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# CLASSIFICATION OF SERVICE LOGISTIC IN TERMS OF BRANCHES

**Tomáš Jurik**

Jobelsa Slovensko, s.r.o., Rozvojová 2, 040 11, Košice, Slovak Republic, tomas.jurik2426@gmail.com

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**Abstract:** The contribution continues the previous section entitled "Concept of logistics service", where the logistics of services is characterized as a special part of the logistics and defined the essence of the services and especially logistics of services. The contribution deals with the classification and description of logistics of services in various fields. The problem, which the article is devoted to, is the identification and classification of logistics of services in various fields of industry and non-manufacturing sector. The aim is to identify and describe logistics of services in various fields ranging from industry over health care to transportation. Individual fields can be further characterized and specially study, on the logistic side as well as on the logistics of services side. The main orientation for the analysis of the areas is in the logistics of services. Services are an inseparable aspect of human life and the more advanced company, the bigger interest for services. The same is true for the companies from various fields. The richer and more advanced companies, the bigger interest in ensuring their faultless service and professional operation and logistics of services not excluding.

## 1 Introduction

The variety of services considerably complicates their general definition. Due to the heterogeneity of services it is appropriate to categorize their essential characteristics into several categories. Services may be classified according to whether they are dependent on humans or on devices [1]. Services that depend on the devices can be further classified on those which are provided by fully automated devices and those which are provided by devices monitored by the low qualified or highly qualified personnel. Services that depend on the people may be classified into those that are provided by workers with high or low qualification or by top experts. Some services require the immediate presence of the customer [2].

## 2 Logistics of services in petrochemistry

Petrochemistry can be characterized as a branch of chemistry that mostly deals with the oil and natural gas and with the methods of their transformation into utility materials and goods. The system of petrochemistry, from extraction through production to consumption we can understand from logistic point of view as flow (Figure 1).

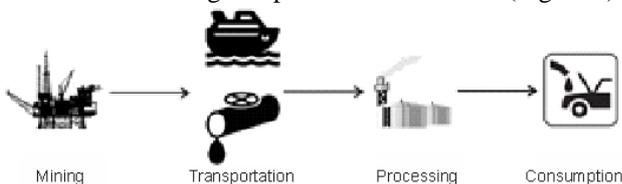


Figure 1 Process of oil production [1]

Principles of logistics in petrochemistry can be described as:

- The right way – the use of adequate means for the smooth distribution of oil and oil products to the place of consumption.
- The right service – the use of the right methods for execution and implementation of services in the field of

petrochemistry, while respecting the principles and provisions of the law.

- The right quantity – to distribute a sufficient amount of oil and oil products to the places of consumption to ensure the smooth running.
- The right quality – use of modern technologies and continuous improvement of processes of oil production.
- The right place – the place of finding of oil reserves, its adequate extraction and minimization of environmental pollution.
- The right time – ensuring the supply of oil and oil products in time and without incurring of downtime.
- The right customer – all natural persons that shows a feeling of insufficiency, resp. market demands.
- The right price – total price of oil products is based also on the economy of the state itself.

## 3 Logistics of services in construction industry

Construction industry is characterized as a sector of the economy that realizes construction of objects and implementing of construction and business activities. In most of the cases, construction industry has the task to procure the building materials.

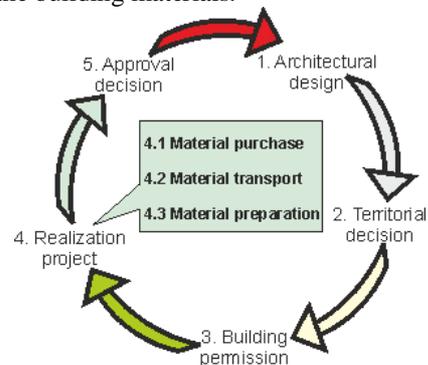


Figure 2 Processes in construction industry [1]

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It is necessary, from the logistical point of view, to define eight “right activities” of logistics since the construction industry is understood as a service, thus activity, which is provided by one party to another:

- The right way – compliance with administrative procedures and construction law in the implementation of constructions.

- The right service - service providers in the construction industry offers not only the construction of buildings intended for housing, but this also applies to the entire national economy. It is also about the construction of various industrial buildings, logistical centers, but also about the reconstruction itself, demolition of unused or unnecessary buildings.

- The right quantity – all that could be offered by service provider during the realization of construction. It may not include only the material supply needed for construction, but also the realization of construction itself, the design of project documentation and after the and after the completion of construction the possibility of occupancy permit of management (Figure 2).

- The right quality – quality is evaluated based on the type of given building. Whether it is the private sector (construction of apartments, basements, garages), industrial sector (the construction of shopping centers, companies) or the public sector (construction of schools, libraries, offices) the quality itself is evaluated based on the used material and technologies.

- The right place – allocation is mostly based on the general city plane of the borough, region. It also depends on the demand and the character of the building and the height of the needs of the given services that will be offered by this property.

- The right time - a matter of time when to realize the construction, seasonal affair. Building construction is done during the spring to autumn months, i.e. march – september, and depending on the actual weather.

- The right customer – the customer can be any natural or legal person who, for its personal or business aim, needs creation of the building for living or for business development.

- The right price – price belongs to the most important factors during the choosing of service provider. The price does not depend only on the type of used building material and building components, but also on the high of the quality, deadline for completion of construction and, last but not least, a guarantee from the provider.

**4 Logistics in banks and in financial area**

Financial services can be characterized as services that are connected with transfer of money from the sender to the receiver, resp. between economic subjects (Figure 3). When providing the services, it is necessary to realise who is the provider and who is the user of the provided service. Provider is a financial institution (bank, insurance company, leasing companies...), which provides maintenance and services within the financial area, are of

bank transfers or area of a concluded contract. User is either a physical or a legal person, who needs and uses the services for some compensation.

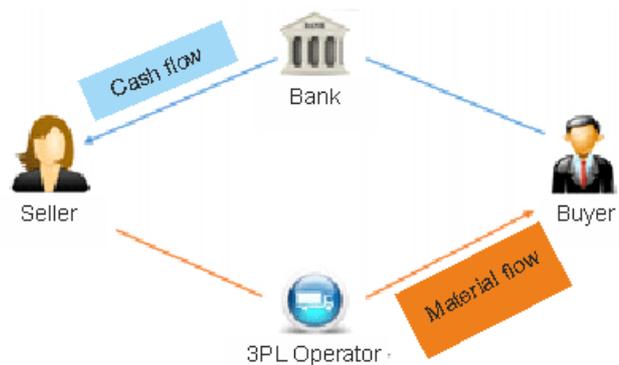


Figure 3 Supply chain of financials [1]

Logistic features of the financial services can be characterised as follow:

- The right way – meeting the correct legislative and norms while performing the considered duties

- The right service – providing the service to the customers actually, completely and correctly in such range as that is expected from the financial.

- The right quantity – according to the finances, this only means that the financial institution has to provide the amount of finances that the customer demands.

- The right quality – providing of the financial services professionally and correctly. According to the customer, the quality can also be judged by the well-educated staff, willingness to help and give advice.

- The right place – the key factor when selling the financial services is the way they are presented. It is important that the distribution channels are well-defined and their progress has to be monitored.

- The right time – considers the timing of the financial services providing, mainly when the demand is big. It is necessary to monitor the economic development on the market and change the services accordingly. Another important thing is to adjust the opening hours according to the customers’ demand.

- The right customer – is every physical and legal person who needs the funds for personal or entrepreneurial intention.

- The right price – The price is the defining factor, mainly according to the financial institution, in order to profit and to be competitive on the market.

**5 Logistics in the public utilities**

The logistics occur also in the area of public utilities. All the services included are important for the society and a lot of people do not realise that their every-day routine cannot work without logistics. Every action represents a system, which cannot work and be sufficient for the society without correct settings of parameters, connections and flows [3], [4]. What one group of people considers a matter

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of course, means every-day struggle with the market's demands for the others [5], [6].

**Logistics of water supply:** The aim of the logistics of water supply is the correct connection of water supplies and sewerages on the area of Slovak republic. In the past, there were not so many water suppliers in Slovakia. With the growth of population, there also grow the problems of supplying of water and planning of sewerages for everyone.

**Logistics of waste disposal:** Collecting of the communal waste and its separation according to the environment belong to basic services to not only population, but also to basic principles of a logistics of a company. The question of waste economics becomes a bigger problem nowadays. The reasons are the growth of the world population on one hand and the willingness of people to help and create a better environment. The logistics of waste economics is characterised as a reversed logistics. The provider of the waste disposal service is the community. In Slovakia, the communities obey the law No. 223/2001 from the collection of laws about waste management. The user of the service is characterised as every creator of waste, or everyone who treats the waste in a matter of mixing, separating or other, if the result is the change of the waste composition and nature [7].

One of the main goals of the reverse logistics is the reuse of the waste that was created during production and everyday life (Figure 4). There are a lot of companies that produce tons of waste which cannot be used from the technological point of view of that do not even care about the question of waste management.

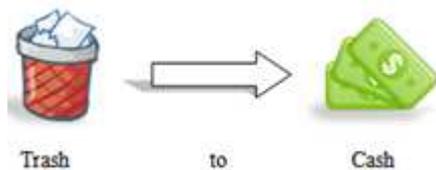


Figure 4 The „From trash to Cash“ide [1]

**Logistics of the energy supply services:** Energetics is one of the biggest areas of the national economics in Slovak republic. It represents an important and substantial area not only for the households but also for all kinds of companies and producers. It concerns providing important services, without which the recent life cannot be imagined. The energetic area mainly consists of:

- electricity,
- thermal energy delivery,
- gas delivery,

The supplying of the energy to the residents can be characterised as a complicated logistic process. Each supply of a certain energy consists of several smaller activities and has to have a secured distribution from the producer the customers (Figure 5). Usually it consists of static distribution networks. Their shape and direction does not change at all.

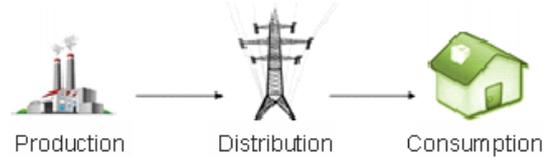


Figure 5 Logistic energy flow [1]

**Logistics of the health services:** The area of health services can be understood as a complete system (Figure 6), which consists of the following operations:

- Medical services – services provided to the patient in order to cure some health difficulty.
- Medical production- production of different products, medicals, which help to cure medical difficulties or prevent another to occur. This can mean medical aids, like medical mattresses, shoe wear, doctor's assortment, but also all kinds of drugs.
- Supplying of medical centres with medical aids – regular income of supplies in the form of drugs, aids, blood transport...
- Science and research in the medical area – continuous improvement and searching of new methods and pharmaceuticals in order to prevent and cure deadly and dangerous diseases.

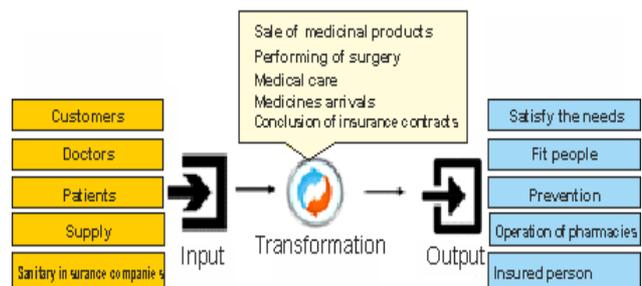


Figure 6 Scheme of logistic flows within health services [1]

**6 Logistics of telecommunications, information and postal services**

This group of services is an inevitable part of our everyday life. Telecommunication services are characterised as all the services that provide us with information in various forms (audio, video, text) on a specified area within a state. Postal services include all the services, which are connected to choice, separation, transport and delivery of packages by a specific post office or courier company. Courier companies are individual part within the area of package delivery. They are private companies, which deliver packages to the recipients for financial retaliation. There exist the courier companies within the area of industry and traffic, whose main purpose is to deliver bigger packages for bigger production companies all around the world. These include mainly logistic companies that offer the delivery of material, supplies and components.

## 7 Logistics among the military forces services

The main purpose of the military forces is a complete security of the country's safety from potential threats and dangers. This requires a rational use of all the available information to eliminate the threats and this is where the logistics of the military forces is hidden. Logistics fulfils all the functions that are related to army supplying, full support to the aviation military components and securing of the medical services, transfer and communication among bases. There is a big interest within military forces directly in the transfer and traffic logistics.

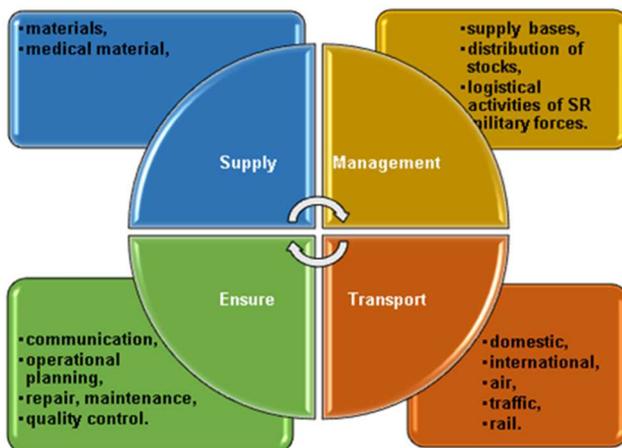


Figure 7 Main logistic aims of the military forces of SR [1]

## 8 Logistics in traffic and transport services

The transport area is the most important part of the logistics. Even the best product on the market will not make it to the customer without a sufficient and fast transport. The transport of the desired goods from the production place to the consumption place is a dominant issue in modern business. No matter what the product is, everything is located in various places all around the world and directly import and export are responsible for the transport flow and supply flow in the world.

The road transport is the one mostly used recently and not only in logistics but also in everyday life. It is divided into:

- personal,
- freight.

The main difference between those two is the subject that is transported. While the freight mainly transports materials and components or supplies, the personal transport is focused on transporting persons and deals with personal flows. Ultimately, these flows can be considered logistic and therefore it is possible to ensure that the transported persons are brought to the right place in the right time for appropriate quality and costs. In the personal transport it is necessary to consider the transport's reason, whether it is to get to school or work or just for the causes of tourism.

## Conclusions

It is possible to consider logistics from several points of view within the area of production and industry. In the area of industry, there occur other parts that relate to each other and do not have to concern the production itself. Here we can consider petrochemistry, building or the process of companies supplying. Classification and identification of the services logistics allows us to understand its basic purpose, which says that the defined activities belong to the services and the logistics at the same time. This state allows further progress of the particular area with a detailed interest in the individual parts of the service's logistics.

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## Review process

Single-blind peer reviewed process by two reviewers.