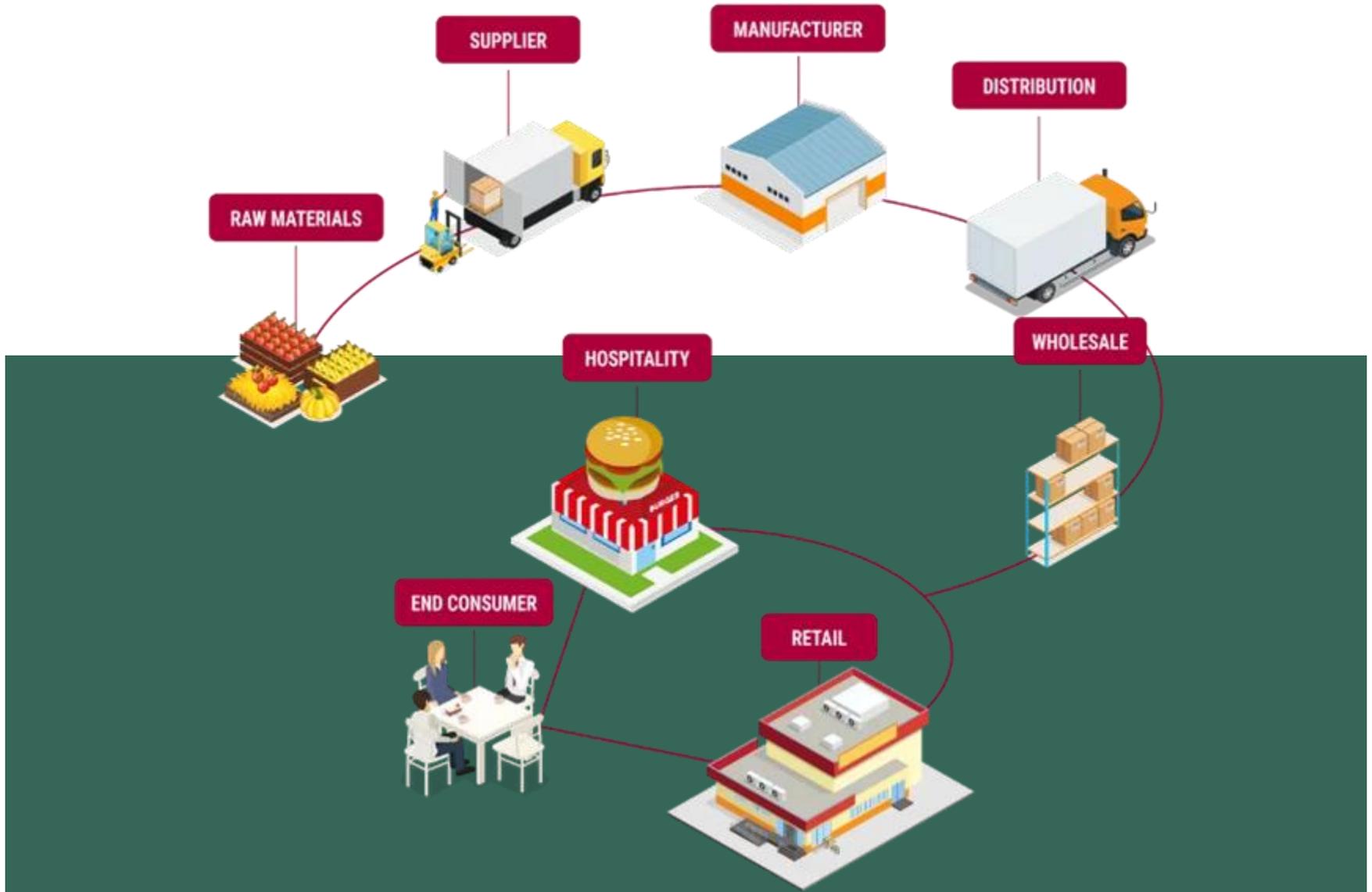


CHAPTER 3

LOGISTICS ACTIVITIES



SUPPLY CHAIN MANAGEMENT



GLOBAL SUPPLY CHAIN MANAGEMENT

Global Supply Chain



International Commerce
Takes Place.



After Agreeing to the
Terms of Sale



Importer's Bank Notifies



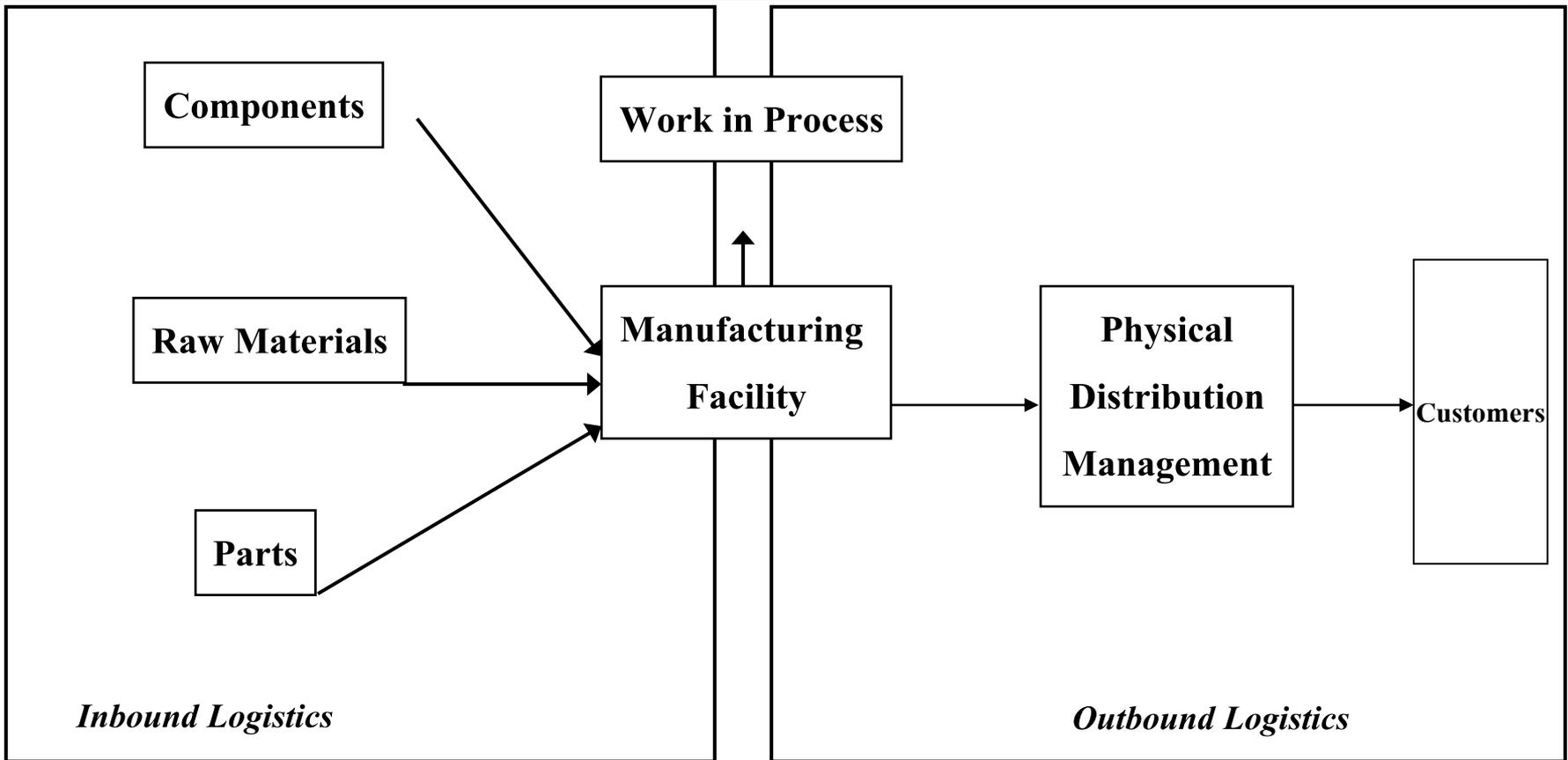
Exporter Packages the Goods



Exporter Access to
Current Information



BUSINESS LOGISTICS



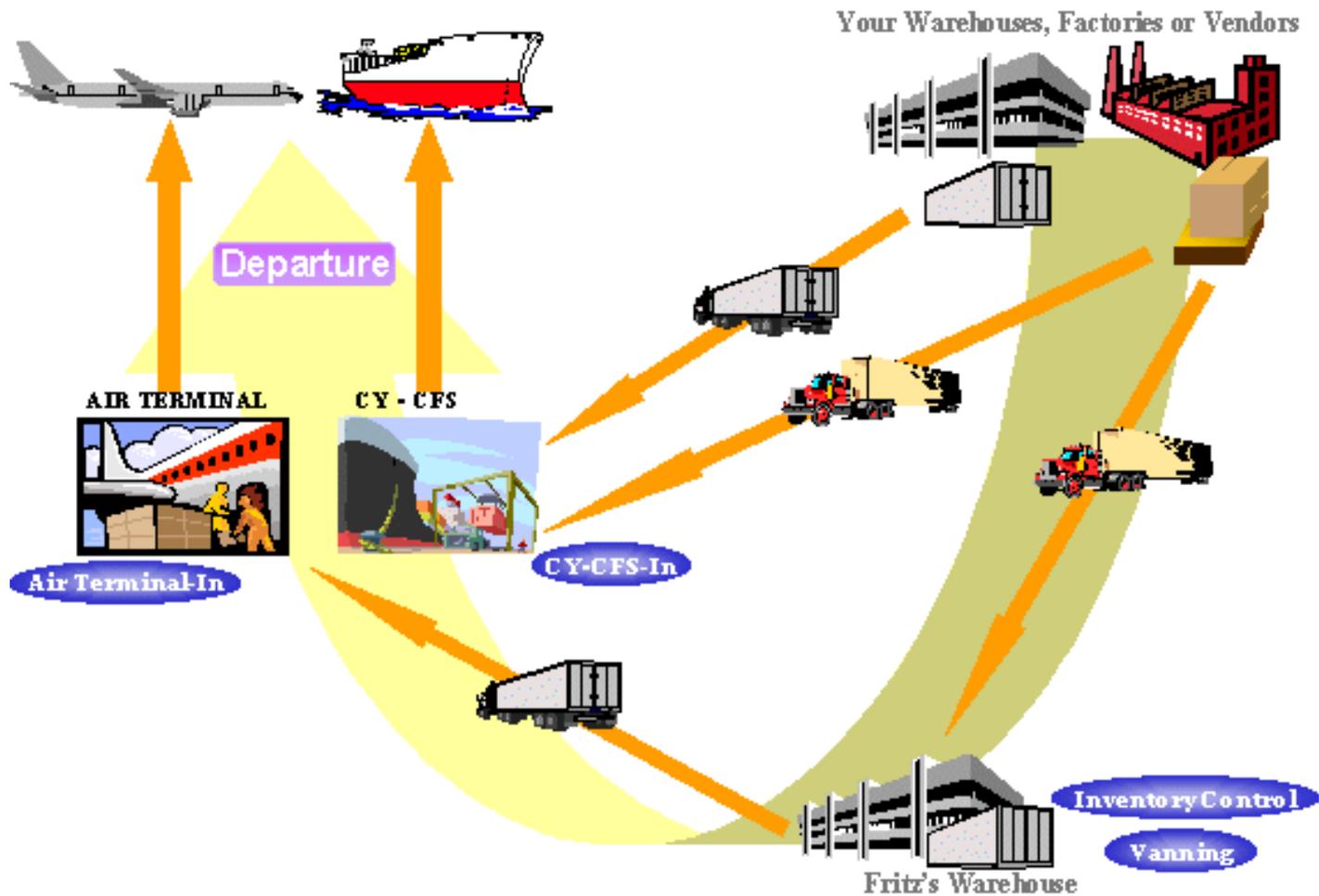
Logistics Activities



1. CUSTOMER SERVICE



2. TRANSPORTATION AND TRAFFIC



3. INVENTORY MANAGEMENT



4. ORDER PROCESSING

ORDER PROCESSING STEPS

RECEIVE



PICK



SHIP



PROCESS

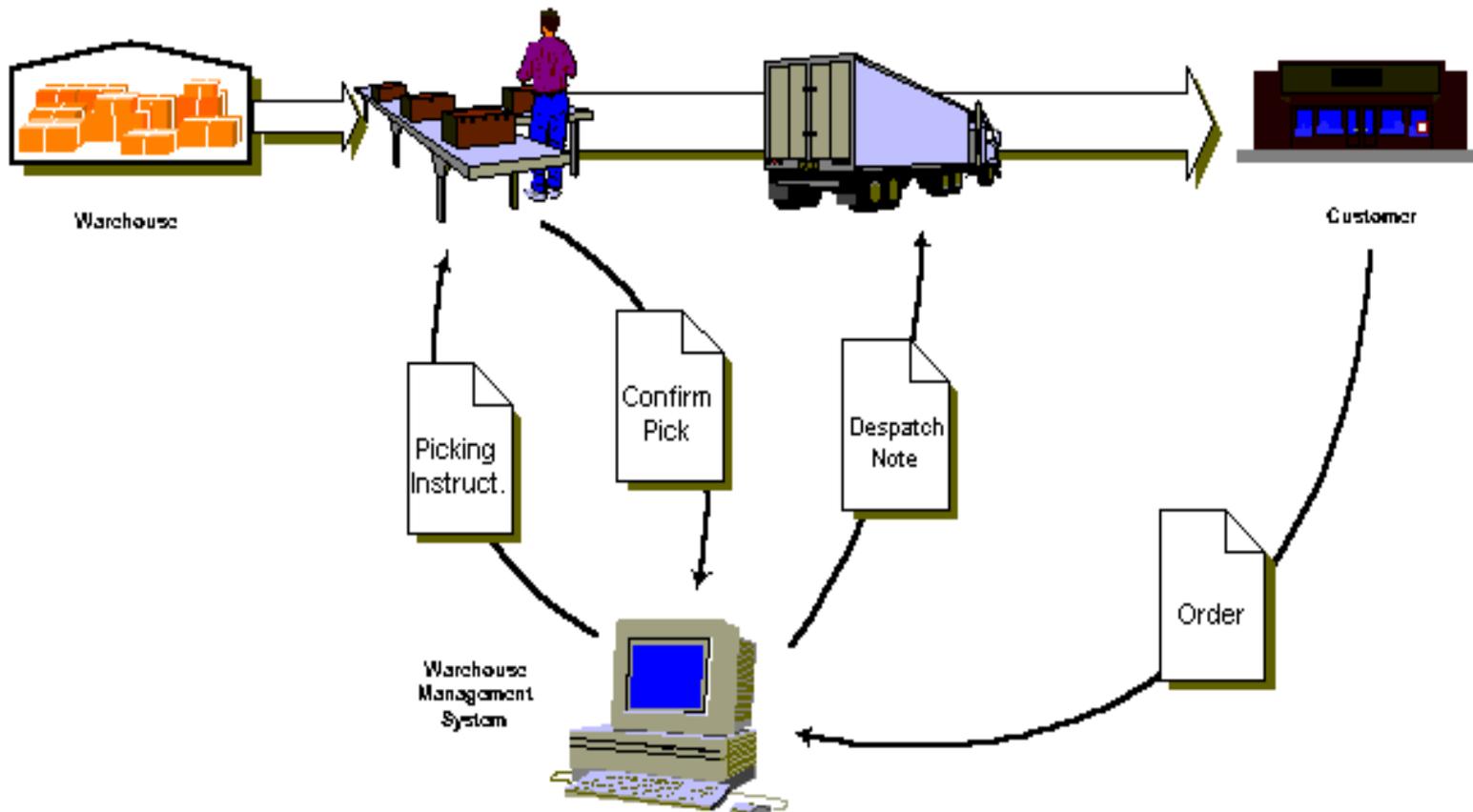


PACK



DELIVER

5. DISTRIBUTION COMMUNICATION



6. DEMAND FORECASTING

METHODS OF DEMAND FORECASTING



7. WAREHOUSING AND STORAGE



8. LOCATION SELECTION

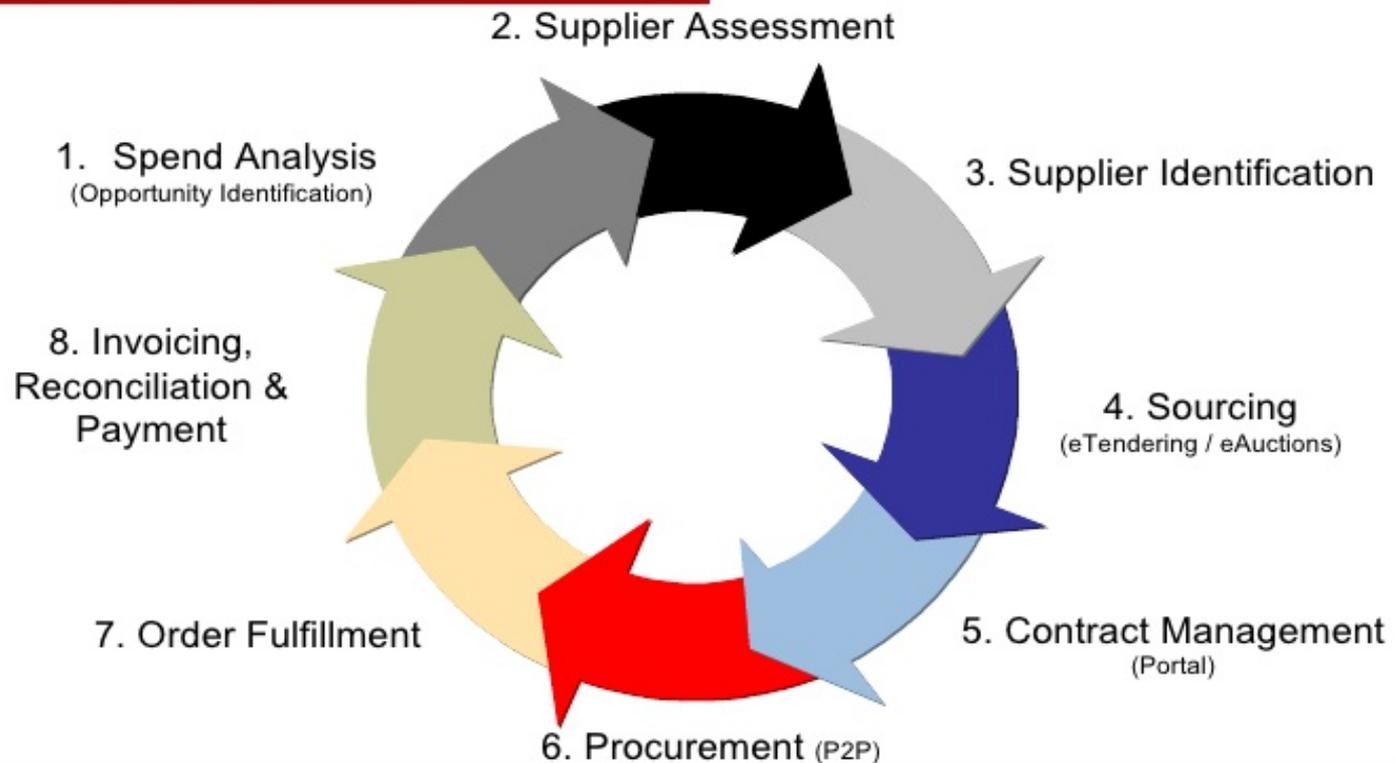


9. MATERIAL HANDLING

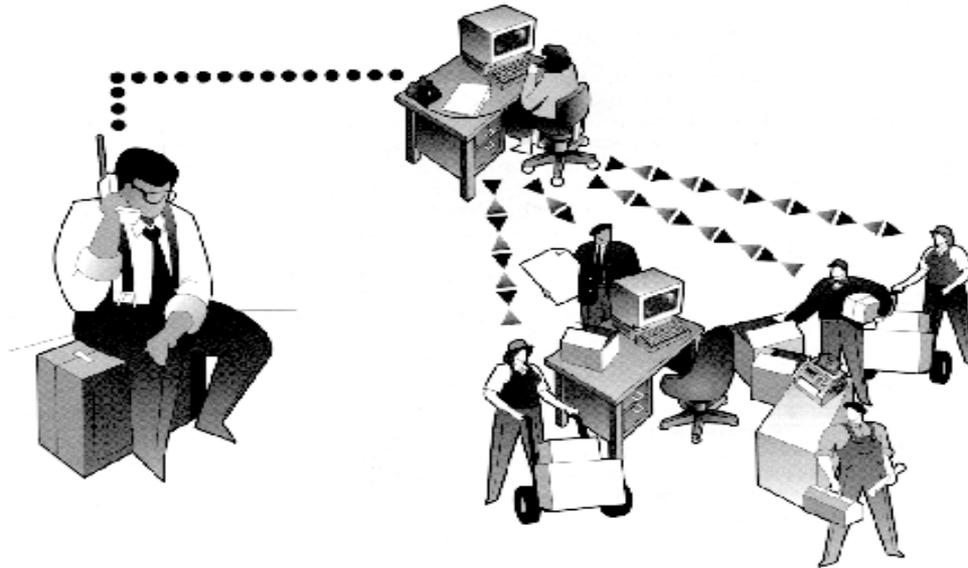


10. PROCUREMENT

eProcurement Process



11. PART AND SERVICE SUPPORT



12. PACKAGING



13. SALVAGE AND SCRAP DISPOSAL

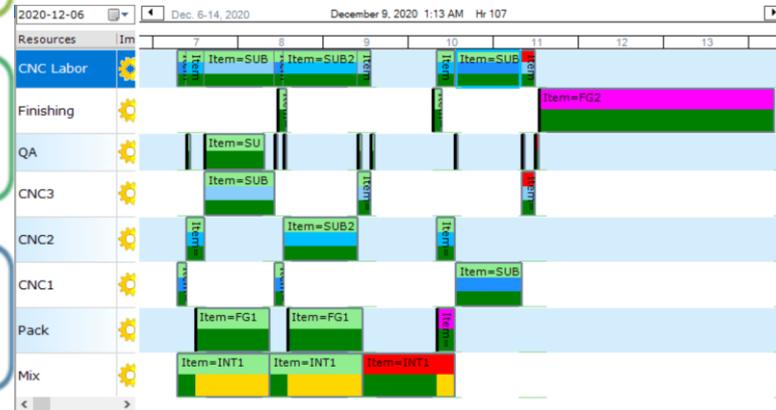
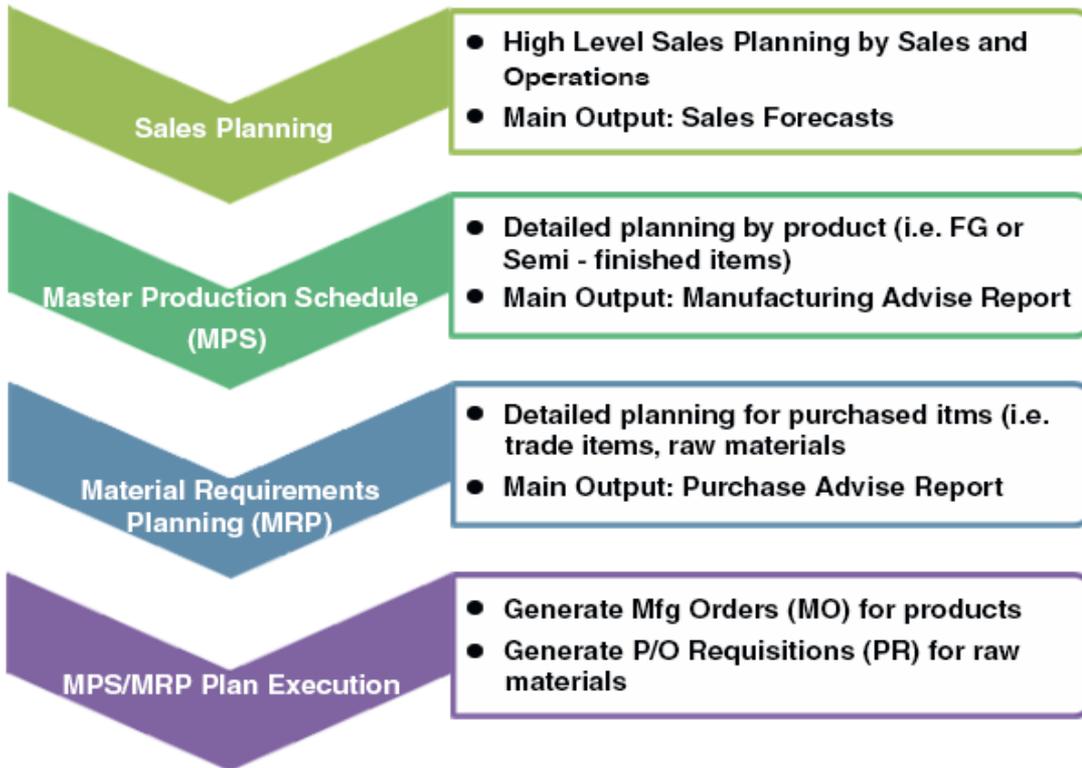


14. RETURN GOODS HANDLING

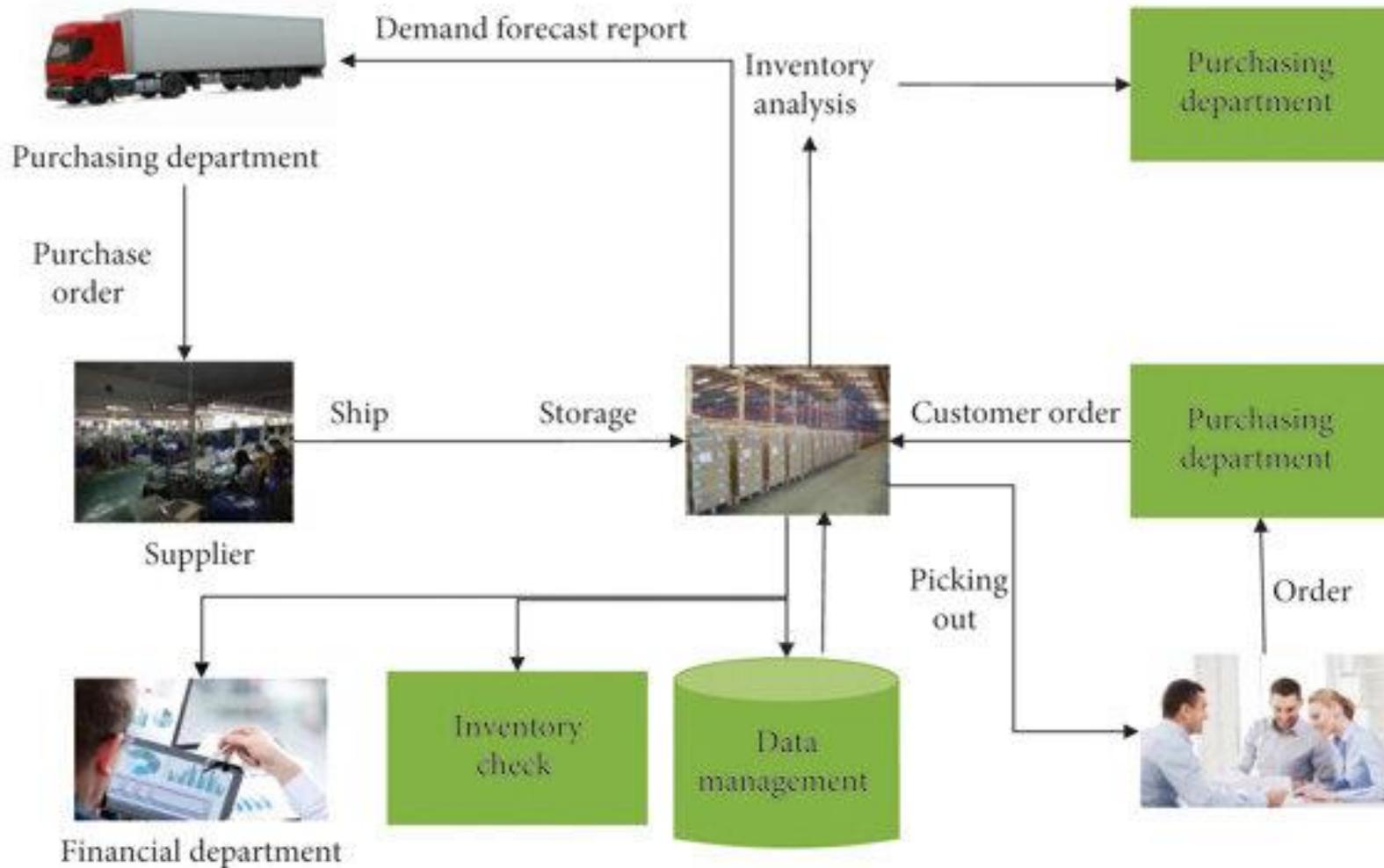


15. PRODUCTION PLANING

Production Planning



Overall logistics process





The main activities of the supply chain

1. Focus

THE SUPPLY CHAIN INCORPORATES THE ENTIRE MOVEMENT FROM RAW MATERIALS TO THE CUSTOMER'S HAND. MARKETING CHANNELS GENERALLY FOCUS ON PRODUCTS OR RELATED AREAS.



Supply chain main activities

2. Re-engineering

THE SUPPLY CHAIN CONSIDERS RE-ENGINEERING PRODUCTS AND PROCESSES IN ORDER TO MAKE THE FLOW OF PRODUCTS IN THE SUPPLY CHAIN MORE CONVENIENT AND EFFICIENT.

The main activities of the supply chain

3. Inventory management)

SUPPLY CHAINS TRY TO FOCUS ON THE MANAGEMENT OF INVENTORIES BY TRANSFORMING DISCRETE PATTERNS INTO CONTINUOUS FLOWS SO THAT THERE IS A SMALLER NUMBER OF INVENTORIES THROUGHOUT THE MOVEMENT.

The main activities of the supply chain

4. Pull Strategy

"PUSH SYSTEM" : PRODUCE PRODUCTS THROUGH THE CHAIN THAT CUSTOMERS OR CONSUMERS CAN CHOOSE TO FIND BY THINKING THAT THEY SHOULD BE ABLE TO SELL.

"PULL SYSTEM" : PRODUCE PRODUCTS THROUGH A CHAIN THAT IS DESIGNED AND SELECTED BY CUSTOMERS OR CONSUMERS BY LOOKING AT WHAT CONSUMERS WANT AND THEN RESPONDING.



The main activities of the supply chain

5. Communication

WITHIN THE SUPPLY CHAIN, COMMUNICATION NEEDS TO BE COORDINATED IN ORDER TO MANAGE THE OPERATIONS AND FLOW OF PRODUCTS HOLISTICALLY. THEREFORE, THE USE OF JUST-IN-TIME MANAGEMENT AND ELECTRONIC DATA INTERCHANGE (EDI) IS ONE OF THE TOOLS THAT HELPS TO BECOME MORE RELEVANT.



The main activities of the supply chain

6. Coordination

THE ADMINISTRATION OF EACH PART IS DIFFERENT. THEREFORE, INTERNAL LOGISTICS HAS BEEN DEVELOPED IN ORDER TO COORDINATE ACTIVITIES WITHIN THE SUPPLY CHAIN.

The main activities of the supply chain

7. Long term agreement

SUPPLY CHAINS CAN ONLY EXIST
BECAUSE OF LONG-TERM AGREEMENTS
BETWEEN SUPPLY CHAIN MEMBERS.

END & QUESTIONS?



END-OF-CHAPTER QUESTIONS

- 1. What are the logistics activities?
- 2. What are the main activities of the supply chain?
- 3. How are the 15 logistics activities related?
- 4. What is inventory control? What are the benefits of logistics management?
- 5. What are the benefits of logistics activities? Explain.