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Assignment Brief:	<u>COURSE WORK</u>

1. Define logistics. What are the advantages and disadvantages of logistics to an organization?

Gwynne Richards (2014). Said Logistics is the management of the flow of things between the point of origin and the point of consumption to meet requirements of customers or corporations. However, its used more broadly to refer to the process of coordinating and moving resources, people, materials, inventory, and equipment from one location to a desired destination.

One point of contact as it simplifies supply chain and provides benefits to building services. However, for a project to be considered done, there will be a need to fill specific orders quickly or make changes to existing products or services, one customer service representative will be able to help you throughout the entire project from warehousing, to distribution to transportation.

Consistent service levels. Having a single partner for supply chain and logistics work means no surprises when it comes to service levels. Whether you are working with a large ongoing project or a short term increase in product levels, you know how the job will get done

Improved pricing. When more than one service is provided by an enterprise, pricing can become more efficient and economical throughout the entire supply chain. Full service providers can effectively price projects because they know exactly when inbounds will be received, items will be picked and trucks will be at their doors, making for a much more efficient process.

Flexibility. Working with a single service provider brings flexibility to the supply chain in a couple of different ways. The ability to increase or decrease square footage and the amount of handling

Partnership mentality. A company to embody the partnership mentality with clients. From high quality customer service to process improvements and innovation we want each of our clients to have the most effective supply chain possible.

However, besides logistics advantages, the below are the disadvantages of logistics to organization

Coordination. Especially in cases of international logistics, there may be some failures in international coordination, usually the most frequent problems are: language, schedule, cultural change.

Multinationals and large companies. The usual thing is that the sector is covered with very large companies. Both medium and small companies have very difficult access.

Cost of transport. The greater the distance to travel, the greater its cost. This makes it difficult to get a competitive price.

Legality. In logistics, the legislation has much to say both at the level of laws, customs policy, and the entry and exit of product.

2. Why should an organization use Just in Time? Give its advantages and disadvantages.

Henry Ford (1923) defines Just-in-time (JIT) manufacturing is a production model in which items are created to meet demand, not created in surplus or in advance of need.

The purpose of JIT production is to avoid the waste associated with overproduction, waiting and excess inventory hold at any one time and this has numerous advantages.

Less space needed. With a faster turnaround of stock, you don't need as much warehouse or storage space to store goods. This reduces the amount of storage an organisation needs to rent or buy, freeing up funds for other parts of the business.

Waste reduction. A faster turnaround of stock prevents goods becoming damaged or obsolete while sitting in storage, reducing waste. This again saves money by preventing investment in unnecessary stock, and reducing the need to replace old stock

Less inventory can be damaged within the company, since it is not held long enough for storage-related accidents to arise. Also, having less inventory gives materials handlers more room to maneuver, so they are less likely to run into any stored inventory and cause damage.

Production mistakes can be spotted more quickly and corrected, which results in fewer products being produced that contain defects.

JIT unfortunately comes with a number of potential disadvantages, which can have a significant impact on the company if they occur.

Risk of running out of stock. By not carrying much stock, it is imperative you have the correct procedures in place to ensure stock can become readily available, and quickly hence enabling some work for supplier's relationships development.

Lack of control over time frame. Having to rely on the timeliness of suppliers for each order puts you at risk of delaying your customers' receipt of goods. If you don't meet your customers'

expectations, they could take their business elsewhere, which would have a huge impact on your business if this occurs often.

Impact production process. Where a supplier does not deliver goods to the company or organization exactly on time and in the correct amounts could seriously impact the production process of a manufacturing process and halts business entity.

A natural disaster could interfere with the flow of goods to the company or organization from suppliers, which could halt production almost at once.

An investment should be made in information technology to link the computer systems of the company and its suppliers, so that they can coordinate the delivery of parts and materials.

A company or organization may not be able to immediately meet the requirements of a massive and unexpected order, since it has few or no stocks of finished goods.

Requires more planning. With JIT inventory management, it's imperative that companies understand their sales trends and variances in close detail. Most companies have seasonal sales periods, meaning a number of products will need a higher stock level at certain times of the year due to higher demand.

Conclusively, if run properly, JIT inventory management is seen as one of (if not the) best ways of managing inventory. While it is not without risks, it has significant rewards, and is ideal for those who are able to plan carefully in advance, and build strong relationships with suppliers. If you're interested in forging a career in accounting and finance, thorough knowledge of JIT is essential.

3. What are inventories? How important are they to an organization?

Paul Myerson (2012). Said Inventories are current assets on a company's or organizational balance sheet. More important, it is a major part of ongoing business operations. For manufacturers, inventory includes raw materials used to make and assemble products. For resellers, it includes products acquired for resell to customers. In either case, one needs inventory to earn revenue.

The following are the advantages of inventories to an organization

Optimization of profits. Inventory helps with negotiating the lowest costs with your suppliers. Buying in volume or committing to suppliers in long-term relationships can help with bargaining power for products and supplies.

Turnover. Turning over inventory efficiently is also important. Calculating an organization's inventory turnover ratio allows one to see how efficiently to sell through available inventory.

Just-in-Time. A common approach to inventory management in the latter 20th and early 21st centuries is just-in-time or JIT inventory. This is a technology-driven method intended to keep your inventory at ideal levels where you have enough on hand to cover customer demand, but not too much to lead to high costs. To use JIT, you need strong relationships with key suppliers so you can integrate your inventory data through shared software databases.

Inventory control paves for competitive ability. The usage of inventory management and control benefits inventory control by enhancing market shares thus, paving the way for competitive ability. The best example is Apple's smart inventory management which gives them competitive advantage.

Inventory planning improves service level. It remains the fact that good Inventory Management and power leads to what all businesses strive for: continuity, the repeat clients. If one desires his or her hard-earned clients to come back to purchase various products and services, it is necessary always to improve service level enough to be able to match customer request swiftly.

Inventory planning and management reduces storage costs. These benefits of inventory management envisage on focusing upon inventory planning and reducing storage costs as one maintains adequate inventories. The central values feature significant factor loadings and commonalities exhibited through proper inventory management and control.

High inventory turnover brings revenues. Applying inventory planning to any business can serve as a bridge to bring in higher revenues. Through proper Inventory Management and control, a company is capable of increasing its profitability

Better utilization of warehouse space. Proper Inventory Management and control involve accounting for all production, purchase, and sale of goods that meets customers demand. These benefits of inventory management affect management strategy that supports organizational warehouse in attaining better space management

Inventory control makes cost Accounting activities easier. Better inventory management is surely going to make your financial controller happier and you can be easily in his good books. Business owners often develop internal strategies and measures that will guarantee better control and planning of production and sales.

Inventory management and control aids business in establishing cost benefit for one concerning the financial market conditions. Better cash flow lets companies attain better business and organizational goals.

Inventory control is consistent with safety and environmental advantage. Too much inventory in warehouse can be health and safety issue when employs struggle to walk on the shop floor, cannot moves goods easily and it is falling from the shelves.

Good inventory management leads to inventory reduction which leads to less packaging which leads to less waste and contribute to environmental advantage. For me one of the best reasons to show importance of inventory management

Regular supply at reasonable prices builds customer confidence evidently, with better strategies in place, any given organization can use inventory planning and control to improve its cash flow by providing higher customer service at consistent pricing.

Inventory holding results in effective utilization of human and equipment proper inventory management and control solutions save time regarding human resources and equipment usage.

Inventory control enhances product quality. The use of Inventory Management and control can assist in remarkably improving business efficiency and product quality. These benefits of inventory management would aid in eliminating waste, and enhances focus on producing Right

Inventory control strategy facilitates purchase economies. A good inventory management and control aids in facilitating purchase economies and maintaining steadiness in production operations. This approach is down to maintenance of smooth flows in accessing raw materials.

Conclusively, the above states the benefits of inventory management and control which are beneficial and good practice for all business types. It is always important to keep a watchful eye on your inventory, and it is still best to do it properly. With these benefits attached to proper inventory management and control, you can regularly, identify and avert any potential inventory challenges and errors.

4. Why is planning essential in logistics and supply chain management?

Gwynne Richards (2014). Defines planning as a strategy designed to meet a desired activity in time without disturbances or delay such as cash shortages, material shortages, inadequate manpower, inadequate storage facility and many more. However, planning is so essential in logistics and supply chain management because of the following roles it plays.

Less delay in providing financial benefits. Effective logistics planning and management can secure your shipping transactions against lost or wasted products. For example, you may be spending money on materials or storage that you do not actually need.

Improves efficiency. Logistics planning also improves an organization's efficiency. On-site logistical planning makes it easier for you to store all materials properly. It also makes it easier for you to locate each item. Therefore, you get to speed up transactions and improve business productivity.

Reduces the need for labour. Any excess materials are needed to be handled by some of your employees, who could be rather doing something else on the site. By using an efficient management software system to track and organise all materials on the site, you will only have to manage the right materials needed for the project.

Provides environmental benefits. A growing number of businesses are now becoming fully conscious of the need to protect the environment. Therefore, many are often looking for ways to diminish their impact on the environment.

Helps maintain order. Logistics planning also helps maintain order on the site. An organised site can provide your workers with a much safer work environment. It will also help them become more productive.

Reduces time spent on tracking materials. There are specific freight management software programs that you can use to improve your logistics. Using this type of software can improve freight tracking. Thus, it will be easier for you to check the materials that you need for construction.

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