

THE ORGANIZATION OF LOGISTICS FUNCTIONS IN INDUSTRIAL ENTERPRISES

Florea VLAD
Ciprian PAVEL

***Abstract:** In recent years, logistics has seen important developments that made her rise from within the enterprise support function to a function cross between companies. The high complexity leads logistics function becoming more industrial and trade enterprises to outsource their logistics. Integrates logistics activities are throughout the enterprise life. It uses the concept of supply chain in order to give a global logic of enterprise traffic flows assembly. But expanding the scope of logistic analysis depends directly on the level of development function within the enterprise.*

***Keywords:** logistic, logistic function, integrated logistic support, planning*

INTRODUCTION

Logistics is an industry that has experienced a strong development after the Second World War and especially the last three decades about the role and forms of development in the economy.

Regarding the notion of logistics there are many definitions, some of them showing interest and concern of international institutions with vocation for this activity.

In this sense, the notion of logistics includes all activities aimed at achieving harmonization of time and space with goods and people through their appropriate group. Thus, logistics is defined by integrated development planning, organizing and controlling all flows of goods and materials, along with the information flows related, from suppliers through the stages of value creation, to delivery of products to customers, including recycling and waste disposal.

Today, the logistics sector has grown, becoming a sector stand-alone. This strong momentum is mainly due to the phenomena of outsourcing of logistics by industrial enterprises and the increased complexity of the performance of transport and logistics. It has become a new economic sector, which includes transport outside the storage, handling, real estate management, consulting and information services etc.

Logistics modes of organization, developed till now in industrial enterprises manifest themselves generally in the following forms¹:

1. Logistic function is coordinated by the department of "Distribution and storage" in which case the organizational structure has a coordination service, one or more central warehouses and logistics subsidiaries in the enterprise (Figure 1.1).

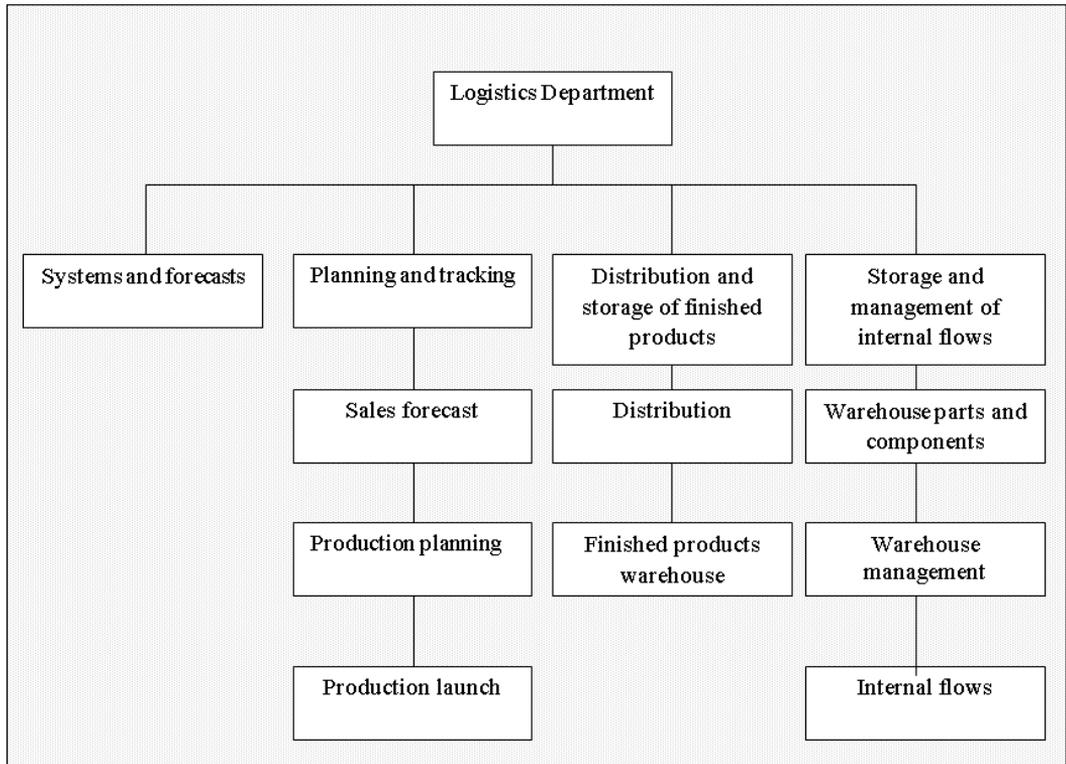


Figure 1.1. Coordination of the logistic function by distribution

2. Logistic function is coordinated by the direction of "Planning the production and distribution" (Figure 1.2.).

¹ John Mangan, *Global Logistics and Supply Chain Management*, Ed.Wiley, 2011

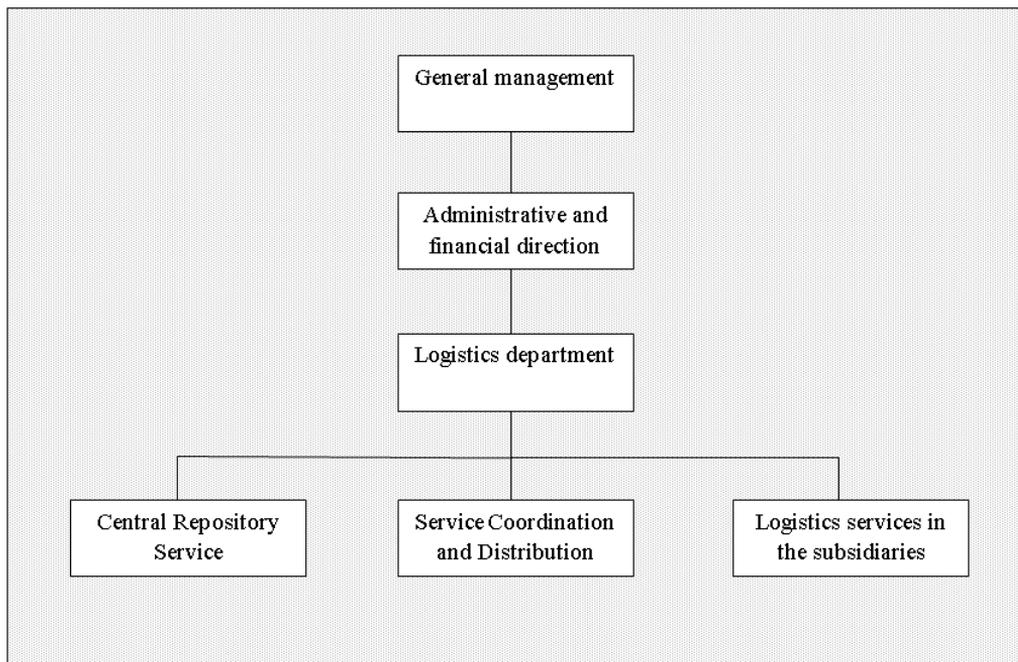


Figure 1.2. Coordination of the logistic function by direction
"Planning the production and distribution"

3. Logistic function is coordinated by the Division of "integrated logistic support," exemplified by the case of the organizational structure of large US companies (Figure 1.3)

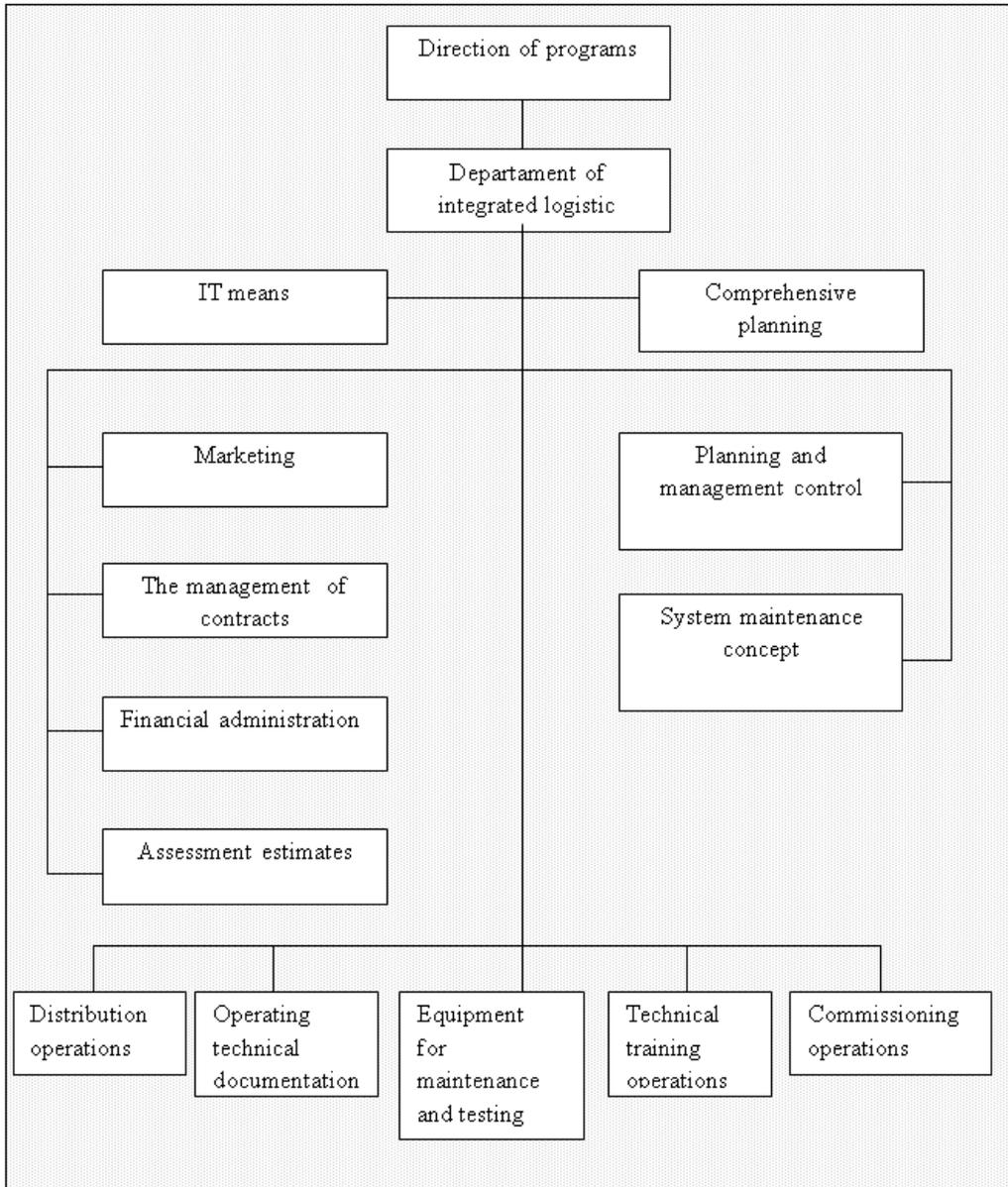


Figure1.3. Logistics coordination function through integrated logistics support division

Another way of organizing logistics activities, applied by some large US companies, is based on the assigned role of logistics within the organization.

From this point of view there are the following forms of organization:

- A. The organizational structure through which logistics is regarded as a distinct function or functional area, without reference to subordination to other activities (Figure 1.4.)

- B. The organizational structure through which logistics is treated as a program, where the logistics activities are assigned to a program, the achievement of which participate the whole enterprise to which it reports and other functional areas; generating demand and production processes are considered only in relation to their contribution to the logistics system (Figure 1.5.)
- C. The matrix structure that combines function type structures and fixtures (Figure 1.6.)

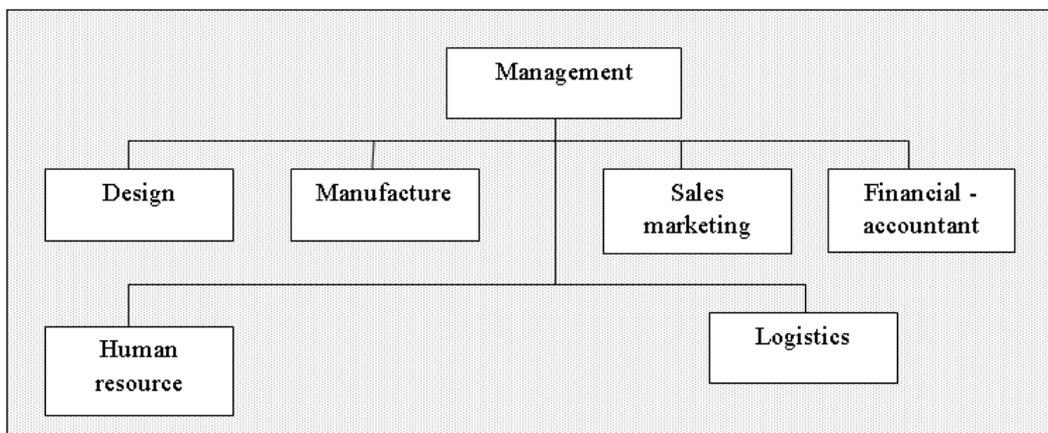


Figure 1.4. Logistics - distinct function

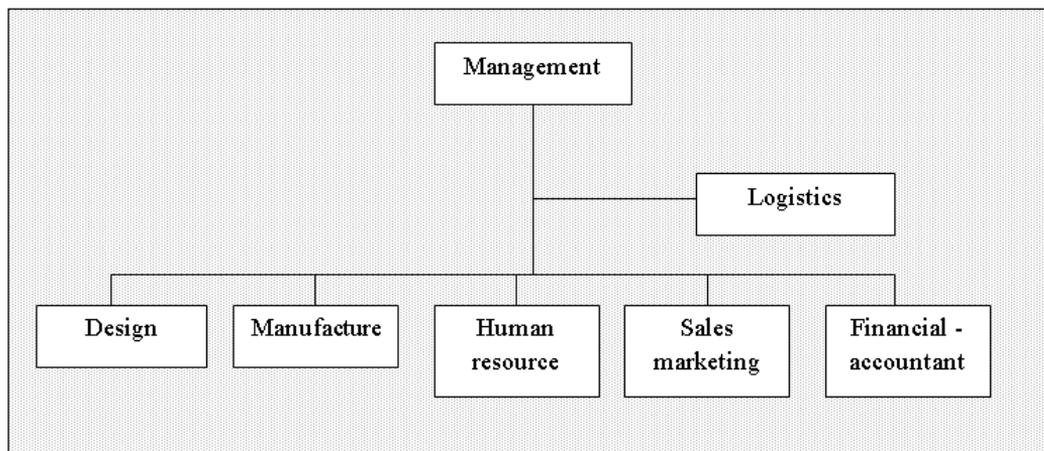


Figure 1.5. Logistics – Programme

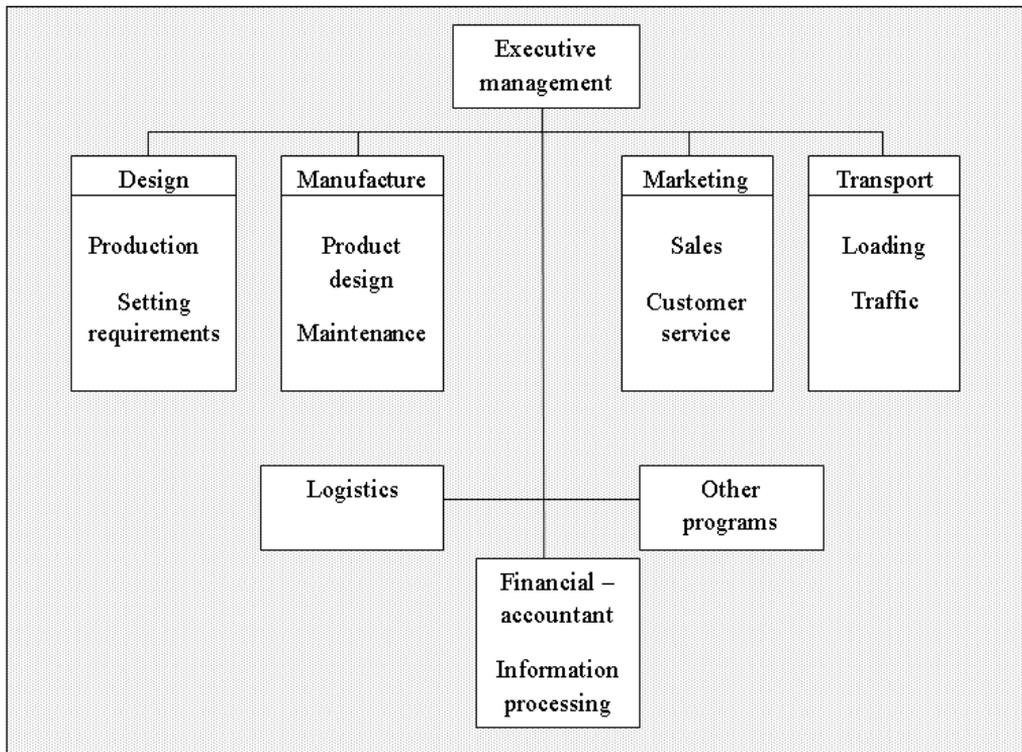


Figure 1.6. Logistics - matrix approach – Function and Programme

So, the logistics organization variants have as reference how it is coordinated logistic function. As such, three forms are defining in this regard: coordinating through department "Distribution and storage", coordinating through direction of "production and distribution planning" and coordinating through division 'Integrated Logistics Support ". Another way of organizing logistics activities, applied some large US companies, has assigned role as the foundation of logistics within the organization².

So, we distinguish the following forms: organizational structure through which logistics is regarded as a distinct function or area functional organizational structure that logistics is treated as a program and matrix structure, which combines type structures function and those type program.

² Jean-Michel Reveillac, *Optimization Tools for Logistics*, Ed. Elsevier Science & Technology, 2015

CONCLUSIONS

Like when drawing any kind of strategy for an existing economic system is necessary as a first phase of this work, evaluating current performance of the system, identification of strengths and weaknesses, vulnerabilities of this system, and if logistics and distribution strategy is required at this stage.

In consequence those presented can indicate the importance of analytical methods applied systems logistic systems, criteria for assessing the performance management logistics system, the extent of their reference and locality vulnerabilities in processes and activities integrated logistics and methodologies expression synthetic system performance logistics.

Bibliography

John Mangan, *Global Logistics and Supply Chain Management*, Ed. Wiley, 2011

Jean-Michel Reveillac, *Optimization Tools for Logistics*, Ed. Elsevier Science & Technology, 2015

Vlad Florea, *Abordari conceptuale privind managementul firmei de comert si turism*, Ed. Eurostampa, 2007

Vlad Florea, *The elaboration of logistic and distribution strategies*, *Quaestus Multidisciplinary Research Journal*, Nr.5, Timisoara, 2015

<http://www.dex.ro/logistica>

NOTES ON THE AUTHORS

FLOREA VLAD is Associate prof. at the Faculty of Management in Tourism and Commerce Timișoara, „Dimitrie Cantemir” Christian University. He holds a PhD. in Management with the thesis *Management in the Logistics and Distribution of Oil Products*. He is the author of numerous books and articles on management, the latest one being *Management strategic, metode de elaborare*, Eurostampa, 2010.

CIPRIAN PAVEL is lecturer at the Faculty of Management in Tourism and Commerce, Dimitrie Cantemir Christian University Timișoara. He holds a PhD. in Marketing since 2010, with a thesis entitled *Contribuții cu privire la politica de comunicare în marketingul produselor și serviciilor bancare*. He is author or coauthor of various books and articles: *Politica de comunicare în marketingul produselor și serviciilor bancare*, Editura Universității de Vest, Timișoara, 2013, *Bazele marketingului*, Editura Eurobit, Timișoara, 2011. He is a member in AGER and American Marketing Association.