

International logistics industry

[Business](#), [Industries](#)



In a global economy, the movement of goods and materials is very crucial for the success of a company. More often, the materials are processed in another place that is it is needed that these materials be shipped. When one wants to be known globally, it will market its products around the world, thus the right timing of shipment is necessary for profit.

Logistics is a business that started in 1950. Logistics industry takes care of supplying different materials and shipping out products. . It is the science of process and incorporates all industry sectors. Logistics can be defined as having the right quantity at the right time for the right price. It is the science of process and incorporates all industry sectors. The goal of logistic work is to manage the fruition of project life cycles, supply chains and resultant efficiencies (. Wikipedia).

Creating a balance between financial, environmental and societal growth is a difficult task but is very critical if one company would like to make sure that they are to stay for a long time in the market. Competition becomes beneficial for one company when because without it there will be no need for innovations and changes in the industry. Consumers have a choice thus companies are always evolving to make their products and company more appealing. In the logistics industry, these consumers are companies of other industry that is aiming for a global market.

In any given industry, there are some industry norms that set how a company in a specific industry sets their capital structure (Brackers, 2004). This is also synonymous to the level of business risk to be undertaken that would be acceptable in the industry. These industry norms should serve as

guides for the companies included in the industry and not to be followed blindly as there are always exceptions in any rules.

The stability of the alliance between the two companies must be ensured because it would play a key role in determining the flow of development of the products being developed. It must be ensured that the manpower working from both companies are both have the proper knowledge needed for the development of the product, who are willing to give their best effort to make sure that deadlines are met. There should also be consistency in the manpower handling the project because the next person place could not know all the information like the former. The key to a successful partnership is inter-dependency.

Business done through the aid of an internet is called electronic commerce. This kind of business has boomed in the 21st century with the massive availability of personal computers and laptops. Everything happens in the internet, anything that one could think of. There is internet shopping, online education and internet banking and so many more (Yingli, Lalwani and Aryee, 2005). Now even logistics services have their own website for easy verification of would be customers.

Every company has their own strategy but the burden lies in properly executing this strategies. Chapman (2004) has concluded that almost ninety percent of companies fail in properly executing their strategies. Studies show that when CEO's who have failed have been interviewed said that the thing that led them to downfall was the bad execution of strategies that they have

formulated. Only fourteen percent of those included in Times 1000 companies have commented that they are implementing good strategies.

One strategy that successful logistics companies are using now is Rate Explorer. Rate explorer is a system us to prepare customer quotations. Rate explorer has a total of thirty-five contracts inbound and outbound operations within the region of the United States of America. One company that relies on them is Mallory Alexander. This company has been voted as one of the 2006 Top 100 3PL ((Third Party Logistics company). This award is a big boost on their image because this award is based o the opinions of major shippers in the industry. This award was given by Inbound Logistics magazine (<http://www.pr.com/press-release/17317>).

Anyone entering a business would want it to last as long as it could be but if one would not be open to modernization they would not be able to carry on. An innovation does not mean that the past would be completely forgotten. In business, creativity and patience is needed to sustain it and make sure that one would stay for a long time.

Logistics industry knows how powerful technological developments are. Some companies within this industry are also looking at the avenue of electronic commerce to help them in gaining a greater profit and more customers. New corporate strategies and processes are required to cope up with this change. Managing business risk is important, new avenues should prove to be effective for the logistic company and not a liability.

Business risk refers to the inherent risk in the firm before debt is introduced to the picture. Business risk is caused by such factors as inflation, interest rates, economic periods, fixed versus variable costs, volatility of input costs, ability to change prices, and sensitivity of sales to economic factors. High levels of Business risk determine the degree of the volatility of sales and the changes in EBIT as dictated by the change in sales. The degree of business risk a company or industry takes is directly proportional to the volatility of the EBIT that they could get (Brackers, 2004).

Success is nothing if you can not measure it. A company lay down factors or guidelines for their services and manpower in order for them to gauge if they met their goals or if there is a problem within and how to address it. There are factors that need to be considered when one company tries to check if its service and manpower are able to meet the goals and objective set. Implementation and evaluation would play a crucial part in determining the outcome of the logistics industries venture in e-commerce.

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