

# 高等院校物流专业精品系列教材

钱叶梅 龚红霞◎编著

WULIUZHUYEYINGWEN  
WENXIANXUANDU

# 物流专业英文

# 文献选读

21世纪的物流教育需求逐步深入，教材体系也必须不断推陈出新，才能适应物流行业蓬勃发展的局面。为此，我们组织编写了“高等院校物流专业精品系列教材”。这套教材在体系上围绕主体科目，内容上与时俱进，注重理论与实践的紧密结合，突出作业流程及实践技术的可操作性。可作为高校物流工程与物流管理专业的教材及参考书，也可作为物流领域从业人员的自学用书和工具书。

高等院校物流专业精品系列教材

# 物流专业英文文献选读

Selected Readings in English Literature of  
Logistics Speciality

钱叶梅 龚红霞 编著

中国物资出版社

**图书在版编目 (CIP) 数据**

物流专业英文文献选读/钱叶梅, 龚红霞编著. —北京: 中国物资出版社, 2009. 5  
(高等院校物流专业精品系列教材)

ISBN 978 - 7 - 5047 - 3011 - 4

I. 物… II. ①钱…②龚… III. 物流—英语—高等学校—教材 IV. H31

中国版本图书馆 CIP 数据核字 (2008) 第 203725 号

策划编辑 钱 瑛

责任编辑 钱 瑛

责任印制 何崇杭

责任校对 孙会香 梁 凡

中国物资出版社出版发行

网址: <http://www.clph.cn>

社址: 北京市西城区月坛北街 25 号

电话: (010) 68589540 邮编: 100834

全国新华书店经销

中国农业出版社印刷厂印刷

开本: 787mm×1092mm 1/16 印张: 22.75 字数: 539 千字

2009 年 5 月第 1 版 2009 年 5 月第 1 次印刷

书号: ISBN 978 - 7 - 5047 - 3011 - 4/H · 0087

印数: 0001—3000 册

**定价: 38.00 元**

(图书出现印装质量问题, 本社负责调换)



## 前　　言

“物流”概念于20世纪70年代末引入我国，90年代中期开始出现“物流热”。进入21世纪以来，即“十五”期间，我国现代物流跨越了“起步期”，进入了“理性、务实、持续、快速发展”的新阶段。我国的《国民经济和社会发展第十一个五年规划纲要》第四篇“加快发展服务业”之第十六章“拓展生产性服务业”里，将“大力发展现代物流业”单列一节，这在我国国民经济和社会发展规划史上是第一次，标志着现代物流的产业地位在国家规划中得以确立。

众所周知，物流概念源于美国。许多新兴的物流管理理念、管理方法以及管理技术都出自欧美及日本等发达国家，同时，经济全球化的浪潮也促使我们更快地与国际接轨。因而，我们应不断学习国外最前沿的物流知识，了解物流发展动态，掌握物流知识的英文表达方式，吸取发达国家物流领域的经验和教训，融入物流国际一体化的时代浪潮。同时，从物流人才培养角度而言，由于我国已加入WTO，融入经济全球化体系，既有扎实的物流专业知识，又具有良好的英语运用能力的专业人才已成为时代的紧急需求。

本书在广泛研究国外物流发展现状的基础上，精选了一些专业英文文献，力求反映物流行业的发展全貌，使读者通过对本书的学习能把物流专业英语和物流最新专业知识结合起来，不仅能掌握大量专业英语词汇和术语及其表达方法，而且能学习权威专家最新的研究成果，使专业知识和英文水平同步提高。

全书内容编排既照顾到专业知识体系的逻辑性，又按照由浅入深、循序渐进的原则。全书分为13章：物流概念、客户服务、仓储管理、库存控制技术、运输管理、物流信息化、供应链管理、物流战略、物流外包、国际物流与全球物流、绩效评估、物流发展新方向。所选入的经典英文文献，系统展现了物流与供应链管理的基础理论知识框架以及实践中的重点问题。每篇课文均配有一些专业词汇与短语的释义以及一些语句的译文，另外还准备了一些习题，供师生选用。为扩大学生的阅读面，在每一篇课文之后附一篇阅读



材料。

本书的主要特点是：第一，选材尽量经典新颖，课文和阅读材料均选自国外物流供应链领域的文献，是读者迅速掌握专业英语理论知识的最佳读物；第二，原文风格多样、图文并茂，所选资料均有较好的实用性；第三，英语文章难度适中，适合高等院校本、专科学生学习；第四，一律原汁原味，使学生通过大量阅读外文，成为国际化物流人才。

本书由浙江工商大学杭州商学院钱叶梅和龚红霞两位老师编写完成，编选过程中参阅了国内外物流专业文献，并得到了杭州下沙高教园区许多开设物流专业的院校老师的指点和帮助，在此表示衷心的感谢。

由于经验和能力等方面不足，书中错漏之处在所难免，恳请各位专家及广大读者不吝批评与指正。

编 者

2008 年 11 月



# Contents

|   |      |
|---|------|
| <b>Chapter 1 An Introduction to Logistics .....</b>         | (1)  |
| 1. 1 Basic knowledge preparing .....                        | (1)  |
| 1. 1. 1 History .....                                       | (1)  |
| 1. 1. 2 What is logistics .....                             | (2)  |
| 1. 1. 3 Evolution of the logistics management concept ..... | (5)  |
| 1. 2 Logistics system .....                                 | (7)  |
| 1. 2. 1 Elements of logistics .....                         | (7)  |
| 1. 2. 2 Activities of logistics system .....                | (7)  |
| 1. 3 The new logistics management paradigm .....            | (11) |
| 1. 3. 1 The internet B2B economy .....                      | (12) |
| 1. 3. 2 Reverse logistics .....                             | (12) |
| 1. 3. 3 Real-time logistics event management .....          | (13) |
| 1. 3. 4 Technology solutions provide visibility .....       | (15) |
| Words and terms .....                                       | (18) |
| Notes .....   | (19) |
| Exercises .....   | (22) |
| After-class reading .....                                   | (24) |
| <br>  |      |
| <b>Chapter 2 Customer Service .....</b>                     | (26) |
| 2. 1 Surroundings introduction .....                        | (26) |
| 2. 1. 1 The marketing perspective .....                     | (26) |
| 2. 1. 2 Quality of service .....                            | (28) |
| 2. 1. 3 Case study .....                                    | (29) |
| 2. 1. 4 Customer loyalty .....                              | (30) |
| 2. 2 Basic knowledge preparing .....                        | (31) |
| 2. 2. 1 The role of customer service .....                  | (32) |
| 2. 2. 2 Concept of customer service .....                   | (32) |



|  |             |
|--|-------------|
| 2.2.3 The components of customer service .....                               | (33)        |
| 2.2.4 Customer service policy .....  | (35)        |
| 2.3 Service level .....  | (36)        |
| 2.3.1 Defining customer service objectives .....                             | (36)        |
| 2.3.2 Service level and cost .....   | (37)        |
| 2.3.3 Setting service standards .....  | (39)        |
| 2.3.4 Measuring customer service .....                                       | (44)        |
| Words and terms .....  | (45)        |
| Notes .....  | (46)        |
| Exercises .....  | (48)        |
| After-class Reading .....  | (50)        |
| <br>   |             |
| <b>Chapter 3 Warehouse Management .....</b>                                  | <b>(52)</b> |
| 3.1 Basic knowledge preparing .....  | (52)        |
| 3.1.1 The role of warehouses .....   | (53)        |
| 3.1.2 Types of warehouse or distribution .....                               | (54)        |
| 3.1.3 Warehouse operations .....   | (56)        |
| 3.1.4 The functionality of warehouse .....                                   | (58)        |
| 3.2 Warehouse management .....   | (62)        |
| 3.2.1 Warehouse costs .....  | (62)        |
| 3.2.2 Warehouse decision .....   | (64)        |
| 3.2.3 Objective and principles of good warehouse design and management ..... | (67)        |
| 3.2.4 Strategic issues affecting warehousing .....                           | (69)        |
| 3.2.5 Modern warehouse .....   | (71)        |
| Words and terms .....  | (73)        |
| Notes .....  | (75)        |
| Exercises .....  | (78)        |
| After-class reading .....  | (79)        |
| <br>   |             |
| <b>Chapter 4 Inventory .....</b>   | <b>(81)</b> |
| 4.1 Basic knowledge preparing .....  | (81)        |
| 4.1.1 Role of inventory and functionality .....                              | (81)        |
| 4.1.2 Types of stock-holding .....   | (82)        |
| 4.1.3 Inventory costs .....  | (84)        |
| 4.1.4 Inventory goals .....  | (85)        |



|   |              |
|---|--------------|
| 4. 2 Inventory replenishment systems .....                                | (85)         |
| 4. 2. 1 Reorder quantities .....  | (87)         |
| 4. 2. 2 Demand forecasting .....  | (89)         |
| 4. 3 Inventory management .....   | (89)         |
| 4. 3. 1 Problems with traditional approaches to inventory planning .....  | (90)         |
| 4. 3. 2 Different inventory requirements .....                            | (91)         |
| 4. 3. 3 The lead-time gap .....   | (92)         |
| 4. 3. 4 The problems of high levels of inventory and the approaches ..... | (93)         |
| 4. 3. 5 Analyzing time and inventory .....                                | (95)         |
| Words and terms .....   | (96)         |
| Notes .....   | (98)         |
| Exercises .....   | (100)        |
| After-class reading .....   | (101)        |
| <br>  |              |
| <b>Chapter 5 Transportation .....</b>                                     | <b>(106)</b> |
| 5. 1 Basic knowledge preparing .....                                      | (106)        |
| 5. 1. 1 Definition .....  | (106)        |
| 5. 1. 2 Importance of an effective transportation .....                   | (107)        |
| 5. 1. 3 The single-service choices .....                                  | (108)        |
| 5. 1. 4 Intermodal services .....   | (111)        |
| 5. 1. 5 Transportation characteristics .....                              | (112)        |
| 5. 2 Transportation management .....                                      | (114)        |
| 5. 2. 1 Creating economic utility .....                                   | (114)        |
| 5. 2. 2 Transport cost characteristics .....                              | (115)        |
| 5. 2. 3 Service choices and their characteristics .....                   | (118)        |
| 5. 2. 4 The economic factors of transportation .....                      | (120)        |
| 5. 2. 5 Transportation documentation .....                                | (121)        |
| 5. 2. 6 Market and pricing decisions .....                                | (122)        |
| Words and terms .....   | (123)        |
| Notes .....   | (125)        |
| Exercises .....   | (127)        |
| After-class reading .....   | (129)        |
| <br>  |              |
| <b>Chapter 6 Logistics Information .....</b>                              | <b>(132)</b> |
| 6. 1 Logistics information system .....                                   | (132)        |



|   |              |
|---|--------------|
| 6.1.1 Logistics information system overview .....                   | (132)        |
| 6.1.2 Information functionality .....                               | (136)        |
| 6.1.3 The importance of information in logistics management .....   | (139)        |
| 6.2 Information technology .....                                    | (140)        |
| 6.2.1 Introduction to the information technology .....              | (140)        |
| 6.2.2 Use of EDI in the supply chain .....                          | (143)        |
| 6.2.3 Technology at UPS .....                                       | (145)        |
| 6.3 Logistics information management .....                          | (146)        |
| 6.3.1 Principles of logistics information .....                     | (146)        |
| 6.3.2 DANZAS' principles of logistics information .....             | (149)        |
| Words and terms .....   | (150)        |
| Notes .....   | (152)        |
| Exercises .....   | (153)        |
| After-class reading .....   | (155)        |
| <br>  |              |
| <b>Chapter 7 Supply Chain Management .....</b>                      | <b>(157)</b> |
| 7.1 Basic knowledge preparing .....                                 | (157)        |
| 7.1.1 Concepts of supply chains and its management .....            | (157)        |
| 7.1.2 Model of supply chain management .....                        | (160)        |
| 7.1.3 Key attributes of supply chain management .....               | (161)        |
| 7.1.4 Seven principles of supply chain .....                        | (164)        |
| 7.1.5 Agile supply chain and its principles .....                   | (165)        |
| 7.2 Supply chain management and demand chain management .....       | (166)        |
| 7.2.1 Supply chain management .....                                 | (166)        |
| 7.2.2 Demand chain management .....                                 | (167)        |
| 7.2.3 Demand/supply chain linkages .....                            | (168)        |
| Words and terms .....   | (171)        |
| Notes .....   | (172)        |
| Exercises .....   | (174)        |
| After-class reading .....   | (176)        |
| <br>  |              |
| <b>Chapter 8 Logistical Strategy .....</b>                          | <b>(179)</b> |
| 8.1 Basic knowledge preparing .....                                 | (179)        |
| 8.1.1 Why formulate logistics strategies .....                      | (179)        |
| 8.1.2 A conceptual approach to formulating logistics strategy ..... | (182)        |



|   |              |
|---|--------------|
| 8. 1. 3 Strategic direction .....   | (186)        |
| 8. 1. 4 Distribution strategies—international distribution channel strategies ..... | (189)        |
| 8. 1. 5 Strategic action itineraries in logistics .....                             | (190)        |
| 8. 2 View your supply chain as a strategy asset .....                               | (194)        |
| 8. 2. 1 Five key configuration components .....                                     | (195)        |
| 8. 2. 2 Operations strategy .....   | (195)        |
| 8. 2. 3 Channel strategy .....  | (197)        |
| 8. 2. 4 Outsourcing strategy .....  | (197)        |
| 8. 2. 5 Customer service strategy .....   | (200)        |
| 8. 2. 6 Asset network .....   | (200)        |
| 8. 3 Illustrated typology of possible logistics strategies .....                    | (202)        |
| 8. 3. 1 Cost domination .....   | (203)        |
| 8. 3. 2 Differentiation .....   | (203)        |
| 8. 3. 3 Innovation .....  | (204)        |
| 8. 3. 4 Alliance .....  | (206)        |
| Words and terms .....   | (207)        |
| Notes .....   | (207)        |
| Exercises .....   | (210)        |
| After-class reading .....   | (212)        |
| <br>  |              |
| <b>Chapter 9 Outsourcing Logistics .....</b>  | <b>(214)</b> |
| 9. 1 Basic knowledge preparing .....  | (214)        |
| 9. 1. 1 Factors promoting outsourcing .....   | (214)        |
| 9. 1. 2 The process of externalization .....  | (217)        |
| 9. 1. 3 Recent trends in the purchase of logistical service .....                   | (218)        |
| 9. 2 Evolving relationship between providers and users of logistical services ..... | (229)        |
| 9. 2. 1 More precise contract specification .....                                   | (230)        |
| 9. 2. 2 Improved LSP-client communications at all levels .....                      | (230)        |
| 9. 2. 3 Joint initiatives .....   | (230)        |
| 9. 2. 4 Adoption of open-book accounting .....                                      | (231)        |
| Words and terms .....   | (232)        |
| Notes .....   | (233)        |
| Exercises .....   | (235)        |
| After-class reading .....   | (237)        |



|  |       |       |
|--|-------|-------|
| <b>Chapter 10 International Logistic</b>                                 | ..... | (239) |
| 10. 1 Basic knowledge preparing  | ..... | (239) |
| 10. 1. 1 The definition of international logistics                       | ..... | (239) |
| 10. 1. 2 Stages of international development                             | ..... | (242) |
| 10. 1. 3 Non-trade international logistics                               | ..... | (243) |
| 10. 2 Management of the international logistic                           | ..... | (246) |
| 10. 2. 1 Containerization  | ..... | (246) |
| 10. 2. 2 International multimodal transport                              | ..... | (247) |
| 10. 2. 3 Managing the Global Supply                                      | ..... | (249) |
| 10. 2. 4 International logistics center                                  | ..... | (252) |
| Words and terms  | ..... | (254) |
| Notes  | ..... | (256) |
| Exercises  | ..... | (260) |
| After-class reading  | ..... | (262) |
| <br><b>Chapter 11 Global Logistics</b>                                   | ..... | (267) |
| 11. 1 Surroundings introduction & basic knowledge preparing              | ..... | (267) |
| 11. 1. 1 The trend towards globalization in the supply chain             | ..... | (267) |
| 11. 1. 2 Sources of competitive advantage from a global strategy         | ..... | (269) |
| 11. 1. 3 The nature of competitive advantage in global industries        | ..... | (270) |
| 11. 1. 4 Cultural differences  | ..... | (271) |
| 11. 1. 5 Country comparative advantages                                  | ..... | (272) |
| 11. 1. 6 Types of international strategy: multi-domestic vs. global      | ..... | (273) |
| 11. 1. 7 Global cost structure analysis                                  | ..... | (274) |
| 11. 2 Integration the supply chain                                       | ..... | (275) |
| 11. 2. 1 Requirements for integration                                    | ..... | (275) |
| 11. 2. 2 Preparing to integrate the supply chain                         | ..... | (277) |
| 11. 2. 3 International partnerships                                      | ..... | (278) |
| 11. 2. 4 Balancing price, quality and service                            | ..... | (279) |
| 11. 3 Global enterprise logistics: one tradition ends and another begins | ..... | (280) |
| 11. 3. 1 Global enterprise logistics                                     | ..... | (281) |
| 11. 3. 2 Global logistics: current issues                                | ..... | (281) |
| 11. 3. 3 Knowledge management in global firms                            | ..... | (283) |
| 11. 3. 4 Case study  | ..... | (284) |
| Words and terms  | ..... | (287) |



|  |              |
|--|--------------|
| Notes .....  | (288)        |
| Exercises .....  | (290)        |
| After-class reading .....  | (291)        |
| <br>   |              |
| <b>Chapter 12 Performance Measurement in Supply Chain .....</b>                    | <b>(293)</b> |
| 12. 1 Performance measurement .....  | (293)        |
| 12. 1. 1 Keeping score—a basic management principle .....                          | (294)        |
| 12. 1. 2 The fundamental concepts of supply chain management and measurement ..... | (295)        |
| 12. 1. 3 The principle of “input and output measures” .....                        | (296)        |
| 12. 1. 4 Setting goals across the chain through service level agreements .....     | (299)        |
| 12. 1. 5 Future directions in performance measurement .....                        | (301)        |
| 12. 2 Benchmarking .....   | (303)        |
| 12. 2. 1 What benchmarking is .....  | (304)        |
| 12. 2. 2 A brief history of benchmarking .....                                     | (305)        |
| 12. 2. 3 What it can do for you .....  | (306)        |
| 12. 2. 4 The pitfalls and critical success factors( CSFs) .....                    | (307)        |
| Words and terms .....  | (309)        |
| Notes .....  | (309)        |
| Exercises .....  | (312)        |
| After-class reading .....  | (314)        |
| <br>   |              |
| <b>Chapter 13 New Directions in Logistics .....</b>                                | <b>(317)</b> |
| 13. 1 Surrounding introduction and basic knowledge preparing .....                 | (317)        |
| 13. 1. 1 The emergence of the value-conscious customer .....                       | (317)        |
| 13. 1. 2 The new competitive framework;the three Rs .....                          | (318)        |
| 13. 1. 3 The organizational challenge .....  | (320)        |
| 13. 2 The supply chain and IT .....  | (322)        |
| 13. 2. 1 The path to the internet .....  | (323)        |
| 13. 2. 2 The internet implications .....   | (325)        |
| 13. 3 Green logistics .....  | (329)        |
| 13. 3. 1 Green and logistics .....   | (329)        |
| 13. 3. 2 Development and application of green logistics .....                      | (330)        |
| 13. 3. 3 The paradoxes of green logistics in transport systems .....               | (332)        |
| 13. 3. 4 A blueprint for green logistics .....                                     | (334)        |
| Words and terms .....  | (336)        |



## 物流专业英文文献选读

|                           |       |
|---------------------------|-------|
| Notes .....               | (337) |
| Exercises .....           | (339) |
| After-class reading ..... | (341) |
| <br>                      |       |
| Glossary .....            | (343) |
| References .....          | (349) |



# Chapter 1 An Introduction to Logistics

## 1.1 Basic knowledge preparing

### 1.1.1 History

In the early part of 1991 the world was given a dramatic example of the importance of logistics. As a precursor to the Gulf War it had been necessary for the United States and its allies to move huge amounts of materials great distance in what were thought to be impossibly short time. Half a million people and over half a million tons of materials and supplies were airlifted 12000 kilometers with a further 2.3 million tons of equipment moved by sea all of this achieved in a matter of months.

Throughout the history of mankind wars have been won and lost through logistics strengths and capabilities or the lack of them. It has been argued that the defeat of the British in the American War of Independence can largely be attributed to logistics failure. The British Army in America depended almost entirely upon Britain for supplies. At the height of the war there were 12000 troops overseas and for the most part which were not only to be equipped, but also fed from Britain. For the first six years of the war the administration of these vital supplies was totally inadequate, affecting the course of operations and the morale of the troops. An organization capable of supplying the army was not developed until 1781 and by then it was too late.

In the Second World War logistics also played a major role. The Allied Forces, invasion of Europe was a highly skilled exercise in logistics, as was the defeat of Rommel in the desert. Rommel himself once said, “before the fighting proper, the battle is won or lost by quartermasters”.

However while the Generals and Field Marshals from the earliest times have understood the critical role of logistics, strangely it is only in the recent past that business organizations have come to recognize the vital impact that logistics can have in the achievement of competitive advantage. This lack of recognition partly springs from the relatively low level of understanding of the benefits of integrated logistics. Arch Shaw, writing in 1915, pointed out:

“The relations between the activities of demand creation and physical supply... illustrate the existence of the two principles of interdependence and balance. Failure to coordinate any one of



these activities with its group-fellows and also with those in the other group, or undue emphasis or outlay put upon any one of these activities, is certain to upset the equilibrium of forces which means efficient distribution.

The physical distribution of the goods is a problem distinct from the creation of demand, not a few worthy failures in distribution campaigns have been due to such a lack of coordination between demand, creation and physical supply.

Instead of being a subsequent problem, this question of supply must be met and answered before the work of distribution begins."

It has taken another 70 years or so for the basic principles of logistics to be clearly defined.

### 1. 1. 2 What is logistics

There are various definitions of different editions. The term was defined as follows:

Logistics (business definition) : Logistics is defined as a business-planning framework for the management of material, service, information and capital flows. It includes the increasingly, complex information, communication and control systems required in today's business environment.

(Logistics Partners Oy, Helsinki, FI, 1996)

Logistics (military definition) : The science of planning and carrying out the movement and maintenance of forces... those aspects of military operations that deal with the design and development, acquisition, storage, movement, distribution, maintenance, evacuation and disposition of material; movement, evacuation, and hospitalization of personnel; acquisition of construction, maintenance, operation and disposition of facilities; and acquisition of furnishing of services.

(JCS Pub 1 -02 Excerpt)

Logistics: The procurement, maintenance, distribution, and replacement of personnel and material.

(Webster's Dictionary)

Logistics: 1. The branch of military operations that deals with the procurement, distribution, maintenance, and replacement of material and personnel. 2. The management of the details of an operation.

(American Heritage Dictionary)

Logistics: The process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements. Note that this definition includes inbound, outbound, internal, and external movements, and return of materials for environmental purposes.

(Council of Logistics Management)



**Logistics:** The process of planning, implementing, and controlling the efficient, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of meeting customer requirements.

( Canadian Association of Logistics Management )

**Logistics:** The science of planning, organizing and managing activities that provides goods or services.

( MDC, Log Link/Logistics World, 1997 )

**Logistics:** Logistics is the science of planning and implementing the acquisition and use of the resources necessary to sustain the operation of a system.

( ECRC University of Scranton/Defense Logistics Agency )

From these definitions logistics can be briefly described like this: "Logistics means having the right thing, at the right place, at the right time."

At its heart, logistics deals with satisfying the customer. This implies that management must first understand what those requirements are before a logistics strategy can be developed and implemented to meet them. As will be discussed in more detail later, customer service is the most important output of an organization's logistics system. This focus on customer satisfaction will be emphasized through the text just as it should be in the firm.

In a more practical sense, logistics refers to the systematic management of the various activities required to move benefits from their point of production to the customer. Often these benefits are in the form of a tangible product that must be manufactured and moved to the user; sometimes these benefits are intangible and are known as services. They too must be produced and made available to the final consumer. But logistics encompasses much more than just the transport of goods.

The concept of benefits is a multifaceted one that goes beyond the product or service itself to include issues regarding timing, quantity, supporting services, location, and cost. So a basic definition of logistics is the continuous process of meeting customer needs by ensuring the availability of the right benefits for the right customer, in the quantity and condition desired by that customer, at the time and place the customer wants them, all for a price the buyer is willing to pay. These concepts apply equally well to for profit industries and non-profit organizations, as the earlier discussion on military requirements illustrated.

However, logistics can mean different things to different organizations. Some firms are more concerned with producing the benefits; that is, their management focus is on the flow of raw materials into the production process rather than on delivering the final goods to the user. The sourcing and managing of raw materials and component parts is often referred to as materials management and is illustrated in Figure 1. 1. For firms with very heavy flows into the production process,



materials management and logistics may be synonymous. For example, Airbus Industries produces an A - 340 airliner in France for Singapore Airline (SIA). Once the aircraft is finished, SIA sends a crew to Toulouse and flies the plane away. The logistics effort is not complete at this point, however. Rather, for firms like Airbus, post-production emphasis is on after-sales service and support as opposed to product delivery.

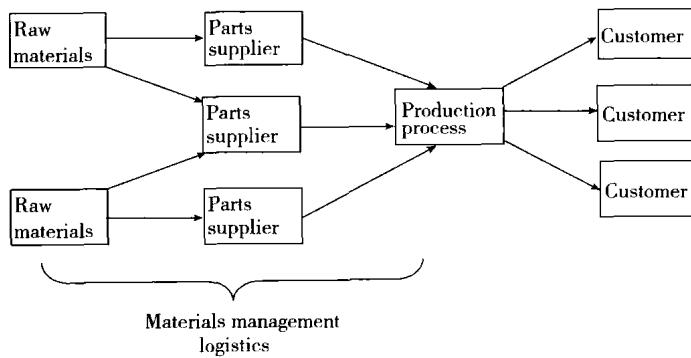


Figure 1.1 Logistics defined as materials management

Alternatively, some companies experience greater management challenges once the product is finished. In other words, they are much more concerned with the flow of finished goods from the end of the production line to the customer. Depicted in Figure 1.2, logistics in this situation is sometimes referred to as physical distribution and is a perspective in many consumer goods manufacturing firms.

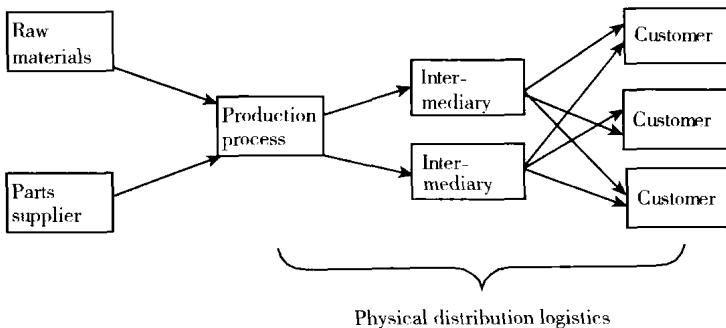


Figure 1.2 Logistics defined as physical distribution

Finally, some firms view logistics as embracing both materials management and physical distribution. These organizations look at logistics as a way to manage the entire process of customer satisfaction, from sourcing the necessary parts and material through production of the benefit to its