

# Impact of Logistics Management in India

Dr. J. Vijaya kumar<sup>1</sup>, Dr. D. Venkateswara Rao<sup>2</sup>

## I. INTRODUCTION

The word *logistics* comes from the Greek *logostikos*, meaning one expert in enumeration. First used in the eighteenth century, the word in its current meaning became popular during World War II. In 1949, the army's Field Service Regulations defined logistics as "that branch of administration which embraces the management and provision of supplies, evacuation and hospitalization, transportation, and services. It envisages getting the right people and the appropriate supplies to the right place at the right time and in the proper condition." In his 1966 history of army logistics, James A. Huston points out that logistics is the application of time and space factors to war and consists of "the three big M's of warfare—*matériel*, *movement*, and *maintenance*." the birth of logistics can be traced back to the Greek and Roman empires when military officers titled 'Logistikas' were assigned the duties of providing services related to supply and distribution of resources. This was done to enable soldiers to move from their base position to a new forward position efficiently, which could be a crucial factor in determining the outcome of wars. This also involved inflicting damage to the supply locations of the enemy and safeguarding one's own supply locations. These beginnings of logistics history led to the development of a system which can be related to the current day system of logistics management.

According to **Council of Supply Chain Management Professionals (CSCMP)**, logistics management is the part of **supply chain management** that plans, implements, and controls the efficient, effective forward and reverse flow and storage of goods, services, and related information between the point of origin and the point of consumption in order to meet customers' requirements. Logistics management activities typically include **inbound and outbound transportation management**, fleet management, warehousing, materials handling, order fulfilment, logistics network design, inventory management, supply/demand planning and management of third party logistics services providers. To varying degrees, the logistics function also includes sourcing and procurement, production planning and scheduling, packaging and assembly, and customer service. It is involved in all levels of planning and execution - strategic, operational, and tactical.

## II. IMPORTANCE OF LOGISTICS

**Logistics** is generally the detailed organization and implementation of a complex operation. In a general business sense, logistics is the management of the flow of things between the point of origin and the point of consumption in order to meet requirements of customers or corporations. The resources managed in logistics can include physical items such as food, materials, animals, equipment, and liquids; as well as abstract items, such as time and information. The logistics of physical items usually involves the integration of information flow, materials handling, production, packaging, inventory, transportation, warehousing, and often security.

In military science, logistics is concerned with maintaining army supply lines while disrupting those of the enemy, since an armed force without resources and transportation is defenseless. Military logistics was already practiced in the ancient world and as modern military have a significant need for logistics solutions, advanced implementations have been developed. In military logistics, logistics officers manage how and when to move resources to the places they are needed. Logistics in India don't differ too markedly from logistics anywhere else in the world. It's the art and science of managing and controlling the flow of goods, products, services, energy, information and people from the origin point to the destination point. It includes the proper combination of several activities such as material handling, warehousing, and information, for the purpose of ensuring supply of the right product, at the right time, at the right place, for a right cost in the right condition.

## III. OBJECTIVES OF STUDY

1. To study logistic management in India
2. To examine importance of logistic management in India
3. To study findings of logistic management in India
4. To offer useful suggestions to logistic management in India

### **Logistics Department :**

Logistics has evolved to a greater extent than ever thought possible and this has been attributed mainly due to the modern business enterprises which have focused attention on its development. Logistics can be defined as delivering

products at the right time, for a right price, at the right place and in the right condition. The role of the manager of the logistics department is to handle the various related tasks and to assign responsibilities that pave the way for logistics to be recognized as an integral part of any organization.

There are some logistics terms which relate directly to the concept, and any aspirant who wants to have a deep insight into the overall procedure of logistics must be aware of these frequently used phrases.

**Certificate of Origin:**

This refers to a certified document that is used in foreign commerce with regard to the origin of goods. This document certifies that the products which are ready to be exported have been manufactured in a specific geographical location and country. This certificate is sent to the importer by exporter of the product. This may be beneficial in claiming any concessions. This certificate needs to be signed by the exporter of the product and needs to be certified by the local chamber of commerce.

**Warehousing:**

This is the procedure of storing goods at a safe and clean place for the purpose of safeguarding the goods and may involve keeping goods to be sold at later stage. This can be described as a place or store where merchandise or products are kept. It is done for safe keeping of goods, usually for sale at a later time.

**Distribution:**

a common logistics term that refers to a process of the movement of people, services and resources to the place of their consumption or where they are required. This usually involves storage, transportation, issue and disposal of goods.

**Transportation:**

Refers to the movement of supplies, goods, people and equipment by any mode of transport such as rail, trolley, water or air. This is considered to be important aspect of any organization as timely delivery of products ensures customer satisfaction and brand name for organization. The mode of transportation may be dependent on several factors like customer requirements and specifications, past experiences, speed and geographical locations.

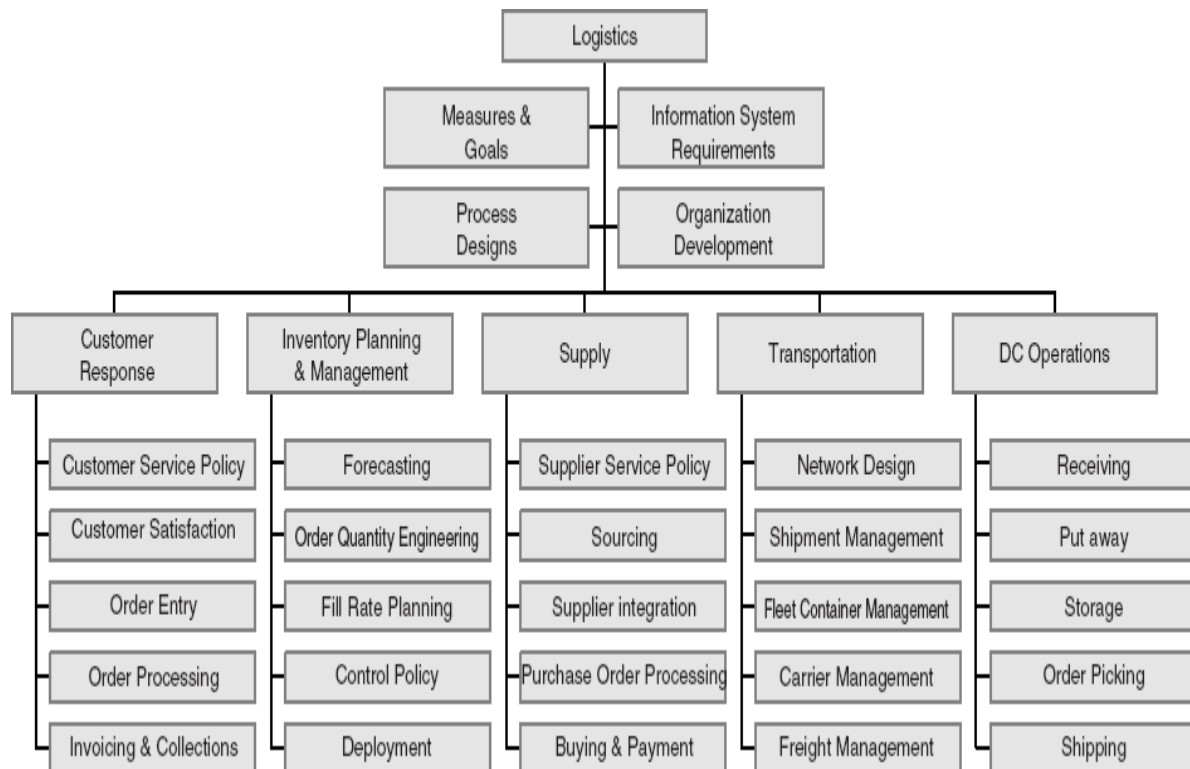
**Consignor:**

Is a person who makes the shipment of goods for the purpose of delivering the same by any mode of transport such as sea, land or air. Also known as shipper or sender. He is usually liable for hiring the transportation vehicle for the goods sent by shipment to be delivered to the consignee. In a transaction based on credit, he has the right to stop the goods in transit.

**Logistics information:** It plays an important role in the achievement of the goals of the organization, regardless of its size. Logistics can be referred to as an enterprise planning network used for the purpose of information, material management and capital flows. In the words of a layman, it can be described as delivering products and/or services at the right time, for the right price, and in the right condition. When seen in the modern day competitive business scenario, it includes complex information along with importance to the control and communication systems of the organization. Logistics has evolved in the present very competitive business environment and is primarily concerned with the efficient and effective management of the project life cycles of the organization and its resultant efficiencies. It can be described as a process that involves the total supply chain management to enable achievement of the business objectives of the organization.

**Logistics Business Plan:**

Most of the companies will find that clearly establishing a proper logistics business plan is every bit as important as planning or controlling any of the other many facets of the organization. Here we will attempt to point out the steps required and identify which personnel will be assigning responsibilities and performing the tasks. The logistics business plan must be clearly defined so that there is no confusion or vagueness in the content that could interfere with accomplishment of the desired objectives of the organization while drafting a logistics plan, one must keep in mind all possible present and future scenarios. The ascertainment of future conceivable scenarios can be made by a logistics department manager with the ability to carefully plan, analyze and implement forecasts to a considerable extent on the behalf of the enterprise. He must ensure that he has the answers to the following questions which are regarded as basics while providing a foundation to any of the business plans.



#### IV. THE EVOLUTION OF SUPPLY CHAIN MANAGEMENT

The evolution of supply chain management has been characterized by an **increasing degree of integration** of separate tasks, a trend that was underlined in the 1960s as a key area for future productivity improvements since the system was highly fragmented. Although the tasks composing logistics have remained relatively similar, they initially consolidated into two distinct functions related to materials management and physical distribution during the 1970s and 1980s. This process moved further in the 1990s as globalization incited a functional integration and the emergence of logistics in a true sense; all the elements of the supply chain became part of a single management perspective. However, only with the implementation of modern information and communication technologies did a more complete integration become possible with the emergence of **supply chain management**. It allows for the integrated management and control of information, finance and goods flows and made possible a new range of production and distribution systems. Supply chain management has become a complex sequence of activities aiming at value capture and competitiveness. More recently, the growing level of automation of supply chains has been a dominant element of the evolution of both physical distribution and materials management. This is particularly notable within distribution centers that have experienced a remarkable push towards [automation](#) such as storage, materials handling and packaging. Automation may eventually lead to automated delivery vehicles.

Stepwise and according to improvements in information and communication technologies, the two ends of the assembly line became integrated into the logistics of the supply chain: the timely supply of raw materials and components from outside, and the effective organization of distribution and marketing. High rack storages, which later became automatically driven, or the internal movement of packages by flat robots were early expressions of logistical engineering. Initially, logistics was an activity divided around the supplying, warehousing, production and distribution functions, most of them being fairly independent from the other. With the new organization and management principles, firms were following a more integrated approach, thus responding to the upcoming demand for flexibility without raising costs. At the same time, many firms took advantage of new manufacturing opportunities in developing countries through outsourcing and offshoring. As production became increasingly fragmented, activities related to its management were consolidated. Spatial fragmentation became a by-product of economies of scale in distribution.

#### CONCLUSION

“Sound logistics forms the foundation for the development of strategic flexibility and mobility. If such flexibility is to be exercised and exploited, military command must have adequate control of its logistic support.” -Rear Admiral Henry E. Eccles Logistics in the National Defense, 1959 . The logistics perspective has been raised to a threshold of strategic and Operational relevance with reiteration of its increasing significance in future perspectives of security and power projection. The Recommended Authority and Organisation will synergise all components and agencies that have any accountability and role in ensuring requisite results and target outcomes. Single point accountability, virtually non existing in realms of logistics planning, has finally been pinned to the commanders in place. The procedures and

processes for Acquisitions and indigenisation, with focus on core and combat centric research and development, and modern practices in management and technology will make the objectives of long term perspective plans attainable towards critical modernisation.

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