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LOGISTIC MANAGEMENT: A FEEDBACK STUDY ON SELECTED AUTOMOBILE TRANSPORTATION SYSTEMS

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ABSTRACT

Logistics is generally the detailed organization and implementation of a complex operation. In a general business sense, logistics is the management of the flow of things between the point of origin and the point of consumption in order to meet requirements of customers or corporations. The results indicate that ttransporters are not happy with the approach of RSO officials. They are facing issues with regard to the condition of vehicles during transit, availability of the drivers and retention of the drivers. The condition of vehicles received from distant locations is found to be bad.

Key words: *Logistic Management, Transporters, RSO, warehouse*

0.1 Introduction

Logistics is generally the detailed organization and implementation of a complex operation. In a general business sense, logistics is the management of the flow of things between the point of origin and the point of consumption in order to meet requirements of customers or corporations. The resources managed in logistics can include physical items such as food, materials, animals, equipment, and liquids; as well as abstract items, such as time and information. The logistics of physical items usually involves the integration of information flow, material handling, production, packaging, inventory, transportation, warehousing, and often security

The birth of Logistics can be traced back to an ancient war times of Greek and Roman empires when military officers, titled as *'Logistikas'*,were assigned the duties of providing services related to supply and distribution of resources. During the World War II logistics gained importance in army operations, covering the movement of supplies, men and

equipment across border. In the United States of America, the army officially used the word, Logistics, after World War II.

Logistics has now evolved itself as an art and science. However, it cannot be termed as an exact science. Logistics does not follow a defined set of tables nor is it based on skills inherited from birth. Any firm exists in an environment of external forces which impinge on its activities which are of direct interest and concern to the distribution division of a firm. They are the location of resources and markets, the competitive environment, the nature of demand, and certain characteristics of the distribution system. Our primary concern is the role of the logistics system in the internal environment and its role in helping to provide good service at low cost.

A logistics manager performs his duties and responsibilities based on his educational experiences, skills, past experiences and intuition. These skills are nourished by a constant application of the same by him for the betterment of his organization. The logistics manager ensures that the company is benefited by an effective and efficient system of logistical management. He also needs to ensure that the right kind of products and services are provided at the right time and for a right price, whether inside the organization's premises or delivery of shipments outside the premises of the organization. The operating responsibility of logistics is the geographical positioning of raw materials, work-in-process, and finished inventories where required, at the lowest cost possible.

0.2 Definition of Logistics Management

Bowersox and Closs (2000) opine that logistics involves

> *"A single minded logic to guide process of planning, allocating and controlling financial and human resources committed to physical distribution, manufacturing, support and purchasing operations".*

Robert A. Novack, et al. (1995), define logistics as an

> *"Activity involving the creation of time, place, form and possession of utilities within and among firms and individuals through strategic management with the goal of creating products/services that satisfy customer through attainment of value".*

According to Webster's New Encyclopedia Dictionary (1993),

> *Logistics is: The branch of military science having to do with recurring,maintaining and transporting material, personnel and facilities.In brief, logistics encompasses the*

total flow of materials, from acquisition of the raw materials and purchased component parts, to delivery of a finished product to the customer.

0.3 Review of literature

Chang-Ing and I-Jin (1999) show the relation between average logistics cost per item, consumer demand and the interrelationship between them are analyzed. Commodities are distributed through a depot directly or through single intermediate terminal to many retail establishments. Minimizing average logistics cost, or maximizing total supply subject to the demandsupply equality determines the optimal density of retail establishments and local terminals. The envelope curves for the optimal configuration strategies corresponding to different values of total market area and terminal cost are derived.

Aronsson et al (2000) have developed a template for a logistics education course. The template addresses functional, process and supply chain needs. The template is currently being prototyped with the principle of 'gestalt'- the whole is greater than the sum of the individual parts.

Outi (2000) studied logistics costs of industrial enterprises in a supply chain. The following aspects of logistics costs are included:

a) Activity Based Costing (ABC)
b) Average logistics Costs of industrial product manufacturers and suppliers
c) The factors which influence a company's cost efficiency in logistics
d) An ABC simulation model for the logistics costs in a company

A study on "Logistics of small-size deliveries" has been carried at the Technical Research Center of Finland. Seventeen enterprises participated in this study. In this study a calculation model was developed and tested with the logistics costs of the participating companies. After calculating the costs, order structure as well as the working methods of the companies' was examined. With this information the ABC simulation model was developed to explain and simulate the change in the logistics costs of a company.

0.4 Research Methodology

A survey of Automobile Transport Contractors, Warehouse Managers and Dealers was conducted. This is to study the issues faced by them during transportation of the vehicles and to analyze the conditions of the vehicles received by them. Descriptive Research Design has been used for data collection. Census study has been made and analysed using various statistical tools. There are 8 warehouse selected and driver only taken into sample.

0.5 Analysis and Discussion

Table 1
Availability of Qualified and Experienced Drivers

		Frequency	Percentage	Valid percentage	Cumulative Percentage
Valid	Not easy	8	100.0	100.0	100.0

Table above highlights that getting experienced and qualified drivers is very difficult. It is understood that the earning potential of driver community is very poor, whereas the responsibilities lie with them are very high. In this situation the trend is changing towards finding a different job than to become a driver of an automobile. This supports the alternate mode of transport developed by the researcher visualizing far ahead of the issues of nonavailability of drivers, fastest mode of transport, bulk transportation, safe and fit and finish delivery of material, etc.

Table 2
Issues faced by drivers during transit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	87.5	87.5	87.5
	Rarely	1	12.5	12.5	100
	Total	8	100	100	

On analyzing, it is learned that, drivers are facing issues quite often. Since vehicles are moving on road for long distances, it is difficult for them to reach the destination within the time specified. This would supplement the search for an alternate mode of transport opted by the researcher.

Table 3
Issue at Delivery Point

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diesel not measured properly	1	12.5	12.5	12.5
	Delay in Acceptance of Vehicles	7	87.5	85.5	100
	Total		100	100	

On analyzing it is understood that diesel quantity is not being supplied along with the vehicle as per the agreement between Company and transporters. In this case drivers were detained by the RSO in-charges for supply of sufficient quantity of diesel. This leads dissatisfaction of drivers and transport contractors with RSO in-charges.

Table 4
Natural Issue during Transit

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Vehicle Related	8	100.0	100.0	100.0

The data has been analysed and it is seen that during transit, drivers are facing issues on vehicle related. In this situation, the drivers need to take the vehicles to the nearest Companies authorized service point for rectifying the defect and delivering the vehicles on time.

Warehouse

Table 5
Ownership status of the warehouse

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Own Property	1	12.5	125.	12.5
	On rent	6	75.0	75.0	87.5
	Both	1	12.5	12.5	100.0
	Total	8	100.0	100.0	

From the analysis it can understand that 75% of the warehouse are on rented basis and 1 warehouse available on rent and both respectively it constitute 12.5%.

0.6 Conclusion

The logistics industry currently continues to remain challenging as the global economy is still sluggish. India currently spends around 14 per cent of its GDP on logistics compared with developed countries where this percentage is around 8-9 per cent and the industry on the whole is very fragmented and unorganized. However, the freeze of infrastructure projects along with trade woes have led to some consolidation in the sector starting last year. In spite of all the impediments, India has come a long way ahead from the traditional godowns to multimodal transport, container freight stations, inland container depots, cold-storage and supply chain management from the above analysis; it is clearly found that the Transporters are not happy with the approach of RSO officials. They are facing issues with regard to the condition of vehicles during transit, availability of the drivers and retention of the drivers. The condition of vehicles received from distant locations is found to be bad.

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