

CHAPTER 11 – OTHER ISSUES OF LOGISTICS MANAGEMENT

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- Order management
- Customer service
- Strategic and financial logistics
- Logistics activity measures
- Organizational and managerial issues in logistics

ORDER MANAGEMENT

Order management refers to management of the various activities associated with the order cycle.

- Order transmittal
- Order processing
- Order picking and assembly
- Order delivery

CUSTOMER SERVICE

Ability of logistics management to satisfy users in terms of time, dependability, communication, and convenience

- Time
- Dependability
- Communication
- Convenience

CUSTOMER SERVICE MEASURES IN LOGISTICS

Customer Service Dimension	Measure
Time	Order cycle time
	Inquiry response time
Dependability	Perfect order
	On-time delivery
Communication	Customer complaints
	Order status information
Convenience	Returns process
	Response to emergency situations

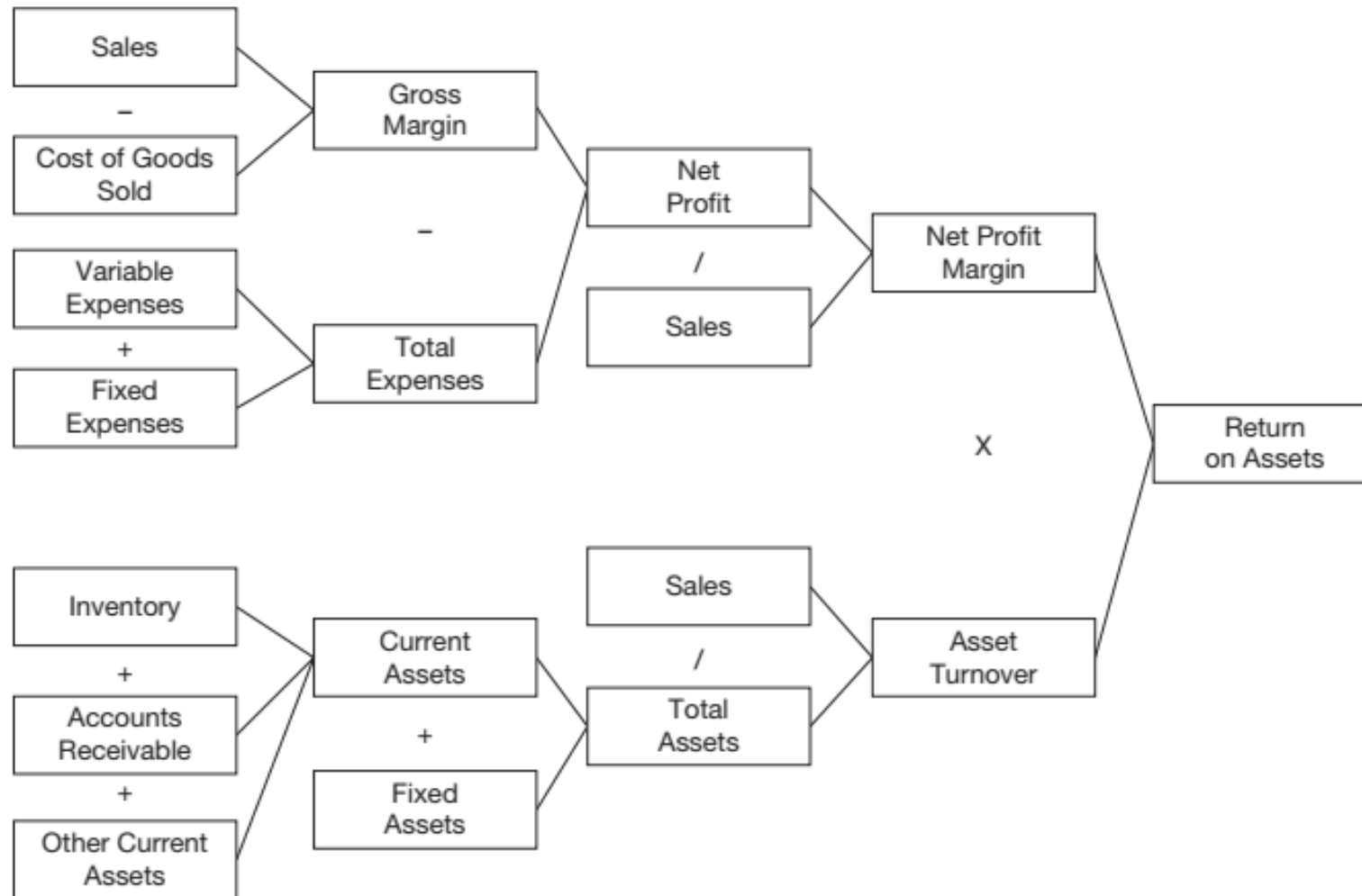
Source: Murphy and Knemeyer (2018)

STRATEGIC LOGISTICS

The functional level of the organization is where logistics resides

- The number and location of warehouses
- Choice of transportation modes
- Inventory management

FINANCIAL LOGISTICS



Source: Murphy and Knemeyer (2018)

LOGISTICS ACTIVITY MEASURES

- Transportation: labor, cost, equipment, energy, transit time,...
- Warehouse: labor, cost, time, utilization, administration,...
- Inventory: carrying cost, inventory turnover, service level,...

ORGANIZATIONAL STRUCTURE FOR LOGISTICS

- Fragmented logistics structure: logistics activities are managed in multiple departments throughout an organization
- Unified logistics structure: multiple logistics activities are combined into, and managed as, a single department.

OR

- Centralized logistics organization
- Decentralized logistics organization

MANAGERIAL ISSUES IN LOGISTICS

- Productivity
- Quality
- Risk
- Sustainability

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THANK YOU!

