

The view that supply chain management and logistics are synonymous

[Business](#), [Management](#)



There are many different and varied definitions for both Supply Chain Management (SCM) and Logistics. Each definition depends greatly upon the perspective of the individual who is using the term. Only by identifying the parameters in which these expressions are used can it be determined whether the two are synonymous or not. This essay aims to describe the range of definitions for both subjects and then ascertain to what extent they are equivalent. The term Supply Chain is relatively new and has been used to describe a range of horizontally organised systems.

There are three meanings that dominate discussions according to Quayle: [the supply chain from the perspective of an individual firm; a supply chain related to a particular product or item; and 'supply chain' used as a handy synonym for purchasing, distribution and materials management] (Quayle M, Jones B. 1999. p4). An individual firm is concerned with the chain at the input to the company, internal processes and output stages only and not necessarily from raw material to customer.

The supply chain for a single item has been defined as [a logistic process that includes all firms involved in ensuring that the final customer receives the right product, at the right cost, at the right time, in the right condition, and in the right quantity. The whole supply chain is based upon the partnership / alliances that develop between manufacturing companies and their suppliers / vendors, customers and other logistic-related parties] (Coyle et al. 1996. p8). Thus the supply chain is a singular logistic process and is not equal to the concept of wider Logistics. The type of SCM depends upon what kind of supply chain is to be managed.

For an individual company SCM has been defined as [an integrating philosophy to manage the total flow of a distribution channel from supplier to ultimate customer] (Cooper M, Ellram L. 1993. p2). [It is a strategic concept that involves understanding and managing the sequence of activities - from supplier to customer - that add value to the product supply pipeline] (Battaglia A, Tyndall G).

This varies from the definition for an individual item supply chain which is concerned more in ensuring [there is a smooth and efficient flow from raw material to finished goods in the customer's hands] (DTI. 992). [SCM of a specific product requires close management of a chain of separate operations and in possibly different centres] (Quayle M, Jones B. 1999. p5). The term that is universally used to cover all types of SCM is integration. The various definitions can be brought together by the expression that SCM is the process by which all elements of the supply chain are integrated, with the aim of making the chain as efficient as possible. The expression supply chain is often misused since [suppliers usually do not provide exclusive services to one customer.

Rather, they are part of a supply network, and involved in trading with other key customers] (Saunders M. 1997. p45). Therefore a more apt expression, that encompasses a greater depth of the overall supply process is supply network management (SNM). The word Logistics is derived from the French word, *logistique*, and is defined as " the organisation of supplies, stores, quarters etc. necessary for the support of troop movement, expeditions etc. " (OED. 1989. p1111). More recently, the word has been 'hijacked' by

different managers and academics, and used to describe a range of functions.

In its narrowest definition, Logistics has been described as purely the warehousing and shipping functions of a supply chain (Zuckerman, 2002, [www](#)). In contrast, the DTI Booklet (1992) states that logistics involves the co-ordinated management of material and information flows throughout an organisation. This is backed up by Quayle when he describes logistics as [a process which seeks to manage and co-ordinate all the activities within the supply chain from sourcing and acquisition, through production where appropriate, and through distribution channels to the customer] (Quayle. *Ibid.* p85).

In contrast to the DTI and Quayle, James Jones defines logistics as "... the applied science of defining supportable systems and of planning and implementing the acquisition and use of resources. Logistics is the most important thing in the world. It is what creates and sustains civilization" (Jones JV. 1994. p1. 1). One of the vital area of Logistics that is missing from the above definitions is 'maintenance'. [Logistics is the procurement, maintenance, distribution and replacement of personnel and materiel, it means having the right thing, at the right place, at the right time.] (Logistics World, 2002, [www](#)).

Maintenance is not part of SCM and thus separates the two expressions. The term Logistics has many meanings that can be broadly split into two areas, business and military. In its broadest sense, Logistics encompasses all the

elements of sustainment within any given environment. The word management within the expression 'Supply Chain Management' specifies that management functions must be occurring. These will include setting objectives, measuring output and developing the processes. Although some of the definitions for Logistics include the expression 'management of processes', the management function is only implied.

Logistics, as an applied science, seeks to investigate all elements of provision and is not concerned with the specific management of supply chains. By taking Quayle's (Ibid.) definition of logistics, a business perspective; [the co-ordination and management of the supply chain from sourcing through to the customer,] and comparing it with the various definitions of SCM already detailed, it is apparent that, in this instance, the two expressions are synonymous. Closer still is the link between 'Business Logistics' and SNM.

The dictionary definition varies greatly from all the definitions of SCM and proves, from the military perspective, that there is little synonymy. By taking a much broader definition, as illustrated by Jones (Ibid.) and others, it is apparent that SCM is only one facet of Logistics. The perspective from which the expressions are being used defines their meaning. The view that SCM and Logistics are synonymous is, narrow mindedly correct, but the view does not consider that there is a wider aspect to Logistics. Therefore, in the broader sense of both phrases, Supply Chain Management and Logistics are not synonymous.