

Welcome to this module that is
functions and importance of
logistics management from Unit 1,
introduction to logistics management.

This is the outline of the module
we will be covering two topics.

One is the functions of logistics
management and the other one is the
importance of logistics management.

The student will be able to understand
the functions of logistics management
and will also be able to understand the
importance of logistics management.

Let us now start with the module
functions of logistics management.

The generic function of logistics
management is making available the
required quantity of required quality
products at the point of use as and
when required at the least cost.

Logistics management is concerned

with the movement of goods from the point of inception to the point of consumption in a manufacturing firm.

There are three kinds of products which need to be moved, namely raw materials from suppliers to point production, point work in progress within the production or operating system, and finished goods from the last production point to the customers.

As such, there are three sets of logistics functions.

At these three different phases of the total business function of the firm, the three sets of logistic function are as follows.

One is the procurement function, second one is the production function and the third one is the physical distribution function.

First one procurement function,

procurement function of logistics management

ensures a smooth flow of raw materials,

parts and components of specified quality.

And quantity from US quality certified

suppliers to the production centers.

This function includes identification of

the inputs needed in terms of quality,

specification and quality requirement.

Study of sources for procurement negotiation

with the suppliers and final contracts,

order placements,

and shipment of input consignments.

This logistic function is required to

complete the procurement process after

procurement and arrival of input materials.

There is subsequent requirement

of other logistical functions such

as handling storage as movement

to shop flows for final use in

the manufacturing process.

These functions are generally
attributed as inbound logistics or
traditionally attributed as materials
management functions of the total
logistics function production function.

The production function of logistics
deals with efficient and effective
management of working process inventory.
flow between the different
stages of manufacturing.

Hence,
this logistics function ensures
timely availability of.

Semi processed materials and components
inventory to support the production schedule.

Primary task of production function
of logistics is to establish
and maintain an orderly,
smooth and economic flow of materials
facilitating total production system,
avoiding time,

idle time for any manufacturing facility
due to non availability of any input items.

That is why a set of logistics
components crucial at this stage
comprise inventory inputs,
inventory, production schedule,
materials handling,
storage,
temporary protective packaging if required,
and final package.

If in this function is limited to
movement within an enterprise,
whereas other functions deal with
external facilitators such as
suppliers and customers.

Hence the production function of
logistics is largely controllable in
nature, while the performance of the other
functions are largely conditional to the
extent of behaviour and support of them.

The production function of logistics is

also called as manufacturing function
or operation function of logistics
and positioned in between procurement
function and physical distribution
functions of logistics management.

Third function.

Is physical distribution function?

Physical distribution refers to
the movement of finished goods
from the last point of production
to customers or end users.

In other words,
this function of logistics facilitates
marketing and sales performance of
the enterprise by means of timely
and economical product availability.

Hence, the major logistics component
which come under this function.

Our inventory management of output products,
transportation distribution,
warehousing,

order processing and protective packaging.

The physical distribution function

of logistics and shores,

zero defect service and prohibits

stockouts by making the product available

regularly with the minimum inventory level,

it offers cost efficient value,

added customer service and makes

a difference in the marketplace.

This function is also called as outbound

logistics and marketing logistics.

Let us now move on to the second topic

that is important of logistics management.

It provides top service.

Good logistics management helps businesses

deliver better service to their customers,

correct management of the company's

logistics should make the firm strive

to improve delivery times and offer

better customer service to all those.

To buy its products to meet customer demands,

the firm need to make sure it gets

supplies or products on time and

that it shipped out products to its

customers as quickly as possible.

Second, importance, increase supply chain,

transparency,

greater visibility throughout the form.

Supply chain is one of the benefits

of logistics management.

The firm needs to know what is happening

at every stage of its supply chain.

Take a closer look at its logistics to

help understand how everything operates.

The firm can take a look at historical

data and analyze real time events to

gaining insights into how things could

be improved and how to prevent problems

the firm could make some significant

savings by monitoring its supply chain,

as well as delivering better service to

its customers and any business partners.

Third importance,

improve efficiency and reduces.

Costs whether the firm is dealing

with logistics in the UK or

international freight logistics,

it can improve efficiency and

reduce costs with good management,

better supply chain transparency

makes it easier to spot where

the firm might be going wrong,

as well as the aspects that

the firm is doing right.

The firm can identify cost saving measures

and keep its expenses lower by keeping a

close eye on how everything is managed.

Gain more control over both

domestic and international freight,

whether it's ongoing or outgoing,

for greater efficiency and bigger savings.

And the last importance is greater revenue.

It boosts the firm revenue by

improving its logistics management.

If the company provides a

better service to its customers,

it can attract more business.

It improves the company's brand

reputation by delivering its promises,

never having to turn our

customer away or let them down.

These were the references used

for this module. Thank you.