



LOGISTICS POTENTIALS AS A FACTOR OF FIRM'S SUCCESS

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Abstract

Firms are constantly looking for effective ways to achieve and maintain a competitive advantage. High competition and ever-increasing customer expectations make finding an effective way to achieve an advantage over competitors an extremely difficult challenge. According to strategic management, one of the ways to achieve competitive advantage is through the success potentials of a company.

The main premise of the firm's success potentials is to contribute to the achievement of competitive advantage through the achievement of specific success determinants, which are achievable on the basis of selected key success factors. The mentioned determinants of success are market and economic effects, while the key success factors consist of the strategic potential of the firm in the form of resources, capabilities and competencies of the firm.

In order for a firms to properly leverage its success potentials, it is crucial to identify and integrate them within specific functional areas. Due to the crucial importance of logistics in the functioning of modern firms, one of the basic success potentials of a firm with a stake in achieving competitive advantage is logistics success potentials, which consist of key success factors in the form of logistics resources, logistics capabilities and logistics competencies.

The purpose of this article is to present the importance of logistics potentials in the context of achieving business success. In particular, the article presents: (1) the concept and importance of enterprise success potentials, (2) the basic factors and determinants of enterprise success, and (3) the issue of logistics potentials in achieving enterprise success.

Keywords: Logistics capacity, success, potentials

1. INTRODUCTION

Firms are constantly looking for ways to achieve and sustain a competitive advantage over the long term, which is a difficult and complex process due to significant competition. According to strategic management, one way to achieve competitive advantage is through success potentials.

The success potentials of a firm, which consist of success factors, include the resources, capabilities and competencies of a firm that contribute significantly to the firm's achievement of its goals.

The success of a firm is manifested in the achievement by the firm of certain determinants of success in the form of market and economic effects. The achievement of market and economic effects by the firm in accordance with the established goals is the basis for achieving competitive advantage.

Given the growing importance of logistics in the operation of firms, it is reasonable to pay attention to the issue of logistical potentials for success, which have a significant contribution to the success of the firm.

2. THE CONCEPT AND MEANING OF THE FIRM'S SUCCESS POTENTIALS

All businesses strive to achieve success in the broadest sense. The issue of success itself is a concept that applies to many aspects in economic as well as social life, while in the context of management, success is



related to the realization of goals that a firm can achieve in the conduct of its business. Firm success should then be understood in terms of the market and economic effects that a firm can achieve to varying degrees.

The success of a firm is interpreted as the realization of properly planned goals, taking into account both internal and external present and future conditions. In addition, it can be considered in both market and economic terms. The success of a firm in market terms is largely concerned with meeting the needs of customers, obtaining a certain market position or creating an appropriate corporate image. On the other hand, the success of the firm in economic terms is related to obtaining the expected level of profit, as well as the increase in the value of the firm, and thus the realization of the basic objectives of doing business [1].

The success of a firm is a specific issue, having a certain degree of uniqueness, since, as already mentioned, it can be considered from many points of view. A. Kwiecień, on the basis of her analysis of the literature, presents three standard forms of success in relation to firms, given the situation in which the firm is located. The first type of success indicated by the author is success concerning the development of the firm. It concerns expansion into new markets, improvement of economic performance, implementation of new technological solutions and on the introduction of modern products. The second type of success is that related to maintaining the current condition of the firm. It also refers to ensuring the stability of the tasks carried out and avoiding dynamic changes and possible problems that may be associated with these changes. In pursuit of this type of success, the firm focuses its efforts on moving into the next phase of the business life cycle in beneficial economic, personnel and technological condition. The third and final type of firm success is related to recovery and restructuring efforts, focusing on preventing the liquidation of the firm. This is success aimed at extracting the firm from serious problems and crisis situations occurring inside the firm [2].

Achieving success for a firm is extremely difficult, especially in the current economic climate with the existing expanded and diversified markets, globalization and significant competition. Firms striving for success, regardless of its definition and selection of specific outcomes manifested as success, should determine not only the very essence of the success they are striving for but also the means of achieving it, and thus should determine their success potentials.

Success potentials, also referred to as effect potentials or effect and success potentials, are the strategic potentials of a firm which are the factors leading to a firm's success, including the achievement of competitive advantage. Success potentials are all the reasons in terms of product and market key to achieving success, considered as the realization of the strategic goals of the firm [3].

Success or, more precisely, success potentials of a firm within the framework of strategic management are part of the considerations of the resource concept, the concept of dynamic capabilities and the concept of competence-based management [4]. These three concepts indicate that success potentials are a set of factors in the form of strategic potentials composed of specific resources, capabilities and competencies, leading to success, manifested in selected market and economic effects, which can contribute to gaining and maintaining a competitive advantage. This assumption is confirmed, among others, by R. Krupski, arguing that it is the resources and competencies that make up the potential of a firm, leading to the achievement of competitive advantage [5]. Also G. Gierszewska and M. Romanowska, present that strategic potential in the form of resources and capabilities is responsible for the success of the firm [6].



Figure 1 The structure of success potentials



In this approach to firm success, key issues include success potential, strategic potential, resources, capabilities and competences, as well as the interdependencies between them that lead to success. The structure of success potentials is presented in **Figure 1**.

The strategic potential of a firm, as indicated above, includes three basic components such as resources, capabilities, competences and knowledge. Resources constitute a set of tangible and intangible assets, as well as organizational processes, on the basis of which the company creates specific value [7]. However, firm capabilities are a set of skills possessed by the firm and knowledge about its capabilities, which contribute to the formation of resources [8]. In turn, firm competencies are related to the integration and coordination of capabilities [9]. Only the proper integration of resources, capabilities, competences and knowledge will allow for the creation of strategic potential leading to the creation of appropriate success factors, i.e. specific success potentials leading to the achievement of specific economic and market effects, and thus to the achievement of success by the firm.

3. FACTORS AND DETERMINANTS OF THE FIRM'S SUCCESS

Success can be considered from many points of view, therefore the factors and determinants of success can be determined depending on the adopted criteria. In relation to firms, success factors include all activities leading to the achievement of the assumed market and economic effects.

In the literature on the subject, in the context of firm success factors, the issue of key success factors, i.e. components of success potential, appears. According to R. Lynch, the key success factors are a set of resources, skills and features of a firm that ensure success [10]. In turn, Y. Pollis and J.H. Grant recognize that these factors are identical to the company's goals [11]. When analysing the issue of success factors and key success factors, it should be noted that not all success factors may become key success factors. Success factors can turn into key success factors if they consist of resources, capabilities and competences contributing to achieving market and economic effects. Moreover, the key success factors created in this way become part of the firm's success potential [12]. The relationship between success factors, key success factors and success potentials is presented in **Figure 2**.

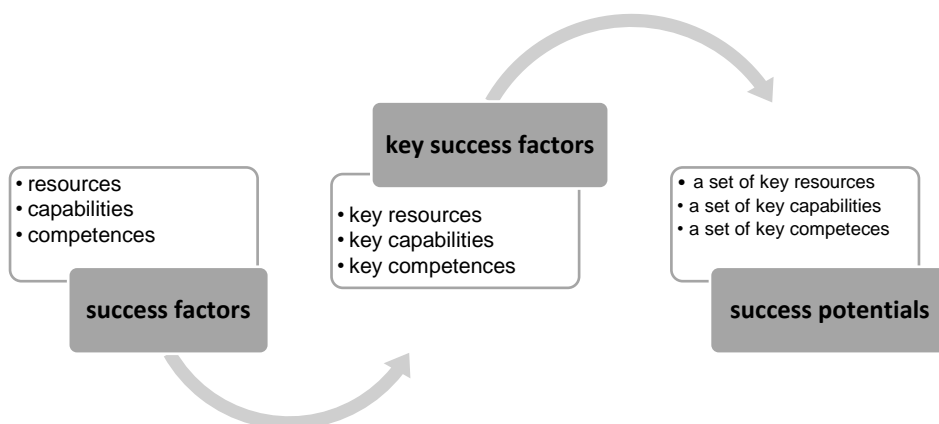


Figure 2 Business success factors in the success potential structure

Specific success factors constituting the firm's success potential lead to the achievement of specific effects, i.e. determinants of success. The determinants of a firm's success are all the results of activities carried out by the firm in order to achieve the assumed goal. In the context of strategic management, the determinants of a firm's success are specific market and economic effects that lead to achieving a competitive advantage [13]. In their concept of creating competitive advantage, G.S. Day and R. Wensley distinguished the three most important market effects in their opinion, such as customer satisfaction, customer loyalty and market share. The economic effects include profit, profitability and return on invested capital [14].



4. LOGISTICS POTENTIALS AS A DETERMINANT OF FIRM'S SUCCESS

Together, a firm's resources, capabilities and competencies create a strategic profile of the firm's potential for success. This profile consists of two basic groups of factors, namely normative and functional determinants. Normative determinants refer to the comprehensive management of the entire firm, while functional determinants are related to individual areas of the firm [4]. One of such areas is logistics, therefore the potentials for success in the area of logistics, i.e. the logistic potentials for success, constitute one of the pillars of the firm's strategic profile. Logistics success potentials, which consist of logistics resources, logistics capabilities and logistics competences occurring in the form of key success factors [15].

Logistics potentials for success contribute to creating value for both customers and the company itself, contributing to achieving market and economic effects. In order for specific logistic potentials for a firm's success to lead to specific results, they must consist of key success factors in the area of logistics, i.e. appropriate logistics resources, logistics capabilities and logistics competences.

Logistics potentials for success in the context of achieving a competitive advantage have two basic features, namely they constitute a condition for achieving and maintaining a competitive advantage and strengthen the competitive position of the firm [16].

Logistics success potentials should be included in the firm's logistics strategy, as well as correspond to the appropriate orientation of the firm, which aims to determine the proper direction of using the success potentials [16]. An appropriately shaped logistics strategy based on success potentials should also be integrated with the strategy of the entire firm. Moreover, if logistics success potentials are to be the main source of competitive advantage, the logistics strategy should become the leading strategy of the firm. This focus on logistics will allow you to use the full potential of logistics success.

5. CONCLUSION

The success potentials of a firm constitute an important area of scientific consideration within the framework of strategic management, particularly related to achieving and maintaining competitive advantage in the long term. Within the framework of the strategic profile of success potentials, functional determinants occurring in the form of logistical success potentials, which are an important premise for achieving competitive advantage, are distinguished.

Logistical success potentials built from key success factors, i.e. selected logistics resources, logistics capabilities and logistics competencies, lead to the achievement of specific market and economic effects, which include customer satisfaction and loyalty, market share, profit, profitability level and return on invested capital.

Achieving the market and economic effects planned and determined by the firm is possible by identifying the key success factors, as well as their proper integration. From the point of view of using logistical success potentials, it is also important that they are included in the formalized logistics strategy and the strategy of the entire firm, so that not only the tasks and processes within logistics focus on using the identified logistical success potentials, but also that all organizational units have a stake in shaping and using the success potentials.

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