PERFORMANȚA LANTULUI LOGISTIC: ARMONIZAREA STRATEGICĂ
(The performance of the supply chain: Strategic harmonization)

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Rezumat
În această lucrare, definim strategia lanțului logistic și explicăm felul în care crearea unei armonizări strategice între strategia competitivă a companiei și strategia lanțului logistic afectează performanța la nivelul firmei. Analizăm, totodată, importanța extinderii armonizării strategice de la o operațiune din cadrul companiei la toate nivelurile lanțului logistic.

Lucrarea de față își propune: explicarea motivului pentru care obținerea unei armonizări strategice este critică pentru succesul de ansamblu al unei companii, descrierea felului în care o companie realizează o armonizare strategică între strategia lanțului logistic și strategia sa concurențială/competitivă, precum și discutarea importanței extinderii sferei armonizării strategice asupra lanțului logistic.

Cuvinte cheie: • strategii concurențiale, • logistică, • armonizare strategică, • nevoile consumatorilor, • lanț valoric

Clasificare JEL: M15.

Abstract
On this paperwork, we define the strategy of the logistic chain and we explain the way in which the creation of a strategical harmonization between the competitive strategy of the companz and the strategz of the logistic chain affects the performance of the whole company. We also analyse the importance of the extension of strategical harmonization from an operation inside the companyto all the levels of logistic chain.

This paperwork propose: explaining why obtaining a strategical harmonization is critical for the succesfully of a whole company, the description of the way in which a company realize a strategical harmonization between the strategy of the logistic chain and it’s competitional strategy and the discssuation about the importance of expanding the strategical harmonization over the logistic chain.

Keywords: • Competitional strategies, • logistics, • strategical harmonization, • consumer’s needs, • values chain.

JEL Classification: M15

Introducere
Armonizare strategică semnifică faptul că atât strategia logistică, cât și cea competitivă au țeluri comune. Aceasta se referă la compatibilitatea dintre prioritățile clientului, pe care speră să le satisfacă strategia competitivă și la capacitățile lanțului logistic pe care strategia logistică țintește să le construiască.

Introduction
Strategic harmonisation means that both logistic and competition strategy have common aims. This refers to the compatibility between the customer’s priorities which the competitive strategy hopes to satisfy and to the capacities of the logistics chain which the logistic strategy aims at achieving.
În contextul procesului armonizării strategice, cele mai noi abordări au în vedere conceptul de supply-chain management.

Lanțul logistic sau supply-chain presupune funcțiile operative ale firmei, achizițiile, producția și vânzările care fac legătura între furnizori și clienți, precum și acea funcție prin care se gestionează și coordonează operațiunile (figura 1).

In the strategic harmonization process, the most recent approaches take into consideration the supply-chain management concept.

Supply chain suppose firm’s operative functions, production and sales which make connection between purveyors and clients as well that function though the firm manage the operations (fig.1).

All the processes and functions belonging to the value chain of a company contribute to the company’s success or failure. These processes and functions do not act isolatedly: no process or function alone can ensure the success of the chain. On the other hand, the failure of a single process or function can lead to the failure of the whole chain.

A company can fail either due to the lack of a strategic harmonisation or because the processes, the planning of the whole logistics chain and the resources do not offer the necessary capacities for supporting the desired strategic harmonisation.

Achieving strategic harmonisation is a key element in pursuing the strategy of the logistics chain or in the project stage.

Figura 1 Verițiile supply-chain (Supply chain link)
Source: Chopra, S., Meindl, P., Supply Chain Management, Pearson Education, USA, 2007, p. 41
2. Competitive and logistic strategies

The competitive strategy of a company defines, as far as its competition is regarded, the set of the consumers’ needs which the company tries to satisfy by means of its products and services. For example Wal-Mart aims at offering a variety of available products of a reasonable quality at low prices. Most of the products sold in Wal-Mart (all sorts, from domestic electric appliances to clothes) can be bought in any other shop, as well. What Wall-Mart offers is a low price and availability. McMaster-Carr sells products for maintenance, repair and technological products (MRO). It offers more than 400,000 different products both by means of a catalogue and a website. Its competitive strategy focuses on providing accessibility, availability and rapidity to the customer. Focusing on rapidity, McMaster does not compete by low prices. The competitive strategy of Wal-Mart is obviously different from that of McMaster.

We can also make the difference between Dell, with its build-to-order model and a company such as Gateway which sells eMachines computers by means of retail sellers.

Dell focused on adaptability and variety at a reasonable price, but customers have to wait around one week in order to get their product.

On the contrary, a customer can go to a computer retail seller, he can be helped by the shop assistant and can go home with an eMachines computer on the very same day. Nevertheless the variety and availability degree is limited with a retail dealer. In each of these cases the competitive strategy is defined according to the way the customer perceives the price of the product, the delivery time,
The logistics of merchandise

variety and quality. A McMaster-Carr customer is more interested in the variety of the product and the response time. On the other side, a Wal-Mart customer is focused rather on price. A Dell customer who buys on-line centers on the variety and adaptability of the product. A customer who buys a Machines computer from a retail dealer is rather concerned with the price, the promptness and the assistance offered for choosing the product. Consequently the competitive strategy will be defined according to the customers’ priorities. Competitive strategy has as target one or more consumers’ segments and aims at offering products and services which should satisfy the customers’ needs.

For examining the relationship between the competitive strategies and those of the logistics chain we will start with the value chain of a typical organisation, as it can be seen in figure 2.

The value chain begins with the development of new products which provides the technical conditions ( specifications) for the product. Marketing and sales generate demand by revealing the customers’ priorities which the products and services will satisfy.
Marketing brings also the user’s input back to the development of new products. Using new specifications for the product, the operations turn inputs into outputs in order to create the product.

Distribution brings the product to the customer or the customer to the product. Service meets the customer’s demands during or after sale. All these represent fundamental processes or functions which have to be performed in order to have successful sales. Finances, accounting, information technology and human resources support and facilitate the operation of the value chain.

All these functions play a role in achieving the competitive strategy of a company and each of them has to develop their own strategy. In this context, strategy refers to what each process or function will try to achieve extremely well.

A strategy for product development specifies the portfolio of new products which a company tries to develop. It also decides if the development effort will be internalised or externalised. A marketing and sales strategy specifies the way in which the market will be segmented and the product positioned and promoted and the price set. A logistic strategy determines the type of raw material acquisition, the transport of the raw material from and to the company, the product manufacture or the service operation and the distribution of the product to the customer together with all the subsequent service as well as the specification if these processes will be performed within the company or will be externalised. Taking into account the fact that companies are seldom entirely vertically integrated, it is important to admit the fact that the logistic strategy designates not only which processes within the company should be well performed, but also which role each entity of the supply-distribution chain plays.
De exemplu, strategia logistică a companiei Cisco necesită ca o mai mare parte din activitatea de fabricare și asamblare a componentelor să fie externalizată.

În acest caz, strategia logistică a companiei Cisco identifică nu doar ceea ce Cisco ar trebui să efectueze bine, ci și rolul fiecărei terțe părți căreia i se externalizează sarcinile lanțului logistic. Strategia lanțului logistic specifică ceea ce operațiunile, distribuția și funcțiile servirii, fie acestea interne sau externe, ar trebui să realizeze deosebit de bine. Deoarece ne axăm aici pe strategia lanțului logistic, o vom defini mai în detaliu. Strategia lanțului logistic include o specificație a structurii largi a lanțului logistic și ceea ce mulți numesc, în mod tradițional, „strategia furnizorului”, „strategia operațiunilor” și „strategia logistică”. De exemplu, decizia Dell de a vinde direct, decizia companiei Gateway de a începe să vândă calculatoare prin intermediul detaliiștilor și decizia companiei Cisco de a folosi fabricarea sub contract (externalizată) definesc structura largă a lanțului lor de aprovizionare-distribuție și fac toate parte din strategiile lanțului lor logistic. Strategia lanțului logistic include, de asemenea, deciziile de concepere cu privire la inventar, transport, facilități de exploatare și fluxuri de informații. De exemplu, deciziile companiei Amazon de a construi depozite pentru înmagazinarea anumitor produse și utilizarea în continuare a distribuitorilor ca sursă de alte produse fac parte din strategia lanțului său logistic. În mod similar, decizia Toyota de a avea facilități de producție pe fiecare dintre piețele sale principale face parte din strategia sa logistică.

Lanțul valoric subliniază relația strânsă dintre strategiile funcționale din cadrul unei companii.

For example the logistic strategy of Cisco company requires that a greater part of the manufacturing and assembling activity should be externalised.

In this case the logistic strategy of Cisco company identifies not only what Cisco should perform well, but also the role of each third party whom the tasks of the logistics supply chain are assigned. The strategy of the logistics chain specifies what operations, distribution and service functions, not matter if internal or external, should perform extremely well. Since we focus here on the strategy of the logistics chains, we will describe it in detail. The strategy of the logistics chain includes a specification of the large structure of the logistics chain and what many traditionally call „provider’s strategy”, „operations strategy” and „logistic strategy”. For example, Dell’s decision to sell directly, Gateway’s decision to start selling computers by means of retailers and Cisco’s decision to manufacture on the basis of contracts (externalised) define the large structure of their supply-distribution chain and all of them are part of the strategies of their logistics chain. The strategy of the logistics chain also includes conceptual decisions regarding inventory, transport, operation facilities and information flows. For example Amazon’s decision to built warehouses for storing different products and to continue using distributors as a source of other products belongs to the strategies of its logistic chain. Similarly, Toyota’s decision to have production facilities on each of its main markets is also part of its logistic strategy.

The value chain underlines the tight relationship between the functional strategies within a company.
Astfel, diversele strategii funcționale nu pot fi formulate în izolare. Acestea sunt strâns legate între ele și trebuie să se potrivească și să sprijine una pe cealaltă dacă o companie doresce să reușească.

De exemplu, succesul companiei japoneze Seven-Eleven poate fi legat de armonizarea excelentă dintre strategiile sale funcționale. Marketingul de la Seven-Eleven a accentuat accesibilitatea sub forma accesului facil la magazine și a disponibilității unei game largi de produse și servicii. Dezvoltarea de noi produse la Seven-Eleven adaugă, în mod constant, produse și servicii, ca de exemplu serviciile de plată a facturilor care atrag clienții și exploatează infrastructura informațională excelentă și îi determină pe clienți să viziteze frecvent Seven-Eleven. Operațiunile și distribuția la Seven-Eleven s-au axat pe a avea o mare densitate de magazine, pe a fi foarte receptivi și pe oferirea unei infrastructuri informaționale excelente. Rezultatul este un cerc virtuos în care infrastructura lanțului logistic este exploatată pentru a oferi noi produse și servicii care să mărească cererea, iar cererea sporită, la rândul ei, facilitează îmbunătățirea de către operațiuni a densității magazinelor, a activității în reaprovizionare și a infrastructurii informaționale.

În următoarea parte vom aprofunda noțiunea de armonizare și vom căuta să răspundem la următoarea întrebare: În funcție de strategia sa competitivă, ce ar trebui să încerce să realizeze deosebit de bine lanțul logistic al unei companii?

3. Obținerea armonizării strategiei

Aceasta parte a lucrarii este construită pe ideea că, pentru ca o companie să aibă succes, strategia sa logistică și strategia competitivă trebuie să se armonizeze împreună. Armonizare strategică semnifică faptul că atât strategia logistică, cât și cea

Thus the different functional strategies cannot be mapped out isolately. They are tightly connected to each other and have to match and support each other if a company wants to be successful.

The success of the Japanese company Seven-Eleven, for example, can be attributed to the excellent harmonisation of its functional strategies. The marketing at Seven-Eleven increased accessibility by means of easy access to shops and availability of a large range of products and services. The development of new products at Seven-Eleven constantly adds new products and services such as invoice payment service which attract clients and exploit the excellent information infrastructure, as well as the fact that customers frequently visit Seven-Eleven. The operations and distribution at Seven-Eleven focused on a high density of shops, on being reactive and offering an excellent information infrastructure. The result is a virtuous cycle in which the infrastructure of the logistic chain is exploited for offering new products and services which should increase the demand; the increased demand in its turn facilitates the improvment of the shops density by means of operations, the reactivity in resupply and information infrastructure.

In the next part we will study the concept of harmonisation and will try to answer the following question: With respect to its competitive strategy, what should the logistics chain of a company try to achieve extremely well?

3. Achieving the strategic harmonisation

This part of the paper is based on the idea that for being a successful company, its logistic and competitive strategy have to harmonise with each other. Strategic harmonisation means that both logistic and competition strategy have common aims. This refers to the
compativă au țeluri comune. Aceasta se referă la compatibilitatea dintre prioritățile clientului pe care speră să le satisfacă strategia competitivă și la capacitățile lanțului logistic pe care strategia logistică țintește să le construiască.

Chestiunea referitoare la obținerea armonizării strategice reprezintă un element cheie în realizarea strategiei lanțului logistic sau în faza de concepere. Toate procesele și funcțiile care fac parte din lanțul valoric al unei companii contribuie la succesul sau eşecul acesteia. Aceste procese și funcții nu funcționează în izolare; niciun proces sau funcție, de unul/una singur(ă) nu poate asigura succesul lanțului. În schimb, eşecul oricărui singur proces sau funcție poate conduce la eşecul întregului lanț. Succesul sau eşecul unei companii este, așadar, strâns legat de următoarele puncte cheie:

- Strategia competitivă și toate strategiile funcționale trebuie să se armonizeze pentru a forma o strategie finală coordonată.
- Funcțiile diferite din cadrul unei companii trebuie să-și structureze în mod corespunzător procesele și resursele pentru a putea realiza aceste strategii cu succes.
- Conceperea întregului lanț logistic și rolul fiecărei etape trebuie aliniat pentru a sprijini strategia lanțului logistic.

O companie poate da greș fie datorită lipsiei unei armonizări strategice, fie datorită faptului că procesele, conceperea întregului lanț logistic și resursele nu oferă capacitațile necesare pentru a sprijini armonizarea strategică dorită.

Dacă ne gândim la sarcinile majore ale unui director executiv, puține dintre ele sunt mai importante decât sarcina de a alinia conceperea lanțului logistic și toate strategiile funcționale principale la compatibility between the customer’s priorities which the competitive strategy hopes to satisfy and to the capacities of the logistics chain which the logistic strategy aims at achieving.

Achieving strategic harmonisation is a key element in pursuing the strategy of the logistics chain or in the project stage.

All the processes and functions belonging to the value chain of a company contribute to the company’s success or failure. These processes and functions do not act isolately; no process or function alone can ensure the success of the chain. On the other hand, the failure of a single process or function can lead to the failure of the whole chain. The success or failure of a company is closely connected with the following key elements:

- The competitive strategy and all the functional strategies have to harmonise with each other in order to result into a final coordinated strategy.
- Each functional strategy has to support the other functional strategies and to help a company to achieve the aim of the competitive strategy.
- The different functions within a company have to structure the processes and resources accordingly in order to successfully achieve these strategies.

A company can fail either due to the lack of a strategic harmonisation or because the processes, the planning of the whole logistics chain and the resources do not offer the necessary capacities for supporting the desired strategic harmonisation.

If we think of the main tasks of an executive director, few of them are more important than the task of aligning the planning of the logistics chain and all the main functional strategies with the
întreaga strategie competitivă pentru a obţine armonizarea strategică.

În cazul în care nu se realizează această aliniere, apar conflicte între diferite scopuri funcționale, sau între scopurile diferitelor niveluri ale lanțului logistic. Astfel de conflicte au drept rezultat faptul că diferite funcții din cadrul firmei și diferite niveluri de-a lungul lanțului logistic vizează priorități diferite ale clienților. Acest conflict din cadrul firmei sau de-a lungul lanțului logistic conduce la conflicte în timpul operațiunii lanțului logistic.

Să luăm, de exemplu, o situație în care marketingul face reclama la abilitatea unei companii de a oferi o gamă largă de produse foarte repede; simultan, distribuția vizează găsirea mijloacelor de transport cu cel mai scăzut cost. În această situație este foarte probabil ca distribuția să întârzie comenzile pentru a obține costuri de transport mai bune prin gruparea comenzilor sau prin folosirea unor mijloace de transport necostisitoare, dar încete. Această acțiune intră în conflict cu scopul expus de către marketing, acela de a oferi varietate în mod rapid. În mod similar, imaginați-vă un scenariu în care un detailist a decis să ofere un nivel ridicat de varietate și în același timp să aibă niveluri scăzute de inventar, dar a selectat furnizori și societăți de transport pe baza prețului lor scăzut și nu a reactivității acestora. În acest caz, este probabil că detailistul să se trezească cu clienți nesatisfacți, datorită disponibilității scăzute a produsului.

Pentru a aprofunda subiectul armonizării strategice, revenim la exemplul cu Dell Computer.

Strategia competitivă a firmei Dell constă în a furniza o gamă largă de produse, care pot fi adaptate la un preț rezonabil. Clienții firmei pot alege din mii de posibile configurații PC.

whole competitive strategy in order to achieve strategic harmonisation.

If this alignment is not performed, there appear conflicts between different functional aims or between the aims of the different levels of the logistics chain. Such conflicts have as a result the fact that different functions within the company and different levels along the logistics chain focus on different priorities of the customers. This conflict within the company or along the logistics chain leads to conflicts during the operation of the logistics chain.

We mention as example a situation in which marketing advertises the ability of a company to offer a large range of products very fast; simultaneously distribution focuses on finding the transport means at the lowest cost. In this situation it is very likely that distribution could delay the orders in order to get better shipping costs by grouping the orders or by using unpretentious but slow transportation means. This action comes into conflict with the marketing purpose, that of offering variety very fast. Similarly imagine a scenario in which a retailer decided to offer great variety and at the same time to have a low inventory stock, but he selected suppliers and shipping companies for their low prices and not for their promptness. In this case it is possible that the retailer should have to deal with unsatisfied customers because of the low product availability.

For a better understanding of the strategic harmonisation concept, let’s go back to the example with Dell Computer from Chapter 1.

The competitive strategy of Dell company consists in providing a large range of products that can be adapted, to a reasonable price. The company’s customers can choose from thousands of possible PC configurations.
As far as the strategy of the logistics chain is regarded, the computer manufacturer has a series of options.

On one hand, a company can have an efficient logistics chain focused on computer manufacturing at low costs by limiting variety and by exploiting scale economics. On the other hand, a company can have a very flexible and reactive logistics chain which is appropriate for manufacturing a great variety of products. In the second case the costs will be higher than in an efficient logistics chain. Both logistic strategies are viable by themselves, but they do not necessarily match with Dell’s competitive strategy. A logistic strategy that centers on flexibility and reactivity has a better strategic harmonisation with Dell’s competitive strategy which offers a great variety of adaptable products.

This harmonisation concept also extends to the other Dell’s functional strategies. For example, the company’s strategy regarding products development should focus on designing easily adaptable products, which can include projecting common platforms for more products and using common components. Dell products use common components and are so designed that they could be rapidly assembled. This feature allows Dell to rapidly assemble computers as an answer to a customer’s order. Designing new products at Dell supports the capacity of the logistics chain to assemble computers which can be adapted according to the customer’s requirements.

This ability, in its turn, supports Dell’s strategic aim of offering adaptability to its customers. Dell obviously acquired a strategic harmonisation between its different functional strategies and its competitive...
strategy. The harmonisation concept also extends to other levels of Dell’s logistics chain.

Taking into account the fact that Dell offers a high degree of adaptability while operating with small stocks, it is very important that its suppliers and shippers should be reactive. For example the shippers’ ability to assemble a Dell computer with a Sony monitor allows Dell not to transport Sony monitors in inventory. Dell tried to acquire this alignment of capacities along the logistics chain.

**Conclusions**

The lack of strategic harmonisation between competitive strategy and that of the logistics chain can have as a result the fact that the logistic chain takes decisions which do not correspond to the customers’ needs, which leads to a diminution of the logistic chain’s surplus and to a lowering of the chain’s profitability. The strategic harmonisation requires that all the functions within a company and all the stages of the logistics chain should serve the same purpose, one which is compatible with the customer’s needs.

For acquiring strategic harmonisation a company has, first of all, to understand the needs of its customers, the uncertainty of the logistics chain and to identify the implicit uncertainty. The second step consists in understanding the capacities of the logistics chain with respect to efficiency and reactivity. The key to strategic harmonisation is making sure that the reactivity of the logistics chain is compatible with the customer’s needs, the capacities of the chain and the resulted implicit uncertainty.
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