

**Question 3. Briefly comment on the following:
d. Logistics variable and costs interact in a complex and indirect way.**



Solution:

Logistics variables and costs interact in a complex and indirect way. A cost decrease in one area can influence a variety of other logistics cost. This entire set of complex interactions must, therefore, be examined together in a systematic way. Then, there are organizational conflicts that make logistics planning difficult. Responsibility for many logistics activities is spread through the organization. Different organizational functions have different interests and these create conflicting objectives and requirements for a logistic system.