

Explorations on Problems and Countermeasures of Chinese Small and Medium-sized Enterprises' Logistics Management

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Abstract. In this paper, it mainly analyzes the current situation and existing problems of Chinese small and medium-sized enterprises(SME). Targeted at the problems of Chinese SMEs' logistics management, combined with the working practice of the author, it has finally put forward some countermeasures for solving the logistics management problem of Chinese SMEs. It is hoped that, through researches of this paper, it can offer some helpful reference for SMEs to better give the play of logistics management.

Introduction

Logistics management of enterprises is a quite systematic management process, which satisfies the demands of customers through coordinating the operation and circulation of materials and information among the market, enterprise and supplier. It mainly includes purchase, transportation, warehouse, packing, information transfer, requirement prediction, order processing, user service, etc[1]. For enterprises, the effective strategy to improve its core competitiveness is to reduce its internal logistics operation and management cost, avoid waste caused by middle links and improve the logistics service level, so as to realize profit maximization. Therefore, it is necessary to explore problems of enterprise management and find out countermeasures.

Current Situations and Existing Problems of Chinese SMEs' Logistics Management

Chinese SMEs Attaching Insufficient Importance to Logistics Management

Currently, a lot of Chinese SMEs have still applied the traditional self-run logistics mode. Because part of managers are lack of logistics management consciousness, in other words, they have quite weak concept of logistics management and attach insufficient importance to the logistics management, which are embodied in the following aspects: they attach great importance to the production chain during the actual production and management process, but relatively neglect the logistics link. Because they fail to fully understand the role of logistics management in the enterprise, have no specific understanding about its status in the enterprise, thus the logistics is affiliated in many SMEs. In addition, part of SMEs take no count of constructing internal logistics management system. Many primary-level workers engaged in the logistics management just develop the logistics management work by their own accumulated experiences, who are short of expertise and standardization of logistics management. Besides, all links of the logistics management have not been well matched, which affects the overall efficiency of SMEs' logistics management. In addition, many SMEs have set up their own transportation and warehouse department to operate logistics. From the purchasement of raw materials to sales of finished product, from the production chain to operation chain, logistics of all links are completed by relying on self-service offered by internal organizations. Although it can realize the function of logistics management, such a method has certain disadvantages. For instance, the utilization rate of equipment and facilities is not high, the operation cost is quite high. Besides, due to part of stereotyped and backward facilities, it cannot satisfy the requirements of users, thus it is hard for SMEs to maintain the self-run logistics^[2].

Low Technological Level of Logistics, Insufficient Construction of Corresponding Soft and Hard Facilities

During recent years, under the prosperous general environment, China's SMEs have rapidly developed. However, due to the impact of economic strength, management philosophy and development scale, many SMEs have not paid enough attention to the logistics management. No advanced management philosophy or technology has been introduced into the logistics management yet, which results in the situation that, the overall logistics technology level of SMEs are not so high. It is hard for logistics to keep pace with the market development. For instance, among many SMEs, the mechanical level of the entire logistics process is not high, the logistics operation is still dominated by manual operation, which results in quite low working efficiency. Moreover, it causes huge wastes and loss, which invisibly increases the cost for enterprises. Besides, logistics management technology of some SMEs has still rested on the traditional experience management stage. For instance, the logistics plan evaluation technology and logistics operating method lag behind, which fail to achieve the advanced level both at home and abroad. However, although some SMEs have introduced modern logistics technology and management philosophy, they are not so effective in the actual logistics management process. The effects are not so good.

Unsound and Nonstandard Logistics Management Mechanism and Relevant Systems

Currently, although many SMEs in China have begun to realize the important impact of logistics management on the development of enterprises and the important role, a lot of SMEs have still unilateral understandings about the logistics service, which consider the established warehouse, transportation and distribution as all contents included in the logistics service. Due to non-objective and non-comprehensive understandings about the logistics management, it leads most SMEs to neglect the logistics profits brought by the logistics management, fatherly ignore the overall added value of SMEs' logistics profits, economic profits and social benefits brought by the logistics benefits and increased logistics performance of SMEs' operators or managers. In other words, currently, many Chinese SMEs have not raised logistics to the strategic height, further to pay attention and attach importance to that. Du to limited understandings about the modern logistics management, it has resulted in impacts on the construction investment of SMEs' logistics system, which directly or indirectly influences the economic effectiveness of SMEs. That's because the logistics management mechanism and relevant systems are not so sound or standard.

Unreasonable Internal Management of SMEs' Logistics

Nowadays, although most SMEs have set up special logistics management department within themselves, for better carrying out the logistics management work, but all departments within industries have not formed information sharing or feedback, plus insufficient effective communication, for instance, among SMEs, financial statements should somehow reflect the proportion of logistics expenditure to the profits obtained by enterprises, which are not reflected in financial statements. Because the actual situations of logistics cannot be reflected, it leads to the situation that, while making decisions related to the logistics management, the enterprise's manager or operator cannot correctly master the problems of logistics management, which results in wrong decisions. Due to unreasonable internal logistics management of SMEs, it has affected the logistics benefits to a certain extent, and somehow affected the overall benefits of the enterprise.

SMEs Lacking Professional Logistics Management Talents

With continuous development of economy and consistent progress of science and technology, the logistics industry has made continuous development. Guided by the science and technology, it can be concluded that the logistics industry may become the hi-tech industry in the future, which puts forward higher requirements for the logistics management and raised higher requirements for the logistics management personnel. First of all, personnel engaged in logistics management should be proficient in all kinds of operating techniques related to logistics. Secondly, personnel engaged in logistics management still have to be equipped with professional logistics management talent^[3].

However, the logistics industry has developed in China for a short time, thus cultivation for logistics management talents has been started relatively late. Generally speaking, it needs to take a long time to cultivate a professional logistics talent, thus it results in that, it is hard for the cultivation of talent to catch up with the development of logistics. Although many universities and colleges have set up the major of logistics currently, due to various reasons, it makes the cultivated logistics talent to be disjointed with the actual demands of enterprises. The demand of logistics talents who are proficient in logistics operating techniques and equipped with logistics management talent exceeds the supply. Nowadays, among so many SMEs, personnel engaged in logistics management are not equipped with quite professional logistics management techniques. In addition, they are lack of quite strong theoretical foundations related to the logistics management, thus it leads logistics management of many SMEs to a standstill, without innovations.

Countermeasures to Solve Logistics Management Problem in Chinese SMEs

Establishing and Improving the Perfect Logistics Management System

At the present stage, due to influences of many factors, such as the economic strength, development environment of enterprise, operation philosophy of enterprise and development scale of enterprise, managers or operators of many Chinese SMEs have attached much importance to the production and operation of enterprises, but little importance to the logistics management. They more care about how to exploit the market, occupy more market shares and how to improve its production efficiency and economic effectiveness of enterprise, but lack full understandings about the logistics management. It is hard for them to transform their ideas and thoughts, and also understandings about the logistics management. To solve the problem of logistics management, SMEs need to transform their thoughts and ideas, improve their understandings about the logistics management, establish and improve perfect logistics management system.

Advancing with Times, Consistently Upgrading the Concept of Logistics Management

Theory guides practice. SMEs should advance with times and consistently upgrade the logistics management concept. Only by introducing advanced logistics management concept and technology into the enterprise's logistics management, can the enterprise stand out from the crowd and remain invincible. First of all, it needs to establish the concept of modern logistics management within SMEs, make researches and decisions by taking logistics operation management as the strategic contents of participating in the marketing competition and forming operation competitiveness, so as to thoroughly change the situation of paying attention to the production and sales, but ignoring the logistics management in the past^[4]. Secondly, it should form a management ideology of logistics supply chain, from inside to outside, from top to bottom, and then form a set of logistics supply chain system which takes the satisfaction of enterprise's production and operation demands as the major objective. With increasingly fiercer competition of logistics market, many SMEs have gradually realized the importance of logistics to the development of enterprises. In order to better promote the development of enterprises, improve the logistics management, SMEs must consistently update the concept of logistics management, introduce advanced concept of logistics management at home and abroad. In this way, they can stand out from the crowd in the marketing competition and remain invincible.

Establishing and Improving Perfect Logistics Management System

To solve the problems of logistics management for Chinese SMEs, it must establish and improve the perfect logistics management system. To do that, it needs to make a systematically comprehensive plan, reasonable organization, orderly coordination and scientific control of logistics carried out by enterprises. Through enforcing, managing and controlling such a series of process, it can construct a scientific and perfect integrated logistics management system, and a corresponding logistics operation system. Besides, it needs to divide the logistics management functions scattering over all

department first, and then makes integration. According to the integrated logistics management functions, it will distribute corresponding post. In addition, it still needs to establish a specific logistics management department, which is in charge of all logistics affairs, purchase of enterprise's raw materials, production and sales. To establish and improve the logistics management system, it is beneficial for SMEs to improve the management efficiency. Meanwhile, it can increase the logistics efficiency of SMEs to a certain extent.

Strengthening Internal Logistics Management of SMEs

SMEs must consistently strengthen their internal logistics management. Only by doing that, can it increase the efficiency of logistics operation and management. Moreover, it can reduce the logistics management cost for enterprises to a certain extent. Except for setting up specific logistics management department within enterprises, it should also establish the information sharing mechanism among the logistics management department and other departments of the enterprise, for the purpose of good and effective communication. In SMEs, logistics is not only involved in coordination and management between the warehouse and distribution department, but also involved in coordination and management with financial department and purchasing department. Only if all departments make overall plans and take all factors into consideration, can it form an high-efficient logistics management system. In addition, to strengthen the internal management, it is helpful to construct convenient and unblocked logistics channel, give full play of the logistics management and promote the enterprise's logistics to develop better.

Emphasizing on Cultivating and Introducing Logistics Talents, Flexibly Changing the Logistics Pattern

Talents are the most valuable resources in the world, and also the foundation for constructing the modern logistics system. To cultivate professional logistics management talents with high qualities, it needs to take advantage of professional theoretical knowledge and rich techniques to develop and cultivate them through multiple channels^[5]. The quite effective way to cultivate logistics talents is to cooperate with universities and enterprises, jointly set up a platform for cultivating logistics talents. In addition, except for emphasizing on talents cultivation and introduction, it needs to flexibly change the logistics mode. With the consistent development of marketing economy, the traditional logistics has increasingly transferred to the modern logistics. SMEs must keep pace to the logistics development and positively explore the logistics pattern suitable for themselves. According to the actual situations, they should flexibly change the logistics pattern. In this way, it can better promote SMEs' logistics to develop steadily and healthily.

Conclusion

To sum up, there are still some problems existing in the logistics management of Chinese SMEs, which are urgently needed to be solved. The main problems are as follows: firstly, Chinese SMEs attach little importance to the logistics management. Secondly, the logistics technology level is not high and there are insufficient construction of corresponding soft or hard facilities. Thirdly, the logistics management mechanism and relevant systems are not sound or standard. Fourthly, SMEs have unreasonable internal logistics management. Fifthly, SMEs are short of professional logistics management talents. Targeted at those problems, the author puts forward some countermeasures: first of all, it should establish and improve a perfect logistics management mechanism. Secondly, it should advance with times and consistently update the concept of logistics management. Thirdly, it should establish and improve a perfect logistics management system. Finally, it should pay attention to the cultivation and introduction of logistics talents, by adopting a flexible logistics pattern.

It is hoped that more people with lofty ideals can devote themselves to the study of this subject: problems existing in Chinese SMEs' logistics management and countermeasures, point out deficiencies of the author in this paper. Meanwhile, they can also make their own contributions to the study of this subject.

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