

# An Overview

## Strategic Review of Logistics Processes

Logistics is concerned with the integrated process of an enterprise which ensures that goods and services are delivered to the correct place, on time and in full at minimum cost to the enterprise. It is the means by which an enterprise manages its business process from end to end to ensure that it serves its customers and stays ahead of its competition. It is core to strategic planning.

### Marketing

Good logistics ensures that the marketing promises of the enterprise can be fulfilled. It is important to understand the marketing strategy and to determine what has to be achieved in order to support this. The focus has to be on the logistics processes which enable demand to be met.

### Adding Value

The business process of adding value is sometimes referred to as the Value Chain. The Value Chain is all those activities in an organisation which contribute to adding value for the customer. This view is very customer focused, eliminates waste and considers the enterprise as an integrated whole. This view of the logistics processes is quite contrary to the way in which many organisations function.

### The Organisation

Most companies are organised on functional lines which more often than not introduces departmental "walls" and takes the focus off the customers' requirements. Effective logistics management requires a process orientated organisation which is driven by customer demands and in which functional activities are integrated to ensure that objectives are met. In practice, a half hearted attempt at integrated process management with poorly performing functional activities will never outperform an organisation that has little process management but achieves all round functional excellence. The ideal is to achieve both. Logistics strategy and organisational structure are closely linked.

### Time Compression

One of the most striking features of modern business is the way in which lead times have reduced. This is true not only in terms of customer delivery requirements but also in terms of new product development, forecasting horizons and almost every aspect where the organisation is required to react to change. Time has become a key feature of competition and shortening reaction times has become a way of gaining competitive advantage. Development of Logistics is the way in which lead times can be reduced and "time compression", as it is sometimes called, can be achieved.

### IT Systems are Driving Change

Much of the development of Supply Chain management has been made possible by developments in information technology. Information flow is complementary to material flow and rapid access to accurate information is essential for competitive performance. Many developments in IT have driven, and are continuing to drive change in logistics. Developments in IT have great significance for the way in which goods are marketed, manufactured and distributed. Logistics strategy has to respond to this.

### ***Strategy review in practice***

Helping our clients respond to changing customer demands is central to the services provided by THE LOGISTICS BUSINESS. Strategy development requires a close working relationship between our consultants and our client's team. This ensures that our wider experience of logistics processes can be combined with our client's special knowledge of their business.

The work will involve detailed analysis of the logistics processes and will often include benchmarking against best practice.