

# Logistic management

Business



Logistics Management al Affiliation: Logistics Management In the past, technology hadnot yet evolved meaning that companies were only applying the traditional methods of transferring information from one department to another. However, the current trends of technology are causing organizations to use an automated system for their business functions. Enterprise resource planning is the application software organizations are using to automate some of their business functions. Enterprise resource planning is described as an automated system that integrates all the logistics information processes from one department to another creating a central unit of logistics information in the organization (Bowersox, Closs & Cooper, 2007). However, the main questions are whether enterprise resource planning is an advantage or a hindrance to organizations and whether organizations are making implementations that accommodate the software.

The enterprise resource planning software may be of significant help to organizations who are intending or already using it. First, communication within and outside the organizations significantly increases (Bowersox, Closs & Cooper, 2007). This means that logistics information from one department to another move swiftly. In addition, information moving in or out the company is moving at a faster pace. For instance, a technology company manufacturing technological products will have an increase in the movement of information. In this case, the manufacturing department can communicate with sales department at the shortest time possible regarding customers orders. On the other hand, the organizations can communicate with their supplies in time to deliver raw materials in time for production.

As a result, due to speedy movement of information in the organization, the <https://assignbuster.com/logistic-management/>

second benefit of enterprise resource planning is that it reduces wastages in inventory leading to high profitability levels in the company (Bowersox, Closs & Cooper, 2007). An excellent example is that of the technology company. In the past, technology companies were making products based on future predictions on sales. This was for the purposes of ensuring just in time deliveries to their customers. However, technology is changing at a quick rate meaning that production for future use will lead to obsolete products in the market resulting to wastage. Therefore, because of enterprise resource planning, logistic management is becoming easier with companies only producing in accordance with customer orders. In this case, there is zero tolerance on wastages and reduction of warehousing costs leading to profitability (Bowersox, Closs & Cooper, 2007).

On the other hand, organizations might experience hindrances from using enterprise resource planning. This system is inflexible for companies who are using it (Bowersox, Closs & Cooper, 2007). In this case, when new technology comes in the market, it becomes difficult for the company to implement their strategies. In addition, enterprise resource planning is killing creativity in logistics management within the organization (Bowersox, Closs & Cooper, 2007). This is hindering the overall logistic operations in the organization. For this reason, many organizations are trying to redesign processes for purposes of ensuring that these hindrances do not affect them. To start with, they are putting measures and strategic logistic decisions that will allow flexibility of the enterprise resource planning (Bowersox, Closs & Cooper, 2007). In this case, it shows that companies are making changes in their processes implementing the enterprises resource planning.

## References

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Bowersox, D. J., Closs, D. J., & Cooper, M. B. (2007). Supply chain logistics management. Boston, Mass: McGraw-Hill/Irwin.