

What is Logistics: Understanding How a Logistics Company Works

Logistics makes the movement of goods possible from manufacturers to warehouses, ports, retail stores, and finally to customers' doorsteps. Yet, many businesses still overlook its true meaning and importance.



Manila, Luzon Sep 21, 2025 ([Issuewire.com](https://www.issuewire.com)) - Toplis Logistics Inc. is a leading logistics company with more than 20 years of combined professional experience in the fields of contract logistics, trucking and transport services, supply chain management, cold storage services, and workforce solutions.

As a shipper, how would you know if your current process is leading your business towards a financial setback if you're too afraid to explore new strategies?

What is logistics?

A process of planning, executing, and managing the movement of goods from the point of origin to the final destination.

Let's explore the key components next to help you better understand how logistics works in practice.

Key Components of Logistics

- **Order Fulfillment**

In supply chain management, fulfillment is the phase of receiving goods and delivering orders to customers. Usually, it begins when a customer places an order and ends once the product is received.

In-house: Manages all parts of order processing. From inventory to order transportation.

Outsourced: Involves a business working with a third-party logistics (3PL) provider to manage some or all parts of order fulfillment, such as *inventory control, material handling, and cargo shipping*.

Dropshipping: A method where retailers sell products without keeping them in a warehouse. For example, when a customer orders, the retailer passes the request to a third-party supplier that ships the product directly to the customer.

Hybrid: Multiple fulfillment strategies that aim to improve efficiency and meet diverse customer needs.

- **Freight Forwarding**

This process is handled by an experienced cargo shipping company to ensure that products will be safely transported from the warehouse to the customers.

Additionally, freight forwarders manage the risks and benefits of shipping by negotiating tariffs and import restrictions.

- **Warehousing and Distribution**

An organized warehouse helps you store and deliver your products efficiently. In many ways, excellent [warehouse management](#) can be a significant competitive advantage.

- **Supply Chain Management**

Involves analyzing and improving the entire supply chain process. From sourcing raw materials to delivering finished products. It covers *demand forecasting, procurement, inventory management, and order fulfillment*.

- **Transportation**

One of the most critical activities handled by a [logistics provider](#). It is the logistics company's responsibility to arrange the mode of transportation depending on the requirements of the order shipment.

Understanding what a logistics company does

Now that logistics are clearly defined from the earlier part, learning how they work in real-world practices can help you avoid mistakes and explore other ways to improve your business.

Beyond transportation, logistics companies also offer essential support services, including...

- *Packaging and labeling*
- *Quality checks to prevent damage or spoilage*
- *Preparing and managing documents for compliance and customs*

These services add value by reducing risks, ensuring compliance, and keeping products in top condition.

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