

3 Supply chain

- ▶ supply chain
- ▶ strategic decision stages
- ▶ reverse logistics

3.2 Vocabulary Logistics

Discussion

1 Work with a partner. Do the logistics quiz below.

AMAZING LOGISTICS STATISTICS!

- 1 How long does it take to make a can of soda, including everything from mining aluminium ore in Australia to delivering the can to your fridge?
a) 39 days b) 193 days c) 319 days
- 2 How much of that time is spent on manufacturing, as opposed to logistics?
a) 3 hours b) 3 days c) 3 weeks
- 3 How many people are involved in the process of shipping a single container by sea?
a) 10 b) 30 c) 100
- 4 General Motors employs 280,000 people. How many people are employed by UPS?
a) 84,000 b) 248,000 c) 428,000
- 5 What is the annual cost of returned goods in the USA?
a) \$100 million b) \$1 billion c) \$100 billion

Check your answers on page 120.

2 Match the questions 1–9 with the strategic decision stages a)–i) in the supply chain.

- 1 Which plant will make the new yoghurt?
- 2 Where can we get a regular supply of milk?
- 3 How much finished product do we need in the warehouses to meet demand?
- 4 Have you audited the dairy farm?
- 5 How many flavours are we going to offer?
- 6 How do we get the milk from the farms to the factory?
- 7 Who's going to deliver to the retailers?
- 8 Can we avoid stocking packaging?
- 9 Which warehouses are we going to use?

- a) source raw materials
- b) validate vendor quality
- c) define production location
- d) define product quality
- e) source transportation channels
- f) consider using JIT (Just-In-Time)
- g) decide inventory levels
- h) decide location of distribution centres
- i) choose logistics provider

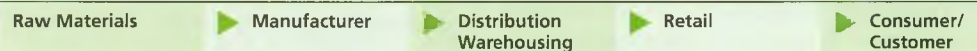
Listening

3 As a hypermarket manager, how could a logistics provider help you with large stocks of the following?

- a) yoghurt which is not what you ordered
- b) yoghurt which is an unpopular flavour in your region
- c) yoghurt which is past its sell-by date

1:39 Listen to an extract from a presentation by USF Processors, the market leader in reverse logistics, to find out.

Forward Logistics: Products moving to the consumer



Reverse Logistics: Products moving back to the manufacturer from the consumer, retailer or distributor



Glossary PAGE 154

JIT
reverse logistics