

# Logistics

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## What are Logistics

Logistics is the overall process of managing how resources are acquired, stored and transported to their final destination. Logistics management involves identifying prospective distributors and suppliers, and determining their effectiveness and accessibility. Logistics managers are referred to as logisticians.

## BREAKING DOWN Logistics

"Logistics" was initially a military-based term used in reference to how military personnel obtained, stored and moved equipment and supplies. The term is now used widely in the business sector, particularly by companies in the manufacturing sectors, to refer to how resources are handled and moved along the supply chain.

## Understanding Logistics

In simple terms, the goal of logistics management is to have the right amount of a resource or input at the right time, getting it to the appropriate location in proper condition and delivering it to the correct internal or external customer. Proper logistics ensure the fulfilment of each customer order, making sure resources move quickly and efficiently from one section of the supply chain to the next. For example, in the natural gas industry, logistics involves managing the pipelines, trucks, storage facilities and distribution centres that handle oil as it is transformed along the supply chain. An efficient supply chain and effective logistical procedures are essential to reduce costs and to maintain and increase efficiency. Poor logistics leads to untimely deliveries, failure to meet the needs of clientele and ultimately causes the business to suffer.

## The Transformation of Logistics

The concept of business logistics has been transformed since the 1960s. The increasing intricacy of supplying companies with the materials and resources they need and the global expansion of supply chains has led to a need for specialists known as supply chain logisticians. In the modern era, the technology boom and the complexity of logistics processes have spawned logistics management software and specialized logistics-focused firms that expedite the movement of resources along the supply chain. Manufacturing companies may choose to outsource the management of their logistics to specialists or manage logistics internally if it is cost-effective to do so.

## Primary Functions of a Logistician

The tasks for which a logistician is responsible vary depending on the business. Primary responsibilities include overseeing and managing inventory by arranging for appropriate transportation and adequate storage for the inventory. A qualified logistician plans out these and other aspects of the logistics process, coordinating the steps as inventory and resources move along the supply chain.

<https://www.investopedia.com/terms/l/logistics.asp>