

# Logistics



**Logistics** deals with the planning and control of material flows and related information in organization, both in the private and public sector. The objective is to get the right materials to the right place at the right time while optimizing a given performance measure and satisfying a given set of constraints. <sup>1)</sup>

The key functions are: [procurement](#), production and distribution logistics

1. procurement: sourcing and purchasing of goods and services for the production
2. production: planning, managing and monitoring intra-plant material flows relevant for production
3. distribution: connects production logistics with the inbound logistics of the customer

Furthermore **Logistics** can be described as a functional part of the organization within the business operations. Logistics is the management of goods and services - or simply resources - in [internal processes](#) along the [supply chain](#); including procurement, preservation, replacement as well as inbound and outbound transportation of resources. It has the integration function to monitor and coordinate all those logistics activities. It includes the development and implementation of strategic, tactical and operational business management. The elements of the logistics management are different in each enterprise depending on the nature of the enterprise and the industry requisites.

Nowadays, many companies consider a reorganization of the logistics management in order to optimize the capacities and reduce costs, for example through [Supply Chain Simplification](#). Moreover, new IT-based concepts like [E-commerce](#), E-procurement, [Collaborative commerce](#), etc. breed new challenges to logistics concepts. For example, the communication via [EDI](#) from one business system to the business system of the partner allows a better inventory forecast.

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- [Incoterms](#)

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## Sub-Categories



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### Further Readings:

<http://www.merriam-webster.com/dictionary/logistics>

<http://www.logisticsworld.com/logistics.htm>

1)

Introduction to logistics systems planning and control; Ghiani, Gianpaolo; Laporte, Gilbert; Musmanno, Roberto; John Wiley and Sons, 2004, p. 1

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