# Chapter 14 Commercial Logistics vs. Military Logistics: A Conceptual Analysis

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# **EXECUTIVE SUMMARY**

Military logistics originated from the military's need to make provisions of arms, ammunition, and ration as they moved forward from their bases. Military operations and maintenance have made a significant contribution towards developing logistics in the initial stage as compared to other business sectors. Though logistics originated and developed from military operations, it is now widely adopted in the area of manufacturing, production, and business management. This case study analyzes the difference between military and commercial logistics in terms of their entire supply chain management, which includes procurement, inventory management, warehouse location and operation, ABC categories, material handling, network, transportation, information flow and technology, and security management.

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# BACKGROUND

# Logistics

The Oxford English Dictionary defines logistics as "the branch of military science having to do with procuring, maintaining and transporting material, personnel and facilities." The Institution of Logistics and Transport, UK, proposed the definition for logistics as "the time-related positioning of resources" (Bowdin et al., 2006). In the ancient time, military officers with the title Logistikas were responsible for financial and supply distribution matters. As such, logistics is commonly seen as a branch of engineering that creates "people systems" rather than "machine systems" (Versi, 2007). In general, logistics is "having the right item in the right quantity at the right time at the right place for the right price in the right condition to the right customer."

# **Business Definition**

Logistics is defined as a business planning framework for the management of material, service, information and capital flows. It includes increasingly complex information, communication and control systems required in today's business environment (Logistix partners Oy, Helsinki, FI, 1996). It is the science of planning, design and support of business operations that deal with procurement, purchase, inventory, warehousing, distribution, transportation, financial, human resources and customer support.

# Military Definition

In Military logistics is defined as the science of planning, carrying out the movement and the maintenance of forces in military operations (http://www.logisticsworld.com, 2009). Those aspects deal with:

- 1. The design and development, acquisition, storage, movement, distribution, maintenance, evacuation and disposition of material
- 2. Movement, evacuation and hospitalization of personnel
- 3. Acquisition of construction, maintenance, operation and disposition of facilities
- 4. Acquisition of furnishing of services
- 5. Medical and health service support

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