

SELECTED ASPECTS OF LOGISTICS MANAGEMENT IN TRANSPORT ENTERPRISES IN THE LUBUSKIE PROVINCE

PERZYŃSKA Agnieszka

University of Zielona Góra, Zielona Góra, Poland, EU a.perzynska@wez.uz.zgora.pl

Abstract

The purpose of this paper is to present logistics management, which occurs in transport enterprises in the Lubuskie Province. These companies provide services which are part of a complex supply chain. Analysis of logistic processes was made in small, medium-sized and large enterprises. As a result of the study the importance of these logistics activities was indicated, which seek to develop their logistics potential. The logistics transport systems plays a fundamental role, which is why the attempt is made to verify the logistics management processes. Transport companies face a number of problems, including the search for new solutions in acquiring new customers, trying to overtake their position in the local market. Currently, the market is demanding transport to their customers, which is why logistics management is so important in these enterprises.

Keywords: Transport, logistics, logistics management

1. INTRODUCTION

Logistics should be considered in this sense as a science, the field of research, which provides new tools to management, in particular through the construction of logistics chains. Logistics is therefore the science of organizing processes of transporting and storage of raw materials and finished products in terms of the system, aimed at optimizing supply chains (from acquisition of raw materials to delivery of the product to the consumer). Logistics management consists of strategy formulation, planning, control and monitoring (which takes place in an effective way and minimizes the global costs) of process of flow and storage of raw materials, inventory of products in progress, finished goods and related information from point of acquisition to the point of consumption in order to adapt best to customer needs and satisfy them [11].

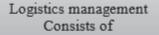
According to S. Abt "Logistics management consists of strategy formulation, planning, control and monitoring (which takes place in an effective way and minimizes the global costs) of process of flow and storage of raw materials, inventory of products in progress, finished goods and related information from point of acquisition to the point of consumption in order to adapt best to customer needs and satisfy them "[1]. A similar direction of improving processes of flow and storage of products is expressed by logistics management as "the process of flow management and storage of goods and materials, from the source of their acquisition to the point of final consumption (use) by the client, and information flow related to it [1]. "Below there is a triad of logistics terms by S. Abt (**Figure 1**).

Analysing a number of definitions, it should be noted that logistics combines more aspects and increases its importance to broader areas of the economy. "Logistics in fact can be considered as a new economic function performed by the company" [10]. According to S. Krawczyk 'logistics management is an activity creating the overall concept of logistics projects, based on their progress both in the enterprise as well as with partners, and coordination of the implementation (in the broad sense) of this concept by appropriately assigned organizational units using appropriate instruments to manage and control "[6].



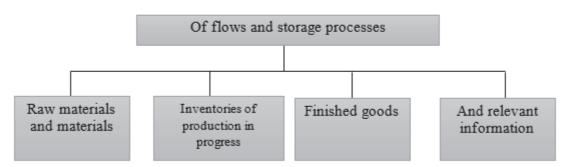
Analysing a number of definitions, it should be noted that logistics combines more aspects and increases its importance to broader areas of the economy. "Logistics in fact can be considered as a new economic function performed by the company" [8].

Logistics is a field of scientific research on organizing the processes of movement and storage of raw materials and finished products in terms of the system, aimed at optimizing the supply of cargo (from the point of obtaining the raw material to consumer) as well as dealing with post-consumer product management.



Strategy formulation, planning, control and monitoring

(taking place in an effective way and minimizing global costs)



From the point of obtaining to the point of consumption In order to adapt best to the customer's needs and satisfy them

Logistics systems are deliberately organized and integrated - within the economic system - flows of materials and products and relative information, allowing to optimize the supply chain management (through the automatic identification of goods, computer simulation, controlling, electronic data exchange and a comprehensive account costs), taking into account environmental requirements

Figure 1 A triad of logistics terms
Source: Abt S.: Logistyka w teorii i praktyce, Poznań 2001, p. 38

Quoted definitions of logistics management allow to specify its goal, which is to integrate all elements, which is the market, distribution network, production and supply process, so that the service the buyers receive was at a high level, taking into account the lowest costs [4]. The logistics purpose understood in this way in the management of the company sets the need [4]:

- knowledge of customer needs and expectations needed to formulate strategies and logistical plans,
- survey of customer preferences in collaboration with marketing,
- knowledge of the market to select the possibility of logistics services.



Formulation, planning, control and monitoring are the tasks placed in each company and include [2]:

- improving the management of flow and storage products processes, leading to satisfy the material needs of the participants of logistic processes.
- inclusion in the enterprise development strategy elements related to the construction of logistics chains.
- subordination of activities connected with logistics processes to requirements of service users (clients).
- increasing the efficiency of the flow of goods, thus reducing flow costs, and ultimately the costs of logistics processes.

Some authors, such as H. Ch. Pfohl [9] and M. Christopher [4], indicate the importance and functions of logistics management with what S. Abt [1] or M. Sołtysik [10] called logistics management. In these cases, the authors refer to the foundation of which is the concept of logistics, whose creation is introduced in various forms to the theory of business management [2].

Nowadays in highly-developed countries widely known are the basic advantages of logistics and benefits of logistics activities and the importance of logistics as a strategic management. It can be noticed that more and more enterprises begin to focus on creating efficient processes and their management in conjunction with other companies [3].

The impact of logistics management on company activities is becoming more visible and important. "In the organizational structure a leading role is attributed to logistics management focused primarily on such departments in the company, as: supply, production, distribution, transport, storage. (...) To make the process of logistics management implemented in the company in an efficient and effective way, the organization of logistics processes should be included in the logistics system "[7]. A company, wanting to be noticed in the market and in order to obtain a competitive advantage over other players, must not only care about its image, develop its business and to analyse the competition, but also a lot of attention should be paid to logistics management.

It can be seen that in Poland there is more and more demand for logistics knowledge. The introduction was devoted to theories of logistics, logistics management in the enterprise. It indicates the tasks that are placed to businesses by formulating strategies, planning, command and control of the entire process of goods flow. The importance of the role played by logistics, logistics management in enterprises increases the demand for knowledge, professionals working in this field. The acquired knowledge allows the use of current techniques and methods of managing logistics processes that enable to improve the systems of supply, production and distribution and flow of information in enterprises.

2. RESULTS OF THE RESEARCH

The aim of the research, carried out on a group of 109 transport companies in the Lubuskie Province, is the analysis of selected aspects of logistics management. The study was attended by representatives of 95 small transport companies and 14 medium-sized transport companies. The study did not cover any big companies. The reason for this is the lack of large transport companies operating in the market of the Lubuskie Province, which was confirmed by the information obtained from the Central Statistical Office in Zielona Gora.

Table 1 Structure of the sample - distribution due to company's size

Size of the	company	Response rate	Number of responses
1.	from 10 to 49 employees	86%	94
2.	from 50 to 249 employees	14 %	15

Source: Own study based on the survey of companies

In terms of number of employees, the largest group among the respondents are small businesses.



Table 2 Structure of the sample - period of company's operation

Period of the company's operation	Response rate	Number of responses
1. from 5 to 10 years	18 %	20
2. from 11 to 20 years	47 %	51
3. above 20 years	35 %	38

Source: Own study based on the survey of companies

The research sample includes transport companies, which have operated in the market for 5 years. No clear trends of companies' distribution are observed for the period of their functioning on the market.

The interviews were conducted with representatives of Polish small and medium-sized transport companies. These were people acting as decision-making and affecting the functioning of the company, its development and strategy.

The obtained results are a valuable source of information on the activities of transport companies in the Lubuskie. The largest group of respondents (40%) were the owners of transport companies. In addition to representatives of the executives, the interviews were conducted with employees of the logistics department authorized to provide information, as well as representatives of the accounting, administration.

Most transport companies, as many as 68, have 8-20 cars. 24 transport companies have the number of vehicle fleet in the range of 3-7. 11 companies have 21 to 50 units of vehicles. While 4 companies declared possession of vehicles in the range of 51 - 100 and above 100 - 2 company.

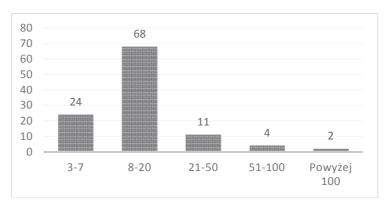


Figure 2 Structure of the surveyed companies due to the number of motor vehicles Source: Own study based on the survey of companies

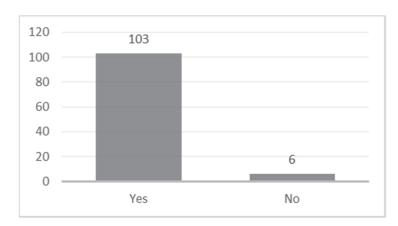


Figure 3 Structure of the surveyed companies due to the functioning of logistics department in their structure. *Source: Own study based on the survey of companies*



According to the indications of the respondents in 103 transport enterprises there is a department dealing with logistics, only 6 companies do not have such a unit within their organizational structure. A major challenge for the enterprise is the ability for efficient and profitable management in the conditions of a competitive environment, saturated markets and the growing globalization of economies. In view of the above phenomena a significant problem becomes skilful logistics management undertaken by the company carrying out investment projects.

Freight exchange enables companies to gain new customers thanks to it lowering costs, e.g. of avoiding empty runs. Out of 109 respondents 104 uses electronic exchanges.

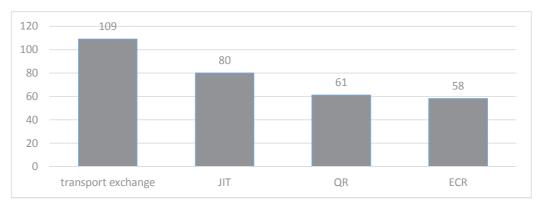


Figure 4 Structure of the surveyed companies due to their knowledge of logistics instruments

Source: own study

According to the respondents all transport companies know the freight exchanges as one of the instruments of logistics. The second group is the instrument JIT known by 80 companies, instrument QR known by 61 companies and instrument ECR is known by 58 companies. The awareness of instruments is helpful in guiding activities in the transport market. A great interest among companies is given to solutions such as ECR and QR.

Most transport companies believe that the knowledge of logistics instruments is important in their functioning. This means that the use of freight exchange gives the benefits of business activities. Only 3 companies think that knowledge of such instruments has no significant impact.

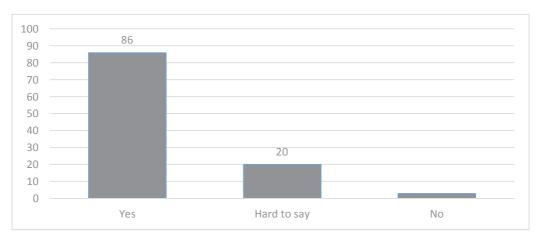


Figure 5 Structure of the surveyed companies due to the impact of the logistics instruments' knowledge on their activity

Source: own study



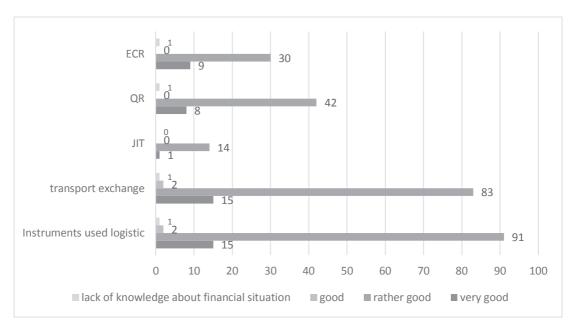


Figure 6 Structure of the surveyed companies due to the impact of the logistics instruments' knowledge and their financial situation

Source: own study

On the basis of the conducted study the largest part of transport companies (91 companies) using logistics instruments recognizes their financial situation as rather good. In contrast, a very good financial situation is confirmed by the 15 companies. The result proves that the knowledge of logistics instruments affects the financial position of transport companies operating in the market.

3. CONCLUSION

The results of the conducted study in the area of Lubuskie Province has identified a process of logistics management. A logistics department is the basis, which a company must have. Transport companies must not only keep pace with contemporary changes, but in many cases be ahead of them, meeting the expectations of their customers. The permanent element of logistics activities has become studying and forecasting changes. This requires, however, not only perceiving new circumstances and new challenges for logistics, but their multifaceted analysis, understanding mutual implementation and impact. A company in order to be noticed in the market and in order to obtain a competitive advantage over other players, must not only care about its image, develop its business and analyse the competition, but also pay a lot of attention to logistics management. A competitive advantage, better meeting customer needs, faster and more efficient operation, more efficient supply chain and its optimal functioning - these are just some of the benefits of maintaining a high level of logistics management in the enterprise, including the use of logistics and marketing instruments.

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