

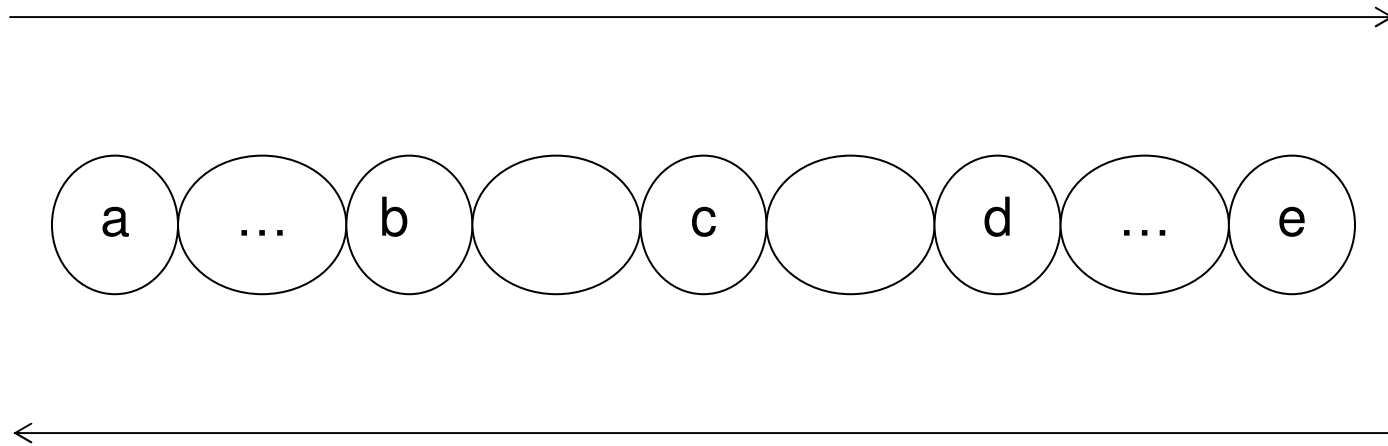
**INCREASING  
COMPETITIVENESS BY  
MOVING  
FROM LOGISTICS TO SUPPLY  
CHAIN**

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# Major developments in the logistics sector

- 70 years is characterized by the beginning of logistics business, which remains a domestic work of the company, evidenced by work on the operation and logic flows pushed.
- 80 years marks the start of the supply chain which aims to coordinate the various functions of the enterprise, who has as characteristics integrated flows management and distribution logic based on cost reduction target.
- 90 years is characterized by logistics strategies based on the organization and optimize the supply chain between the different partners.
- 2000 years highlights the emergence of specialized companies in logistics (4th Party Logistics) and Supply Chain Management spring (SCM).

# Representation of a supply chain



# Factors justifying the existence of supply chain:

- evolution of industry and trade relationships;
- development of new information and communication technologies;
- increasing competition through oversupply;
- development of strategic business functions as: supervising, planning, forecasting, etc.;
- expansion of globalization;
- use more and more to outsourcing and subcontracting.

Outsourcing various business activities (including logistics) enables it:

- to focus on their skills;
- to make financial gains by transforming fixed costs into variable costs;
- to release a few financial assets;
- to transfer part of their risks associated with outsourcing activities;
- have more flexibility on logistics service and especially to control it.

It is interesting that the incidence of outsourced activities in logistics are the most variable, namely:

- transport and auxiliary transport operations;
- warehousing, storage, preparing orders, rental deposits;
- processing of goods and finishing of production operations;
- commercial transactions (especially procurement);
- computing operations;
- logistics consulting etc.

# Phase in relations between producers and traders:

- The first phase, starting in the '50s and '60s with a strong growth and start mass production.
- The second phase begins with the crisis of the '70s, when economic growth slows and strengthens the negotiation power of larger companies due to increased power of distribution companies.
- The third phase begins in the 90s when trade marketing concept emerged as the common desire of manufacturers and distributors to move from previous conflict to some relations of cooperation.
- The fourth phase is called "partnership". Partnership is an umbrella concept that includes the circulation of information and integrated supply chain management, opening a vast field of cooperation.

# **Methodology to achieve Category Management process involves the following steps:**

1. define categories;
2. determining role achieved by product categories;
3. assessment categories;
4. achieve a ranking of categories based on market share, turnover, net income, etc..;
5. prepare strategy for each category;
6. choice of tactics for each category;
7. fixing action plan for each category;
8. analysis of product categories.

# Product categories can be grouped into

- **Destination categories**, which serve to distinguish the articles which include to competition through higher value for consumer - for example, coffee, pasta, soft drinks, some perishable goods, etc.;
- **Routine categories**, which are regularly bought from the store - for example, juices, dairy products, detergents, etc.;
- **Occasional/seasonal categories** include specific products to some seasons and less frequently purchased - for example, condiments, tanning etc.;
- **Proximity categories**, which includes products which the buyer purchases from the nearest point of sale due to their quality, although there are differences in price than other stores - auto, automotive, bakery, confectionery, etc.

Solutions for the enterprises growth are situated in cooperation agreements by building sustainable partnerships.

Synchronize material, financial and information flows with market needs is the way to ensure competitiveness of the market.