





DEFINITION OF LOGISTICS



Definition by Council of Logistics

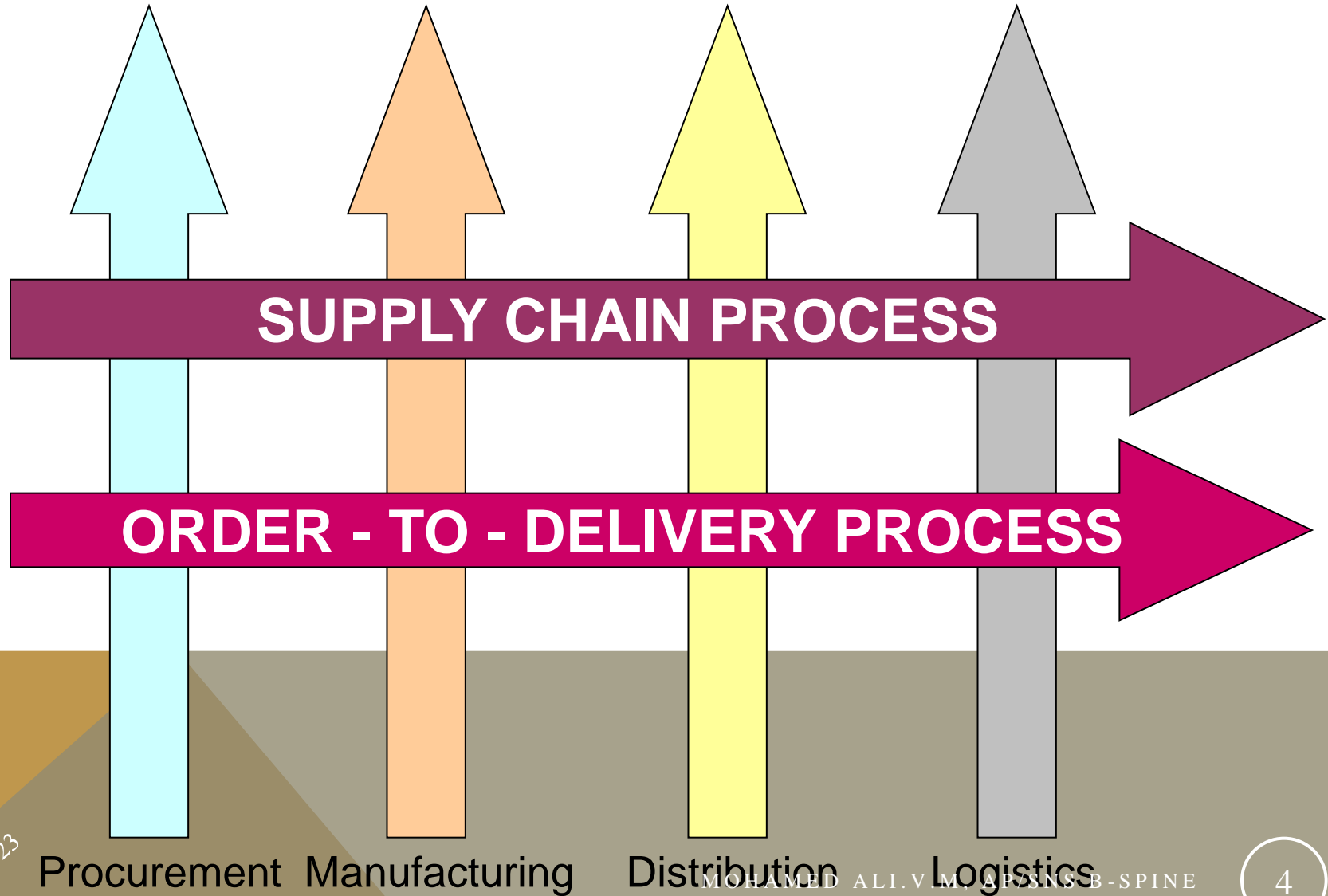
Logistics is that part of supply chain process that plans, implements and controls the efficient, effective flow and storage of goods, services, and related information from the point of origin to the point of consumption in order to meet customer's requirements



SCM DEFINITION BY MENTZER ET.AL.



SCM is defined as the systematic ,strategic coordination of the traditional business functions and the tactics across these functions, within a particular company and across business within the supply chain, for the purpose of improving the long term performance of the individual companies in the supply chain and the supply chain members collectively





SUPPLY CHAIN FLOWS



Products

Services

Information

Financial resources

Demand forecasts

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KEY ACTIVITIES



Customer service staff in coordination with marketing determine customer needs and wants for logistics customer service

Determine customer response to service

Set customer service levels

Transportation

Mode and transport service selection

Freight consolidation

Carrier Routing

Vehicle scheduling

Equipment selection

Claims processing

Rate Auditing

Inventory management

Raw Materials and finished goods stock policies

Short term sales Forecasting

Product mix at stocking points

Number, size and location of stocking points

Just in time push and pull strategies

Information flows and service management

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SUPPORT ACTIVITIES



Warehousing

Material handling

Purchasing

Protective packaging

Information maintenance

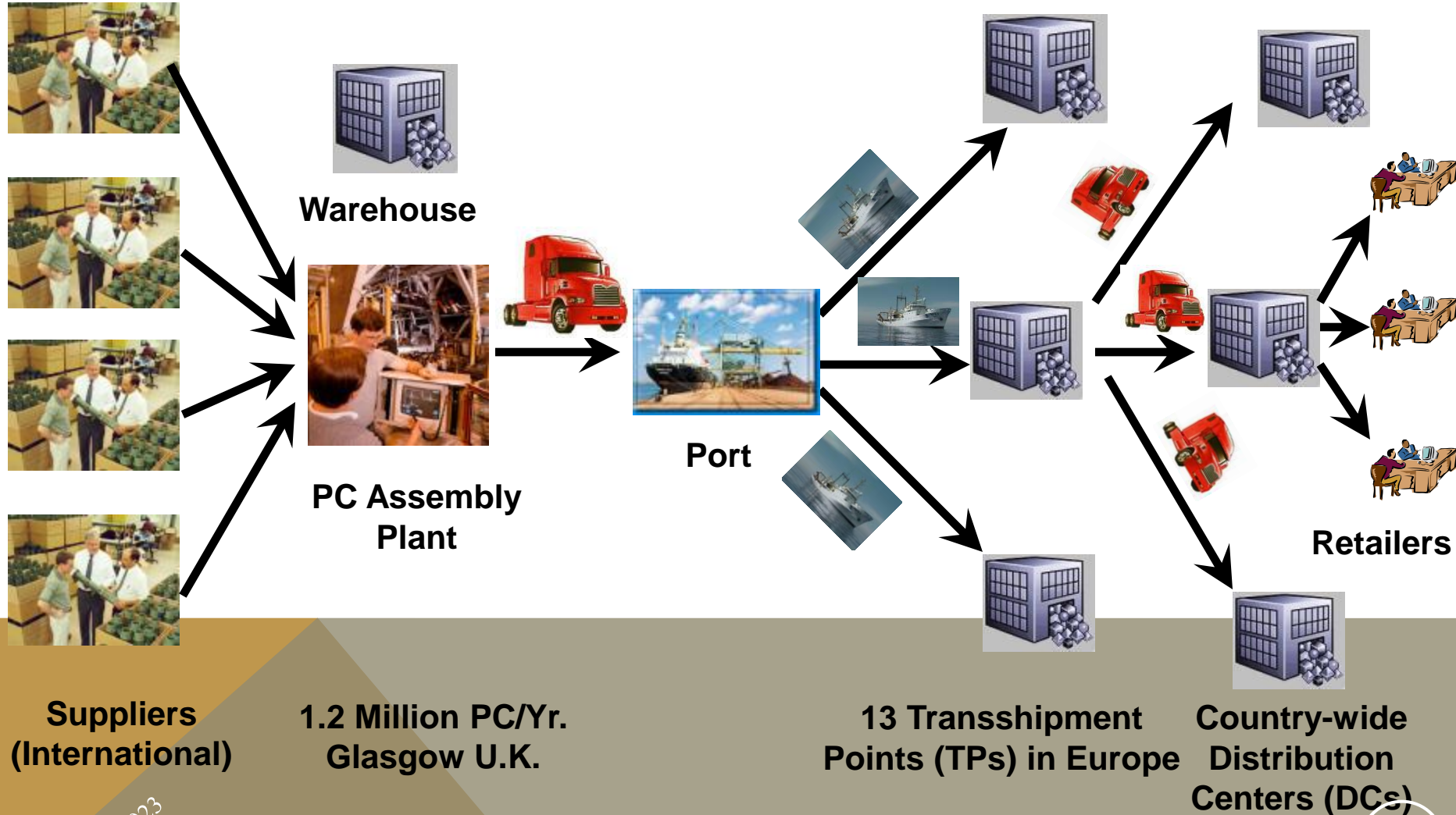
Cooperate with production/operations



KEY PROBLEM IN SCM

Design a supply chain network that delivers high quality products to the right customers at the right time at minimum cost

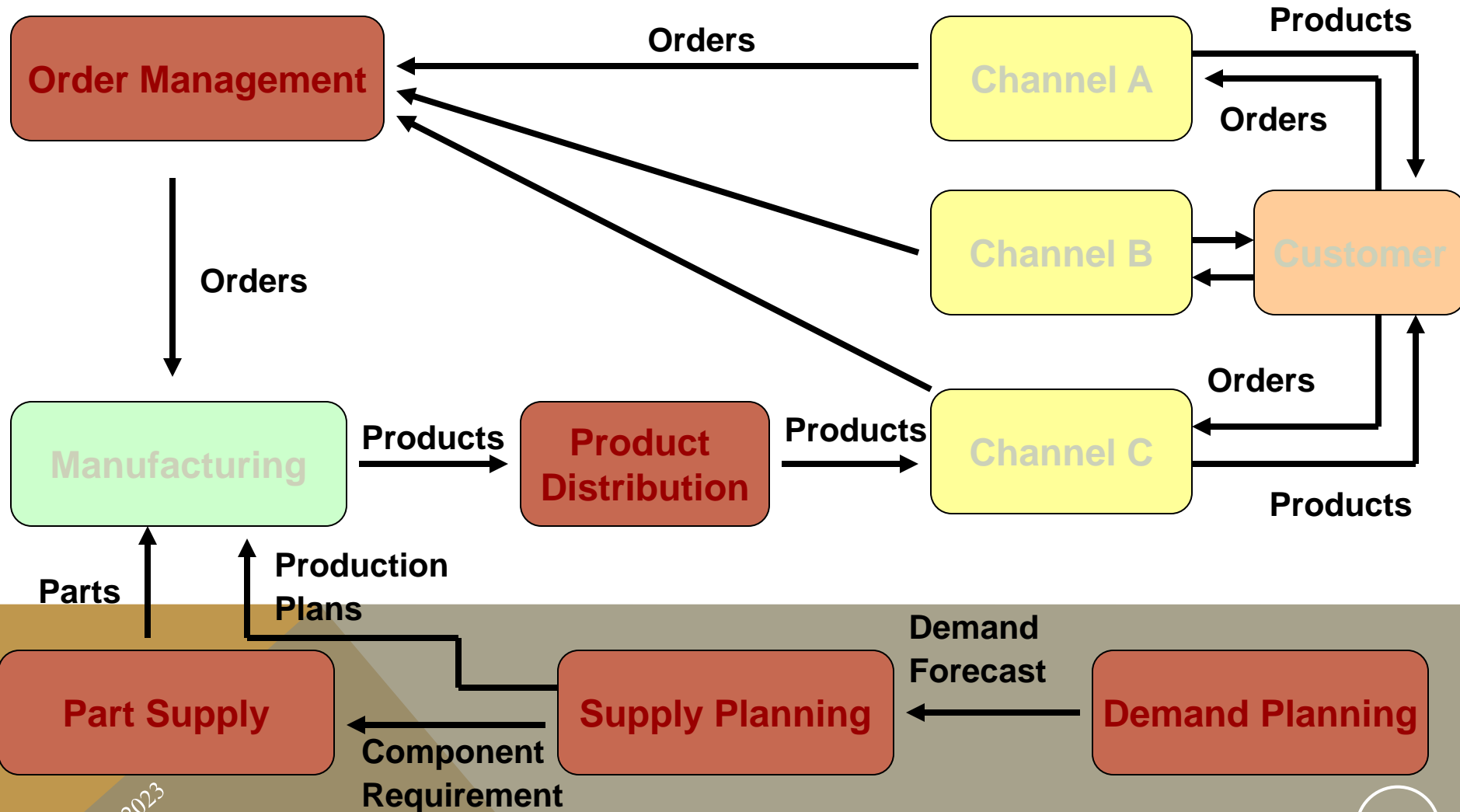
Example of a Typical Supply Chain: IBM Europe PC Supply Chain



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Order/ Product Flow through Supply Chain Functions



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