

Global Logistics Strategy [L6M10]

Target Audience: For those who are successful in completing the CIPS Level 5 Advanced Diploma in Procurement and Supply; this represents the final level of CIPS qualifications for those working towards MCIPS Chartered Procurement and Supply Professional.

Hours: 60 Hours

Pre-requisite: You will need to have achieved the CIPS Level 4 Diploma in Procurement and Supply.

1.0 Understand the strategic logistical implications of globalisation

1.1 Evaluate the logistics challenges that globalisation presents

- Consequences for inventory handling and transport

such as:

- Centralised vs. regionalised inventory holdings
- International logistics practices – storage and handling practices
- Extended transportation pipelines and time to market – obsolescence and inventory holding costs
- Global consolidation
- Economies of scale and batching
- Price and currency fluctuation
- Multiple freight modes and cost
- Location analysis
- Trade-offs between responsiveness to local markets and economies of scale

1.2 Assess the structure of a global strategic logistics and supply chain network

- Layering and tiering
- Information flow and coordination
- 3 and 4PL
- Influence of Original Equipment Manufacturers

(OEM)

- Time horizons – preparation, finalisation, shipment and delivery
- Individual plants
- Changing role of distribution centres
- Flexibility to respond to local markets
- Response to governmental incentives – adjusting taxes, incentives and infrastructure to favour selection
- Reconfiguration processes
- Changing the global pipeline
- Local vs. global postponed manufacturing

1.3 Assess the strategic logistical risks of globalisation and the associated responses

- Supply chain volatility:
- Geopolitical threats
- Transportation and/or pipeline breakdowns
- Security threats
- Responses such as:
- Inventory policies and levels
- Transport network redesign
- Sole vs. global trading arrangements
- Contingency planning and risk protocols

2.0 Understand global governance of the supply chain

2.1 Contrast the strategic influences on globalised supply chain governance

- Geographical spread and supply chain/network complexity
- Coordination between units and elements of the supply chain/network
- Embedded teams vs. virtual centralisation

- ‘Decentralised centralisation’ - central reporting and working but not centrally co-located
- Incorporating new regions into global governance
- The flow of goods vs. the flow of ownership

2.2 Assess the impact of international legislation on the globalised supply chain

- The role of international courts in deciding precedence
- Which legal system is generally accepted by all parties – multiple countries passed through during the course of the trade
- Which court has jurisdiction over form of contract, disputes, underperformance etc. – exporter, importer or third country
- Legal considerations in global markets, shipment, insurance, handling, clearance, payment and other related matters

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3.0 Understand the concept of reverse logistics and its impact on global logistics strategy

3.1 Assess the concept and requirements of reverse logistics

- What is reverse logistics
- Waste reduction
- Point of consumption back to point of origin
- Why is the concept becoming more influential:
- Product returns
- Repairs and maintenance
- Reuse
- End of life returns and recycling or dismantling

3.2 Assess the strategic factors which influence reverse logistics

- Government policy and legislation
- Economic considerations
- Increasing landfill costs
- Increasing cost of disposal vs. profit from

recoverable manufacturing

- Environmental considerations
- Triple bottom line and sustainability
- Corporate Social Responsibility
- Green logistics
- Buying sets of services
- E.g. include maintenance contract covering repairs and parts – return of broken products and take back at life-end

3.3 Contrast factors that influence strategic reverse logistics

- External factors such as:
 - Legislation
 - Customer demand
 - Incentives
- Internal factors such as:
 - Environmental concerns
 - Strategic cost/benefits
 - Volume and quality returns
 - Resource
 - Integration and coordination

3.4 Compare factors which affect the implementation of reverse logistics strategy

- No infrastructure and insufficient resources
- Difficult to forecast flow and composition

- Not a priority
- Driven by legislation and not identified business

value

- Regarded as an additional cost
- Unpopular as regarded as a sign of failure