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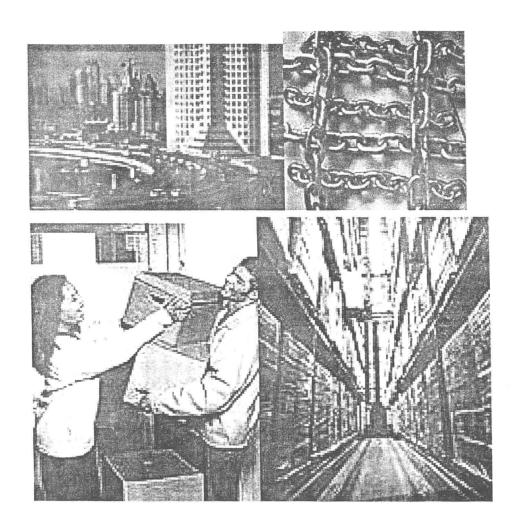
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## Unit One

## What Is Logistics?



## Text One

## **ABCs of Logistics**

## Pre-text Practice

1. Please translate the following statements into Chinese
1. Modern logistics is one of the most challenging and exciting jobs in the world.
2. Our work is mainly to move goods and information at the lowest possible cost
3. Every company that sells products will need the service of logistics.
4. Logistics is part of a supply chain.
II .Now fill in the blanks as you listen to the sentences.
1.Bob is an inventoryin a bonded warehouse(保税仓库)
2. Transport is done by air,and sea.
3.Customer service is of information for forecasting.
4.Information is a key to theof logistics.
5. Warehousing is not a new,but it has gained new functions in modern logistics.
6.Inventory control can effectively reduce logistics
7.Every company, large and small, needs strategic planning for its development.
8. Packaging and sorting are twothat are included in logistics.

Logistics is the art and science of managing and controlling the flow of goods, energy, information and other recources.

Logistics is the process of strategically managing the procurement, movement and storage of material, parts and finished inventory (and the related information flow) through the organization and its marketing channels in such a way that current and

future profitability are maximized through the cost-effective fulfillment of orders.

The term logistics has evolved from the military's need of spare-part supply, but is now widely accepted to include the activities like purchasing, transport, warehousing, organizing and planning of these activities. Logistics managers need general knowledge of each of these functions, and specific knowledge of industry, commodity, or business protocols governing the product types being managed.

In business, logistics may have either internal focus or external focus covering the flow from originating supplier to end-user. The concept of logistics can be applied to specific areas of business. Acquisition logistics, for example, covers everything involved in acquiring logistics support equipment and personnel for a new weapons system for the military. This includes identifying, designing, defining, developing, producing, delivering and installing the new weapons system.

A recent US study found that logistics costs account for almost 10% of the gross domestic product. The process itself covers a diverse number of functional areas. Involved in logistics are transportation and traffic, as well as shipping and receiving. It also covers storage and import/export operations.

Many businesses that deal with supply of goods or services have their own logistics department. For example, a company supplying photocopying paper around the world will have a logistics team. The manager will oversee or delegate to his staff the process from the point of origin. The team will deal with the acquisition of paper from the paper supplier all the way to the customer who requests the paper. The supplier and buyer may be located in different countries.

It is the logistics team who must make sure that products can be obtained at a reasonable price. They then have to make sure the product is shipped on time and will arrive when expected. The logistics team also has to deal with importing and exporting contracts, and possibly also with the customs department. The process at times can be a lengthy one, but once in place should run smoothly.

## Logistics Activities

Logistics activities include the planning, routing and the movement of freight across all transport modes (road, rail, sea and air) as well as associated activities such as warehousing and storage. With the supply of goods becoming increasingly complicated in our globalised world, the industry is at the cutting-edge of technology.

There are five areas of logistical work: (1)order processing; (2)inventory; (3)transportation; (4)warehousing, materials handling, and packaging; and(5)facility network. For a supply chain to realize the maximum strategic benefit of logistics, the full range of functional work must be integrated. It is the interrelation of functions that challenges the successful implementation of integrated logistical management. Work related to these functional areas combines to create the capabilities needed to achieve logistical value capabilities needed to achieve logistical value.

## 1. order processing

In most supply chains. custamer requirements are transmitted in the form of orders. The processing of these orders involves all aspects of managing customer requirements from initial order receipt, delivery, invoicing, and collection."

#### 2. Inventory

The objective in inventory strategy is to achieve desired customer service with the minimum inventory commitment5. Logistical strategies should be designed to maintain the lowest possible financial investment in inventory. A sound inventory strategy is based on a combination of fie aspects of selective deployment: core customer segmentation, product profitability, transportation integration, time-based performance, and competitive performance. 6

#### 3. Transportation

Transportation is the operational area of logistics that geographically moves and positions inventory. Transportation requirements can be satisfied in three basic ways. First, a private fleet of equipment may be operated. Second, contracts may be arranged with dedicated transport specialists. Third, an enterprise may engage the services Of a wide variety of carriers that provide different transportation services on a per shipment basis. From the logistical system viewpoint, three factors are fundamental to transportation performance: cost, speed, and consistency. In designing a logistical system, a delicate balance must be maintained between transportation cost and service quality. Finding and managing the desired transportation mix across the supply chain is a primary responsibility of logistics.

## 4. Warehousing, Materials Handling, and Packaging

Inventory typically needs to be warehoused at selected times during the logistics process. Transportation vehicles require materials handling for efficient loading and unloading. Finally, the individual products are most efficiently handled when packaged together into shipping cartons or other unit loads. When effectively integrated into an enterprise's logistical operations, warehousing, materials handling, and packaging facilitate the speed and overall case of product flow throughout the logistical system.

#### 5. Facility Network

In business operations, the number, size, and geographical relationship of facilities used to perform logistical operations directly impacts customer service capabilities and cost. 7 Network design is a primary responsibility of logistical management since a firm's facility structure is used to ship products and materials to customers. Typical logistics facilities are manufacturing plants, warehouses, cross-dock operations, and retail stores. The selection of a superior locational network can provide a significant step toward achieving competitive advantage.

## Importance to the World

The freight logistics industry is one of the critical sectors of the economy and affects us all every day. Every product that we use or consume has moved through a supply chain. The industry is not only essential to the efficient performance of the nations, but is also responsible for GDP and the employment of people.

## Vocabulary Building

III. Combine the words in A with B in different ways to make right collocations and then translate them into Chinese. Example: supply chain.







## Very High Percentage

## Pre-text Practice

#### IV. Pair work

What to say:

When you are engaged in a conversation, it is important to remember that a good consersationist is good at listening to others, not the one that talks glibly. To do this,

you have to learn how to ask questions and how to express your agreement and disagreement. Here are some ways to express agreement.

- 1. That's it.
- 2. I agree with you.
- 3. I couldn't agree more.
- 4. No wonder.....

Read the following dialogue and then listen to the conversation that follows it.

Try your best to find more ways to express agreement.

Michael was talking with Mr. Anon Low, a logistical manager in a hypermarket (特大超市). The conversation took place on Dec.31,2002.

Michael: Anon, Logistics has received more and more attention from different sectors of the society.

Low: It is a recognized fact in industrialized countries that logistics is now the last frontier for

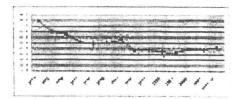
Increasing benefits in industrial production, since there is not much to do to improve

production to lower the cost.

Michael: What about those developing countries, such as China? Are there any logistical activities there?

Low: That's a good question. Chia is a developing country and it is developing really fast. The average annual GDP growth in the past few years was more than 7%.

Michael: That's amazing! Does that mean they did a good job in logistics?



Low: No, not quite, though the Chinese made a lot of attempts during the past decade. A lot of books on logistics, either in Chinese or English, were published in 2002. There emerged quite a few logistics experts who delivered speeches.

Michael: No wonder 2002 was jokingly termed as the starting year for logistics. I remember attending one conference on logistics. The audience were confident that they would be able to herald the new economic growth if they could make a headway ion logistics.

Low: I know great changes have been made in physical distribution of goods in the past 20 years or so since the reform and opening up. But how can that be related to the economic growth?

Michael: This can be illustrated by numbers. In 2000, the total cost in logistics in China was CNY 178.8 bn which amounted to 20% of the GDP that year. This was a very high percentage. In industrialized countries, the figure is 10% or so.

Low: I understand now. They could have added CNY 8.9 bn to the GDP if only they had lowered the logistics cost by 1%.

Michael: That's it. It means there is great room for logistics development in China

## Comprehension

## V. Comprehension question

- 1. Give examples of logistics in a given factory.
- 2. Give examples to show that logistics is working every day, even at night.
- 3. How many sectors of economic activities are involved in logistics? What are they?

## VI. Study the following words and fill each of the blanks with one of them.

newness	supplie	ers co	oordinate	focused	
executive	leads	both	making	combination	
scope e	xternal	of			

The excitement and \_\_\_\_\_\_of logistics stem from (来源于) a \_\_\_\_\_of traditional

work areas into an integrated strategic initiative. The successful senior logistics				
serves as a cross-functional orchestra conductor of workwithin and beyond				
his/her firm. Within the firm the challenge is toindividual job expertise				
into an integrated competencyon servicing customers. In most situations the				
desired of such coordination rise above the individual enterprise, reaching				
out to include customers as well as material and service In a strategic sense,				
the senior logistics officera boundary-spanning initiative to facilitate				
effective supply chain relationships. The excitement of modern logistics is found in				
the combined results of internal andintegration one of the core competencies				
an enterprise.				
VII.Fill in the blanks with the words in the following list.				
route location process annual warehouses				
inventory purchase strategic storage logistics				
1. —Do you hear thathas become a hot career?				
—It sounds too god to be true				
2. The aim ofmanagement is to minimize the amount of material in stock.				
3. If the ship had sailed along the recommended, it would have been able				
to avoid the heavy weather.				
4. Managers must establish and implement inventory policies on the basis of				
considerations.				
5. Don't forget to refer to the book ERP in theof planning resources in your				
enterprise.				
6. The supermarket group has to400 teu(标箱) of cargo from China.				
7. Most experts agree that theexpenditure to perform logistics in the				
8. Theexpenses will be for your account if you place an order of 100,000				
tons of roll steel at a time. My workshop uses ten tons a month.				
9. The sites ofare determined by customer and manufacturing locations				

and product requirements.

10. The chapter describes reactive methods, which respond to product demand at individual .

## VII. Translate the following sentences into Chinese.

- It is through the logistical process that materials flow into the vast manufacturing capacity of an industrial nation and products are distributed through marketing channels to consumers.
- 2. Logistics is complex. In China alone, the market structure involves more than 20 million retailing networks and more than 2 million wholesalers networks.
- 3. One expert holds the view that logistics is an iceberg, only the top of which is seen. What is unseen is much bigger.
- 4. The overall goal of logistics is to achieve a targeted level of customer service at the lowest possible total cost.
- 5. Logistics is that pat of the supply chain process that plans, implements and controls the efficient, effective flow and storage of goods, service and related information from the point of origin to the point of consumption to meet customers' requirements.
- In the beginning, companies that could afford inventory were able to satisfy customer demand.
- 7. The distribution or market channel is perhaps the least understood business area.
- 8. Quite a number of companies achieved success by creating value throughout domestic and global supply chains.

#### IX. Cloze Test

Logistics is a unique global "pipeline" that operates 24 hours a day; seven days a week and 52 weeks a year, ( 1 ) and coordinating the transport and delivery of products and service to customers the world over.

Coming into being with the advent of civilization, logistics is (2) a newborn

baby. (3), when it comes to modem logistics, most professionals in the business consider it one of the most challenging and exciting jobs, invisible (4) it is.

Modern logistics is related to the effective and efficient (5) of materials and information that are of vital importance to customers and client in various sectors of the economic society, (6) may include but by no means is limited to:

Packaging, warehousing, material handling, inventory, transport forecasting, strategic planning customer service

"Logistics is that (7 ) of the supply chain process that plans, implements and controls the efficient, effective flow and storage of goods, service and related information (8) the point of origin to the point of consumption to meet customers' requirements." (9) this definition fails to incorporate all specific terms used in the study of logistics, it \_\_\_\_\_\_reflect the need for total movement management from point of material procurement to location of finished product distribution.

1.A. planning	B, planed	C. plans	D, plan
2.A, anything but	B, nothing but	C, everything but	D. something but
3.A. But	B. However	C. Besides	D. Although
4.A. like	B, so	C, as	D, so long as
5.A, move	B, flow	C. distribution	D. interchange
6.A、that	B, as	C, so	D, which
7.A, a part	B, part	C, partial	D. parts
8.A, from	B, range	C. vary	D, strentch
9.A. Though	B. Although	C. Anyway	D, But
10.A, is	B, does	C, do	D, has

## Text Two

## Career in Logistics

## Pre-text Practice

I .What would you like to do when you graduate from school?

Discuss in pares with some of the following words.

purchase inventory control

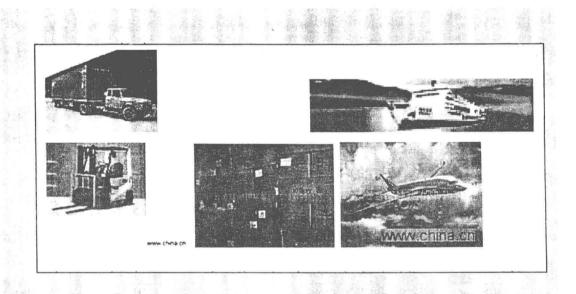
transportation

warehouse management

loading and unloading

forward agent

Customs declare



II.Rearrange the following sentences so that they form a short passage entitled "Origin of Logistics".

## Origin of Logistics

- 1. In 2700 BC, a pyramid was build with stones in the Shang Dynasty.
- For example, Zhuge Liang in the Three Kingdom period invented wooden horses to transport food for his army.
- It would be impossible to accomplish the construction without scientific and systematic logistics.
- 4. Each of the stones weighed about 2-2.5 tons.

- 5. It is widely known that the development of logistics can date back to ancient times in China.
- 6. However, logistics started far earlier.

The demand for logistics managers at all levels is excellent. The Collegiate Employment Research Institute reports that logistics is a field with more positions than graduates each year. The Wall Street Journal reports that senior logistics management talent is also in short suplly. As logistics managers' roles and value have grown, the need for well-educated, talented professionals with a diverse array of skills has emerged.

The increasing importance of analytical, strategic, and technological activities also makes logistics an attractive career to more people than ever before. As a result, the number of minorities and women entering the field of logistics directly from high school, college, and from other fields is increasing rapidly. Another factor that contributes to the changing face of logistics is the value that organizations are placing on diversity today. Successful organizations realize that diversity gives them an edge in the highly competitive global marketplace. As a result, they are recruiting a variety of people from all walks of life for their logistics management positions. This strategy is highlighted here by two companies:

"It makes good business sense to have a workforce that reflects the marketplace at large. We recognize the value that a diverse management team brings to our company-the ability to reach out to the entire world."

"We recruit from a wide pool because we need all the skills that are out there.

The bottom line is that our organization wants people with excellent skills, regardless of their ethnic background, gender, or age."

Clearly, logistics is a discipline worthy of attracting the best and the brightest people from all walks of life. Anyone with the education, skills, and drive to succeed can build a prosperous career in logistics management.

## Comprehension

- III. Translate the following into proper English, using the expressions given after each Chinese original.
- 1. 物流对国内经济和全球经济有巨大的影响。(impact)
- 2. 国际红十字会的工作就像一个活动的仓库。(mobile)
- 3. 在乔治亚州的特兰大举行的夏季奥运会上,物流的费用为 2,500 多美元。(Atlanta, Georgia)
- 4. 物流的基本概念适用于所有私营企业和公有企业的活动。(concept) 物流已经变成一种职业,注重战略思维和分析技术。(value)

## IV. Find the best answer to the following questions on Text 2.

- 1. Which of the following is true according to Text 2?
- a. There are more graduates than fob demands.
- b. All graduates every year can find jobs in the field of logistics.
- c.Demand for logistics graduates is greater than positions in logistics.
- d.The Wall Street Journal demands logistics graduates.
- 2.According to the author, the thing that counts in recruiting logistics personnel is

a.gender	b.religion	c.ability	d.race	
3. According to the author, minorities and women are finding logistics				
a.their career		b.very interesting		
c.exciting		d.all the above		

4. ...at the University of Nevada-Reno, 45 percent of graduates are female, compared to zero just

Six years ago. We can infer from this part of the sentence \_\_\_\_\_.

- a. men are no longer interested in logistics
- b. the other 55% people in the business of logistics are men
- c. more an more minorities and women wish to devote themselves in logistics
- d. the business of logistics hold no attraction to white people