UNIT – 4 CHAPTER – 13 INFORMATION TECHNOLOGY IN LOGISTICS

Role of information technology in logistics & supply chain management

1. Better communication
2. Competitive advantage
3. Ease of operations
4. Quick decision making
5. Early warning system
6. Accurate data
7. Identifying the location of consignment
8. Other benefits

Characteristics / Principles of logistical information system

1. Availability
2. Timelines
3. Accuracy
4. Flexibility
5. Appropriate format
6. Exceptional

Types of logistical information system

1. External information systems / vertical communication
2. Internal information systems / horizontal communication

Logistical information functionality

1. Transaction system
2. Management control
3. Decision analysis
4. Strategic planning

Information technology infrastructure

1. Radio frequency identification (RFID)
2. Electronic data interchange (EDI)
- Benefits electronic data interchange (EDI)
1. Cost cutting
2. Increased speed
3. Satellite communication
4. Global positioning system (GPS)
5. Bar coding
6. Enterprise resource planning (ERP)
- **Advantages of ERP**
1. Increased efficiency
2. Reduction in lead time

3. **Integrated information**

CHAPTER – 15 LOGISTICS OUTSOURCING

Benefits / Advantages of outsourcing

1. Swiftness & expertise
2. Concentrating on core processes rather than the supporting ones
3. Reduced operational & recruitment costs
4. Risk sharing
5. Staffing levels
6. Save on infrastructure & technology
7. Increasing in-house efficiency
8. Run your business 24 × 7
9. Improve service & delight the customers

Type's of third party logistics service providers

1. Standard service provider
2. Service developer
3. Customer adapter
4. Customer developer
- Advantages of 3PL
1. Swiftness & expertise
2. Concentrating on core processes rather than the supporting ones
3. Reduced operating costs
4. Save on infrastructure & technology
5. Increasing in – house efficiency
6. Improve service & delight the customers

Advantages of fourth party logistics service provider

1. Concentrating on core processes rather than supporting ones
2. Reduced operational costs
3. Save on infrastructure & technology
4. Improve service & delight of customers
5. Combines the advantage of in and outsourcing

Drawbacks of outsourcing

1. Loss of managerial control
2. Hidden costs
3. Threat to security & confidentiality
4. Quality problems
5. Tied to the financial well being to another company
6. Bad publicity & ill – will

Selection of logistics service provider

1. **Defining the logistics problem**
2. **Identifying the areas of problem**
3. **Establishing objectives of outsourcing**
4. **Searching for potential service providers & accepting proposals**
5. **Evaluating of proposals & selection of service provider**

CHAPTER – 16 LOGISTICS IN THE GLOBAL ENVIRONMENT

Global logistics trends

1. **Production is being brought closer to the end user**
2. **Focus on large vessels for transportation**
3. **Focus on green logistics**
4. **Continued investments in IT solutions for logistics**
5. **Growing trend of E – Commerce**
6. **Globalisation**
7. **'Ethical' supply chain**
8. **Complexity of supply chains**

Global issues & challenges in logistics & supply chain management

1. **Increasing volatility (Fluctuation) in customer demand**
2. **Increase complexity in the supply chain**
3. **Political & legal differences**
4. **Cultural differences**
5. **Currency unit differences**
6. **Language differences**
7. **High cost of transportation**