

# Chapter 1

## General knowledge about logistics management and supply chain management



# *Definition Of LOGISTICS*

## What is Logistics ?

- ☀ “ Logistics means having the right thing at the right place , at the right time
- ☀ Business Logistics deals with all move- store activates that facilitate product flow from one point of raw material acquisition to the point of final consumption, as well as the information flow that set the product in motion for the purpose of providing adequate levels of customer service at a reasonable cost.
- ☀ Logistics is also defined as the process of planning , implementing, and controlling the efficient , effective flow and storage of goods, services, and related information from point to origin to point of consumption for the purpose of confirming to customer requirements”.

Note that this definition includes inbound, out bound, internal, and external movements, ,and return of materials for environmental purposes .

# Meaning of Supply Chain



The diagram illustrates a supply chain cycle. It starts at the bottom with a tractor in a field, representing raw material production. An arrow points to a factory with gears, representing manufacturing. Another arrow points to a warehouse with boxes, representing distribution. A final arrow points to a store with a shopping cart and a car, representing the final consumer. The entire cycle is enclosed in a circular path.

## Supply Chain

*[sə- 'plī 'chān]*

A network between a company and its suppliers to produce and distribute a specific product to the final buyer; it includes different activities, people, entities, information, and resources.

 Investopedia

# LOGISTICS OR LOGISTICS OR OTHER NAMES SUCH AS

- Business Logistics
- Channel Management Distribution
- Distribution Materials/Products Distribution
- Physical Distribution Industrial Logistics
- Industrial Logistics
- Logistics Management

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- Supply Chain Management

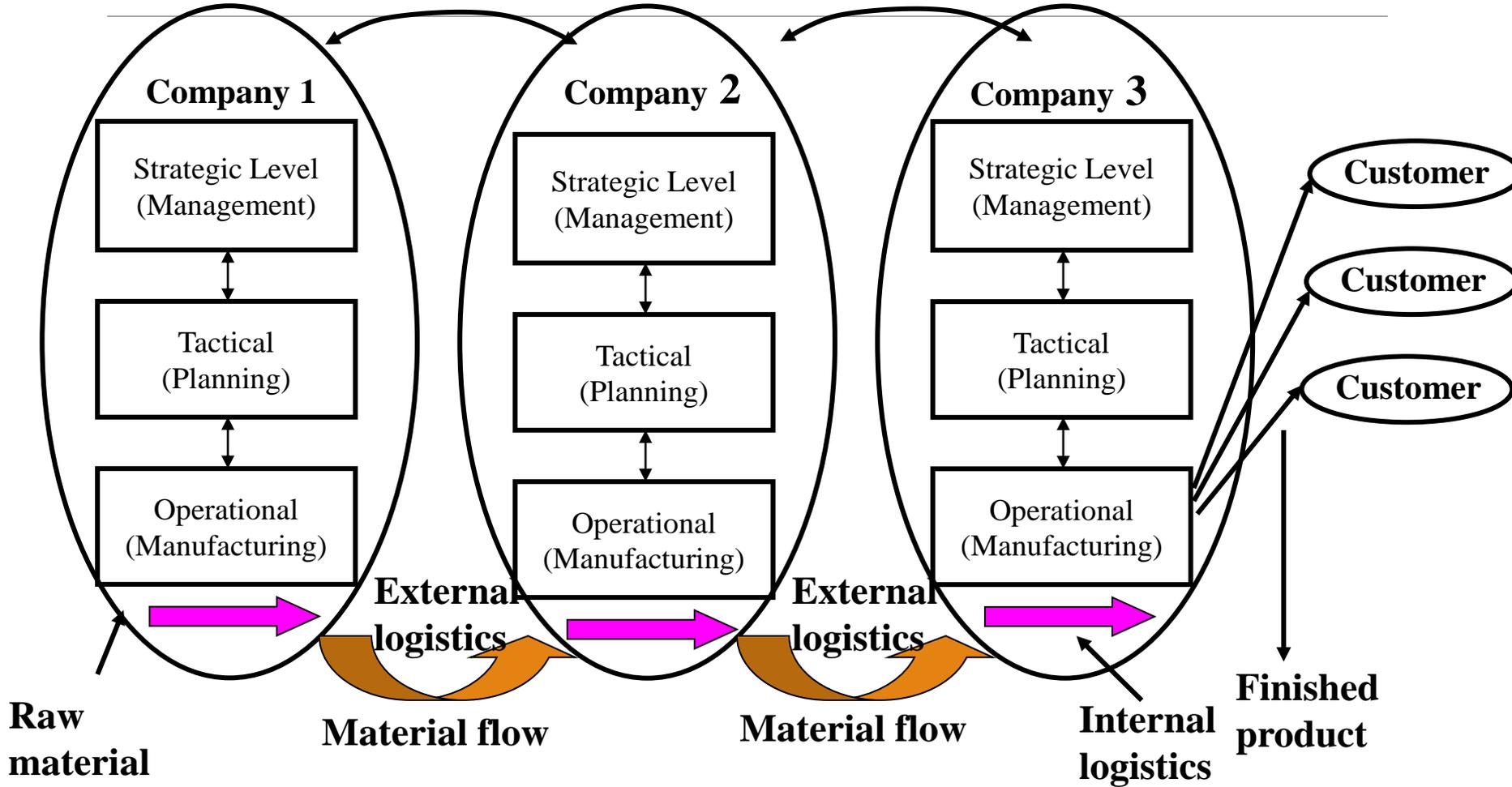


# Relationships between logistics and supply chain

Supply chain management

Policy agreement

Policy agreement



# **The role and importance of logistics and supply chain systems in development and growth**

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- Using logistics systems to reduce costs.**
- Using logistics systems to enhance service quality for customers.**
- Using logistics systems to gain an advantage over competitors.**

# The role and importance of logistics systems in the development of the country's economic system

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- ❑ Help businesses achieve efficiency and effectiveness in logistics and supply chain management processes.
- ❑ This enables businesses to adapt to trade liberalization changes
- ❑ Information technology and communication systems can be applied to help reduce the time required at various stages in the economy to be more efficient.
- ❑ Enhance economic potential through logistics processes and strengthen business competitiveness to create continuous coordination to create maximum customer satisfaction.

# **The role and importance of logistics systems in the development of the country's agricultural sector**

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- ❑ Helping the agricultural sector to be efficient and effective in logistics and supply chain management processes.**
- ❑ It can increase key activities in supporting sales and services in the agricultural sector.**
- ❑ It enhances the utility of time and place for customers. When they want to consume or use it to produce at the cost set by the agricultural sector.**
- ❑ Information technology and communication systems can be applied to help reduce the processing time at various stages of the production process to consumers and suppliers to be more efficient.**
- ❑ Strengthen the competitiveness of the agricultural sector together to create continuous coordination to create maximum satisfaction for customers and consumers.**

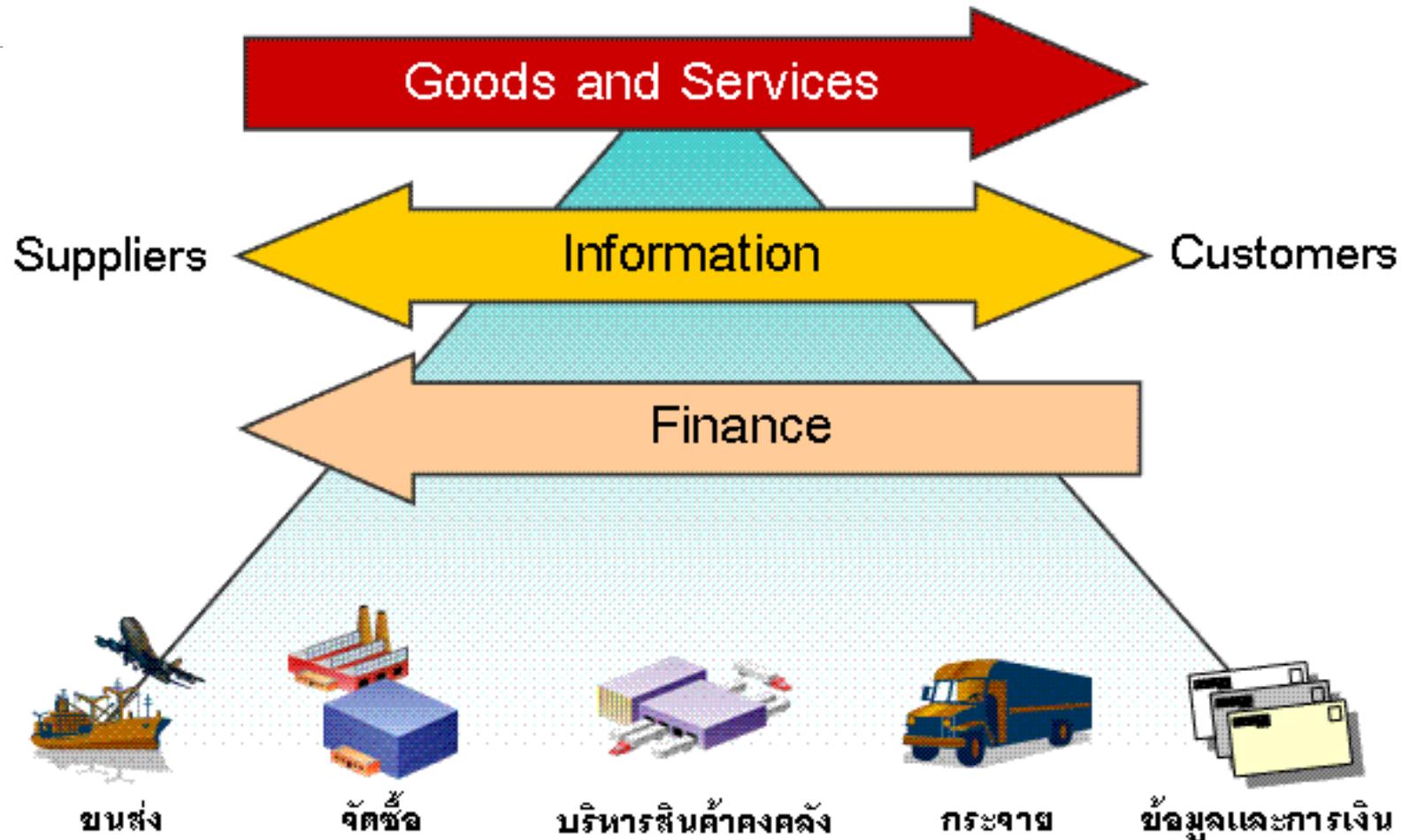


## **The logistics system will cover the following activities:**

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7. Warehousing and storage
8. Plant and Warehouse Site Selection
9. Material Handling & Packaging
10. Procurement
11. Part and Service Support
12. Salvage and Scrap Disposal
13. Return Goods Handling

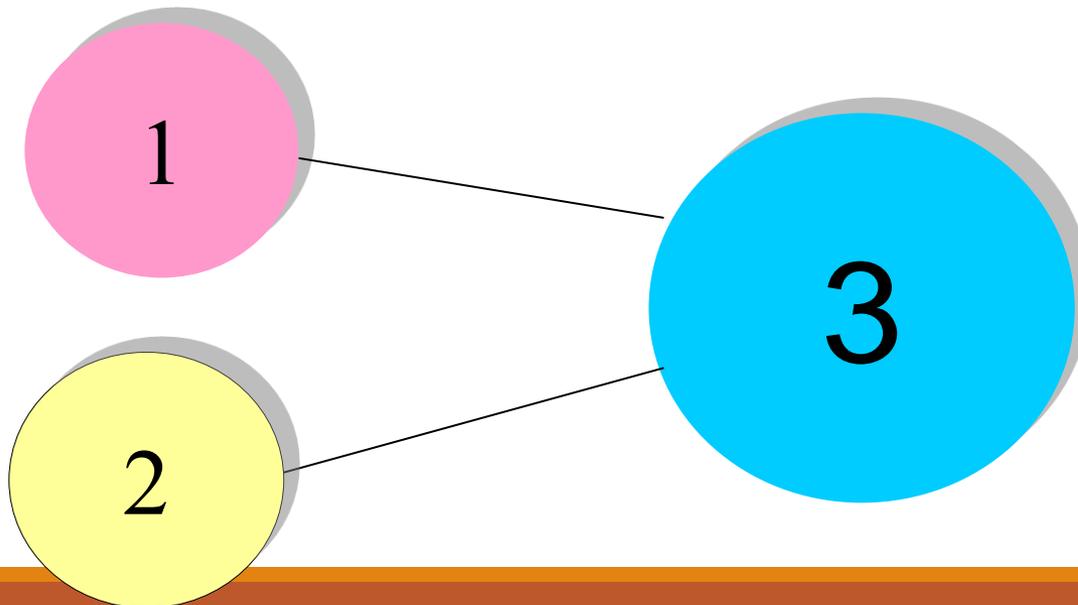
# Logistics composition and Logistics management



# Goals and benefits of logistics and supply chain management

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1. **Reduce costs**
2. **Improve service quality**
3. **Build and increase customer satisfaction levels (both internally and externally)**



# Systematic concept of logistics

“Focus on maximizing process efficiency, not building department or agency efficiency.”

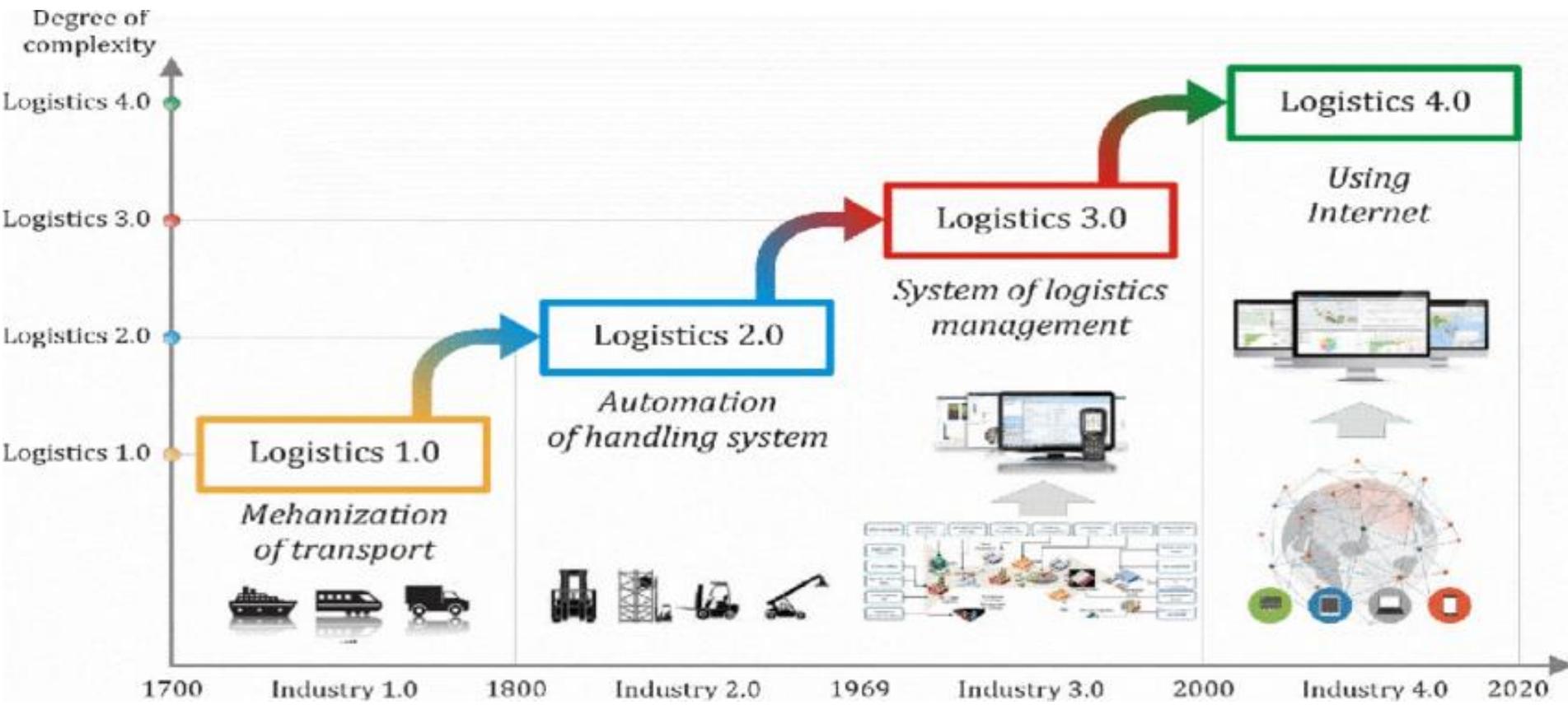


# Development of logistics systems

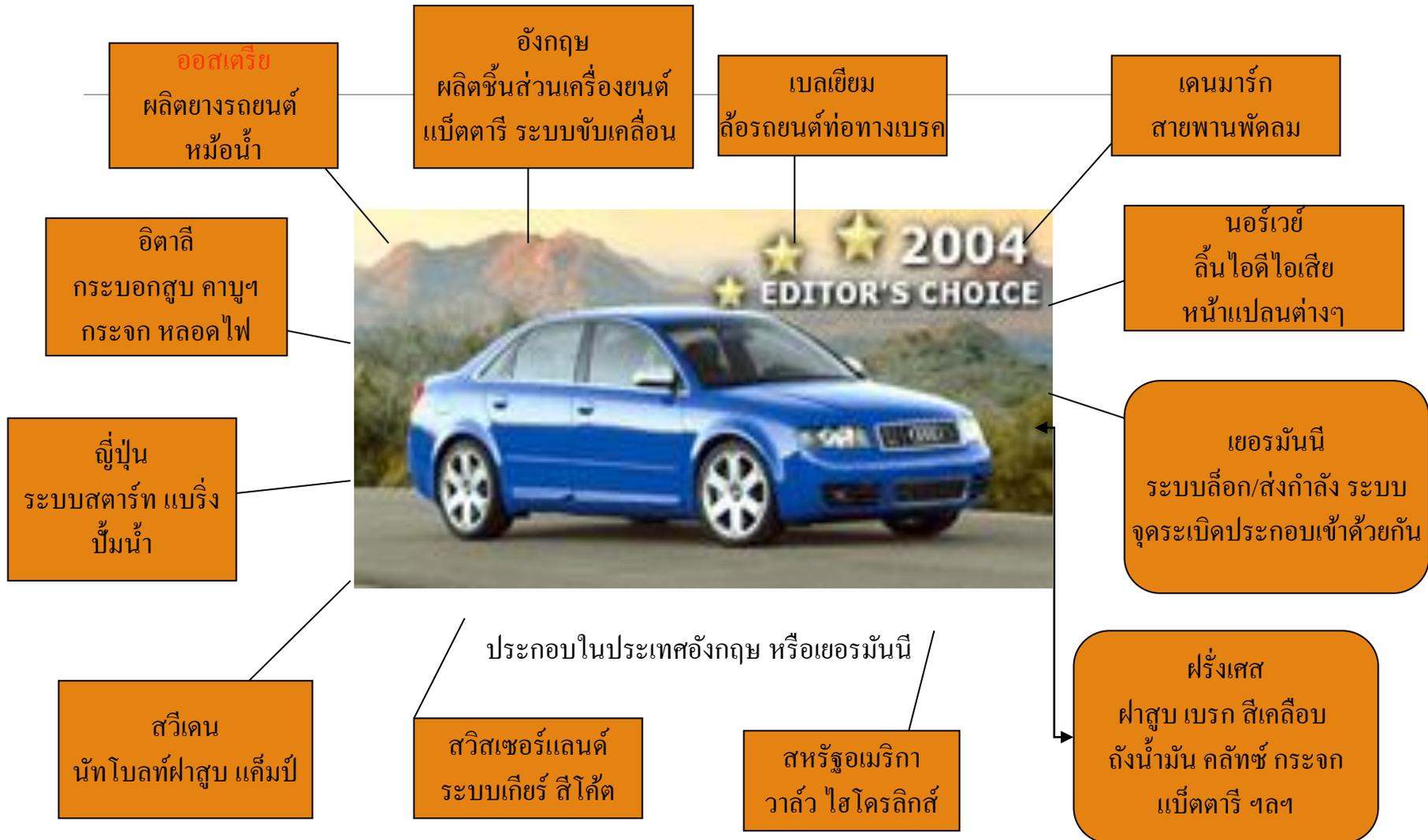
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Logistics Business The development started mainly from shipping. Later, the business related to transportation of goods was broken down into warehouse management services. International Distribution Services, Cargo Services and Freight Forwarding Subsequently, the logistics business integrated the pre-production process.

Logistics includes the management of the entire supply chain by including all those involved in manufacturing and distributing goods, such as suppliers, manufacturers, vendors, and distributors. In addition, large multinational companies that provide end-to-end modern logistics services called Third Party Logistics (3PLs) have emerged, which coordinate various logistics-related tasks.



# Successful examples of logistics management implementation



# Common problems related to logistics and supply chain



# Problems in the supply chain

- There are no products available to customers when they need them.
- Customers who live abroad want to get products but don't know who to contact.
- Erroneous, damaged delivery Not on schedule
- The trading process is cumbersome, time consuming.
- There is a lot of inventory.
- Not enough storage space in the warehouse

# Case study

Supply Chain Management In 6 Minutes



# End & Questions



# End-of-chapter questions

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1. Explain the meaning of logistics and supply chain.
2. How are logistics and supply chains related?
3. How important is logistics to an economy?
4. What does logistics activity consist of?
5. Give an example of a successful venture that has adopted logistics management.