



## ROLE OF LOGISTICS IN THE CHANGED INDUSTRIAL SCENARIO

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### **Abstract:**

In today's developing economy and the post globalization industrial scenario the market is witnessing fierce competition. In order to successfully face this situation, the manufacturers, over the years, have developed vendors to offer them professional services for transportation, warehousing, inventory control, etc. which taken together is referred to as logistic management. Logistic management is a wider concept which encompasses transport, warehousing, inventory control, etc. Each of the aspect requires specialization. Due technology advancement which is an ongoing process, the warehouse management has to be on its toes to adopt newer concepts and keep themselves updated. The warehouse management should ensure that the human resources deployed are properly trained to handle the business. The expectations of the clientele are continuously rising and the logistic segment has to see that they come up to their expectation. Today the buzz word is "survival of the fittest". The service providers are required to be updated to remain competitive. Improvisation of warehousing management is a continuous process. It definitely helps in reducing the costs for the manufacturers. This enables the manufacturer to comfortably face the market competition.

**Keywords:** Logistic management, warehousing, technology advancement, professional management.

## **Introduction**

India adopted policy of globalization, liberalization and privatization way back in 1991. Since then, being a founder member of the World Trade Organization, it has initiated several measures for speedy industrial development and as a result number of multi-national corporations (MNCs) from overseas appeared on the India's industrial horizon. This in turn led to the fierce competition with the domestic manufacturers and service providers. The entry of MNCs resulted in inflow of advanced technology in the industry as well as the management practices which were followed by them in various countries. This was witnessed in the introduction of various changes in the policies of the domestic industries. E.g. renaming of the Personnel department and introduction of additional works in it by calling it as Human Resources Development Department. Thus, the focus of these changes was on adoption of newer technology and to adopt various new policies, keeping in view the ultimate goal of cost reduction, increasing efficiency and productivity of the staff and maintaining the market share by developing marketing strategies. In the process the Indian manufacturers also changed their approach to the management of the units. Until then these manufacturers were undertaking all the production and marketing related operations by themselves. Besides, this there were several legislations which compelled the manufacturers to down size their staff, to escape from several statutory compliances. All these factors led the large sized manufacturers to develop vendors in providing various services like transport of raw materials, finished goods, labour, warehousing, inventory management etc. In course of time these works which are being handled by the various agencies developed specialization and all these are clubbed under a wider umbrella of logistics management. This has greatly released the workforce of the manufacturers with assured availability of professional services.

The objective of this paper is to understand the role the logistics management in general and warehousing management in particular is playing in the changed industrial scenario.

### **Concept of Logistics:**

Logistics is the management of transportation or information, from one place to another. Logistics involves many things like transportation, inventory, packaging, supplies and sometimes, security. There are many types of logistics, for example: military logistics, business logistics and production logistics. Sometimes, people get confused and refer the logistic as a transport activity. Here, one should understand that the logistics is a larger canvas and the transportation activity is one of the other activities covered by the term "logistics".

Logistics management focuses on the efficiency and effective management of daily activities concerning the production of the company's finished goods and services. This type of management forms part of supply chain management and plans, implements and controls the efficient, effective forward, and reverse flow and storage of goods.

Logistics encompasses the following activities:

- ❖ Customer Services.
- ❖ Demand Forecasting / Planning.
- ❖ Inventory Management.
- ❖ Logistics Communications.
- ❖ Materials Handling.
- ❖ Order Processing.
- ❖ Packing.
- ❖ Parts and Services Support.

In order to be professional there are 7- Rs which the Logistic Management has to ensure. These 7-Rs are:

- ❖ Right Product. A company who offers this kind of service must first know the kind of products that they are going to handle and transport. ...
- ❖ Right Place. The right product must be delivered to the right place. ...
- ❖ Right Price. ...
- ❖ Right Customer. ...
- ❖ Right Condition. ...
- ❖ Right Time. ...
- ❖ Right Quantity.

Today we are living in a highly dynamic world where day in and day out there are new advancements in technology and management approaches. The technology has made inroad in every individual's life through various electronic gadgets. The new age man has no time to wait longer. The industrial managements are not exception to this expectation. The moment the goods are handed over for delivery they start tracking the location of the goods in transit as the buyer on the other hand is also chasing the supplier. New material handling devices, machines, techniques are being invented which eases the handling, stacking of the materials, delivery of the materials, and in the process manage the production schedule with as low as

possible inventory without hampering the production schedule. Therefore, the logistics management has become a crucial activity so far as the manufacturing units are concerned. The primary objective of logistics management is to move the inventory in a supply chain effectively and efficiently and to extend the desired level of customer service at the minimal cost.

We have seen different activities that come in the overall umbrella of the logistics management. In this paper the thrust has been given on the management of warehousing management.

**The following are 10 basic elements to the ILS logistics support system.**

- ❖ Technical Data. ...
- ❖ Personnel. ...
- ❖ Facilities. ...
- ❖ Packaging, Handling, Storage and Transportation (PHST) ...
- ❖ Training. ...
- ❖ Equipment Design. ...
- ❖ Computer Resources. ...
- ❖ Maintenance.

**Warehousing Management:**

Traditionally the terminology that was used in place of warehousing was Godown where the raw materials and the finished goods were being stalked and were provided at the service point. Out of the above 10 elements the warehousing activity encompasses packaging, handling, storage etc. Therefore, the warehouse management has to pay specific attention to each of these aspects and has to develop its expertise in such a way that it outweighs its competitors. This requires constant up-dation of the staff as well as use of the new technology. Improvisation of the technology is an on-going process and the warehousing management has to keep itself abreast of what new things have come in the market that will reduce the cost of material handling, ensuring proper storage, ensuring its security etc.

On each of the 10 elements stated above the warehouse management should focus and ensure that the personnel handling the business are well versed to face the competition in the market. For this purpose, the personnel need to be trained on an on-going basis. The staff should have at their finger tips the technical specifications that their warehouse can offer. Which special facilities with reference to the targeted clientele can be provided by their warehouse need to be highlighted during the marketing of the warehouse facilities.

In today's world packaging is a skilful job for which the staff engaged need to be trained. The company makes the decision about the packaging of their products but the warehouse management can also participate in that decision making as they are going to handle the product in their warehouse. The warehouse management has to ensure that there is no leakage from the packaging which might affect the other products also. The warehouse management should ensure the safety of the goods stored in the warehouse – the security may be related to risk of theft, fire etc. In either case the paramount attention should be paid to these aspects to establish its credibility. The goods are also required to be stalked in such a manner that those are easily available for dispatch at a short notice. For handling of the material on the floor of the warehouse extra precaution needs to be taken so that wastage in transit can be avoided. For this purpose, to the extent possible use of advanced machinery needs to be used so as to reap the benefits of time saving, easy handling, avoiding wastage in transit. Therefore, the warehouse management should be always on their toes to provide the latest machinery / handling devices to be competitive in the industrial market.

Today, with the use of availability of latest software the warehouse can maintain the proper records with the use of the computer which should be available to the client at the tip of his finger.

All the above aspects should be thoroughly studied and a strategy in respect of each and every aspect of warehouse management should be drawn and meticulously followed. Only this can ensure sustainable development of the business activity.

### **Warehouse Organization Best Practices**

1. Warehouse square footage is expensive, so maximize the use of all your vertical space, even if it requires an investment in additional equipment. You will reduce operational costs, inventory carrying costs, and increase the efficiency of picking and packing operations
2. Utilize automation wherever possible.
3. Use barcodes, NFC (i.e. Near-field communication is a set of communication protocols that enable two electronic devices to establish communication by bringing them within 4 cm of each other) or whatever technology works best for your inventory mix so you always have accurate on-hand counts and locations. Barcode equipment is not an expensive choice - you can even use a mobile phone.

4. One of the most cost-effective ways to use automation. It greatly increases the efficiency of picking and packing operations, and reduces lost or misplaced materials and picking errors.
5. Adopt a warehouse management solution for maximum efficiency. A good warehouse management solution will consolidate orders so that you can minimize travel time during picking, increasing efficiency and throughput. It can integrate with your Enterprise Resource Planning (ERP) or inventory management system so that your inventory stays in sync - increasing accuracy, reducing costs and improving customer satisfaction.
6. Use omni-channel distribution centers rather than separate warehouses or sections for each channel. You will be able to reduce the total inventory in your supply chain, have greater visibility into availability, and simplify order picking and reverse logistics.
7. Many people think of cycle counting as an inventory management tactic for keeping on-hand balances correct. While that is one positive aspect of the practice, the more important aspect is to treat cycle counting as a quality assurance test.
8. When you find errors, don't just correct the balance. Instead, investigate the reason for the discrepancy and make changes to your warehouse management procedures to prevent the issue from occurring again. Over time, a good cycle count program will improve accuracy to near perfection.
9. These two technologies work together, each increasing the usefulness of the other. With the right equipment in place, managing a warehouse becomes much simpler and it will be easier to meet your metrics for perfect orders, accuracy, efficiency, and productivity.

#### **Future challenges and opportunities:**

In today's competitive world, the logistics management in India faces numerous challenges. They are stuck up with several blockages. Particularly the transportation aspect faces difficulties because of the low level of infrastructural development. The infrastructural development requires heavy investment and being an underdeveloped country India has to depend on the foreign direct investment on long term basis. If the road and rail transportation improve to a great extent the problems of the transporters will get resolved. India is trying its best to develop national highways in a big way, and let us hope in time to come there will be desired improvement and this problem of transportation will be satisfactorily resolved. The

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introduction of the General Services Tax (GST) in India has to a great extent benefitted the logistic industry.

The other vital area that faces severe challenge is to reduce the high operation costs which are the outcome of inefficiencies like underutilized assets, operational wastage and sub-optimal route planning. There is no desired level of implementation of information technology in the logistics community. There is very good potential available for revolutionizing the cargo transportation.

### **Conclusion**

Today the buzz word is “survival of the fittest”. The service providers are required to be updated to remain competitive. Improvisation of warehousing management is a continuous process. It definitely helps in reducing the costs for the manufacturers. This enables the manufacturer to comfortably face the market competition.

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