ESTABLISHING OF AN OBJECTIVES BUNDLE OF MODERN SUPPLY CHAINS MANAGEMENT. CONDITIONS FOR SOCIAL LOGISTICS ESTABLISHMENT

Jacek Szołtysek, Sebastian Twaróg

Abstract: This article presents a modern supply chain management objectives and sets of social conditions for enterprises operating in the area of logistics. In the first part of the article, the issue is discussed Applying logistics supply chain management, in reality, followed by consideration as to whether the current conditions that determine the performance of the supply chain is characterized by stability. Presented is also affected by these conditions to the supply chain. Finally, the article presents a new direction social logistics as traditional logistics development.

Keywords: supply chain, logistics, supply chain management

Introduction

Why do we apply logistics management in supply chains reality?

Deliveries of products to consumers take place mainly on the basis of organized movements, as usually place where the goods are placed at the disposal of their location and consumption varies spatially. This situation makes the role of transport in bringing about the unity of place and time is always raised, and indeed the transport of all economic activity is accompanied by a man. With time, only the distances of moving goods rose, which - taking into account technological advances and the technical means available - on the one hand reduced the delay in the proper process of consumption, on the other hand - or even reduced barriers increase the availability of consumer to certain product groups. Change in production philosophy - the geographical dispersal of production, commitment to excellence of product specialization, the search for cheap sources of generation, the opportunities created by social inequality, imperfect political systems, etc. led the globalization of markets has become an interesting testing ground for observation of market forces. Clashing views, the role of television, internet and other media in shaping views on issues of both products, as well as the accompanying controls, and - the rights of consumers resulted in the products have become very similar to each other. Competitors in a shameless copy and duplicate concepts (often using legal loopholes), create a fashion product and customer requirements are met in the field of product is relatively easy, while the area of competition is shifting from the sphere of maintenance of the product. Conceptual work in the search for effective

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ways to compete more often relates to movements and shape distribution of stocks that customers’ needs are met as quickly and as close as articulated needs. At the same time it is this sphere of activity, not the actual production or product design is becoming more costly and reduces the expected profits for both manufacturers as well as intermediaries in the distribution channels. That is why there was born an idea of applying the concept of logistics in business. The progressive business experience showed that savings in the broader manufacturing and supplying products to the customer might be multiplied if the sphere of material management has the knowledge and information on the ongoing flow and is able to quickly draw conclusions from the information source, identified in an increasing number greater number of production sites and distribution. With time, the disposal of the management systems are presented for the electronic exchange of information and processing, allowing the varying accuracy of not only the process and aggregate data, but also create algorithms to facilitate taking appropriate from the viewpoint of the business decisions. But the real discovery was that the success of such a course of action lies not in collecting and processing data, but in expanding the process of integration and information flow that goes not only beyond the functional parts of the establishment but also outside the company itself - to its partners and their partners’ partners. And that is why there was born the concept of supply chain, which - treated like a business - needs to be managed.

Supply itself is treated as a specific set of the co producing and delivering product to the final recipient. As part of this collection are carried out all kinds of features characteristic of the modern enterprise, in which the material flow process leads to such qualitative changes and the time-space to a certain extent, meet the needs of end users. With such a chain in its operation its management combined. Supply chain management is efficient integration of suppliers, factories, warehouses and stores, so that merchandise is produced in the right quantities and distributed to the right location at the right time, so as to minimize total system cost while satisfying service requirements. Such a position means that you must listen to what the client wishes, and - in fact, interpreting the request, determine how to satisfy them. This approach resulted in another change in the system (or rather in philosophy), produce and deliver products to customers, which in fact caused a revolution in the supply chain. This is not the manufacturer decided what products and in what quantities and when they are delivered to the market (so-called push philosophy) and the client as the sovereign began to dictate in relation to the chain. He was the founder of the philosophy of individual pull caused the run flow. Listening to the customer by the makers of the supply chain has always caused some confusion. An example of such confusion is the emergence of disturbances in flows - one of the most interesting examples is the emergence of chains of the bullwhip effect [1]. The bullwhip effect is a term coined by Procter and Gamble to
describe a problem they observed in the supply chain for Pampers, disposable diapers. But the orders placed by retailers are distributors showed a good deal of variability. The orders from the distributors to the suppliers were even wider in their swings. The further up the supply stream you go, the wider the swings in order quantities. In the end, Procter & Gamble's manufacturing plants were receiving orders that were far out of proportion to customer demand. This article is not the place to resolve what actually happens in such situations, but is designed to identify certain circumstances in the daily operation of supply chains. Thus, problems arise that need to be kept loose and - if they relate to material and information flows - should be dealt with by the logisticians by manipulating the size and rate of flow, and integrating them within the whole chain. The purpose of this manipulation is to be conducted for the availability of products at the right level. Manipulation is associated with planning, organizing, controlling what happens to these flows, namely the management of which has its own specific purposes. The goal is to objectively and subjectively determine the future, desired state or outcome of the organization, and possible to achieve the prescribed time limit or period of office in the time interval covered by the long-term or short-term action plan. "The first duty of business is to survive. The basic principle of business economics are not is to maximize profit, it is the avoidance of losses", stressed P. Drucker. [2]. Avoiding losses is also a proper care for low operating costs of the operator. The primary objective is to reduce total costs - not just inventory or transportation costs. In an efficient supply chain strategy, the company will, for instance, increase transportation costs but will be able to reduce total costs by reducing inventory costs. This implies the company needs to integrate all areas: purchasing, manufacturing, warehousing and customers. In order to do this, you have to overcome any conflicts of their objectives.

To sum up this part, it must be stressed that logistics in supply chains has its important place in connection with the pursuit of the objectives of the chain to ensure availability of products meet the needs of customers and realized the cost to avoid losses, while giving the opportunity to effectively compete in this segment of the chain market, which is supported.

**Are the present conditions of supply chain management stable?**

The conditions of modern supply chains are much different than those with which we had to do a few or several years ago. As a model for comparison we assumed a typical chain implemented in business at the turn of the century. The change in the conditions of modern chain consists of many factors, among which the authors have chosen just a few:
• **Technological progress** - increasing the reach and effectiveness of technology working in real time, reducing the costs of using technical means and use of technology. Conducive to our online sales, commonly known as e-commerce and e-business. E-business is far more than the e-commerce. E-commerce is defined as the ability to Perform Transactions Electronically. Thus, e-commerce is a part of e-business. E-business, on the other hand, is the Process of Redefining a business model of using the Internet to improve the extended enterprise performance. Thus, the focus in e-business is on using the Web to Improve Intra-Organizational, B2B and B2C Transactions and Processes.

• **The changing economic conditions - financial** - among others worldwide crisis, which started in autumn 2008, which affected virtually all economic regions of the world, from the perspective of the euro area - countries of the European Union

• **The changing political conditions** - including in Asia - an increase in workers' protests in countries such as China, India and Bangladesh, the social unrest in North Africa and the Middle East

• **The changing climate and weather conditions** - a growing number of extreme weather events - such as Australia, Japan, are a source of many disasters and natural disasters. Natural disasters can have Catastrophic Impacts. These May Be Economic, Social and Environmental. Damage to infrastructure can severely impede Economic activity. Social Impacts can include loss of life, injury, ill health, Homelessness and disruption of communities. Environmental damage can range from the felling of trees to the reshaping of Entire landscapes. In addition, weather is a powerful force affecting the economy. In Assessing weather effects on consumer and business activity, there are three basic Aspects to consider: (1) "as weather noise" and its role in shifting the timing of purchases or production (temporary impact), (2) "weather as a seasonal shock "and the Possibility of a permanent impact on demand and output, and (3)" weather cycles "and a Potentially Causal relationship with Macroeconomic activity. [3]. Growing importance of ecology and sustainable development.

• **Changing the economic balance of power** - creating a new economic order and the shifting poles of economic growth in Asia, and change the way the new economic powers, and the shifting poles of wealth.

Under these conditions, supply chains can be implemented to meet different needs, so that management can have a differently defined goals. Comparison of the impact of these factors on the beam forming purposes (changing priorities) in relation to traditional supply chain is presented in Table 1
<table>
<thead>
<tr>
<th>Standard marketing supply chain - carried out at the turn of the century</th>
<th>The logistics management based on a <em>service-cost compromise</em> - in order to meet servicing needs in a smallest service level between the organization levels of the chains and social problems - unemployment, congestion, health threats, etc. allows to compete or coexist in the market segment and to minimize the cost of this service.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chain factor / conditioning</td>
<td>Change in relation to the &quot;pure&quot;(standard) business supply chain</td>
</tr>
<tr>
<td><strong>Impact range</strong></td>
<td><strong>Changing priorities of logistics management</strong></td>
</tr>
<tr>
<td><strong>Technological progress</strong></td>
<td>increased control / monitoring of the flows of the client / the possibility of interference / impact on the quantity and quality of manufactured and delivered</td>
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<td></td>
<td>No change / or the growing importance of the factor of time and flexibility to respond to the demand raised</td>
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<tr>
<td><strong>Fluctuating conditions of economics and finance</strong></td>
<td>The possibility of weight loss chain (lean philosophy) in place of chain agility (agility) as a conscious choice / contract supplier and customer</td>
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<td></td>
<td>No change / or consent to a reduction in the level of servicing the time of delivery or availability of product / enhancing the role of cost factor</td>
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<tr>
<td><strong>Fluctuating conditions of politics</strong></td>
<td>Changing the route / location of the chain elements / composition / operating costs / increased risk of operation</td>
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<td>Taking into account the factor of social / humanitarian assistance in the case of chains or supporting forces engaged in activities of a military-effectiveness - in exchange for (partial or total) the abandonment of cost control</td>
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<tr>
<td><strong>Fluctuating weather conditions</strong></td>
<td>Risk and uncertainty in supply chains / chains important role of aid / humanitarian. The growing importance of ecology in chains.</td>
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<td>The dominant social factor / cost factor to reduce the role and increasing the share of logistics factors of green / feedback</td>
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<tr>
<td><strong>Fluctuating economical balance of power</strong></td>
<td>Effect of cultural elements in the organization of chains,</td>
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<td>The growing importance of the social component / it appears as one of the</td>
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changing the configuration of traditional supply chains. Changing the perception of the role of people in an organization's supply chain / perception of the relationship between the degree of organization of the chains and social problems - unemployment, congestion, health threats, etc.

Table 1. Comparison of the factors’ impact on the beam forming purposes (changing priorities) in relation to traditional supply chain.

Source: Author’s elaborations

<table>
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<tr>
<th>Changing the configuration of traditional supply chains.</th>
<th>objectives in a traditional loom of service and cost.</th>
</tr>
</thead>
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Which parts of an objectives management bundle of are changing nowadays?

The answer to this question seems to be relatively simple. Economic organization - including the supply chain - works in three groups of parallel objectives – economic, production related and social marketing. Among the objectives highlighted in the bundle, there are numerous and very complex relationships. These sets of objectives must be pursued in parallel with a certain degree, if an organization has to balance the social and economic. However, if the imbalance is fixed, a periodic hierarchy of objectives is set to restore balance in the organization. However, in terms of creating profit in the organization we should pay attention to economic targets. They are usually the driving force shaping management decisions, affecting other group objectives. The leading economic goals in these actions, which allow one side to minimize costs and the other - to maximize revenues. These activities would be impossible to achieve without resorting to the batch product-marketing purposes, and in them, in particular, for the purposes of maintenance - including logistics service. Finally, social objectives include issues of motivation and loyalty, a sense of security and development. That type of balance begins to wobble when you look at the goals specified in Table 1. We are dealing with reducing economic objectives for social objectives, which are by no means the portion of the triad group goals. This means that, without systemic change economic organization - the supply chain - would have to make temporary changes to the hierarchy of objectives, to return to equilibrium. The increasing complexity, dynamics and discontinuity of economic environments of each organization, expanding the boundaries of this environment and growing impact it
has on the fate of the organization - determines the need to acquire, process and knowledge use of economic organization. The large variation in environmental forces on organizations for economic activities related to the achievement of competitive advantage - thanks to the introduction, the use of unconventional actions and behaviors, and implementing innovative and creative projects (with the R & D), which require knowledge. [4] This is because we are dealing with an economic organization, thus realizing certain economic goals. On the basis of encyclopedic definition of the national economy, we can distinguish four basic forms of collective action of an economic nature: the production, distribution, circulation and consumption. In addition to economic objectives often refers to social goals. One of them is "man's defense against frustration of his needs, initially most basic, necessary for physical survival and the development needs ..." [5]. Thus, to operate stably supply chains, some of them should be regarded as social organizations or the military, not economic. This distinction could pose some problems, especially when we look at the functioning of chains as logistically driven mechanisms, rather than on their actual use. Only a broader perspective can give an answer on whether we are dealing with the economic supply chain, or whether - the community. It's much easier to identify the military dimension (strength) of the supply chain. Implementation of the chains is different from traditional marketing perspective view of a management change at configuration purposes - it begins to dominate the social element, forming different from the other options under consideration to the costs of achieving the availability of the product. For such chains a new strategy should be developed - the chains of socially useful.

Social logistics – new direction of logistics’ development

There are many areas of social life, which they largely depend on the efficient execution of material and information flows, resulting in product availability. These include not only the listed groups of chains generally carried out in specific conditions in Table 1, but you can even specify an application of logistics, in which the purpose of shaped beam is strongly influenced by social interests. These include: logistics transportation and logistics in the humanitarian, health care, sport and leisure, safety, and many others, whose purpose has long been known widely described in Maslow's hierarchy of needs. Hence the need to separate the third - alongside economic and military logistics - logistics public. This subject receives increasingly more attention in the world, though still, as the logistics of the case, created a practical application, and theoretical generalizations. Hence, perhaps a small amount of literature, and many misunderstandings about the nature of social logistics.
Social Logistics (External logistics) is outside the enterprise's logistics activities in general, refers to a one beyond the scope of a community for the purpose of logistics. The logistics community is often highly specialized logistics commitment by the person liable. The scope of logistics is a big social and economic fields. The logistics of the process of social reproduction, the ensuing logistics activities, logistics activities of the national economy to study how the formation of services in the community, but also in the social environment for the community to run the logistics, examine the structure and operation of logistics systems, so with a comprehensive survey and extensive. According to the authors, presented in earlier publications, logistics is the art of effective social work flow management, material resources (and supporting information) with a special social role in order to obtain certain advantages of space-time resulting from the needs of society and ensure its proper functioning.

The research of social logistics in general is the interplay of material flows and information on the needs of society. The traditional language is a material object of this science. However, the formal subject of study of social logistics is reported degree of satisfaction of social needs, implemented through the management of logistics, particularly in terms of assessed evaluation of the perception of quality of life. This aspect is the specificity of social logistics and its distinctness from other types of Logistics. The scope includes studies of social logistics - for such a characterization of its subject matter - the material and information flows, quality of life, social needs and the means to meet them through the support material made at the appropriate level, the impact of logistics operations to meet the social needs and assessing the quality of life. This wide range of research certainly requires an interdisciplinary approach. To sum up - the changing conditions of modern supply chains have necessitated a new group of logistics applications - called social orientation in logistics or social logistics.

References

USTALENIE ZBIORU CELÓW NOWOCZENEGO ZARZĄDZANIA
ŁAŃCUCHEM DOSTAW. SPOŁECZNE WARUNKI DLA PRZEDSIĘBIORSTW
LOGISTYCZYCH

Streszczenie: Poniższy artykuł prezentuje współczesne cele zarządzania łańcuchem dostaw
a także przedstawia warunki społeczne dla przedsiębiorstw działających w obszarze
logistycznym. W pierwszej części artykułu, omawiane jest zagadnienie zastosowania
zarządzania logistycznego w realiach łańcucha dostaw. Następnie rozważana jest kwestia
czy obecne warunki determinujące działanie łańcucha dostaw charakteryzują się
stabilnością. Przedstawiony jest także wpływ tych warunków na działanie łańcucha dostaw.
Na zakończenie, artykuł przedstawia logistykę socjalną jako nowe kierunek rozwoju
logistyki tradycyjnej.