Abstract

Firms are constantly looking for ways leading to competitive advantage creation. Such advantage may be embedded on business success potentials including resources, capabilities and competences. From business competitive advantage perspective, the most significant potentials are competences. The effective and efficient exploitation of the competences may contribute to the achievement of the expected market and economic outcomes by the firm. Such outcomes are the symptoms of business success and the basis for business competitive advantage creation.

In recent years one may notice an increasing significance of logistics seen as the crucial factor (or set of factors) of a firm success as well as business competitive advantage creation. The purpose of the article is to express the most important characteristics of logistics competences as the core competences of a firm in the context of the sustained, long-term business competitive advantage creation. The article is based on the literature review concerning the growing significance of a firm’s core competences as well as the possibilities of logistics competences exploitation in business competitive advantage creation.

**Keywords:** logistics, competences, core competences, competitive advantage

Introduction

Firms are constantly looking for ways leading to gaining and maintaining a sustainable, long-term competitive advantage. Competitive advantage may be embedded, among others, on focusing on business success potentials which comprise resources, capabilities and competences. Additionally, within the firm
competences one may distinguish their two special forms: core competences and metacompetences.

The effective and efficient exploitation of the potentials may significantly contribute to the achievement of the expected market outcomes (customer satisfaction, customer loyalty, market share) and economic outcomes (profit, profitability, ROI) by the firm. Such outcomes are not only the most significant symptoms of business success but also the basis for business competitive advantage creation.

At the same time one may also notice an increasing importance of logistics, perceived as a concept of materials, goods and information flow management. Nowadays logistics is more and more often seen as a critical factor of a firm success and a firm performance, including effectiveness, efficiency and differentiation (Blaik, 2015), as well as a significant factor influencing business competitive advantage creation (Matwiejczuk, 2014).

The purpose of the article is to express the most important characteristics of logistics competences perceived as the core competences of a firm, affecting business competitive advantage creation. The article is based on the critical review of the most significant and influential literature concerning both: 1) the growing role of a firm core competences as well as 2) the possibilities of logistics competences exploitation in business competitive advantage creation.

1. The nature of the firm competences

The most important group of business success potentials affecting business competitive advantage creation are competences. The concept of competences can be perceived – at least – from two major points of view: 1) from the personal perspective and 2) from the managerial (business) perspective.

From the personal perspective, competences are mainly associated with the personal characteristics (features), allowing people (managers, employees) to perform the assigned tasks. Such perception of competences has been associated for many years with Competency-Based Human Resources Management and such competences are referred to as “personal competences” (Dubois, 1993; Illeris, 2009).

From the managerial (business) perspective, which mainly concerns the resource-based stream of strategic management, competences are seen as the bundles of long-term capabilities related to the coordinated use of the resources, actively and widely involved in the goals achievement as well as in the processes, activities and tasks implementation that lead to the expected market and economic outcomes achievement by the firm. Such competences, associated with Competence-Based Strategic Management, are referred to as “firm competences” or “business competences”. The basis for their development is the integration and coordination of resources and capabilities, also taking into account the significance of knowledge perceived as a superior firm resource (Matwiejczuk, 2014).
2. Core competences as the superior business success potentials affecting competitive advantage creation

The concept of the core competences was initially associated with the term “distinctive competences”, introduced by Philip Selznick (1957). Distinctive competences are the firm competences that enable companies and businesses to adapt to their own goals and programs. Such competences refer to these processes, activities and tasks that a firm is able to perform more effectively and/or efficiently comparing to its competitors (Eriksen, Mikkelsen, 1996).

Charles W. Hofer and Dan Schendel present the distinctive competences as patterns and characteristics of a firm performance concerning the use of resources and capabilities, supporting the achievement of the firm goals (Hofer, Schendel, 1978).

In Charles C. Snow and Lawrence G. Hrebiniak opinion, distinctive competences represent the wide composition of various and firm specific activities that the firm can conduct more effectively and efficiently in comparison to its competitors operating within the similar environment (Snow, Hrebiniak, 1980).

Giovanni Dosi and David J. Teece emphasize that the firm distinctive competences can be understood as a result of the integration of distinctive capabilities concerning coordination and learning. In their point of view, distinctive competences represent a differential set of capabilities, complementary resources and organizational routines performed by the firm, which – seen as a whole – enable the firm to coordinate the different sets of activities in a way that leads to business competitive advantage creation (Dosi, Teece, 1998).

Bohdan Godziszewski notes that the distinctive competences, which create the possibilities for more effective and efficient use of a firm resources, play the crucial role in the process of the firm competitiveness creation, including business competitive advantage creation (Godziszewski, 2006).

Michael E. Porter and Thomas J. Peters also highlight the significance of distinctive competences in business competitive advantage creation. In their opinion, such competences can be defined as the sets of capabilities which strongly distinguish a firm from its competitors, as well as deliver tangible benefits to customers, and – as a result – contribute to the achievement of competitive advantage by the firm (Porter, 1979; Peters, 1984).

The most important feature of distinctive competences is their strong potential contribution to expected market and economic outcomes achievement by a firm compared to their competitors. Such outcomes are not only the significant symptoms of business success but the basis for sustainable, long-term business competitive advantage creation as well. With the progressive development of the resource-based stream of strategic management, the term “distinctive competences” has been more and more often replaced by the term “core competences”. Table 1 provides chosen definitions and interpretations of core competences.
<table>
<thead>
<tr>
<th>Author/authors (year)</th>
<th>Core competence definition/interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.K. Prahalad, G. Hamel (1990)</td>
<td>Core competences are the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies</td>
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<tr>
<td>W.C. Bogner, H. Thomas (1994)</td>
<td>Core competences are firm specific skills and features oriented to the achievement of the highest level of customer satisfaction compared to the competitors</td>
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<tr>
<td>G.S. Day (1994)</td>
<td>Core competences are firm capabilities which are “spanning” on individual businesses as well as are supporting these businesses</td>
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<td>A.A. Lado, M.C. Wilson (1994)</td>
<td>Core competences comprise all firm specific assets, knowledge, skills and capabilities, which are embedded on a firm structure, technology and processes, as well as interpersonal relationships within the firm</td>
</tr>
<tr>
<td>M. Tampoe (1994)</td>
<td>Core competences are technological or managerial subsystem which integrates a variety of technologies, processes, resources and know-how in order to deliver products and services which are the basis for the sustained, long term and unique business competitive advantage creation as well as for business value added creation</td>
</tr>
<tr>
<td>D.J. Teece G. Pisano (1994)</td>
<td>Core competences are a set of different skills, practices and complementary resources that allow the firm to compete and achieve the competitive advantage in a particular business</td>
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<tr>
<td>D. Lei, M.A. Hitt, R. Bettis (1996)</td>
<td>Core competences are the capabilities concerning defining and solving of problems, which support a firm growth and development</td>
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<tr>
<td>N. Petts (1997)</td>
<td>Core competences are a unique set of technology, knowledge and skills related to customer needs</td>
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<tr>
<td>H. Thomas, T. Pollock (1999)</td>
<td>Core competences are the knowledge base or sets of capabilities which can be exploited in a variety of “combinations”; they result in benefits achieved by the customer and are difficult or even impossible to duplicate by the competitors</td>
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<tr>
<td>M. Bratnicki (2000)</td>
<td>Core competences are the bundles of resources, processes and capabilities which are the base for business competitive advantage</td>
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<tr>
<td>D.M. De Carolis (2003)</td>
<td>Core competences are an expression of the permanently shaped organizational knowledge, which is difficult to imitate as well as very important in business competitive advantage creation</td>
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<tr>
<td>V. Boguslauskas, G. Kvedaraviciene (2009)</td>
<td>Core competences are the innovative combinations of knowledge, special capabilities (sets of skills), adequate technologies, information and unique operational methods</td>
</tr>
</tbody>
</table>

Source: based on (Bogner, Thomas, 1994; Boguslauskas, Kvedaraviciene, 2009; Bratnicki, 2000; Day, 1994; De Carolis, 2003; Eden, Ackermann, 2010; Lado, Wilson, 1994; Lei, Hitt, Bettis, 1996; Mäkinen, 2005; Petts, 1997; Prahalad, Hamel, 1990; Ray, Ramakrishnan, 2006; Tampoe, 1994; Teece, Pisano, 1994; Thomas, Pollock, 1999)

It is quite commonly accepted that the concept of core competences has been introduced within the field of strategic management by C.K. Prahalad and Gary Hamel (Prahalad, Hamel, 1990). According to the authors, core competences are “collections” of the capabilities characterised by the following features:
- “direct” contribution to the customer value added creation,
- uniqueness compared to the competitors,
- copying difficulties,
universality concerning the use of core competences within different markets and for different products.

The most fundamental features (attributes) of core competences are presented in the table 2.

Table 2. Fundamental features (attributes) of core competences

<table>
<thead>
<tr>
<th>Characteristics of core competences</th>
<th>Features (attributes) of core competences</th>
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<tbody>
<tr>
<td>Value added/costs</td>
<td>Core competences:</td>
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<td>- make a significant contribution to the creation of unique – compared to the competitors – value added for the customer, according to his preferences and expectations</td>
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<td>- may be helpful in the optimising of the total costs level and structure</td>
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<td></td>
<td>- create the possibilities of the cost assignment to the specified operations, processes, activities and/or tasks</td>
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<td>Competitiveness/substitutability</td>
<td>Core competences:</td>
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<tr>
<td></td>
<td>- are unique in comparison to the competitors’ competences</td>
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<td></td>
<td>- are difficult to recognize and imitate by the competitors</td>
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<td></td>
<td>- do not have close (strong) substitutes</td>
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<td></td>
<td>- significantly contribute to the business competitive advantage creation</td>
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<tr>
<td>Lasting/permanence/versatility</td>
<td>Core competences:</td>
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<tr>
<td></td>
<td>- are lasting for a long time compared to the “basic” competences</td>
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<td></td>
<td>- can be used for differential markets and differential products</td>
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</tbody>
</table>

Source: (Matwiejczuk, 2014)

3. Logistics competences within the “general” firm competences system and their influence on business competitive advantage creation

Firm competences, including personal competences, make up the “general” firm competences system. Within the system one may distinguish four basic levels of competences which may significantly affect business competitive advantage creation (fig. 1):
1) A firm/corporation competences, concerning a firm/corporate mission, vision and strategic directions of business development;
2) Business unit competences;
3) Functional competences related to the firm functional areas;
4) Personal competences.
According to Markus Orava and Malin Brännback, competences related to different functional areas of a firm (logistics, marketing, production, etc.) can be located between strategic business unit level of competences and personal level of competences concerning the competences of people (managers, employees) performing designated processes, activities and tasks in different functional areas of a firm.

Functional competences integrate processes and activities conducted within the strategic business level as well as processes and activities conducted by individual managers and employees. The common purpose of all competences levels (corporate, business, functional, personal) is the sustained, long-term business competitive advantage creation.

One of the most important competences within the firm, as well as within the entire supply chain are logistics competences. In recent years one may notice the growing importance of strategic decisions related to logistics and supply chain management areas. Such decisions can significantly contribute to the creation and exploration of new premises, opportunities, possibilities, etc. related to business success as well as to business competitive advantage creation (Blaik, 2017; Esper, Fugate, Davis-Sramek, 2007; Matwiejczuk, 2015; Mollenkopf, Dapiran, 2005).

The results of the research conducted by the Technical University in Berlin as well as German Logistics Association show that contemporary firm strategies concerning planning and implementation of the logistics systems and processes are frequently concentrated on core competences (Blaik, Matwiejczuk, 2008). In the process of business competitive advantage creation the firms give priority to the identification of the value creation sources and processes. Within such sources and processes logistics plays an important role. Logistics, including logistics concept, systems, processes and – first of all – logistics competences, may significantly contribute to customers’ needs and wants fulfillment by the creation of the so-called “place and time utility” by the firm.
Logistics competences are the result of the integration and coordination of logistics resources and logistics capabilities (Blaik et al., 2013). As it is noted by Andreas Sennheiser and Matthias J. Schnetzler, the primary condition for logistics competences development is previous identification of adequate logistics capabilities, which are based on logistics resources (Sennheiser, Schnetzler, 2008). The integration of resources and capabilities relates to so-called “synergistic effects”, i.e. benefits, opportunities etc., resulting from the possibilities of simultaneous use of a comprehensive base of differentiated resources (referred to as “resources compositions”), which are precisely assigned to the specific logistics capabilities (referred to as “capabilities compositions”). In turn, coordination of resources and capabilities comprises the managerial processes (sets of activities), which create the opportunities for effective and efficient use of differentiated resources and capabilities compositions, leading to the expected market and economic outcomes achievement by a firm. As a consequence, the logistics competences can significantly contribute to business success achievement as well as to business competitive advantage creation (Matwiejczuk, 2014).

Logistics competences as the core competences of a firm “directly contribute” to the creation of unique value for customer. The uniqueness of the customer value means that such value is easy to clearly distinguish it from the values offered by competitors (Matwiejczuk, 2006). The creation of customer value is the base for the creation of value for a firm, related to return on sales, customers profitability or market share. As a result, logistics competences as the core competences of a firm may be one of the most significant factors affecting sustained, long-term business competitive advantage creation.

Conclusions and further research

One may notice a growing importance of logistics concept in contemporary strategic management, particularly in the resource-based stream of strategic management. Within the resource-based stream one of the most significant firm’s competences are logistics competences. Logistics competences play an important role not only on today’s markets but also within today’s business models and are more and more often perceived as the key factors affecting the sustained, long-term business competitive advantage creation.

Logistics competences as the core competences of the firm not only play the crucial role in business competitive advantage creation, but also need further and deeper research concerning their influence on business success, market success, as well as long-term firm’s competitive position on the market.

References


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