



**BRENTWOOD**  
OPEN LEARNING COLLEGE

## Assignment Cover Sheet

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|------------------------|------------------------------------------------|
| <b>Student Name:</b>   | Natalia Soloducha                              |
| <b>Student Number:</b> | 36042                                          |
| <b>Course:</b>         | Advanced Diploma in logistic Managment Level 5 |
| <b>Assignment no:</b>  | 2                                              |

**1. What are the different types of decisions made on an organisations:**

- **Strategic decisions :**

Decisions concern major capital commitments and long time horizon, including the location choices between a distribution networks or more basic make .

- **Tactical decisions:**

Medium level decisions are made, weekly demand forecasting , distribution and transportation planning and materials requirement planning.

- **Operational decisions:**

Decisions making relates to day-to-day operational and usually involves low capital investment.

**2. What are the tactical decisions about ?**

Tactical decision in logistics include for example :

- Employment level / number of Employment
- Selection of orderning systems
- Selection of Warehouse equipment and handling equipment
- Selection of transport
- Selection carrier ( eg. Own transport or external service provider )
- Determination of minimum inventory at individual storage points.

**3. Da What is the logistics strategy ?**

The logistics strategy of an organisation consisty of all the :

- Strategic decisions
- Policies

- Plan and culture relating to the management of its supply chains.

4. What is the value added strategy about ?

Is about processes and activities that enables products ( goods or services ) to be more desirable by the customer it has nothing to do with price or cost of production. Organisations can put even more value by providing time and place utility or providing innovative features in the products.

5. What the three factors to be considered when designing a logistics strategy.

- The higher strategies - set the organisations goal and the context for all logistics decisions.
- The business environment - consists of the factors that affect logistics, but over which it has no control. These include : customers market conditions, technology, economic climate, legal restraints, competitors, shareholders, interest groups, social conditions, political conditions.
- The organization's distinctive competence - A distinctive competence stems from an organisation's assets, which include : customers, employees, finance, organization, products, facilities, technology, processes, marketing, suppliers.

6. How do logistics play a strategic role in organisations.

Main reason strategic in logistics is availability. Availability of information, resource owner or products. Logistics is a system whose implementation is aimed at regulating activities in the entire enterprise. Through the logistics system, the company can achieve different goals. The main goals of the logistics systems functioning on the enterprise are ensuring the highest level of customer service at an acceptable level service costs ensuring profitability in the logistics chain, rationalization and reduction of logistics costs, minimizing inventory and shortening products flow time.

7. Outline the main areas that a logistics strategy emphasises.

The strategic objective of logistics in the enterprise is to improve efficiency and reduce cost.

8. What is a lean strategy.

Lean strategy is aimed at low costs. It is to do every operation using less of each resource ( people, space, stock, equipment, time ).

Minimizing the total cost logistics.

Five main principles :

- Value
- Value flow
- Value stream
- Pull
- Aim of perfection.

9. What is the main purpose of logistics audit in organisations.

The purpose of a logistics audit is to collect relevant information about existing practices & performance of logistics. It gives a systematic review of current operations, describing the procedures, cost, resources, utilization, performance, products and all other relevant

details. It has two main parts:

- external audit - looks at the environment in which logistics work.
- Internal audit - looks at the way things are done with the organisations & identifies areas of improvement.

This approach is similar to SWOT analysis by the end of the audit. The firm knows where it is at the moment.

**10. Outline the steps involved in developing a logistics strategy.**

Globalization processes and increasing competition mean that enterprises must react quickly and flexibly to changes in market demand. More and more enterprises see the need to integrate logistics issues in management processes strategically. Ensuring competitive advantage is associated with the introduction of innovation in formulating the company's strategy.

The importance of logistics orientation in innovative business management can be considered from the point of view of:

- the possibility of using innovative logistics concepts based on operability, ability to react quickly, virtuality, synergy and cooperation in shaping the future of the enterprise,
- searching for innovative logistics concepts in a comprehensive scope managing the entire partner network and relationships between them (supply chain, network supply) adapted to changing competitive conditions economic entities on an international and global scale.

**11. Charlotte needs a very good logistics strategy, as a saleswoman she is aware that logistics is very important in the conduct of her business. Charlotte sees the opportunity to improve relationship with existing customers and gain new ones. The most important role in building a competitive advantage is the timeliness of deliveries. One of the challenges facing her online store will be to perceive logistics as a source of competitive advantage, especially with regard to delivery on time of sold goods. As a challenge they see the emerging needs for concepts of logistics of redistribution.**

Mail-order customers and online customers are very demanding customers who expect low prices, appropriate service quality, ease of shopping, and speed of delivery. The right speed and price of a shipment often prove that you have a competitive advantage on the market. If Charlotte wants to deliver products to customers herself, it requires proper organization, own means of transport and employment of drivers. All these factors involve additional costs. Charlotte also needs properly selected IT systems that enable efficient execution and acceptance of orders - modern IT systems can be associated with high expenses.

One of the most important problem for online entrepreneurs is they need to be successful stand out from the competition and offer products without improving too much on their margin.

Charlotte can also encounter problems at cooperation with the post office or courier companies. Charlotte should think about finding the right one courier service and negotiate the term of payment for delivery to the customer.

## Student Statement:

By submitting this assignment, I confirm that this is my own work.

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|-------------------|-------------------|------|--|
| Student Signature | Natalia Soloducha | Date |  |
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## For Tutor / Assessor Use Only

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| Total Marks        |  |
| Marks Obtained     |  |
| Percentage / Grade |  |