

# [Logistics](https://assignbuster.com/logistics/)

Logistics are highly important paradigms of successful business strategy. In the current environment of increasing logistic costs due to rising prices of oil, innovative approach needs to be evolved to survive and maintain competitive advantage. The shipment of inexpensive products to United States so that they could still be sold at margin is critical element of business survival. While the cost of transportation logistics would be considerably higher due to rising oil prices in the international market, the businesses must make efforts to reduce that through collective decision making. The most realistic technique for businesses would be to come together and use single transportation to ship their goods. It would greatly facilitate in reducing the logistic costs. Indeed, in the current environment of recessive environment, forging alliance vis-a-vis for using common shipment of goods makes sense because it would not only cut cost of logistics but it would also help companies to expand their business interests across geographical boundaries. Developing relationship based on transportation logistics would be the practical solution for small and medium businesses who are hit hard by recession and rising oil prices. The low cost goods could still be sold at premium in United States through such innovative business approach. Outsourcing of manufacturing goods could only be successful if the logistic costs remain stable. But as it is not possible in the current times, business relation that encourages the use of common shipment procedure amongst different business groups would be a credible alternative to restrain rising cost of transportation logistics. (words: 253)