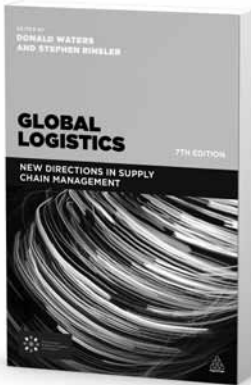


SEVENTH EDITION



Global Logistics

New directions
in supply chain
management

Edited by Donald Waters
and Stephen Rinsler



LONDON PHILADELPHIA NEW DELHI

CONTENTS

Contributors xii
Preface xxii

01 New directions in logistics 1

Martin Christopher

The emergence of the value-conscious customer 1
 Logistics and supply chain management 3
 Procurement 4
 Manufacturing 5
 Distribution 6
 The new competitive framework: the four Rs 7
 The organizational challenge 9
 Summary 11
 References 12

02 Best practices in logistics and supply chain management: the case of Central and Eastern Europe 13

Krzysztof Rutkowski

The essence of the phenomenon of best practices in business 13
 Transferring best practices – one solution fits all? 15
 The best practices – between the hammer of economic demands
 and the anvil of corporate social responsibility 18
 Where do Central and Eastern Europe countries come from?
 From the world of worst practices! 21
 Where are CEE countries going? The case of Poland 23
 The best practices – the Holy Grail of contemporary business? 26
 Notes 27
 References 28

03 Trends and strategies in global logistics and supply chain management 29

Christian F Durach, Frank Straube and Andreas Wieland

Introduction 29
 Research design and research sample 30
 Key trends and strategies 34

The strategic attribute of delivery reliability	44
Conclusion and outlook	47
Notes	47
References	48
Further reading	48

04 Incentives and the strategic management of suppliers 49

Glyn Watson, Chris Lonsdale and Joe Sanderson

Collaboration vs competition and the role of incentives in the exchange process	50
Incentivization and the question of make vs buy	56
Incentivization and the relationship management choice	59
Incentives and the role of contract	60
Incentives and the impact of internal politics	63
Conclusion	65
References	66

05 Time compression in the supply chain 67

Adrian Beesley

Time compression and competition	68
The time compression approach – competitive advantage	73
The time compression approach – cost advantage	74
The time compression approach – technology advantage	77
The time compression approach – customer focus	77
Benefits of time compression	79
Examples of the application of time compression	81
Time compression and the future	84
Conclusion	85
References	87
Further reading	88

06 Building more agile supply chains 89

Remko van Hoek

Introduction	89
Operating circumstances requiring agility	90
The categorization for operating environments	95
Mitigating the minefield of pitfalls	96
Conclusion and reflections	103
References	103

07 Using marketing and logistics to fulfil customer needs 104*David B Grant*

- Introduction 104
- Logistics customer service today 107
- Logistics customer service elements and strategies 108
- Issues in online retailing service 113
- Summary 115
- References 116

08 People powering contemporary supply chains 118*John Gattorna*

- Introduction 118
- The people that drive contemporary supply chains 118
- Dynamic alignment control 119
- Finding the behavioural metric – key to unravelling the puzzle 121
- Now the head of the dog is back in control 123
- But the ‘forces of darkness’ are lurking 126
- Supply-side alignment 133
- Hybrid supply chains 133
- Reverse logistics 135
- Last word 137
- Notes 137
- References 137

09 Linking supply chain management to shareholder value 138*Heimo Losbichler and Farzad Mahmoodi*

- Introduction 138
- Financial performance and its drivers 138
- Linking supply chain management and financial performance 143
- Framework to identify initiatives that create the most shareholder value 146
- Difficulties in improving supply chain financial performance 153
- References 155
- Further reading 156

10 Outsourcing: the result of global supply chains? 157*Stephen Rinsler*

- Background 157
- Definition 158
- Reasons for outsourcing 158

How different is the public sector from the private sector with regard to outsourcing?	162
The pitfalls in outsourcing	163
Global supply chains and the outsourcing risks	166
Summary	170

11 Risk in the supply chain 172

Lars Stemmler

Introduction	172
Risk management and the supply chain – a new perception	172
Objective and process of risk management	174
From an enterprise perspective to the supply chain perspective	176
Implementation in practice	181
Conclusions	183
References	184

12 Managing supply chain vulnerability 186

Alan Braithwaite

Supply chain vulnerability is a core economic tension	186
Business risk, disruption potential and the need for resilience is now recognized	187
The financial impact of supply chain disruptions	192
Designing for resilience	194
Some examples of disasters and the implications for resilience	204
Emerging toolsets and services	206
In conclusion – supply chain resilience is a capability	208
References	208

13 Information systems and information technologies for supply chain management 210

Xinping Shi and Simon Chan

Introduction	210
Functionality of IS/IT in SCM	211
Strategic issues of IS/IT in SCM	215
IS/IT adoption for SCM	217
IS/IT utilization in SCM	224
Summary	224
References	225
Further reading	226

14 Improving management of supply chains by information technology 227

Heikki Holma and Jari Salo

- Introduction 227
- Coordination of supply chains with information technology 229
- Conclusions 240
- References 240

15 Delivering sustainability through supply chain management 244

Kirstie McIntyre

- Introduction 244
- Background 244
- Purchasing or procurement 246
- Production or manufacturing 249
- Distribution and warehousing 250
- Use and maintenance 252
- Dispose or reuse and recycle? 253
- Managerial and financial sustainability 255
- Conclusion 256
- References 257

16 Performance measurement and management in the supply chain 259

Alan Braithwaite

- Introduction 259
- Keeping score and benchmarking – a basic management principle 260
- The balanced scorecard – the strategic standard for goal setting and measurement 261
- The fundamentals of supply chain performance measurement 264
- Mastering the complexity of supply chain and logistics performance management 265
- The principle of ‘input and output measures’ 267
- Setting goals across the chain through service level agreements 269
- The ‘delivery, recovery and governance’ model 272
- Defining the specific metrics across the chain 273
- Collecting and managing data 277
- Future directions in performance measurement 278
- Conclusion 280
- References 281

17 Optimizing the movement of freight by road 282*Alan McKinnon*

- Introduction 282
- Assessing the utilization of vehicle fleets 282
- Factors constraining vehicle utilization 284
- Measures to improve vehicle utilization 288
- Conclusion 296
- References 297

18 Retail logistics 300*John Fernie*

- Introduction 300
- The evolution of the logistics concept 300
- Logistics and competitive strategy in retailing 303
- Quick response (QR) and efficient consumer response (ECR) 307
- Differences in distribution 'culture' in international markets 313
- The internationalization of logistics practices 317
- The future 319
- References 321

19 Internet traders can increase profitability by reshaping their supply chains 324*Robert Duncan*

- Internet trading is set to continue growing globally 324
- Customer satisfaction with e-commerce continues to rise 325
- Integration of business processes has not always received enough attention 325
- Moving away from traditional supply chains adds complexity but provides an opportunity for profit 326
- How can internet traders take advantage of opportunities? 332
- Opportunity waiting to be exploited 337
- References 337

20 Time as a trade barrier 338*Hildegunn Kyvik Nordås*

- Introduction 338
- Time and global value chains 339
- Lead time and time variability 341
- Logistics and time for exports and imports 343
- Time and who trades what with whom 344
- Policy implications and conclusions 349

Notes 351
References 352

21 Learning from humanitarian supply chains 353

Rolando Tomasini and Luk Van Wassenhove

Introduction 353
Disasters are challenging learning settings 354
Humanitarians and their supply chains are different 355
Corporations moving in to help find that they can also learn 357
The value of cross-sector learning 360
Lessons for companies 361
Notes 362

22 Global sourcing and supply 364

Alan Braithwaite

Background 364
Growth in global trade 364
Global sourcing as a way to change business strategy 367
Identifying and selecting sources 368
Commercial models 369
International logistics 370
Flow management 370
Organization design 371
Information technology 371
Operational excellence 372
Risk management 373
Critical success factors 373
Global sourcing – sustaining the trend 374
References 375

23 International road and rail freight transport activity 376

Jacques Leonardi, Allan Woodburn, Julian Allen and Michael Browne

Introduction 376
Recent international trade activity and transport: economic factors and trends 377
Recent trends in international freight transport volumes by road and rail 380
International road freight transport: recent developments and challenges 383
Factors influencing recent trends in international rail freight transport 388
Concluding remarks 392
References 392

24 Developments in Western European strategies 395*Michael Browne, Julian Allen and Allan Woodburn*

Introduction 395

Changes in the demand for logistics services 396

Market structure of logistics service providers 400

Transportation in Europe 405

Opportunities and pressures for logistics providers in
a new Europe 413

Concluding remarks 415

References 416

**25 Recent development of e-tailing and its logistics
in China 419***James J Wang*

Introduction 419

Marketplace-based and chain-based e-tailers 420

Boosting express logistics services 421

Challenges with the marketplace-based model 423

The last-mile issues 427

The force of foreign logistics providers 429

Governmental policy support for urban logistics 429

References 430

26 Logistics strategies for Central and Eastern Europe 432*Grzegorz M Augustyniak*

Introduction 432

The logistics system of CEE before 1990 434

Development of logistics in the period of transition 436

Trends in supply chain management and their impact on CEE
logistics systems 437The current state and prospects of development of
the logistics in CEE 438

Logistics strategies in CEE countries 447

Conclusions 449

Reference 450

Further reading 450

27 North American logistics 451*Jean-Paul Rodrigue and Markus Hesse*

North American logistics: a regional realm 451

North American gateways 453

North American corridors and inland freight distribution 460

Inland logistics 464

Corporate logistics and its role in North American freight
transportation – three cases 468

A freight and logistics policy framework 472

Conclusion 476

References 477

Index 480