OBE Approach

SUPPLY CHAIN AND LOGISTICS MANAGEMENT:

Enhancing Competitive Edge & Customer Satisfaction

jmlibrary

Ernesto H. Mendoza, Ph.D.

Lorma S.P. Garcia, DBA, Ph.D.

Supply Chain and Logistics Management:

Enhancing Competitive Edge & Customer Satisfaction

jmlibrary

Ernesto H. Mendoza, Ph.D.

Lorma S.P. Garcia, DBA, Ph.D.

COPYRIGHT 2020

Ernesto H. Mendoza, Ph.D.
Lorma S.P. Garcia, DBA, Ph.D.

ISBN: **978-621-427-070-5**

ALL RIGHTS RESERVED. No part of this work covered by the copyright thereon may be reproduced, used in any form or by any means - graphic, electronic or mechanical, including photocopying, recording, or information storage and retrieval systems - without written permission from the publisher and the authors.

Published by: UNLIMITED BOOKS
LIBRARY SERVICES & PUBLISHING INC.
Room 215 ICP Building, Cabildo St., Intramuros Manila
Tel. No.: (02) 502-2017

Telefax: (02) 525-1649

Email: unlimitedbooks2014@yahoo.com
Website: www.unlimitedbooksph.com

Layout and Cover design by: AC Cuadra
Lorma S.P. Garcia, DBA, Ph.D.

Cover images supplied by: vectorpouch / Freepik

PREFACE

To better understand this particular field of Logistics and Supply Chain Management, using the negation approach of "what it is not; what it is; and its effects on the students" is deemed by the authors to be a preferred option in writing this Preface.

WHAT IT IS NOT?

- It is NOT just a human activity focused in the building of the pyramids to the defeat of the British Army in the American War of Independence due to poor logistics; but the relationship between demand creation and physical supply.
- It is NOT just a thought of constructing a tower or an act of going to battle as mentioned in Luke Chapter 14: Verses 28-32 of the Holy Bible; but the planning and thoughtful attention relegated on how it will be done.
- It is NOT just the conscious efforts that were dedicated to relieve hunger and famine in the African continent; but the linkages and coordination necessary between and among, different channels and entities.

jmulibrary

WHAT IT IS?

- IT IS a network of manufacturing and logistics sites that develop, plan, and source, make and deliver products that meet customers' needs.
- IT IS a set of approaches and systems used to efficiently integrate suppliers, manufacturers, warehouses, and distribution centers.
- IT IS the design and management of seamless, value added processes across organization boundaries to meet the real needs of the end customers.

WHAT WILL BECOME OF THE STUDENT?

- They will become **AWARE** that this field of study is about managing relationships in order to achieve more profitable outcome for all parties involved in the chain. It is beyond shipping, transport and physical movements.

Table of Contents

Preface
Pedagogical Aids
Acknowledgement

Chapter I – Introduction **1**

Introduction 3
Defining Logistics & Supply Chain Management 6
history & Evolution of Logistics & Supply Chain 11
Logistics vs. Supply Chain Management 15
Logistics: An Integral Component of SCM 17
logistics Operations in Supply Chain Network 18

Activities

Chapter II – Logistics, the Supply Chain and Competitive Strategy **29**

Supply Chain Management: A Broader Concept than Logistics 31
Logistics & Supply Chain Management:
A Source of Competitive Advantage 32
Functions & Contributions of Supply Chain Management 36
Creating Value 37
The Supply Chain Becomes the Value Chain 39
Value Reference Model 40
Enlisting Suppliers to Innovate 41
Value Leverage 43
Supply Chain Relationships 44
Building a Long-Term Relationship with Vendors 46
Supplier-Relationship Management 49
The Changing Competitive Environment 54
The Supply Chain and Competitive Performance 55
Reverse Logistics 56
Reverse Logistics & SCM: Scope & Advantages 58

Activities

nlibrary

Chapter III – Integrated Logistics & Customer Value **65**

The Marketing & Logistics Interface 67
Concept of Integrated Logistics 70
Delivering Customer Value 74
The Impact of Out-of-Stock 75
Inventory Flow 77
Information Flow 79
Customer Service & Customer Retention 80
Market Driven Supply Chains 82
Operational Objectives of Integrated Logistics 83
Barriers to Integration 85

Activities

Chapter IV – Demand & Supply Forecasting **91**

Concept of Demand Forecasting 93
Impact of Forecasts on Logistics & Supply Chain Management 103
Forecasting Process, Models & Techniques 109

Activities

Chapter V – Inventory Management **133**

Concept of Inventory Management 135
Measuring Quality 144
Economic Order Quantity (EOQ) 154
Just in Time 159
Inventory Management Techniques 164

Activities

jmitrani

Chapter VI – Warehousing 173

Concept of Warehousing 175
Evolution of Warehousing 176
Warehouse Logistics 179
Functions and Objectives of Warehouses 187
Types of Warehouses 194
Warehouse Design, Process & Costs 197
Warehouse Automation 202
Warehouse Insurance 204

Activities

Chapter VII – Logistical Packaging 211

Concept of Logistical Packaging 213
Types of Logistical Packaging 219
Material Handling Components 222

Activities

Chapter VIII – Transportation 237

Transportation: The Backbone of Logistics 239
Transportation System 240
Factors that Affect Transportation Costs 244
Global Logistics 249
Transportation and Assignment Models 253

Activities

Chapter IX – Logistics Outsourcing 297

Concept of Logistics Outsourcing 299
Service Providers 303
Outsourcing Risks 312

Activities

jmlibrary

Chapter X – Contract Logistics 323

Contract Logistics – Key Block in Supply Chain Management 325
Contract Logistics Request for Quotation (RFQ) Process 335
Vendor Managed Inventory
– A Collaborative Supply Chain Concept 339
Documentation:
A Control Mechanism of Supply Chain Logistics 343

Activities

Chapter XI – Technology & e-Commerce 351

Examples of Technology Used in Logistics & SCM 353
E-Business Model 362
- The Need for e-Supply Chain Management 364
- How e-Commerce Influences Logistics and Supply Chain Management in the Philippines 364
- Top 10 e-Commerce Sites in the Philippines 367

Activities

Chapter XII – SCM: Problems and Roadblocks 379

Introduction 382
Key Issues in Supply Chain Management 383
Roadblocks to Supply Chain Management 395

Activities

Glossary
References

jmlibrary