

1. The view that logistics is just trucking and warehousing is wrong because these are only two of the key decision areas that make up logistics. Logistics is the part of the supply chain that plans, implements, and controls the efficient, effective flows and storage of goods and services between the point of order and the point of consumption in order to meet the customers' requirements. In order to control these flows of goods and services, companies need to be efficient in transportation, warehousing, material handling, packaging, inventory management, and information systems. Without properly integrating all of the aforementioned components of logistics management, the rest of the supply chain would experience problems such as service interruptions, excessive expenditures, missed deadlines and damaged goods.
2. It is a false claim that warehousing is inconsistent with efforts to minimize inventory levels through the supply chain. When warehousing is leveraged correctly, such as inventory pooling, a company can avoid having wasteful inventory in each store by having a safety stock in a central location. By having a central location to hold stock, firms can limit lead times to the customer, have extra stock for spikes in demand, and support multiple locations from a single location.
3. A firm can be a part of the logistics systems industry without touching the product. Examples include software companies that design and support logistics information systems and "online" retailers who depend on third-party carriers to deliver products from manufacturers to customers.
4. Landed costs become more important for firms that participate in international logistics because these firms will incur multiple types of costs throughout their supply chain. Landed costs include the product cost plus all costs driven by activities including: transportation, warehousing, handling, and customs fees among others. International supply chains will have to consider landed costs in the forms of customs fees, and they need to pay a freight forwarder to be an intermediary between the shipping organization and the actual carrier.
5. Consider the wide range of business activities that fall under the umbrella of logistics: transportation, warehousing, material handling, packaging, inventory management, and logistics information systems. As with other operations areas, logistics involves *choice*. If a company does not have a guiding strategy to ensure that these pieces *fit together* and support the business strategy, it's highly unlikely that the firm will make consistent choices across all these complex areas.
6. Logistics can be an area of core competency for a company. A prime example is that of UPS. UPS's business slogan at one time was "We love logistics," and their business strategy is to be the one-stop shop of logistics for their customers. They do all of the necessary logistic functions, including warehousing, shipping, tracking, material handling, and inventory management. It makes sense for a company to have logistics as a core competency because it is an area of the

supply chain where a lot of money is spent, thus a lot of money could be saved if it is managed skillfully.