

# LOGISTICAL MANAGEMENT



*The Integrated Supply Chain Process*

**DONALD J. BOWERSOX**

**DAVID J. CLOSS**

# LOGISTICS MANAGEMENT I

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## THE INTEGRATED SUPPLY CHAIN PROCESS

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# PREFACE

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Over the last four decades, the discipline of business logistics has advanced from the warehouse and transportation dock to the boardroom of leading global enterprises. We have had the opportunity to be actively involved in this evolution through research, education, and advising. This first edition of *Logistical Management: The Integrated Supply Chain Process* reviews the development and fundamentals of the discipline. It also presents our vision of the future of business logistics and its role in enterprise competitiveness.

The history of the *Logistical Management* manuscript began in 1958. As some readers are aware, early contributions were presented in two editions of *Physical Distribution Management*. The first, a collaboration with two other authors published in 1961, represented the initial attempt to integrate physical distribution activities into a single book. In 1968, the second edition of *Physical Distribution Management*, again a collaboration, was substantially rewritten as a new book because of developments in the field during the intervening seven years. An early version of *Logistical Management*, published in 1974, contained material from the two previous works. However, after 1974, the ever-expanding subject content once again required a new and broader approach to logistics. The view of total logistics was further developed and refined in another edition of *Logistical Management*, published in 1978. A 1986 edition, with new coauthors, offered a refinement of selected materials and extended the breadth and scope of logistical responsibilities.

To recognize the significance of change in both the discipline and the text, this 1996 edition is given an extended title and designated a first edition. Now under the authorship of Bowersox and Closs, and published by McGraw-Hill, *Logistical Management* once again expands the material and perspective to reflect the increasing role of logistics in global competitive strategy.

Business logistics includes all the activities to move product and information to, from, and between members of a supply chain. The supply chain provides the framework for businesses and their suppliers who join to bring goods, services, and information efficiently to ultimate consumers. *Logistical Management: The Integrated Supply Chain Process* presents the mission, business processes, and strategies needed to achieve integrated supply chain management. We hope the text achieves three fundamental objectives: (1) presenting a comprehensive description of existing logistical practices within the private and public sectors of society; (2) describing ways and means to apply logistics principles to achieve

competitive advantage; and (3) providing a conceptual approach for integrating logistics as a core competency in enterprise strategy.

It would be impossible to list all the individuals who have made significant contributions to the contents of the book. Special thanks are due to James B. Henry, Dean of the Eli Broad College of Business and the Eli Broad Graduate School of Management at Michigan State University, and to Robert W. Nason, Chairperson of the Department of Marketing and Logistics at Michigan State University, for maintaining a collegial environment that fosters creativity and application of integrated logistics concepts. We also express our gratitude to Professor Emeritus Donald A. Taylor of Michigan State University, who has been a guiding force throughout our careers. In addition, for their specific aid with the manuscript, our appreciation goes to Mark L. Bennion, Bowling Green State University; M. Bixby Cooper and O. Keith Helferich, Michigan State University; Patricia J. Daugherty, University of Georgia; Martin Dresner, University of Maryland, College Park; John Grabner, Ohio State University; James Kenderdine, University of Oklahoma; Bernard J. LaLonde, Ohio State University; Bill Moser, Ball State University; Jay U. Sterling, University of Alabama; and Katherine Straughn, Auburn University; all of whom provided detailed reviews of the manuscript and offered numerous suggestions for improving the presentation.

As active members of the Council of Logistics Management, formerly the National Council of Physical Distribution Management, we have been the fortunate recipients of contributions by many council members to the development of this manuscript. In particular, we wish to acknowledge the continued assistance of George Gecowets and his staff, who maintain an open door to the academic community.

Over the past twenty-nine years, business executives who have attended the annual Michigan State University Logistics Management Executive Development Seminar have been exposed to the basic concepts developed in the text and have given freely of their time and experience. Special appreciation goes to the United Parcel Service Foundation for a grant assisting in the development of this manuscript and for a generous funding of the World Class Logistics Research initiative, which has added substantially to the relevancy of the text. We also acknowledge long-standing support to Michigan State logistics, through the funding of an endowed chair, provided by John H. McConnell, founder and chairperson of Worthington Industries.

The number of individuals involved in teaching logistics around the world expands daily. To this group in general, and in particular to our colleagues at Michigan State University, whose advice and assistance made it possible to complete this text, we express our sincere appreciation.

Teachers receive continuous inspiration from students over the years and, in many ways, the final day of judgment in a professional career comes in the seminar or classroom. We have been fortunate to have the counsel of many outstanding young scholars who currently are making their marks on the academic and business worlds. In particular, we appreciate the input of students who have used this text in manuscript form and made suggestions for improvement. We also acknowledge the contributions of current and former doctoral students, particularly Drs. David



J. Frayer, Robb Frankel, and Judith W. Schmitz, and of Steven R. Clinton, who participated extensively in case development and editorial support. Doctoral student Thomas J. Goldsby provided valuable assistance throughout manuscript preparation, managed the complex process of obtaining publication permissions, and guided development of the teaching support manual.

We wish to acknowledge the contributions of Felicia Kramer and Pamela Kingsbury, for manuscript preparation on several earlier versions of the text. Cheryl Lundeen, who prepared many drafts of the manuscript, provided outstanding support for this edition, and Stacy Kannawin added further support as the text was refined for publication. Without Felicia, Pam, Cheryl, and Stacy, this long published text, in its many revisions, would not be a reality.

With so much able assistance, it is difficult to offer excuses for any shortcomings that might appear. The faults are solely our responsibility.

*Donald J. Bowersox*

*David J. Closs*

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# CONTENTS

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PREFACE	xvii
<b>PART 1 INTEGRATED LOGISTICS</b>	<b>1</b>
<b>1 Logistics</b>	<b>3</b>
ABOUT LOGISTICAL COMPETENCY	6
THE LOGISTICAL MISSION	8
Service • Total Cost • Conclusion	
THE LOGISTICAL RENAISSANCE	13
Regulatory Change • Microprocessor Commercialization • <i>The Information Revolution</i> • Quality Initiatives • Alliances	
DEVELOPMENT PROFILE	20
QUESTIONS	22
<b>2 Logistical Operations Integration</b>	<b>24</b>
THE WORK OF LOGISTICS	25
Network Design • Information • Transportation • Inventory • Warehousing, Material Handling, and Packaging • Conclusion	
INTEGRATED LOGISTICS	33
Inventory Flow • Information Flow	
OPERATING OBJECTIVES	41
Rapid Response • Minimum Variance • Minimum Inventory • Movement Consolidation • Quality • Life-Cycle Support	
BARRIERS TO INTERNAL INTEGRATION	45
Organization Structure • Measurement Systems • Inventory Ownership • Information Technology • Knowledge Transfer Capability	
LOGISTICAL PERFORMANCE CYCLES	46
Physical Distribution Performance Cycles • Manufacturing Support Performance Cycles • Procurement Performance Cycles	
MANAGING OPERATIONAL UNCERTAINTY	54
SUMMARY	55
QUESTIONS	56
	vii

<b>3</b>	<b>Customer Service</b>	<b>57</b>
	CUSTOMER-FOCUSED MARKETING	<b>58</b>
	The Marketing Concept • Logistics as a Core Strategic Competency • Life-Cycle Planning Framework	
	CUSTOMER SERVICE DEFINED	<b>66</b>
	BASIC SERVICE CAPABILITY	<b>67</b>
	Availability • Operational Performance • Reliability • Conclusion	
	INCREASING CUSTOMER EXPECTATIONS	<b>75</b>
	THE PERFECT ORDER	<b>76</b>
	VALUE-ADDED SERVICES	<b>78</b>
	Customer-Focused Services • Promotion-Focused Services • Manufacturing-Focused Services • Time-Focused Services • Basic Service • Conclusion	
	CUSTOMER SATISFACTION AND SUCCESS:	<b>83</b>
	THE BERGEN BRUNSWIG EXAMPLE	
	Cost-Effectiveness • Market Access • Market Extension • Market Creation	
	SUMMARY	<b>86</b>
	QUESTIONS	<b>87</b>
<b>4</b>	<b>Supply Chain Relationships</b>	<b>88</b>
	CHANNEL STRUCTURE	<b>90</b>
	THE ECONOMICS OF DISTRIBUTION	<b>93</b>
	Traditional Functions • Specialization • Assortment	
	CHANNEL RELATIONSHIPS	<b>100</b>
	Supply Chain Competitiveness • Risk, Power, and Leadership • Elements of Success	
	LOGISTICAL SERVICE ALLIANCES	<b>108</b>
	Factors Stimulating Service-Based Alliances • Increasing Service Provider Efficiency • Integrated Logistics Service Providers	
	SUMMARY	<b>113</b>
	QUESTIONS	<b>114</b>
	<b>Appendix to Chapter 4: Marketing Channel Structure</b>	<b>114</b>
	DESCRIPTIVE INSTITUTIONAL APPROACH	<b>115</b>
	Merchant Middlemen • Functional Middlemen	
	THE GRAPHIC APPROACH	<b>118</b>
	COMMODITY GROUPINGS	<b>119</b>
	FUNCTIONAL TREATMENTS	<b>119</b>
	CHANNEL ARRANGEMENT CLASSIFICATION	<b>119</b>
	Single Transaction Channels • Conventional Channels • Voluntary Arrangements (VAs)	
	CONCLUSION	<b>124</b>

<b>5</b>	<b>Global Logistics</b>	<b>126</b>
	LOGISTICS IN A GLOBAL ECONOMY	127
	Forces Driving the Borderless World • Barriers to Global Logistics • The Global Challenge	
	VIEWS OF GLOBAL LOGISTICS	140
	Importing and Exporting: A National Perspective • The Stateless Enterprise • Conclusion	
	GLOBAL OPERATING LEVELS	144
	Arm's-Length Relationship • Internal Export • Internal Operations • Insider Business Practices • Denationalized Operations • Conclusion	
	THE INTERLINKED GLOBAL ECONOMY	147
	Stages of Regional Integration • Integration Status	
	THE GLOBAL SUPPLY CHAIN	158
	Performance-Cycle Length • Operations • Systems Integration • Alliances • Conclusion	
	SUMMARY	166
	QUESTIONS	168
	<b>Case A: Integrated Logistics</b>	<b>169</b>
	QUESTIONS	172
	<b>Case B: Whitmore Products: Time-Based Logistics at Work</b>	<b>172</b>
	CURRENT OPERATIONS	175
	TIME-BASED LOGISTICS	175
	THE PROPOSAL	176
	QUESTIONS	177
	<b>Case C: Zwick Electrical: Developing a Global Logistics Strategy</b>	<b>177</b>
	ABB ASEA BROWN BOVERI LTD.	179
	History • Organization	
	SIEMENS AG	180
	History • Organization	
	QUESTIONS	182
<b>PART 2</b>	<b>LOGISTICAL RESOURCES</b>	<b>183</b>
<b>6</b>	<b>Information</b>	<b>185</b>
	INFORMATION FUNCTIONALITY AND PRINCIPLES	186
	Information Functionality • Principles of Logistics Information • Conclusion	

INFORMATION ARCHITECTURE	194
Planning/Coordination • Operations • Inventory Deployment and Management • Logistics Information System Flow • Conclusion	
APPLICATIONS OF NEW INFORMATION TECHNOLOGIES	204
Electronic Data Interchange • Personal Computers • Artificial Intelligence/Expert Systems • Communications • Bar Coding and Scanning • Conclusion	
ELECTRONIC DATA INTERCHANGE STANDARDS	215
Communication Standards • Information Standards • Future Directions	
SUMMARY	220
QUESTIONS	221
<b>7 Forecasting</b>	<b>222</b>
GENERAL FORECAST CONSIDERATIONS	223
The Nature of Demand • Forecast Components • Forecast Approaches	
THE FORECAST PROCESS	227
Forecast Technique • Forecast Support System • Forecast Administration • Conclusion	
FORECAST TECHNIQUES	232
Technique Categories • Forecast Error	
SUMMARY	240
QUESTIONS	240
<b>Problem Set A: Information-Forecasting</b>	<b>241</b>
<b>8 Inventory Strategy</b>	<b>243</b>
INVENTORY FUNCTIONALITY AND PRINCIPLES	244
Inventory Types and Characteristics • Inventory Functionality • Inventory-Related Definitions • Cost of Carrying Inventory	
PLANNING THE INVENTORY RESOURCE	258
Determining Order Point (When to Order?) • Determining Lot Size (How Much?)	
ACCOMMODATING UNCERTAINTY	266
Accommodating Demand Uncertainty • Performance-Cycle Uncertainty • Determining Order Point with Uncertainty • Replenishment Ordering	
SUMMARY	279
QUESTIONS	280
<b>9 Inventory Management</b>	<b>281</b>
INVENTORY MANAGEMENT POLICIES	282
Inventory Control • Reactive Methods • Planning Methods • Adaptive Logic	

MANAGEMENT PROCESSES	298
Strategy Development Process • Methods for Improved Inventory Management	
SUMMARY	306
QUESTIONS	307
<b>Problem Set B: Inventory</b>	<b>308</b>
<b>10 Transportation Infrastructure</b>	<b>311</b>
TRANSPORT FUNCTIONALITY AND PRINCIPLES	312
Transport Functionality • Principles • Participants in Transportation Decisions	
TRANSPORT INFRASTRUCTURE	316
Modal Characteristics • Modal Classification • Transportation Formats • Conclusion	
SUPPLIERS OF TRANSPORTATION SERVICES	330
Single-Mode Operators • Specialized Carriers • Intermodal Operators • Nonoperating Intermediaries • Conclusion	
SUMMARY	338
QUESTIONS	339
<b>11 Transportation Regulation</b>	<b>340</b>
TYPES OF REGULATION	341
Economic Regulation • Safety and Social Regulation	
HISTORY OF TRANSPORTATION REGULATION	343
Pre-1920 • 1920 to 1940 • 1940 to 1976 • 1976 to the Present	
INTERSTATE DEREGULATION	350
Motor Carrier • Air Transport • Rail Transport • Other Carriers • The Future of Federal Economic Regulation	
INTRASTATE REGULATION	356
CURRENT REGULATORY ISSUES	358
Collective Rate Making and Antitrust Immunity • Contract Definition • The Future Status of the ICC • Hidden Discounts • Undercharges • Hazardous Materials	
SUMMARY	363
QUESTIONS	363
<b>12 Transportation Management</b>	<b>364</b>
BASIC TRANSPORT ECONOMICS AND PRICING	364
Economic Factors • Cost Structures • Pricing Strategies • Rating	
TRANSPORT DECISION MAKING	378
Transport Documentation • Traffic Department Responsibilities	
SUMMARY	385
QUESTIONS	385
<b>Problem Set C: Transportation</b>	<b>387</b>

<b>13</b>	<b>Warehouse Management</b>	<b>389</b>
	STORAGE FUNCTIONALITY AND PRINCIPLES	390
	The Concept of Strategic Storage • Warehouse Functionality • Warehouse Operating Principles	
	DEVELOPING THE WAREHOUSE RESOURCE	399
	Warehousing Alternatives • Warehousing Strategy • Planning the Distribution Warehouse • Initiating Warehouse Operations	
	SUMMARY	416
	QUESTIONS	417
<b>14</b>	<b>Material Handling</b>	<b>418</b>
	MANAGING THE WAREHOUSE RESOURCE	419
	Handling Requirements • Storage Requirements	
	MATERIAL HANDLING	421
	Basic Handling Considerations • Mechanized Systems • Semiautomated Handling • Automated Handling • Information-Directed Systems • Special Handling Considerations • Conclusion	
	SUMMARY	434
	QUESTIONS	434
<b>15</b>	<b>Packaging</b>	<b>435</b>
	PERSPECTIVES	436
	Consumer Packaging (Marketing Emphasis) • Industrial Packaging (Logistics Emphasis)	
	DAMAGE PROTECTION	439
	Physical Environment • Outside Elements	
	MATERIAL-HANDLING EFFICIENCY/UTILITY	441
	Product Characteristics • Unitization • Communication	
	CHANNEL INTEGRATION	445
	ALTERNATIVE MATERIALS	446
	Traditional Materials • Emerging Trends	
	SUMMARY	451
	QUESTIONS	451
	<b>Problem Set D: Warehousing-Handling</b>	<b>452</b>
<b>PART 3</b>	<b>LOGISTICS SYSTEM DESIGN</b>	<b>455</b>
<b>16</b>	<b>Logistics Positioning</b>	<b>457</b>
	LOGISTICS REENGINEERING	458
	Systems Integration • Benchmarking • Activity-Based Costing • Quality Initiatives	

REENGINEERING PROCEDURE	462
LOGISTICS ENVIRONMENTAL ASSESSMENT	463
Industry-Competitive Assessment • Geomarket Differentials • Technology Assessment • Material-Energy Assessment • Channel Structure • Economic-Social Projections • Service Industry Trends • Regulatory Posture • Conclusion	
TIME-BASED LOGISTICS	470
Postponement • Consolidation • Operating Arrangements: Anticipatory versus Response-Based • Conclusion	
ALTERNATIVE LOGISTICS STRATEGIES	479
Structural Separation • Logistical Operating Arrangements	
STRATEGIC INTEGRATION	488
LOGISTICS TIME-BASED CONTROL TECHNIQUES	489
Supply-Driven Techniques • Demand-Driven Techniques	
SUMMARY	494
QUESTIONS	494
<b>17 Integration Theory</b>	<b>495</b>
LOGISTICS LOCATION STRUCTURE	496
Spectrum of Location Decisions • Local Presence Paradigm	
WAREHOUSE LOCATION PATTERNS	499
Market-Positioned Warehouses • Manufacturing-Positioned Warehouses • Intermediately Positioned Warehouses	
TRANSPORTATION ECONOMIES	501
Cost-Based Warehouse Justification • Transportation Cost Minimization	
INVENTORY ECONOMIES	503
Service-Based Warehouse Justification • Inventory Cost Minimization	
LEAST-TOTAL-COST DESIGN	509
Trade-off Relationships • Critical Assumptions and Limitations	
FORMULATING LOGISTICAL STRATEGY	512
The Least-Total-Cost System Design • Threshold Service • Service Sensitivity Analysis • Finalizing Logistical Strategy	
SUMMARY	521
QUESTIONS	522
<b>18 Planning and Design Methodology</b>	<b>523</b>
METHODOLOGY	524
PHASE I: PROBLEM DEFINITION AND PLANNING	524
Feasibility Assessment • Project Planning	
PHASE II: DATA COLLECTION AND ANALYSIS	534
Assumptions and Data Collection • Analysis	
PHASE III: RECOMMENDATIONS AND IMPLEMENTATION	540
Recommendations • Implementation • Conclusion	



DECISION SUPPORT SYSTEMS	545
Define Functional Requirements • Define Relative Importance • Identify Alternatives • Rate Each Alternative • Select Package and Negotiate with Supplier	
SUMMARY	548
QUESTIONS	548
<b>19 Planning and Design Techniques</b>	<b>550</b>
LOGISTICS AD HOC ANALYSIS	551
Freight Lane Analysis • Inventory Analysis • Segment Profitability	
LOCATION APPLICATIONS	554
Location Decisions • Location Analysis Techniques • Location Analysis Data Requirements	
INVENTORY APPLICATIONS	570
Inventory Analysis Decisions • Inventory Analysis Techniques	
TRANSPORTATION APPLICATIONS	573
Transportation Analysis Decisions • Transportation Analysis Techniques • Transportation Analysis Data Requirements • Conclusion	
ENTERPRISE MODELING	578
SUMMARY	580
QUESTIONS	580
<b>Case D: Westminster Company: A System Design Assessment</b>	<b>581</b>
COMPANY PROFILE	581
WESTMINSTER TODAY	581
WESTMINSTER'S DISTRIBUTION NETWORK	582
QUESTIONS	584
<b>Case E: Alternative Distribution Strategies</b>	<b>585</b>
RETAIL INTEREST	586
OPERATING PROCEDURES	586
SUMMARY	587
QUESTIONS	587
<b>Case F: Michigan Liquor Control Commission</b>	<b>587</b>
HISTORY OF MICHIGAN LIQUOR DISTRIBUTION SYSTEM	588
THE LIQUOR DISTRIBUTION PROCESS	588
CURRENT ISSUES	590
CHALLENGES OF SYSTEM REDESIGN	591
QUESTIONS	591