**MODULE 1 ASSIGNMENTS**

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

**Logistics**: is the process of strategically managing the procurement, movement and storage of materials, parts and finished inventory (and the related information flows) through the organization and its marketing channels in such a way that current and future profitability are maximized through the cost-effective fulfillment of orders

**The advantages of logistics to an organization are:**

1. Better Productivity here means productivity for both companies and customers. People like to find answers online because it is faster and cheaper, and it costs a lot cheaper expense as well for the company.
2. Logistics eases the risk in the relationship amongst the seller and the customer, by ensuring that the right product in the right place at a certain time to specific customer in the global market.
3. Quick Comparison-commerce also enables you to compare price among several providers. In the end, it leads you to smart shopping. People can save more money while they shop.
4. Logistics provide the means by which the product can reach the customer or end user in the appropriate condition and required location.
5. Improving financial performance.
6. Improve customer service and reduce the associated costs.
7. Improved efficiency service and flexibility
8. To planning and co-ordinate, all logistics activities to achieve desired levels of delivered service and quality at lowest possible cost.
9. Economy Benefit commerce allows us to make transaction without any needs on stores, infrastructure investment, and other common things we find. Companies only need well-built website and customer service.
10. It makes increase on the numbers of e-commerce customers.

**The disadvantages of logistics to an organization are:**

1. Products People People who prefer and focus on product will not buy online. They will want

to feel, try, and sit on their new couch and bed.

2. Customer Service and Relation Problem They sometimes forget how essential to build loyal

relationship with customers. Without loyalty from customers, they will not survive the

business.

3. Great dependency between the buyer and the supplier

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

An organization use Just in Time because he desire to reduce lead times and to eliminate unnecessary stock and waste within their operations.

**Advantages:**

1. **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.
2. **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.
3. **Smaller investments**: is ideal for smaller companies that don’t have the funds available to purchase huge amounts of stock at once. Ordering stock as and when it’s needed helps to maintain a healthy [cash flow](https://babington.co.uk/blog/webinars/cashflow-forecasting/).
4. 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 inventory and cause damage.
5. Production mistakes can be spotted more quickly and corrected, which results in fewer products being produced that contain defects

**Disadvantages:**

1. **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. To do this, you need to have a good relationship with your supplier(s). You may need to form an exclusive agreement with suppliers that specifies supplying goods within a certain time frame, prioritising your company. JIT means that you become extremely reliant on the consistency of your supply chain. What if your supplier struggles with your requirements, or goes out of business? Can you get the products quickly from somewhere else?
2. **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.
3. **More planning required**: 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. Therefore, you need to factor that into planning for inventory levels, ensuring suppliers are able to meet different volume requirements at different times.
4. A supplier that does not deliver goods to the company exactly on time and in the correct amounts could seriously impact the production process.
5. A natural disaster could interfere with the flow of goods to the company from suppliers, which could halt production almost at once.
6. **Unexpected Problems:** By only maintaining enough inventory to meet each individual order, any sort of disruption in the supply chain could cause much bigger problems than if you had more on-hand inventory. Any sort of delay from the supplier, weather-related issues, or even unexpected massive orders could greatly compromise your ability to keep up with demand and supply the products your customers need.

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

Inventories are a complete list of items such as property, goods in stock, or the contents of a building and they included raw materials, components, work-in-progress and finished goods

The important are they to an organization is to understanding what you have, where it is in your warehouse, and when stock is going in and out can help lower costs, speed up fulfillment, and prevent fraud. The organization may also rely on inventory control systems to assess your current assets, balance your accounts, and provide financial reporting. Inventory control is also important to maintaining the right balance of stock in your warehouses. You also do not want to have excess inventory taking up space in your warehouses unnecessarily and in terms of inventory holding costs and inventory levels that are especially relevant for high-value products

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

Because, planning, organizing leading and assurance is the important roles in Supply chain management. You cannot ignore those while perform the managerial role in supply chain. The planning is the most very important factor in this function. Without planning, you cannot do perform well the other three factors. In addition, planning is the basic element in supply chain management without planning; the implementation cannot be carried out.