

MOODLE LECTURE ONE

Lecture one: Exploring the Theoretical Background of Logistics Principles and Their Functions in Business Management

Lecture outline:

I. Exploring the Theoretical Background of Logistics Principles and Their Functions in Business Management

- a. Logistics and their Principles(definition and exploration)
- b. Scope
- c. Logistics system
- d. Historical Development

I.1. Key Theoretical Concepts in Logistics

- a. Supply Chain Management
- b. Inventory Management

I.2. Logistics Functions in Business Management

- c. Transportation
- d. Warehousing

I.3. Integration of Logistics with Business Strategy

I.4. Challenges and Future Trends in Logistics

I. Exploring the Theoretical Background of Logistics Principles and Their Functions in Business Management

Introduction

All organisations move materials. Manufacturers build factories that collect raw materials from suppliers and deliver finished goods to customers; retail shops have regular deliveries from wholesalers e.g a television news service collects reports from around the world and delivers them to viewers; most of us live in towns and cities and eat food brought in from the country; when you order a book or DVD from a website, a courier delivers it to your door. Every time you buy, rent, lease, hire or borrow anything at all, someone has to make sure that all the parts are brought together and delivered to your door. Logistics is the function that is responsible for this movement. It is responsible for the transport and storage of materials on their journey between suppliers and customers.

On a national scale, logistics involves a huge amount of effort. The USA has GDP of \$27.36 trillion(2023), GDP per Capita in the United States averaged 40544.68 USD from 1960 until 2023, reaching an all time high of 65020.35 USD in 2023 and a record low of 18991.54 USD

in 1960.. The world's seven largest economies (the USA, Japan, Germany, the UK, France, Italy, and Canada) have a combined GDP of approximately **20 trillion US dollars**.. All of this – whether it is oil produced in Canada, consumer electronics in Japan, cars in the UK or dairy products in France – relies on logistics to collect materials from suppliers and deliver it to customers. Millions of people are involved in this effort, and it costs billions of dollars a year to keep everything moving.

Ordinarily we only notice a small part of logistics. We might see lorries driving down a motorway, visit a shopping mall, drive through a trading estate, or have a parcel delivered to our homes. These are the visible signs of a huge industry. In this lectures, we take a more detailed look at this complex function. We discuss the issues and developments, and see how managers can get the best results from their logistics.