. The paradigm of customer service strategy concerned as the driving force that has the potential to influence the overall design and operations of the business firms relevant to the ideas of logistics and supply chain management significantly. The anticipated market and the customer service objectives are the two main parameters pertinent to the central concept of customer service strategy. Both these features play an integral role in the overall formulation and the execution of the logistics plan set by the management of the organizations. The main aim of this form of consideration is to create a value of the business and expands the market share for the organization.

The scenario of multiple markets also plays a critical role to develop the customer service strategy concerning the main idea of logistics strategy differently for each market. It is utmost crucial for the management of the organization to find out the most effective balance between all the related paradigms to achieve the actual targets of the customer service approach. The aspects of cost, value-added services, flexibility, accuracy, and adaptability, are the fundamental components related to the main form of logistics management as the facet of strategic management. It is crucial to prioritize different aspects according to the main strategic option adopted by the management of the organization. The objective of strategic planning can never be complete without the proper intervention of the structural and functional levels. Comprehensive logistics strategy framework has the potential to address different paradigms related to the facets of structure and the functions to attain the objective of creating value and competitive advantage. Various sort of network strategies is considered by the business organizations under the paradigm of logistics management to provide integration between all the different activities or operational practices. The networking viewpoint of the logistics strategy ensures the necessary combination of various and crucial structural factors. The step by step procedure of the logistics helps to determine the effective and efficient utilization of all the strategies and activities to increase the chances of value creation and share of the market in the form of competitive advantage. Implementation of the integrated policies is the final stage that is based on the active contribution of all the stakeholders identified in the way of individuals, technology, and the processes. All the aspects align together to effectively execute the final plan referring to the primary objective of the business enhancement.

Conclusion

To conclude the critical discussion about the role of the logistics in the organizational setting, it is vital to mention that the idea of logistics management is closely linked with all the functions adopted by the business entities. The competitiveness of today’s business environment demands organizations to focus on the changing role of logistics management critically. Different operations and activities of the logistic ultimately apprehend the entire idea of strategic paradigm formulated and executed by the business organizations. Business firms need to be more focused to create value and achieve the enhanced form of competitive advantage by capture maximum share of the market. Proper execution of the different strategies related to customer service is not possible without the active intervention of the idea of logistics and supply chain management. The diversity and complexity of today’s business world demands to consider and focus the paradigm of logistics as the strategic function to meet the changing needs of the growing market.

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