

A Relational View for Financial Metrics in Logistics Service Providers

Authors : Paulo Sergio Altman Ferreira

Abstract : Relationship development plays an essential role in every logistics company. Logistics companies are service-based businesses essentially performing the flow of materials, housing, and inventory management for a wide range of customers. The service encounter between the logistics provider's personnel and the customers may form a connection that will demonstrate a strong impact, not only to the customers' overall satisfaction but may also provide the perception of individualized services. Logistics services must drive value. It also shows a close influence on the quality and costs of client-centered services. If we describe logistics value creation as the function of quality perception of the client divided by service costs, there is a requirement to better outline and explain the measures and analytics for logistics costs and relationship performance. This critical shift to understand logistics services is a relevant contribution to capture how relationship value can be quantified. This might involve changing our current perspective on logistics providers beyond uniquely measuring the services in terms of activities, personnel levels, and financial/costs ratios. This paper argues that measuring value creation accomplishments of logistics services needs to consider the relational improvements for the wider range of logistics companies. Accurate logistics value requires a description of the financial impact of the relational perspective of the service.

Keywords : logistics services providers, financial metrics, relationship management, value creation

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