



BEC3224

Introduction of Logistic Management Economics

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1. Objectives

The purpose of this course is to equip students with the ability to apply economic principles to logistics management, planning, and analysis. This entails a comprehensive study of logistics technology and strategies for cost reduction under conditions of uncertainty, with the goal of enhancing overall management efficiency.

Logistics and Supply Chain Systems

Supply Chain

Represents the complete cycle of producing a product or service, encompassing the procurement of raw materials, production, storage, transportation, and the ultimate delivery to the consumer.

Logistics

Serves as a subset of the supply chain that concentrates on the planning, implementation, and control of the efficient flow of goods, information, and capital to fulfill customer requirements.

2. Definition of Logistics Economics

Logistics Economics refers to the application of economic theories and methodologies to logistics management, aiming to achieve optimal efficiency in the movement of goods from their point of origin to their final destination. This discipline focuses on optimizing costs, time, and delivery performance.

Rationale for Studying Logistics Economics

- **Enhancing Efficiency:** Apply economic principles to facilitate rational decision-making processes within businesses.
- **Cost Minimization:** Examine transportation-related expenditures and identify strategies for their reduction.
- **Profit Maximization:** Achieving cost reductions and improved efficiencies can lead to heightened organizational profitability.
- **Adaptability to Change:** Analyze economic variables affecting logistics to enable rapid adaptation to market fluctuations.
- **Competitiveness Improvement:** Implementing efficient logistics systems fosters a competitive edge within the marketplace.

Anticipated Benefits for Students

- Develop a comprehensive understanding of cost reduction and logistics principles at both local and international levels.
- Analyze factors that impact logistics management and identify the root causes of associated challenges.
- Acquire knowledge of the technological applications for cost reduction and formulate viable solutions.
- Apply acquired knowledge to practical scenarios, using appropriate tools and technologies.
- Gain insight into the relevant regulations, standards, and policies governing the logistics sector.

Target Audience for Logistics Economics

- **Logistics Professionals:** Individuals holding positions such as logistics managers, warehouse supervisors, and transportation planners.
- **Production Professionals:** Individuals seeking to optimize the logistics of raw material and finished goods transportation.
- **Trade Professionals:** Those engaged in domestic and international shipping activities.
- **Prospective Graduate Students:** Individuals aspiring to attain a Master's or Doctoral degree in related disciplines.

Career Opportunities

- Logistics Analyst
- Logistics Manager
- Supply Chain Consultant
- Entrepreneur in logistics-related ventures

3. The Importance of Logistics

To the Organization:

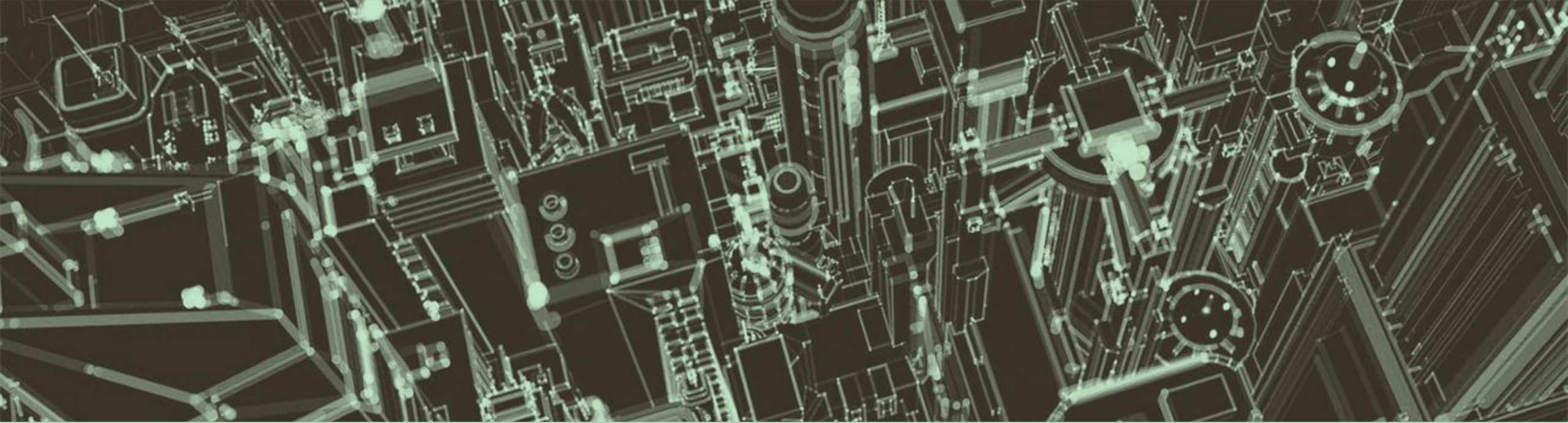
1. **Operational Efficiency:** Minimizes waste while maximizing output.
2. **Cost Reduction:** Streamlines route planning and warehouse management practices.
3. **Customer Satisfaction:** Ensures the timeliness and accuracy of deliveries.
4. **Competitive Advantage:** Strengthens market positioning through superior logistical systems.
5. **Flexibility:** Facilitates rapid responsiveness to changing market conditions.

To the Economy:

1. **Economic Driver:** Serves as a critical connector of producers, consumers, and service providers.
2. **Job Creation:** Generates employment opportunities across production, transportation, and service sectors.
3. **Promotion of International Trade:** Enhances the speed and efficiency of cross-border transactions.
4. **Infrastructure Development:** Stimulates advancements in transportation infrastructure, including roads, ports, and airports.

4. Practical Examples of Logistics in Daily Life

- **Online Shopping:** Sequential processes including product selection → payment processing → warehouse preparation → packaging → shipping → tracking → receiving.
- **Supermarket Shopping:** The process of selecting products → making a payment → loading items into a vehicle → transporting them home.
- **Dining Experience:** Involves agricultural production → transportation to processing facilities → processing → packaging → distribution → purchase and consumption.



Q & A

