Logistics, Management and Efficiency

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Abstract
The problem related to the efficiency of the management for organization is general being the concern of all managers. In the present essay we consider that the efficacy of the organization begins from the structural systemization of the organizational management into general management, management of logistics and management of production which demands a new managerial process, more competitive based on economic efficiency.

Key words: logistics, management, efficiency, manager, marketing, integration.

I. Logistics, management and efficiency: correlative definitions
This is out of question that the concepts of management, logistics and efficiency are more and more utilized both in the current speaking and in the works which content is treating such problems.

If considering the most general approach, the management of any organization is perceived as an integrated assemble of activities of forecasting, organizing, drawing the personnel and the financial and material resources, as well as of controlling-adjusting, typical to the leading sub-system, activities through which the targets are set up and achieved under competitively conditions. Therefore, the management is responsible for the company profitableness and for the general quality of the social life since the crucial moment of the managerial processes is given by the managerial decision [1], which is to be found out within all the consecrated functions of the management. Thus, the prediction is closing up with the decision concerning the targets and the action directions, the organizing process is closing up with the decisions consecrating the structural and procedural of the company, the coordination is closing up with decisions regarding the harmonization of the personnel and the labour, the drawing process is closing up with decisions concerning the personnel motivation while the control-adjustment process is closing up with correcting decisions, meant to lead to the targets achievement. All the management functions, mainly the managerial decisions substantiation, are based on the managerial information and communication, the information quality influencing the quality of the decisions and, implicitly, the professionalism of the managerial process.
Along with the management, the daily mass-media are applying, more and more frequently, to expressions such as: company logistics, public administration logistics, hospitals logistics, didactic logistics, order forces logistics, delinquent’s logistics, military logistics highways logistics, airports logistics etc. All these syntagma are entitling us to accept an already accomplished fact, namely: logistics is a notion of a more and more larger utilisation suggesting something common to many social activities with a certain meaning. Although we are not aiming to submit the evolution of the concept of logistics in time, in order to try an explanation of its present meaning, we shall point out only a few of its definitions, which will help us to sustain those methodological approaches which are correlating the management, logistics and economic efficiency as an unitary whole. Thus, about four decades ago, the Romanian university environment considered by logistics „a complex of activities, including the products handling, transportation, selection, and storage, the establishment of the commercial assortment, the preparation and execution of the orders, having as goal the physical displacement of the product from the producer to the end user with the lowest costs involved by the distribution process”[2]

Starting from the very essence content of the logistics in the marketing field, respectively securing the physical displacement of the product from the producer to the end user, with the lowest costs involved by the distribution process, some of the theoreticians try to impose the concept of industrial logistics, which suggests the optimum sizing of the material flows and the connected operations, taking into account both the decisional, of command, optimum and the physical instrumentation optimum – storage, sorting, handling, transportation etc.

Consequently, logistics is more and more perceived as a since of future, which will have as object of study the optimum sizing and correlation of the information and goods flows in order to secure the permanent accommodation of the organization to the frame conditions of the market economy. Subsequently, logistics is concerning more and more the decisional aspects of the de management, while the scientific set up of the very moment when a product must be in every point of the productive and distribution chain is substantiating the image of the modern logistics. For many of us, the forthcoming period will „...benchmark the ascension to a large extent of the logistics, as it is considered by the specialists an essential condition of the competitiveness under the present economic relations … an instrument of managerial nature, a technology of synthesis, coordinating the tasks of the supplying, fabrication, industrial administration, post-sale conscription stages. The basic rule of logistics implies the principle according which the local optimums sum is not equal with the global optimum. From this point of view, the logistics specialist appears as the orchestra-man or as the chief of a general staff …”[3].

John Gattorna, considered as a world authority in the logistics domain, believes that it is a mistake to associate logistics with the finite products distribution, namely with the last stage of the production, only. This point of view is ignoring the role played by the logistics in respect of the management of the
internal flows of raw materials, sub-ensembles, licenses, parts and packing. This flow is accompanied by the flow of information in both directions, which is representing the operating frame of the logistics function and this is why the logistics manager is considered as being the only one person of the company charged with the management of all the information and materials flows, starting from the product design up to its consumption, taking into account the interactions between these flows, which gives the logistics specialist to possibility to estimate the company capacity to meet the expectations [4].

Nowadays, many of the above submitted theories are already representing a reality. Some organizations have already scheduled in their organogram logistics functions or compartments and more and more of them are considering logistics as a managerial function in charge with the synchronization product, place, time, with the aim to reach an overall optimization of the activities which maintain the company in the competition environment. Similar to the terms management and logistics, the notion of efficiency has also the tendency of being daily much utilized. It is suggesting the wish that the ratio between the useful effect, the labour outcome, and the connected expenses, namely the effort paid in order to get it, is most favourable. To the extent the effect achieved per the expense unit is bigger or, vice versa, to the extent the expense involved by getting a certain useful effect is smaller, the efficiency is higher, which makes the organization lining up with high efficiency parameters. The efficiency is representing a universal form of valuating the funds expense by any organization, their outcomes being indissolubly connected to certain particular efforts, in this context being placed also the organization management on which the level of the efficiency indicators depends.

II. Logistics- between the management and the company functions

About one hundred years ago, the French Henry Fayol showed that any enterprises is carrying on production, commercial, financial, accounting, security and administrative activities, the last ones having the role to forecast, organize, command, coordinate and control[5], and here we have the first theoretical ordination of the company (organization) functions and of its management functions.

Nowadays, it is considered that the management is putting in movement a series of homogenous activities which get materialized in the functions of the modern company [6], namely: the research-development function, the production function, the commercial function, financial-accounting function and human resources function. Considering the organization management as a structured process, the fact that all the management functions are found again in each of the organization functions is thus sustained. Thus, in the production function we find out: the managerial function of prediction which is projecting the quantitative and qualitative targets concerning the production and the allocation of the required human, material and financial resources; the organizing function through the production and labour algorithmically process; the coordination function through adequately charging the sections and departments; the drawing function through the efforts concentration and expressing the co-motivational elements aiming the
achievement of the production targets; the control function through surveying the correlative aspects between the planned targets and the achieved ones; the regulation function through setting up steps meant to lead to the production achievement by preventing any of contradictions etc. As a result, the management process is conceived in a vertical vision, from the bottom to the top, in the sense that the management functions: predicting, organizing, coordinating, drawing, controlling-accommodating, give a contour to the management process so that this one is generating the organization (research-development, production, commercial, financial-accounting and human resources), on which basis the goals of the organization are set up.

An adequate understanding of the logistics philosophy, respectively the optimization of the information and materials flows both upstream of the production process, during its execution, as well as downstream, during the distribution and the maintenance of the products in consummation, gives us the possibility to sustain the necessity to revise the functions of the company, organization, by taking into consideration two functions, namely: logistics function and production function. The logistics function of any organization secures the technical and material basis for supporting the production and maintaining the viability of the organization, as socio-professional entity, the logistics manager being directly subordinated to the general manager and responsible for the optimization of the information and materials flows which bring to the production achievement, in the condition of the competition environment. At its turn, the production function has as final goal the very reason of existing of the organization, respectively, to produce goods and services according to the quality requirements as set up by the consumers. Under these circumstances, the management process has a vertical expression, from the bottom to the top, out of which we clearly observe the responsibilities as to setting up the general targets as well as to defining the organization functions, as showed by the Figure no. 1.

Figure no.1-The managerial process in the conditions the organization is structured by two components: logistics and production
Certainly, the logistics function of the company covers the contribution of more compartments, among which we can enumerate: the financial-accounting compartments, the marketing compartments with commercial, supplying, distribution, storage, marketing research etc., entities, human resources compartments, administrative compartments with entities for environment, labour protection, prevention and extinction of fires etc., while the production function can include compartments for research-development, production sections etc.

The to-day practice demonstrated the fact that the companies which have accepted a structural and procedural organizing, taking into consideration the logistics commandments, have faced a clearer display of the managerial functions as well as better economic effects in comparison with those ignoring the logistics requirements.

III: The logistics management and the organization efficiency

The attempt to underline some of the interdependences between the logistics management and the economic efficiency is circumscribed to the present efforts meant to identify the directions contributing to the increase of the general social efficiency.

The influence of the logistics management on the organization efficiency has both theoretical and practical connotations.

From the theoretical perspective, it is natural to agree with the ideas that the logistics management is responsible for the increase of the efficiency in the logistics compartments and, thus, it is part to the general efficiency increase of the organization. On the second hand, the efficiency is the ultimate goal of any managerial structure, consequently of the logistics management as well, responsible for the optimization of the organizing frame meant to support the processes individualizing the activity object of every organization.

Basically, the general management contributes to the systemic approach of the efficiency by making operational a system of indicators for evaluating its own activity, which are found out, with particularities given by the activity nature, in the economic practice. It is obvious that the applicative management operated and keeps on operating with a multitude of indicators, differentiated by the forecasted goals and targets, which get materialized in strategies and policies as to expressing the organizations functions. Since the organization is conceived as unitary action of two basic structural components: logistics and production, we consider that the efficiency indicators system of the organization should be structured by efficiency indicators of the logistics, efficiency indicators of the production (of the basic activity), based on which the general efficiency indicators of the organization are to be defined. As the current regulations are not providing a unitary approach of the efficiency indicators, we consider that the following presentation of these ones is quite suggestive, as submitted by the Figure no. 2:
At the organization level, the managerial approach for the efficiency and the structuring of the main indicators of efficiency allow the possibility of the analysis for the organization competitiveness. Meantime, the general management of the company, through the logistics management and the production management (basic activity) have as meaning the projection (making it aware of) of the level of the efficiency indicators having to be achieved on the overall level of the organization but also on the level of the led subsystems, the unitary setting up of the modalities to achieve of the forecasted levels of efficiency as well as of the clarification of the criteria or modalities to evaluate the outcomes of the compartments and the organization as against the forecasted levels of efficiency.

In order to meet these requirements, the general management but also the logistics management, must enforce the management functions so that the principles concerning the supremacy of the targets, the decisional unity, the harmonization of the functions and positions and the responsible spending of the human, material, financial and time resources become an organisational generalized culture of the company. There are a lot of theoretical steps which are consecrating the need to project and implement management methods and techniques having as purpose an as high as possible efficiency, as goal of every
managerial component. The pragmatic contribution of the management on the efficiency in the logistic fields is grounded on the management of the cycle information-decision-action-evaluation of results, which reason is connected to securing the general optimum, being aware of the fact that, most of the times, the sum of the partial optimums, compartmental, does not equal the total optimum of the organization.

To diminishing of this cycle in the logistical compartments, a significant contribution is given by improving each of the logistics management subsystems: organizing, informatics and decisional.

Thus, the correlation between the logistics management and the economic efficiency implies the adoption of two approaches: the first one is aiming to consider the logistics management as against the efforts involved by the functioning and improvement of its own management system, emphasize put on the aspects regarding rationalizing and forms to introduce the new and, the second one modality is referring to the logistics management efficiency in a large sense, by establishing the efforts and the outcomes generated by the functioning of the component subsystems.

All the above aspects are evidencing the fact that the evaluation of the logistics management efficiency seems to be an extremely complex issue due to the specific nature of the logistics which is found out in both the productive and non-productive sphere, involving more methodological and structural approaches to be expected.

References