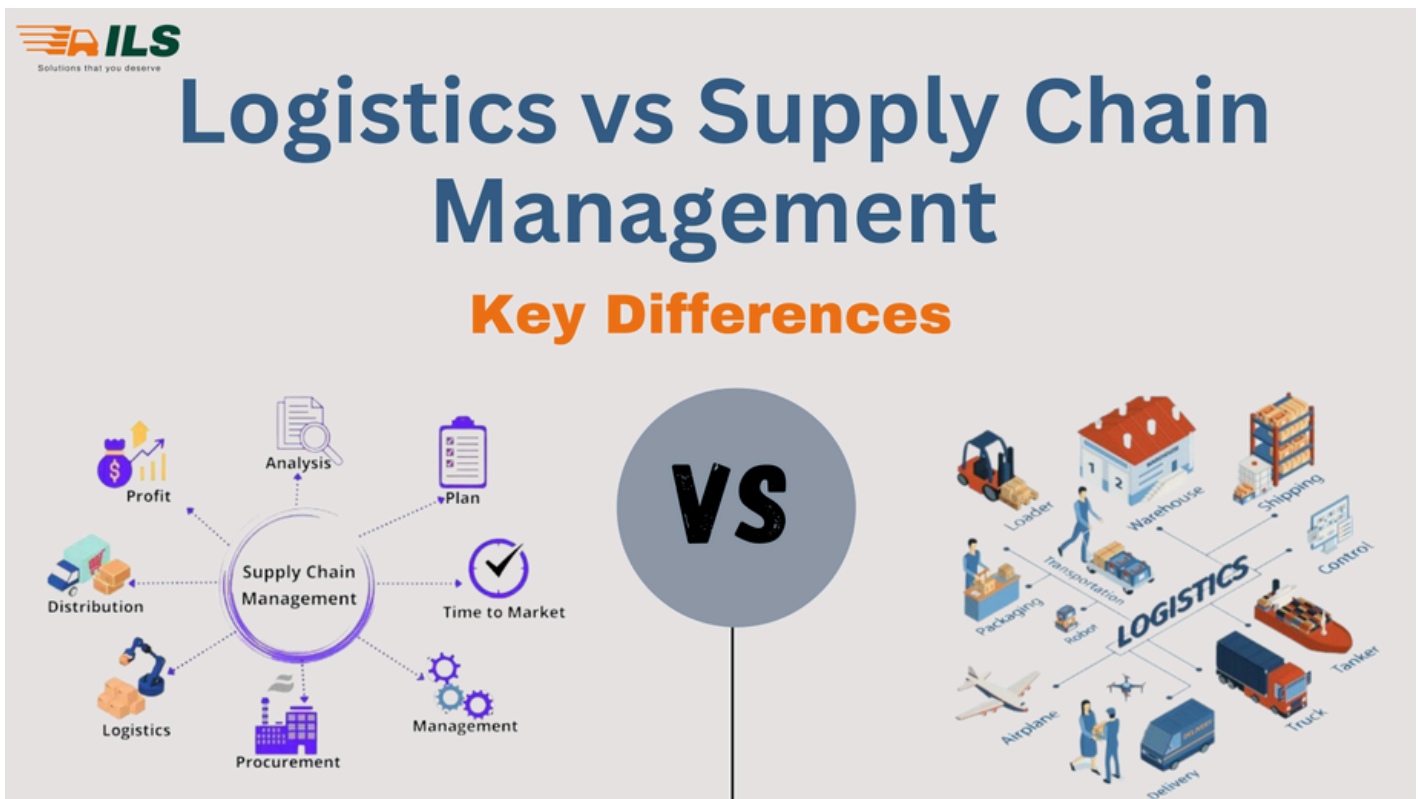




# Logistics vs Supply Chain Management : Key Differences



The supply chain management (SCM) and logistics have various similarities, but they also have significant differences in some important ways.

First we need to understand the logistics and supply chain management.

## What Are Logistics?

Logistics is about planning and managing how goods are stored and moved between different places in the supply chain. It involves organising everything, like facilities, people, equipment, and other resources, to make sure products are moved on time and there's space for them at the next stop. Logistics includes demand planning, managing material, inventory management, transportation, and order fulfilment. Logistics management focuses on delivering the right products to the right place at the right time.

## What Is Supply Chain Management?

SCM also focuses on improving supply chain processes, which can benefit both customers and business partners. Converting raw materials into finished goods and delivering those goods to customers this process is called supply chain management. SCM is focused on enhancing another area of emphasis for SCM processes, which has advantages for both clients and business associates.

Only when a company has insight throughout its supply chain can it optimise and continuously refine supply chain management. Businesses can track products and services as they pass through the supply chain thanks to this visibility, which makes it much simpler to determine whether everything is going according to plan. Additionally, it allows decision-makers more time to react to hiccups or other obstacles.

SCM involves managing a significant network of groups like manufacturers, suppliers, wholesale distributors, retailers, end users, and sub suppliers (such as suppliers of raw materials). These different supply chain stakeholders have different relationships with each other. They might be horizontal, including a company merging with or purchasing a comparable enterprise that functions at the same stage of the supply chain, or vertical, involving suppliers of components and materials, manufacturers, and merchants.

Here we can share examples to understand how SCM works. A manufacturer of household goods. The company buys the plastic from suppliers as part of its SCM role, makes the final product, then distributes it to supermarkets, stores.

## Key Differences Between Logistics and Supply Chain Management

[Logistics and Supply Chain Management](#) have various important differences. Logistics mainly focus on movement and storage of goods. On the other hand SCM, includes planning, entire goods workflow from sourcing of raw materials to delivery.

Logistics involves organising how products are shipped from suppliers to the manufacturing plant. This includes dealing with any problems that come up along the way. Logistics optimise delivery schedules, and reduce storage and transportation expenses. Logistics also involves management of warehouses to store the finished goods and then arranging for them to be sent to different sales places.

SCM would cover the entire product's workflow from sourcing raw materials to making finished goods. Additionally, take business critical decisions. Such as, where to source the raw

materials for the product. Evaluating the possibility of using a more effective method of transportation. Ensuring that the company has enough qualified employees and the appropriate equipment on site to move and manufacture products.

The goal of SCM is to make the entire supply chain work as efficiently and cost-effective. On the other hand logistics is to make sure the right products are delivered at the right time and in good condition.

Logistics is a part of SCM. SCM uses logistics to make sure everything runs better. Basically, logistics management handles the moving and managing of products, while Supply Chain Management plans out how this should be done. Without efficient logistics, the whole supply chain wouldn't work well, and products wouldn't get to where they need to be.

## Conclusion

Understanding the difference between Supply Chain Management and logistics is essential for businesses that want to operate efficiently and fulfil their customer demands. Both are essential for ensuring that products reach customers efficiently and at cost-effective.