Chapter 14
Interdependence Relation between Industrial Companies’ Logistics and Commercial Strategies

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ABSTRACT

Commercial strategy ensures the industrial company’s competitiveness in the globalised market economy and is the main focus of this chapter. Commercial activity enables the industrial companies to sell their products and therefore recover their resources used to achieve the production. In this context, the logistics of the company’s industrial activity has an important role. In terms of the strategic management theory, the following issues are dealt with in this chapter: involvement of logistics in companies’ commercial relations; impact of logistics in organising the manufacturers-distributors-customers relations; logistics – pilot of distribution networks; improvement of service quality at the customer – consequence of logistics; defining the commercial logistics system; designing and planning the commercial logistics system; means to monitor companies’ sales; system for monitoring the performances of companies’ commercial activities; logistics – commercial strategies relations. All these forms of logistics contribute to preparing a commercial strategy of the efficient company.

INVolvEMENT OF LOGISTICS IN COMPANY’S COMMERCIAL RELATIONS

Normally, dealing with the problem of the company’s turnover is done rather in terms of financial importance and less in terms of commercial results. But, taking into account the dynamic changes of the competitive environment provided by the free market, the role of logistics appears as being particularly important in such problems, including the selection, training and use of some specialists in this field, called specialist ligisticians, whose training was much neglected until not long ago. The content of logistical reflection of such specialists emphasises the use of some elements in the
field of stocks, sales forecast, scoreboard of the operational activities, distribution, production, etc.

Following the substance evolution and economic changes, logistics asserts, comes out of the obscurity and becomes important source of some competitive advantages. It also becomes a working tool of management and is of interest for the manager, because both the stakes specific to logistics and its privileged intervention areas are right at the centre of competitive problems.

Typically, to obtain their products, companies use methods similar to those of the competitive companies, have a quality and a manufacturing cost of products comparable to that of their competitors. Therefore, researching the advantages in order to conquer a market or improve the market segment held requires some actions, such as: reducing the duration needed to make new products; including the logistical criteria among the criteria used to choose the suppliers; improving the operational chain; rationalising the location of the distribution network points and their upgrade; the flexibility and inter-changeability of manufacturing machines and equipment, etc. All these actions lead either to the increase of higher quality services, or to the reduction of costs, or to both simultaneously and therefore, to the increase of market competitiveness.

To emphasise the logistical integration into the company’s business, let us consider that four companies “I”, “II”, “III”, “IV” respond to the buyer’s request for offer. The buyer wants to select the supplier for some benchmarks necessary to its production next year, knowing that a prior “AUDIT” ensured the equivalent quality of the necessary benchmarks.

The buyer will analyse the responses received in market conditions and will select the appropriate supplier, taking into account the following considerations:

• One can be competitive with the when leaving the factory, but not with the product delivered to the customer (customer “I”);
• The price and quality on the competitive markets are not sufficient factors anymore to achieve a business (company “II”);
• The customer expects a service commitment achieved in relation to the their needs (company “IV” responding to these needs better than company “III”).

Thus, the logics and reflections that logisticians put into practice are of broad feature, that can be implemented in the entire organisational structure of the company, since the product design stage
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