



物流英语 与专业化发展

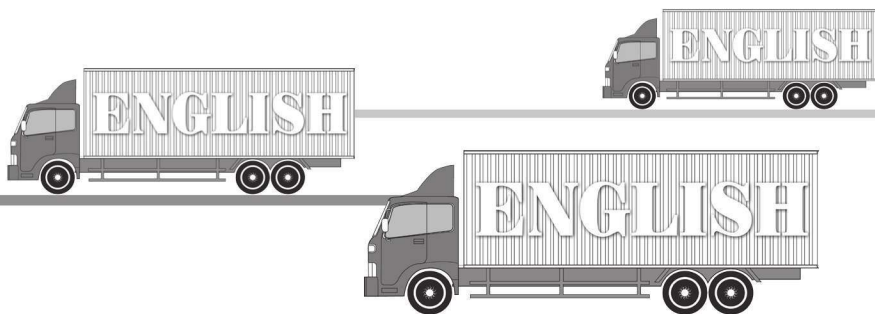
王龙飞 李 杨◎著



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Foreword

Logistics has been deep into all walks of life in today's global economy, life, prosperity and logistics reflects the inevitable trend of world economic integration, is conscious of the economic system integration. Logistics industry has become increasingly broad development prospects and emerging newborn life, especially the importance in the national economy growing, people have greatly stimulated interest in learning and research logistics, specific logistics practices is an urgent need for a large number of qualified logistics management personnel should be shipped out.

This book is used as a logistics expertise to understand the English monograph, unlimited professional, which also coincides with the opening of the essence of logistics, the logistics industry has a cross-scientific characteristics, the development potential of the logistics industry also lies in multidisciplinary cooperation in logistics content on the system involves the transport, storage, purchasing, inventory, processing, packaging, management, information exchange, including the entire supply chain, can be said interlocking, require all professionals to join. Professional learning on the basis of their own, initially grasp certain logistics knowledge, which will be applied to their own professional director of logistics practice for other professionals aspiring to become the logistics industry, is to achieve a win-win professional and career choices, also achieved rapid development of the logistics industry and occupational performance of employees expected to win.

This book is the crystallization of the collective cooperation, the book by Wang Longfei (Chang'an University School of Highway), Li Yang (Chang'an University School of Highway) co-creation is completed, wherein the first chapter to the fifth chapter written by Wang Longfei; sixth to the tenth chapter a chapter written by Li Yang. In addition, in order to reflect the rapid development of the logistics, the book draws on the full theory and practice of cutting-edge information and operating practices internationally renowned logistics enterprises at home and abroad, together with the relevant experts here to express my heartfelt thanks.

Due to the limited level of errors and irregularities are inevitable, readers please correct me.

Author
January 2014

Contents

Chapter 1 logistics overview

I . The concept of logistics in early days	1
II . The development from “physical distribution” to “logistics”	2
III . The meaning of logistics	3
IV . The emergence of supply chain management	5
V . Categories of logistics	6
VI . The proposal of logistics strategy	7
VII . Decision-making levels in an enterprise	9
VIII . Careers in logistics	12

Chapter 2 logistics and customer

I . The role of logistics in marketing mix	17
II . The definition of customer service	18
III . The importance of customer service in logistics	20
IV . Logistics service quality management	21
V . Three levels of customer service in logistics	22
VI . Issues in improvement of customer service	24

Chapter 3 logistics and supplier management

I . Logistics activities	29
II . The importance of purchasing	32

III . Order management	33
IV . Supplier selection	35
V . Suppliers classification	36
VI . Supplier relationship	37
VII . Collaboration strategies	40
VIII . Vendor-managed inventory (vmi)	42

Chapter 4 logistics and production management

I . Development of materials management system	48
II . Push system	49
III . Pull system	50
IV . Just-in-time logistics	51
V . The agile supply chain competing in volatile markets	54

Chapter 5 logistics and warehouse management

I . Definition of warehousing	58
II . Functions of warehousing	60
III . The main process of warehousing operation	62
IV . Types of warehouses	64
V . Materials handling systems	65
VI . Distribution strategies	68

Chapter 6 logistics and inventory control

I . The trade-off in inventory functions	71
II . Inventory carrying costs	73
III . Stock-out costs	74
IV . Safety stock	75

V . Economic order quantity 76

VI . Inventory control 80

Chapter7 logistics and logistics simulation

I . Introduction 85

II . Before the game 85

III . Playing the game 86

IV . After the game 89

Chapter 8 logistics and packaging

I . Functions of packaging 92

II . Relationship of product characteristics and packaging 93

III . Types of packaging 1. Material types 94

IV . Packaging logistics 95

Chapter 9 logistics and transportation

I . The importance of transportation 99

II . The basic means of transportation 100

III . Special means of transportation 105

IV . The basic transport network 109

V . Freight transportation decisions 111

Chapter 10 logistics and cost management

I . The value of logistics 116

II . Trade-off impact on costs and revenue 117

III . Key performance indicators of logistics costs 117

IV . Total cost analysis 121

V . Activity-based costing 122

Chapter 11 third party logistics and fourth

I . Definition and features of third party logistics 130

II . Third party logistics service provider and user 131

III . E-business and third party logistics 133

IV . The definition of fourth party logistics (4pl) 137

V . Functions and services of 4pl 138

VI . The differences between 4pl and 3pl 139

VII . The operating modes of 4pl 140

VIII . To outsource or not? 141

Chapter 1 logistics overview

Logistics management has become a heated topic in the society since the 1990s. The famous management guru Peter Drucker called logistics the last profit frontier. Many enterprises have noticed that competitive advantages result from catering to customers' demanded products and services in the shortest time at the lowest cost. Therefore, logistics management has become a sharp edge to reduce cost and boost profits as well as to obtain competitive advantages. Depending on its sound logistics management, Wal-Mart, the world's largest chain retailer, has decreased its selling cost by 2%-3% compared against the industry average, tripled its growth rate within the industry, and made a profit more than twice of its competitors. The company's turnover ranked the first in the world in as short as 40 years. Other companies, such as Dell, Carrefour and Acer, also attribute their success to the good logistics management system. Therefore, both the manufacturing industry and retailing business should put great priority on logistics management, and understand how to run logistics system with high efficiency.

The development of logistics results from the coactions of social productivity, science and technology. It is both an advanced technology and sophisticated management conception. The development level of logistics has become a showcase of the general economic strength of a nation or region.

I . The concept of logistics in early days

In the 1921 publication, "Some Problems in Market Distribution", Arch Shaw, the author, brought up the concept of distribution. He quoted in his book, "distribution is a different system from creating the demand, and value is added to the goods moved." While in his analysis, market distribution refers to goods flow, the transfer in time and space, that is, logistics happens in sales. Lord Latham set up a delivery company in 1918, aiming to

efficiently channel the goods in Britain to wholesalers, retailers and consumers. It is believed to be one of the earliest logistic operations in the recorded history.

In the early 1930s, a textbook on marketing gave rise to “physical supply”, a terminology involving transportation and storage of goods. And “marketing” was defined as operations that affected the transfer of both tangible goods and ownership. In the year of 1935, “physical distribution” was first defined by American Sales Association as “material object distribution”. It means every kind of economic activities that has taken place in the process of material object and service flowing, which is included in selling.

At the twenty-sixth Boston Conference on Distribution of Boston Trade Board in 1954, Paul D. Coverse issued a speech called “the other half of marketing”, which pointed out both academic and business community should attach emphasis to and investigate the distribution in marketing. This speech enhanced people’s understanding of distribution. Edward W. Smykay published *physical distribution management* in 1961, which laid the theoretical basis for the development of distribution.

In Japan the concept of logistics was firstly brought up in 1964. Japan used to name all the transactions related to commodity circulation “distribution technology”, before the use of the technical term “logistics”. In 1956, a seven-member delegation on distribution technology led by Masao Uno, the professor of Waseda University, was dispatched to the United States by Japanese Productivity Center. This delegation made it clear that the so-called “distribution technology” in Japan was equivalent to “physical distribution” in the United States. From then on, “distribution technology” was called P. D. for short following the American term. Henceforth, the technical term P. D. has been widely used. In 1964, when five-year plan formulation team of Ikeda Cabinet spoke of the technical term P. D., they commented that “physical logistics” was better. In 1965, logistics, short for “physical logistics”, was officially adopted by the Japanese government.

II . The development from “physical distribution” to “logistics”

During World War II, American military first employed the word “logistics management” in the wartime to refer to the supply of munitions and other materials for the comprehensive management of transportation, provision and stock of munitions. From then on, logistics gradually formed an independent subject and developed into logistics engineering, logistics management and logistics of distribution.

Logistics management was later introduced into the sector of commerce, called business logistics. It was defined as “lots of business activities including the circulation of raw materials, the distribution of goods, transportation, procurement, control of inventory, stock and customer services.”

During the 1950s and 1970s, the main study object was “logistics” in a narrow sense. It was logistics activities concerning the sales of commodities, and was known as the physical movement in the process of circulation. So the phrase “physical distribution” was widely used.

In 1986, national council of physical distribution management was changed into the council of logistics management, clm for short, because “physical distribution” was regarded as a narrower expression of the commodity circulation sector than “logistics” which was considered more extensive, consistent and cohesive. Clm defined “logistics” as “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 customers’ requirements”. This definition includes inbound, outbound, internal, and external movements, and return of materials for environmental protection purposes.

III . The meaning of logistics

1. The definition of logistics

Compared with the concept of “physical distribution”, “logistics” breaks through the range of commodity circulation, enlarging the logistics activity to production area. Logistics starts when the products’ going out of the factory, and includes the whole physical distribution process of raw material purchase, manufacturing, sales, after-sale service, and waste recycling. That is because along with the development of productivity, social division of labor is more and more detailed, and large-scale manufacturers usually outsource the end product’s components and parts to other professional manufacturers whose labor is relatively cheaper. They themselves just assemble and package the products. Under this condition, logistics has a close relationship not only with distribution system, but also with production system.

Logistics is the universal thread or pipeline that plans and coordinates the delivery of products and services to customers all over the world. Logistics professionals manage

and coordinate activities in this global pipeline to ensure an effective and efficient flow of materials and information from the time a need arises until it is satisfied and beyond. Some of the many activities involved in logistics include: customer service; warehousing; inventory control; transportation; materials handling; forecasting; purchasing; strategic planning. The goal of these logistics activities is to satisfy the needs of the ultimate consumer. Simply stated, logistics managers ensure that the right product, in the right quantity and in the right quality, is delivered to the right customer at the right place, at the right time, and at the right cost.

A more comprehensive definition of logistics adopted by council of logistics management includes inbound, outbound, internal, and external movements. Logistics is that part of the supply chain process that plans, implements, and controls the efficient, effective flow and storage of goods, services, and related information from the point of origin to the point of consumption to meet customers' requirements.

From all the above, we can know that, the conception of logistics includes a broad sense and a narrow sense. In a broad sense, logistics refers to controlling the whole process of raw materials, including origin of materials supply—producer—seller—final consumer. In a narrow one, logistics is the management of the logistics in sales process of final products, that is, delivery—seller—final consumer.

The extension characteristics of logistics are more than those of logistics in sales because it enlarges the start point to the production field; less than those of business logistics because it does not include raw material logistics. It is consistent with the extension of the supply chain, so it can be called supply chain management.

2. The importance of logistics

Logistics has a huge impact on the domestic and global economy. Logistics facilitates market exchanges, provides a major source of employment, and is a major purchaser of assets and materials. In the process of these activities, organizations in the united states spend nearly \$800 billion on logistics each year—up from \$678 billion in 1990. That is nearly three times the combined annual revenues of general motors, ibm, and proctor & gamble! Worldwide, more than \$1. 4 Trillion is spent annually on logistics and the amount will grow with the continued expansion of the global marketplace.

Logistics is of critical importance to human survival. The logistics system provides the continuous availability of food, water, medicine, and other key materials that you need to survive. A prime example is the food you ate at your last meal. It is very likely that the

materials used to prepare that meal came quite a distance—perhaps from the other side of the planet! In order for that meal to fulfill your needs, you were dependent on logistics professionals to provide safe storage and transportation of those items.

Logistics greatly impacts our quality of life. The logistics industry employs people worldwide, providing a cost-effective means of distributing goods locally and globally. The more affordable the goods are, the higher the standard of living is for you. Consider the last pair of athletic shoes that you purchased. They were probably manufactured in southeast asia, yet the exact pair (the right size, color, and style) that you wanted was available for purchase the day you walked into the store.

Logistics affects our success in a wide variety of endeavors. Logistics greatly impacts activities other than the flow of industrial and consumer products. Here are just a few examples: relief organizations like the american red cross disaster service and the international red cross provide logistics support in life-threatening situations such as floods, hurricanes, and earthquakes. They operate like a huge mobile warehouse, setting up temporary facilities and shelters on a moment's notice to efficiently distribute food, supplies, and equipment to disaster victims. The u. S. Military relies on logistics to determine the feasibility of a mission—whether it is military or humanitarian in nature. Logistics also provides the flexibility to move personnel, equipment, and supplies wherever they are needed in the world. Major productions like rock concerts and sporting events also require logistics. More than \$25 million was spent on logistics for the summer olympic games in atlanta, georgia. During the games, more than 1 200 logistics staff members were needed to receive, set up, resupply, and recover assets at 143 competition venues, training facilities, and other sites.

IV . The emergence of supply chain management

There is a difference between the concept of supply chain management and the traditional concept of logistics. Logistics typically refers to activities that occur within the boundaries of a single organization and supply chains refer to networks of companies that work together and coordinate their actions to deliver a product to market. Also traditional logistics focuses its attention on activities such as procurement, distribution, maintenance, and inventory management. Supply chain management acknowledges all of traditional logistics and also includes activities such as marketing, new product development, finance, and customer service.

In the wider view of supply chain thinking, these additional activities are now seen as

part of the work needed to fulfill customer requests. Supply chain management views the supply chain and the organizations in it as a single entity. It brings a systematic approach to understanding and managing the different activities needed to coordinate the flow of products and services to best serve the ultimate customer. This systematic approach provides the framework in which to best respond to business requirements that otherwise would seem to be in conflict with each other.

Taken individually, different supply chain requirements often have conflicting needs. For instance, the requirement of maintaining high levels of customer service calls for maintaining high levels of inventory, but then the requirement to operate efficiently calls for reducing inventory levels. It is only when these requirements are seen together as parts of a larger picture that ways can be found to effectively balance their different demands.

Effective supply chain management requires simultaneous improvements in both customer service levels and the internal operating efficiencies of the companies in the supply chain. Customer service at its most basic level means consistently high order fill rates, high on-time delivery rates, and a very low rate of products returned by customers for whatever reason. Internal efficiency for organizations in a supply chain means that these organizations get an attractive rate of return on their investments in inventory and other assets and that they find ways to lower their operating and sales expenses.

V . Categories of logistics

1. Macro-logistics and micro-logistics

Macro-logistics refers to the logistics flow within a region, a country or across national borders. Macro-logistics mainly focuses on the operation model and the overall behavior of logistics activity from the social reproduction.

Micro-logistics refers to the practical and specific logistics activities which the customers and enterprises carry out. During the whole logistics activity, micro-logistics is only dealt with locally, within one process or one district.

2. External logistics and internal logistics

External logistics refers to the logistics which is beyond one family and at a category

of the whole society on the purpose of facing to the whole society. This kind of logistics has strong sociality, and is usually accomplished by the professional logistics undertaker, i. E. , The third party logistics (tpl or 3pl) .

Internal logistics is viewed from the angle of enterprise, studying the logistics activities which are relevant to the enterprise. It is the typical area of particular and microscopical logistics activity. It contains enterprise-produce logistics, enterprise-supply logistics, enterprise-distribution logistics, enterprise-recycle logistics, and enterprise-garbage logistics.

3. International logistics and regional logistics

International logistics refers to an international transaction of doing physical transition with the materials, which is in order to overcome the special and chronological distance, in the condition that production and consumption are carried on independently in two or more countries.

Regional logistics takes place within the framework of a country, a city or an economic region. It is subject to the same laws, regulations as well as cultural, social and technological factors.

VI . The proposal of logistics strategy

Before the 1980s, many enterprises carried out logistics activities such as transportation, purchasing and storage separately according to their functions instead of regarding them as an overall concept, let alone from a strategic perspective. At that time, the logistics management focused on operational techniques and the enterprises often distributed the tasks to different functional departments. In the 1970s, with the deterioration of inflation and competition, enterprises began to be aware of the importance of logistics in terms of the operating costs. However, under the traditional way of management, it is difficult to calculate the accurate circulation cost because it was separated in different cost centers. Simultaneously, since transportation, storage of raw materials, materials recovery, import and export were reported to different departments, it was impossible for the managers to consider the cost reduction of the entire organization owing to the choppy structure, neither could efficient management achieved.

Therefore, many executives of american enterprises vehemently proposed to integrate

the business of material management and distribution. Basically, they suggested establishing a cost system to trace logistics decisions. They also believed that the costs of the above business accounted for a large part of the total operating cost in the enterprise and that the centralized management was indispensable to a desired cost-effective control. In order to improve the efficiency of the organizational structure with separate logistics management, enterprises adopted, one after another, the integration strategy—the responsibility of the purchasing department was expanded to the management of the overall internal logistics; the responsibilities of representative material managers included purchasing, production control, internal transport, storage, MIS (management information system) control, stock plan and control, and the handling of waste materials; the responsibilities of distribution managers have also been enlarged. Integrated distribution department also includes many subordinate departments, such as transportation, equipment delivering, warehousing, plan controlling, and order service. In the 1970s, the concept of logistics integration has already been deeply rooted in the hearts of people. As more and more importance has been attached to the logistics service, the integrative management was desperately needed. Companies began to let the key decision-makers (often the level of vice president) lead the logistics service. A report shows that in the number of logistics vice presidents in 1972, there was a 60% increase compared to the number in 1962.

After the 1980s, enterprises obtained a further comprehension towards the relationships of logistics activities, customer service and cost. The relationships indicate that a highly efficient logistics system would not only reduce the cost, but also better serve the customers and make more profits. However, in order to improve customer service, large scale inventory is needed, the cost of transaction has to be increased and multiple warehouses should be utilized. All these would possibly lead to the rise of logistics cost. Therefore, there is no logistics system which could solve the dilemma of providing the maximum customer service and minimizing the cost at the same time. Companies have to make strategic decisions on their logistics goals and design the appropriate logistics system for the companies' development while inventory, warehousing and other factors should also be schematized reasonably. Thus, logistics management began to conduct integration to all the logistics process from the systematic point of view, and it gradually moved upwards to making decisions on company strategic issues.

VII . Decision-making levels in an enterprise

The strategies that a company applies have profound influence on its organization. Before knowing how to formulate the logistics strategies, one must acknowledge the relationships of the decision-making levels. For an organization, the decision-making levels are demonstrated in the following figure.

1. Enterprise mission and objectives

The so-called mission is the purpose of a business to exist, that is to say, is to answer “what the business engages in”. The enterprise mission is the foundation of the enterprise, and the reason for its existence. Missions vary according to their companies, and are decided by the nature of the business. For example, a hospital is to provide medical services; a construction company is to build houses. A non-profit organization is to serve the community, while a profit corporation is to gain profit for its business owners (shareholders and partners) . A mission plays an instructive role in the formation of enterprise strategy and decision-making of all levels. However, many current leaders and managers are not only lack of the knowledge of enterprise mission, but also even not aware of their mission. In fact, as for a business, if there is no clear mission, there will be no guiding direction of the strategic formation, let alone to make a great progress.

Mission can indicate the general direction for a corporation, as well as set corporation’s goals that are the keynotes of the overall mission. For example, the goal of a corporation might be to achieve a certain portion of market share of a product, and the other goal might be to reach a particular profit level.

The ultimate goal of the corporation can be set up by the goals and the mission statement. For example, the mission statement of ibm is “we strive to lead in the invention, development and manufacture of the industry’s most advanced information technologies, including computer systems, software, storage systems and microelectronics. ” We have two basic missions: firstly, we strive to be the leader in research, development and manufacturing of the most advanced information technology. Secondly, we determine to be the largest information service company in the world and to convert the advanced technology into fortune. Our professionals spread out across the globe and they could offer their specialized knowledge to certain industry, consulting industry, system integration, plan development and technical backup and the other areas.