

DYNAMICS OF LOGISTICS MANAGEMENT WITH SPECIAL REFERENCE TO ORGANIZED RETAILING

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Abstract

International marketing is becoming more important to companies as the world shifts from distinct national markets to linked global markets. Globalization brings homogenization of consumer needs, liberalization of trade, and competitive advantages of operating in global markets. Companies are forced to think and act globally in order to survive in such a dynamic environment. All these elements have a deep impact on the development and the positioning of companies on international marketplaces where competition is cruel. Furthermore, another significant change concerns the customers since they are more demanding in term of quality, lead time and order fulfillment. In this context, firms must be more and more flexible and reactive to anticipate and to adapt to such changes. This quest for flexibility and reactivity affects the conception and the management of firms and more generally their logistic systems and contributes to the development of partnership relations, to the emergence of mergers or strategic alliances between companies. As a result, a firm can no longer be considered as an isolated entity but as a component of a wider supply network. International Firms have begun to implement various strategies in order to remain competitive in world market. Logistics is one of the key areas in the process of international marketing as the delivery of goods to the buyer is as important as any other activity in business and marketing. Quite often, the most crucial part in International trade is the timely delivery of goods at a reasonable cost by the exporter to the importer. In fact, the prospective buyer may be willing to pay even higher price for timely supplies. The emergence of logistics as an integrative activity, with the movement of raw materials from their sources of supply to the production line and ending with the movement of finished goods to the customer has gained special importance. Earlier on, all the functions comprising logistics were not viewed as components of a single system. But, with emergence of logistic as an important part of corporate strategy due to certain developments in the field of international marketing has gained special significance. Before discussing the various aspects of logistics, let us look at its definition:

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According to Council of logistics management:

“Logistics is the process of planning, implementing and controlling the efficient, effective flow and storage of goods, services and related information from point of origin to point of consumption for the purpose of conforming the customer requirement”.

This definition clearly points out the inherent nature of logistics and it conveys that Logistics is concerned with getting products and services where they are needed whenever they are desired. In trade Logistics has been performed since the beginning of civilization: it's hardly new. However implementing best practice of logistics has become one of the most exciting and challenging operational areas of business and public sector management. Logistics is unique, it never stops! Logistics is happening around the globe 24 hours a day, Seven days a week during fifty-two weeks a year. Few areas of business involve the complexity or span the geography typical of logistics.

Word, "Logistics" is derived from French word *loger*, which means art of war pertaining to movement and supply of armies. Basically a military concept, it is now commonly applied to marketing management. Fighting a war requires the setting of an object, and to achieve this objective meticulous planning is needed so that the troops are properly deployed and the supply line consisting, interalia, weaponry, food, medical assistance, etc. is maintained. Similarly, the plan should be each that there is a minimum loss of men and material while, at the same time, it is capable of being altered if the need arises. As in the case of fighting a war in the battle-field, the marketing managers also need a suitable logistics plan that is capable of satisfying the company objective of meeting profitably the demand of the targeted customers.

From the point of view of management, marketing logistics or physical distribution has been described as „planning, implementing and controlling the process of physical flows of materials and final products from the point of origin to the point of use in order to meet customer's needs at a profit. As a concept it means the art of managing the flow of raw materials and finished goods from the source of supply to their users. In other words, primarily it involves efficient management of goods from the end of product line to the consumers and in some cases, include the movement of raw materials from the source of supply to the beginning of the production line. These activities include transportation warehousing, inventory control, order processing and information monitoring. These activities are considered primary to the effective management of logistics because they either contribute most to the total cost of logistics or they are essential to effective completion of the logistics task. However, the firms must carry out these activities as essential part of providing customer with the goods and services they desire.

Real-time supply Event Management: the requirement for correct and timely management of knowledge so as to take care of on-time deliveries, cut back inventory levels and make sure that the proper product is within the right place at the proper time.

Technology Solutions offer Visibility: New supply event management technologies to realize time period visibility into supply operations; guarantee a a lot of correct, economical and effective flow of goods; cut back prices and increase client satisfaction The four conditions printed higher than have considerably modified the role and expectations of the expert. firms should radically adapt their supply management strategy so as to vie in today's unquiet marketplace, marked with ever-decreasing turnaround times, hyperbolic competition and lower profit margins. this text focuses totally on however these conditions ar poignant supply these days, with a selected stress on the new technologies that ar rising the flow of products. There ar various firms within the marketplace that provide technology solutions claiming time period visibility into inventory levels and logistics; sadly, what most supply doesn't match up with what businesses actually need to enhance prices and client satisfaction.

The Internet B2B Economy

There has been explosive growth in business-to-business (B2B) transactions via the net. per Forrester analysis, the B2B e-Commerce phase of the economy can grow to \$2.7 trillion by the year 2004. AMR is even a lot of optimistic, predicting that the market can reach \$5.7 trillion throughout constant period of time. Forrester predicts that the maximum amount as twenty p.c of all transportation transactions can happen over the net by 2004. With this dramatic growth in Internet-based transactions, "e-logistics" has created new classes of supply management suppliers including:

Fourth Party supply (4PL) firms:

Organizations that manage the total scope of supply services for firms by aggregating and coordinating the services of multiple supply service suppliers.

Logistics Exchanges (LX):

Internet-based marketplaces for the shopping for and merchandising of supply services, management of supply content, and therefore the optimization of supply activities.

Logistics Visibility suppliers (LVP):

Internet-based service suppliers that capture knowledge from supply service providers; cleanse, verify and analyze the data; and report on supply activities to facilitate total provide chain visibility All of those suppliers deem the net in a way to produce a service to an enterprise. However, it's troublesome to work out UN agency participates within which class and UN agency very delivers the functions they promise.

Reverse supply

Typically, a fifth of all purchased things ar came to the manufacturer, distributor or retail merchant in a very method which will shed up to eighty five p.c off of their original retail worth. Within the year 2000, the whole worth of came merchandise was calculable at \$60 billion by IDC, whereas the value of handling returns stood at \$40 billion. With such a high tag, firms should decide if managing product returns is a component of their core ability. IDC predicts the returns-management outsourcing business in on-line markets can soar from \$1.2 billion in two000 to \$7.5 billion by 2004.

At a recent National Association of buying Management seminar, it had been conferred that the highest 5 reasons for electronically-generated orders not meeting client expectations are:

- Late delivery
- Wrong product/quantity
- Not shipped in the slightest degree
- Technical issues
- Returns

If it's true that ninety p.c of those problems might are avoided within the 1st place, then logisticians should specialize in the basis cause. so as to enhance this method, firms want time period visibility into what's really getting to be shipped compared to the customer's request. This ends up in the requirement for time period event management.

Real-time supply Event Management

In today's market, you currently have 3 to one hundred times the division interdependencies across organizations, international borders and myriad systems. But, if even alittle part of the method may be managed well, vital enhancements are gained. Think about the actual fact that total provide chain management prices generally account for eight to 9 p.c of sales, per benchmarks from the Performance mensuration cluster, LLC. The most important single driver of this is often supply. Typical advantages from desegregation the provision chain vary from twenty eight p.c to sixty p.c improvement in delivery performance and inventory reduction, to ten p.c to thirty p.c improvement in capability realization and fill rates. Therefore, the potential cash savings from time period supply visibility is staggering.

The combination of provide chain quality and market conditions puts even a lot of pressure on makers to produce the proper quantity of product, at the proper time, for all-time low doable worth. a number of factors have created this progressively troublesome. There are several recent inventory debacles as results of the shortcoming of ERP systems to properly forecast demand and stop inventory build-up. Additionally, the lead times for manufacturing product have shrunken dramatically. Eventually, most organizations currently source producing of parts to third- party organizations. Our current connected economy has drastically modified the role and operations of transportation. As a result, the supply management departments should

attempt to perform transportation “miracles” on a day to day so as to satisfy these monumental goals. Transportation professionals will meet most of those demands, however at what cost? Each dollar spent at this time may be a decrease in internet gain. That’s a big concern for firms. It becomes an excellent larger concern if what was shipped was shipped out incorrectly and should become or routed otherwise. During this cooperative economy, enterprises ought to acknowledge the hyperbolic role of transportation management and the way to use technology to their best advantage.

One further side of supply that has to be lined is that of in-transit inventory. In-transit inventory has gone from a taboo subject to 1 of strategic worth – just-in-time (JIT) refilling on wheels. If managed properly, in-transit inventory will cut back client lead times and distribution network prices. The down facet is, while not applicable technology and integration into TMS or OMS, optimization and visibility into in-transit inventory may be a nightmare. Several e-logistics firms and software package suppliers state that with time period visibility into in-transit inventory, the enterprise may be proactive in meeting client needs by:

- Returning the load,
- Redistributing or rerouting the load, or
- Shipping the proper product or short provide in expedited fashion.

The result's that the client gets what they ordered, however at a big value to the enterprise. there's technology that exists these days to manage client needs before the merchandise is shipped. In supply management, from the raw materials acquisition to the client destination, worth or value is superimposed on the approach. To correct a deviation from the first client needs because it approaches its destination may be a terribly expensive proposition; not solely in terms of bucks however in terms of your time. There’s an answer. It’s time period supply event management victimization a number of the vanguard technology solutions out there these days.

Technology Solutions offer Visibility

Very few firms will vie on worth alone. Speed, accuracy and completeness with that orders ar stuffed and delivered ar the sustaining differentiators in today’s fast economy. Effectively managing events is vital. the answer is time period supply event management. Logisticians should gain time period pre-shipment visibility and proactive event management before cargo. however be warned – some technology suppliers state they need “visibility” to facilitate proactive tendering and management of all freight through to the ultimate destination – what they're very talking concerning is managing product in-transit. however will redirecting and addressing provide imbalances once the merchandise is in-transit be proactive? Once a product is in-transit, it's too late. There ar solutions out there that offer visibility through a group of time period, Web-based knowledge and analytics. These solutions facilitate to manage the supply method between patrons and suppliers, whereas eliminating expensive discrepancies between order, sales order and shipping info. By eliminating these variances and inconsistencies in something from quantities and shipping locations to ship dates, half numbers and freight terms, supply suppliers can:

- Eliminate incomprehensible shipments
- Eliminate cargo discrepancies
- Improve profit margins by inputting a lot of timely knowledge into optimisation tools
- Enable the reduction of inventory carrying prices for the client
- Support customers’ efforts to cut back inventory investments
- Significantly cut back product returns
- Improve client satisfaction through:
- Improved delivery dependability
- Improved efficiencies in your customers receiving operations
- One version of the reality for dispute resolution

Conclusion

In today's volatile economic climate, logistics management is becoming more important than ever before. Getting the right amount of goods to the right place at the right time is critical, especially in an age when budgets are tight and customers' demands are unpredictable and unforgiving. In the best of times, logistics managers only execute 80% of the time. However, in tougher economic times, this margin for error is too high. Logistics management is evolving in significant ways to address these problems. Internet utilization, combined with the proliferation of reverse logistics and the impact of technology advancements in real-time logistics event management and visibility, are fundamentally changing the role of logistics management in organizations. In order to succeed in today's global marketplace, companies must be ever cognizant of these trends and develop a logistics management strategy that capitalizes on the best-of-breed technology solutions available today, so that they can meet the demands of their customers today and be well prepared for the future.

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