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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 Logistics management has certain objectives by which the organization seeks continuous and permanent as follows the right quality, the right time the right price the right cost. The ideal utilizes of flow of information and materials which include consolidating requirements, developing sources, rationalizing stocks, simplifying procedures, working with suppliers to eliminate unnecessary cost, well enable the organization to differentiate itself, in the eyes of the customer, from its competition and operating at a lower cost and hence at greater profit.

Today’s market favors new organizations that focus on their strengths and devote as much of their resources as possible to product development. This means many will leave tasks such as shipping, receiving, and keeping track of inventory to other providers that specialize in those services and these lead to increase the complexity in the process of logistics such a major source of total end-to-end pipeline cost and complexity of their operations because the degree of interdependency across the network has increased. Thus, an event or action taking place in one part of the network will often have unforeseen impacts somewhere else in the network. The unpredictability of these events is heightened by the growing volatility that characterizes today’s business environment also the networks and processes are not often managed holistically, they tend to be managed by individual activity rather than as a whole, the likelihood is that they will contain the potential for unnecessary complexity, too many echelons, poorly managed interfaces and too many activities that do not add value.

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

the needs of production in just the quantity needed when, and not before a customer requires something and a desire to reduce lead times and to eliminate unnecessary stock and waste within their operations. By using just-in-time concepts, elimination of waste in production, forcing suppliers or customers to carry inventory, reduced need for raw materials and work-in-process, and associated planning and purchasing is a desire to reduce lead times and to eliminate unnecessary stock and waste within their operations. As with all such approaches, JIT has some negative points as well as the more positive ones mentioned above. It can, for example, Product life cycles are shorter than ever, customers and distributors require just-in-time deliveries and end users are ever more willing to accept a substitute product if their first choice is not instantly available, an organization may not be able meet the requirements and unexpected order, since it has few or no stocks of finished goods, lead to increased transport flows due to the need for smaller but more frequent deliveries of goods to the customer.

1. **Can supply chain management be used as a competitive advantage by an organization? Give 5 reasons well explained.**

“The capability of an organization to create a defensible position over its competitors” is termed as competitive advantage. Those organizations that have achieved recognition for service excellence, and thus have been able to establish a differential advantage over their competition, are typically and high priority, these can be achieved through

* **Responsiveness**

By becoming better able to respond to customer needs in ever-shorter time by using market knowledge and a virtual corporation to exploit Profitable opportunities in a volatile marketplace and Continuity in re-engineering the complexities that arise by working with customers will enhance the coherence of the organization with a volatile marketplace. focus on customer responsiveness, the organization can differentiate itself from their competitors

* **Reliability**

Estimating future demand is one of the most valuable activities through which predictions can be made about the future needs of products, the selection and application of an appropriate forecasting technique can put the organization in the best position and avoid the expensive surprises, Reduction in stockouts. Ensuring the accuracy of the delivery dates of the goods to the customers is the priorities of the organization. Organizations should strive to learn and understand the needs and desires of its customers. By providing value and satisfaction to customers by giving quality products and services profitably through understanding the needs, desires and demands of customers, reliability will provide important input for the organization to design a marketing strategy in order to create satisfaction for its customers

* **Resilience**

Supply chain strive to achieve the ideals of fully integrated efficient and effective supply chains, capable of creating and sustaining competitive advantage. To this end must know the levels of risk in supply chain through. The processes and control mechanisms should be aligned to support corporate and supply chain strategies. Organizations should have an awareness of potential or actual disturbances to the anticipated flow of product and information from within and between every node or link in the supply chain networks, through supplier of materials, products and information flow, through which its own value-streams flow and though appropriate monitoring should increase the likelihood and provide early warning of actual events

* **Relationships**

Building successful supply chain relationships, based on trust, control for relative levels of dependence within the relationship and ability to quickly respond to the needs, these objective will achieve through allowing customer(s) to view real-time data, which will help them work with organization to develop effective business strategies. In addition, real-time data will give both organization and customer(s) the ability to accurately Strategic planning for the future by having the most up-to-date information, allowing customer(s) to develop innovations and working together to product development and have a better understanding of one another, insure that the partnership is beneficial for all parties a win-win solutions for both partners and will be will be invested in every endeavor and moving towards the reduction of the suppliers by weed out suppliers who are not working towards common goals, and are not dependable. These environment fosters Successful collaboration.

1. **What are inventories? How important are they to an organization?**

Inventory exists in the entire supply chain. Raw materials, raw materials used to produce a good to. work in process, products on process but are not final products, finished goods, the stock that is ready for sell to supplier, manufactures, distributors, and retailers hold. the total of those related activities essential for the procurement, storage, sale, disposal or use of material, placing importance on the quantities of goods needed.

An important role that inventory plays in the supply chain is to increase the quantity of demand that can be satisfied by having product ready and available when the customer wants it, this mean a deeper understanding of customer demand for products lead to reduce dependence upon the forecast . Enable an economic order quantity (EOQ) to be derived for any combination of the variables of price, rate of usage or demand and internal costs. Optimize cost by exploiting economies of scale that may exist during both production and distribution. Return on capital (investment.). Based on shared information enables suppliers to better plan the replenishment of the product with less need to carry safety stock. Better inventory can increase accuracy to more than 90 percent while reducing the need for physical inventory audits

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

The realization of the importance, cost and complexity of logistics and the progress made in the field of information technology, which has enabled the development of information systems to support and enhance the planning and management of logistics operations, and a general concept of planning management in the supply chain which seeks to create a framework through which the needs of the marketplace can be translated into a manufacturing strategy and By engaging logistics and supply chain planners and constantly updating of information flow from previous activities, it will enhance the ability to respond quickly to changes in product demand and reduce the replenishment lead times and complexity can be avoided of lack of stock and increasing in overhead costs. Optimal use of key components of distribution, logistics, transport, storage, inventory, packaging and information will not be effective if there isn’t effective systematic plan. An effective and efficient planning according to a certain hierarchy strategic, tactical and operational, and interrelationship of planning and control within this hierarchy well ensure that the operation is set up to run properly it is ‘doing the right thing’ or preparing for and planning the operation ‘effectively. and control is about managing the operation in the right way it is ‘doing the thing right’ or making sure that the operation is being run ‘efficiently. and for the dynamic nature of logistics, the continual review of plans, policies and operations within a positive planning framework will ensure that continuity and progress. The cost trade-offs need to be planned and monitored correctly “Within distribution components” “Between distribution components” “Between company functions” in the first place, to ensure that the operation is running well as it should be, improving service and reducing cost.

Finally global branding, global sourcing, global production, centralization of inventories and the centralization of information, all these aspects serve to emphasize the added difficulty of operating effectively in a global environment. Logistics and supply chain networks have become far more complicated and the need to plan and manage logistics as a complete and integrated system.

*References*

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