

UPSCALING ECONOMIC RELATIONS BETWEEN COMPANIES OF TRADE THROUGH LOGISTICS. TRANSPORT OF SUPPORT EFFICIENT BUSINESS

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Abstract:

Transportation between the production and trade. In their absence, economic goods can not become commodities whereas it would not be available at the event and when demand for them. Certain features of the infrastructure determines the flow of goods from one supplier to another.

Key words: trading companies, efficiency, providers, transport, delivery time

JEL classification: M20

Negotiation of price, quality and quantity of products generates incompatibilities two objectives partners, resulting in a climate more or less conflicting. Logistics has long been considered a weapon in the competition, especially by retailers. Since the creation of the 80 regional warehouse management and facilitated the rapid supply stores, eliminating such stocks, but have allowed the creation of policies in the speculative buying power to purchase.

Economic environment of '90 years has developed in a saturated market and food expenses for the stagnation of consumer products, obliging distributors to depart from old habits in their relationship with suppliers. More than ever before, distributors must develop new strategies for adjusting the relationship, able to lead to new bases of competitiveness. Obtaining productivity requires accelerating the flow of products which will determine the best links in the logistics of the producers in accordance with the distributors. Only a total compatibility, organizational and information between members of distribution channel and allows improving piloting strategic operations for the benefit of each party.

Specialists consider that Efficient Consumer Response is included in the new logic. ECR has emerged in the context of globalization of trade (pressures on prices and margins) and experienced a rapid evolution in the behavior of purchasing, trade between firms. Is based on two pillars:

- ensuring a flow of goods without tearing the stock;
- streamlining the flow of information through new information and communication technologies.

The objective is to improve supply stores through better synchronization of the action plans of the firms trade. Each output product registered homes marked off upstream or downstream in a series of operations to ensure linear range in the best conditions of price and time. However, some retailers prefer „mastery” final distribution, transmitting providers only descriptive information about stocks and forecast products.

Taking into account the relationship of domination and counter-domination that exist in the channel of distribution especially in the food sector, experts have found that distributors have a position of strength in relation to suppliers. A positioning advantage traded manufacturer to distributor to lead to an advantage in positioning and logistics

sector. Reality shows that the retailer who shall rule leadership the distribution channel, associating the flow of information, succeeding in this way to create a natural area of „control”. Distributors tend in gradually to make a part of the logistical operations of the distribution channel, obtaining advantages in price negotiations. Suppliers are determined to assess the necessary orders on stores, a product for a set period, depending on the product exits the house and recorded the time of delivery for a minimum storage required to store each store belongs to the distributor. Suppliers initiate proposal for re-supply unit according to the agreed delivery dealer at the beginning of the partnership. Shared supply management advantages that allow easy access on information relating to sales of products essential to collaboration, helping producers in the upstream supply chain, based on a strategy of full transparency, which is actually to the disadvantage of distributors.

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Most goods are transported by road, as shown in the illustration below (**Figure number 1 in volume of goods transport by road, railway, waterway**). Volume chart missing on goods carried by air and sea, given the number of operations decreased by 4,5 and 77 tonnes freight transported.

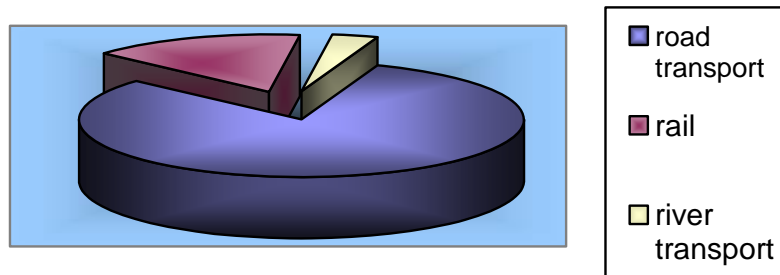


Figure number 1 in volume of goods transport by road, railway, waterway

Road network in Romania shall ensure that motorized access in most country towns. From the data presented in following **Table no. 1 Statistical indicators for road** an apparent density of the network by 34% (100 square km/territory), the length of the network is 80,893 kilometers (street only) of which 5983 kilometers of European roads and motorways 281 km.

Table no. 1 Statistical indicators for road

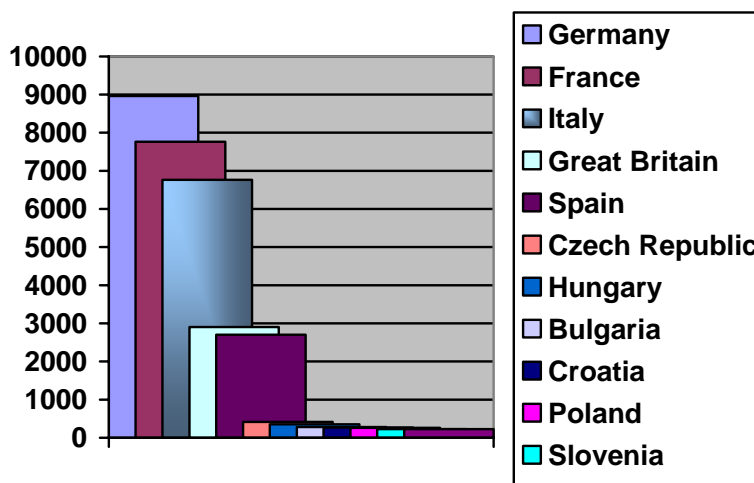
INDICATORS	2005	2006	2007
Length of public roads (km) of which:	79904	79952	80893
-highways	228	228	281
-european roads	5873	5883	5983
Upgraded road length (km)	21148	21549	22042

Continued table no. 1 Statistical indicators for road

INDICATORS	2005	2006	2007
Length of road with light clothing road (km)	20915	20964	21397
The length of paved roads (km)	25801	25637	25347

Source: National Institute of Statistics

Length of road network, in particular the network of highways, in our country, we put on a negative, this result and comparative analysis of the length of the motorway network of the European countries (**Figure no. 2 Length of the motorway network in various countries in Europe**)

**Figure no. 2 Length of the motorway network in various countries in Europe**

Road network density is reduced, and where they discuss the following characterization can be a part of it is in a stage high attrition. If you add the heavy traffic we can say that the trade is not encouraged by this indicator, but more is at risk (**Table no. 2 The number of vehicles for passenger and goods transport**).

Table no. 2 The number of vehicles for passenger and goods transport

	Quarter I (2007/2008)	Quarter II (2007/2008)	Quarter III (2007/2008)	Quarter IV (2007/2008)
Vehicles transporting passengers				
Cars (including taxis)	74105/ 116759	106945/ 108440	135653/ 171665	119646/
Coaches, buses, minibuses	1120/ 2586	870/ 1970	780/ 1181	1152/
Other passenger transportation vehicles (mopeds, motorcycles)	2249/ 3253	6858/ 6529	805/ 3860	385/
Vehicles for transporting goods				
Trucks (autospecial and vehicles), road vehicles for special purposes and other road vehicles for transporting goods	12503/ 17222	18867/ 19779	17015/ 18808	17441/
Tractors and tugs	670/ 154	766/ 94	508/ 39	292/
Trailers and semitrailers	4489/ 6143	6556/ 7248	7421/ 6265	6562/

Transport activity in value-added goods created in the production process, ensuring maintenance of quality characteristics of them, until they enter into the trade. The organization facilitates the efficient transfer of goods transport.

Transportation is one of the logistics system, with high share of costs. Shipments should not be isolated as a service to companies of commerce, but an integrated approach in more general logistics company. For solving problems of transport depends on satisfying the demands of customers with minimal costs. Such a goal is reached, in particular, the ability of firms to deal with trade following issues:

- tender proposal which integrates transport, so as not to constitute a source of threat to the company's trade competitiveness;
- negotiation of all economic actors involved in the transport chain (shippers, transportation intermediaries, insurance companies) to obtain the best terms of delivery;
- control the way in which economic actors providing these services;
- identifying sources of disputes that may arise between them, on the one hand and beneficiaries, on the other, with reference to the operations of delivery of goods;

Transportation affects a number of issues which affect the competitiveness of the products on the market. These issues relate to:

- delivery terms;
- selling prices of goods at destination;
- the image and credibility of companies.

Deadline for delivery is a crucial element of credibility firms trade. From this point of view, transport is important for that period of time determined to make provision for goods in transport. Conducting a faulty transport activities (loading, transport mainly download), could cause delays in the production or distribution.

Whatever the terms of delivery specified in the contracts of sale, only the selling price at destination and quality-price ratio, is of interest to the buyer.

Improving economic relations between firms trade can be positive or negative imprint of carrier choice.

A weak link in the supply chain can cause security issues, quality compromised leading to negative publicity, damage to brand image and reduced sales. Total time longer to get higher risks resulting from price reductions and unplanned freight in excess of stock. Lines long distance supply are exposed to deviations, loss or alteration products.

Conditions of carriage of goods exercise an appreciable influence on the image supplier firms and their product. An undesirable choice in terms of transport, determined many drawbacks, such as:

- delayed deliveries;
- shortage of goods at destination;
- degradation of quality goods;
- disputes between suppliers, carriers and recipients of goods.

All these can be causes of loss of trust beneficiaries in providers.

Decisions relating to transport have repercussions on the deadlines for payment of the amount of goods. Determine the transport time of payment (for payments after a number of days after delivery). Incidents that may occur during transportation of goods, is likely to result in disputes between suppliers, carriers and customers. Their effects are either partial payments or late payments or even denials of payment.

In the current competitive environment, will benefit those companies trade, which will give due consideration packaging products, choosing appropriate transport solutions, and organizing emergency supplies.

Transport, logistics mix component requires the following performance: to have a high degree of specialization to be provided by means of transport containers; specialization allows reducing the risk handling and storage, have an appropriate degree

of reliability provided by the transport, handling and punctuality of deliveries, have a high availability provided by the existence of reserve capacity of transport, but by the time availability of transport, to be compatible, which means a large capacity blending technical and organizational containers of belonging to the various transport operators (road, rail, sea) compatibility is ensured through standardization and normalization of vessels on an international scale.

Risks to which the goods are subjected in the course of transport vary depending on: the mode of transport used, practical method for the preparation of transport number and location of intervening transshipments between established supplier and the beneficiary of goods until the final customer.

For this reason, the supplier must reflect on the chain of transmission of its products, to reduce any risks. Thus, special attention should be given to adapt their packaging and transport chain choice. It is known that packaging is a means of protection for goods which can be especially economical, how effective it is.

In this context, acquires a special importance as keeping control of shipping costs, and administrative and logistics company.

Sizing optimal stocks of raw materials and finished products, is a constant concern for firms wishing to trade to obtain a competitive advantage.

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