

Study on Enterprise Logistics Management Performance Evaluation System

Fang Fu¹, and Wanyang Zhou²

¹Jiangxi University of Applied Science, 330100;

²Baise University, 533000

Keywords: Enterprise Logistics; Logistics Management; Performance Evaluation; System Research

Abstract: With the advancement of science and technology, we have entered the Information Age. Complying with the development, China's logistics industry has represented tremendous improvement. Meanwhile, the competition in the logistics industry is also growing, which includes competition between the enterprises, the internal construction of the enterprise, and the improvement of logistics management performance evaluation system. As one of the important focuses of enterprise logistics management, performance evaluation is of pivotal importance for enterprises to measure their own economic benefits and clarify their own development status, reflecting the level of enterprise logistics management. While facing a series of problems due to the imperfect performance evaluation system, this paper will analyze and discuss the current internal logistics management issues, and propose corresponding countermeasures to improve the enterprise logistics management performance evaluation system, so as to promote the related development of enterprises.

1. Introduction

With the acceleration of economic globalization and the rapid advancement of science and technology, the competition faced by logistics enterprises is becoming more and more fierce. Soaring foreign-funded enterprises have entered the Chinese market, and the economy of China has been more closely linked to world economy. A lot of enterprises have established a partnership with a third-party logistics enterprises, which brings great opportunities to them, but also brings great challenges. Many enterprises have established cooperative relationships with an independent third-party logistics company, which has brought huge business opportunities to China's logistics enterprises. How to conduct a reasonable and comprehensive performance evaluation, establish an effective performance evaluation system, help enterprises find their own advantages and disadvantages, ensure efficient operation, and improve the competitiveness of enterprises has become an urgent problem for logistics enterprises in China. In order to improve the quality of enterprise logistics management and enhance the competitiveness of logistics enterprise to promote the steady development of logistics enterprises, it is necessary to solve the problems presented by the current performance evaluation system. This paper will analyze the existing problems in the performance evaluation system of enterprise logistics management, and discuss how to construct the enterprise logistics management performance evaluation system, in order to provide some advice to promote the sustainable development of China's logistics industry.

2. Problems of Enterprise Logistics Management Performance Evaluation

2.1 Lack of Comprehensive Evaluation

Intangible asset, as a core competitiveness of enterprises have an increasingly greater impact on enterprises with the continuous development of enterprises, which will inevitably have a huge impact on the development of enterprises. In the process of constructing the logistics management performance evaluation system, many logistics companies tend to ignore intangible assets and lack comprehensive evaluation, such as the logistics culture values and the logistics image. If the

evaluation of these intangible assets is neglected, a great impact on the logistics management and development of the enterprise will be created. As a result, a full and true reflection of logistics management development will not be shown.

2.2 Evaluation System is not Standardized

Logistics management is not operated in a fixed area, and it changes sometimes. What's more, it is difficult for enterprises to establish an overall standard according to a certain job or a certain area in the process of carrying out logistics management. Instead, comprehensive performance is used. Although this approach can provide economic benefits for some enterprises and promote the overall improvement. This benefit is based on special circumstances, and not every enterprise can benefit from it based on unbalanced management standards.

2.3 The Evaluation System is Not Rigorous

For many enterprises, the most prominent factor affecting enterprise logistics management performance is that the establishment of the system itself is not rigorous, which leads to the situation that there is no specific systems or standards to carry out rectification and will then affect the overall process of logistics development. As far as the current status of enterprise operation management is concerned, some points that seem to be less important but actually play an important role will be ignored, which include the inspection and analysis of intangible assets. Intangible assets are general concepts, which are often more critical to the actual development of a company while comparing to tangible assets.

3. Principles for Constructing Enterprise Logistics Management Performance Evaluation System

In the background of the continuous development of the logistics industry, the enterprise logistics management performance evaluation has received extensive attention. Enterprises must effectively determine the basic efficiency and cost structure of the company's operation from multiple angles, so as to improve customer satisfaction while ensuring perfection. The comprehensive strength of enterprise operation management. Based on this, relevant management departments of enterprises must uphold the basic standards and formulate corresponding evaluation systems to promote the logistics management structure and achieve comprehensive progress.

3.1 Adhere to the Principle of Integrity

The integrity principle is a key principle for constructing a logistics enterprise management performance evaluation system and an important prerequisite for formulating a reasonable and effective performance evaluation system. As its name suggests, it is to evaluate all management, leadership, and employees across the enterprise, not just a specific performance evaluation of one departments or one individual. The enterprise is an integrity and is a big family. Only by improving the performance evaluation of the enterprise logistics management as a whole can we understand the development of the enterprise more directly and comprehensively. In philosophy, we should look at the issue of things from an integrity perspective. Therefore, in corporate management, we should also follow this characteristic and adhere to the principle of integrity, and look at the development of the company from this perspective.

3.2 Adhere to the Principle of Economics

When constructing the enterprise logistics management performance system, we should firstly consider the company's own economic situation. In the process of performance evaluation, we have to combine the actual situation of the enterprise so as to effectively control evaluation criteria. The logistics cost of an enterprise will increase along with the increase of the performance evaluation workload. Therefore, in the process of constructing the performance evaluation system, we must always adhere to the principle of economics and rationally control the performance evaluation cost to ensure the normal operation of the enterprise.

3.3 Adhere to the Principle of Comparability

In the process of constructing the enterprise logistics management performance evaluation system, we have to adhere to the principle of comparability to analyze problems from both horizontal and vertical perspectives in order to improve the economic development. On the one hand, the vertical analysis mechanism should be combined with the current performance projects to compare relevant data with previous performance data so as to clear the development process. On the other hand, the horizontal analysis mechanism should be combined with the performance evaluation mechanism of Chinese enterprises and the content of foreign performance evaluation to establish a comparative analysis system.

3.4 Adhere to the Principle of Accessibility

The principle of accessibility has to be followed to carry out a smooth implementation of enterprise logistics management performance evaluation. The concepts and data involved in the logistics management performance evaluation system are diverse and actual operation of the performance evaluation has relatively high requirements for employees, which is also a very complicated process. A perfect performance evaluation system needs to obtain more data that is beneficial to the development of the enterprise through various channels. Before conducting the performance evaluation of the logistics management, the enterprise must ensure the operational difficulty according to the actual situation of the company to ensure that the performance evaluation is operable.

4. Countermeasures for Improving Enterprise Logistics Management Performance Evaluation

4.1 Establish A Customer Strength Evaluation System

Under normal circumstances, companies face diverse customers. Whether it is a manufacturing enterprise, a commercial enterprise, or a service enterprise, the customer's purchase volume, credibility, and potential are not the same. Therefore, enterprises should be committed to analyzing customers so as to provide diverse service. The level of customer strength can be deemed as further analysis of customer service variance, which is used to express the relation between customers and companies while carrying out business activities from the perspective of customers. It especially emphasizes on the dynamic management between companies and customers, which can be considered as the indicator that evaluates the comprehensive impact of customers on enterprises shown in Figure 1.

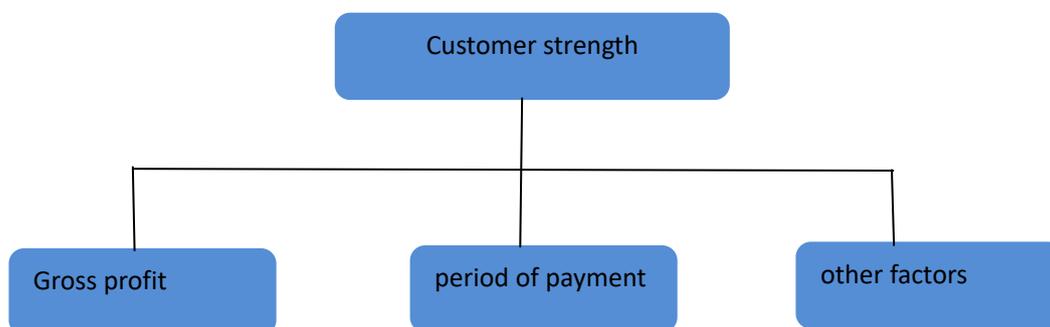


Figure 1. Customer Strength Evaluation Indicators

According to the "80/20 principle", 20 percent of the customers will generate 80 percent of the sales revenue. These customers are powerful customers of the company and need extra attention. The loyalty of a powerful customer to the company directly determines the company's profits and plays a decisive role in the survival and development of the company. Given that the resources and energy of the company are limited, then to a certain extent, the company must first serve the 20

percent first. Therefore, as an important part of the enterprise system, the logistics system must be consistent with the corporate goals, and pay attention to this part of customers. The reason why powerful customers occupy an important position is often because they are in a leading position in the industry. Therefore, maintaining good relations with them through logistics services is also a strong alliance between enterprises. Furthermore, in the process of communication, there will also be a large amount of information circulating, which plays a very positive role in making decisions for future development direction.

4.2 Establish A Three-dimensional Coordinate System

There are many indicators for logistics performance evaluation. When these indicators are used to describe or reflect the service quality of logistics enterprises, an evaluation system is formed. The logistics enterprise service evaluation system can be defined as a set of indicators that can reflect the main characteristics of the service quality of enterprises. These indicators must be quantified to clearly and intuitively reflect the level of service quality of logistics enterprises. As far as the system evaluation method is concerned, quantification does not refer to accurate digital measurement, but refers to the impression expressed by numbers. Then, according to the relationship among indicators, the corresponding calculation method that can express this relationship will be adopted. The so-called quantification is closer to accurate digital measurements, and the values of the indicators are calculated from the raw data of measurements, surveys, and high accuracy. One of the most important drivers of logistics change is the promotion of comprehensive quality management thinking in logistics services. With the increasingly fierce international competition, customers have increasingly higher requirement toward service, and inferior logistics services will eventually eliminate the products themselves. Usually, the gap between the product's appearance and actual performance is only known by a very skilled customer. If the company wants to make its products more attractive, it must actively enhance the relevant service capabilities, so the company needs to have an effective evaluation system to understand the status of logistics services.

4.3 Principles for Building A Performance Evaluation System

First, objectivity. It means that in the process of setting up the performance evaluation system, it is necessary to carry out macro control from the whole, and try to eliminate the influence of subjective factors, and ensure that the development of the whole evaluation process is in a fair and objective position. Second, comparability. In the process of requiring logistics companies to build this system, the data information involved in performance evaluation should ensure that it can achieve horizontal and vertical comparisons, not only can be compared with domestic counterparts, but also with the same international logistics companies. Only in this way, can Chinese logistics enterprises keep up with international standards and at the same time improve self-management efficiency as well as competition. Third, accessibility. It means that in the process of selecting indicators, we have to comprehensively consider and analyze the data to ensure that they are effective in order to ensure the scientific construction of the performance evaluation indicator system.

5. Conclusion

At present, China's logistics management performance evaluation system still faces a glittering array of problems. How to catch up with the times, catch the opportunities of the times, and improve the level of logistics management performance evaluation system are the problems faced by many enterprises in China. Therefore, when rectifying their internal logistics management performance system, enterprises must pay attention to strict harmonization of performance evaluation standards, improve internal management systems, establish sound performance evaluation standards, and historical costs of scientific planning. Grasping the above points will create a larger zone for the development of the enterprise logistics management performance evaluation system.

References

- [1] Kim J, Kim Y, Chang H. A study on performance evaluation of intelligent collaboration system[J]. *Multimedia Tools & Applications*, 2015, 74(10):3305-3316.
- [2] Liu X, Zhu X N. The KPI Evaluation Method of Logistics Service in Railway Logistics Enterprises[J]. *Advanced Materials Research*, 2014, 933:930-934.
- [3] Cengiz Kahraman, Dr Ba?ar ?ztay?i., Dr, Ramezani F , Lu J . An intelligent group decision-support system and its application for project performance evaluation[J]. *Journal of Enterprise Information Management*, 2014, 27(3):278-291.
- [4] Quan C , Sang-Bing T , Yuming Z , et al. An Empirical Study on Low-Carbon: Human Resources Performance Evaluation [J]. *International Journal of Environmental Research and Public Health*, 2018, 15(1):62-.
- [5] Pandian G R S , Abdul-Kader W . Performance evaluation of Reverse Logistics enterprise - An Agent-Based Modeling Approach[J]. *International Journal of Sustainable Engineering*, 2014:3144-3153.
- [6] Wei Y . Research on the Construction of Small and Medium-Sized Enterprises Performance Evaluation Indicator System[J]. *Lecture Notes in Electrical Engineering*, 2014, 163:451-458.
- [7] Wang, Jun L . Performance Evaluation System of Software Enterprise Knowledge Management Based on Fuzzy Evaluation[J]. *Applied Mechanics and Materials*, 2014, 687-691:4990-4995.
- [8] Yogi S , Kottala. Performance evaluation of reverse logistics: A case of LPG agency[J]. *Cogent Business & Management*, 2015, 2(1):1063229.
- [9] Yaliu Y. Research on the Performance Evaluation and Benefit Distribution of High Tech Industrial Park[J]. *Journal of Computational and Theoretical Nanoscience*, 2016, 13.
- [10] Blackhurst J, Ekwall D, Martens B J . Special issue on supply chain security[J]. *International Journal of Physical Distribution & Logistics Management*, 2015, 45(7):-.
- [11] Yu S, Guo X. Analysis of the Influence of Human Resource Management Strategy on Logistics Enterprise Performance Based on Structural Equation [J]. *Journal of Computational and Theoretical Nanoscience*, 2016, 13(12):10475-10479.
- [12] Shuaihui T, Xu W, Lan C . Research on two-stage profit distribution of logistics resources integrated system [J]. *Computer Engineering & Applications*, 2014, 50(3):265-270.
- [13] Zhang X M , Wei S H . Research on the Evaluation Index of Service Quality in Logistics Enterprise[J]. *Advanced Materials Research*, 2014, 1065-1069:2476-2479.