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Факультет технологий управления и гуманитаризации
Кафедра «Иностранные языки»

**ЭЛЕКТРОННЫЙ УЧЕБНО-МЕТОДИЧЕСКИЙ КОМПЛЕКС
ПО УЧЕБНОЙ ДИСЦИПЛИНЕ**

**ИНОСТРАННЫЙ ЯЗЫК ПЕРВЫЙ
(ПРОФЕССИОНАЛЬНАЯ ЛЕКСИКА)**

для специальности
6-05-1036-01 «Таможенное дело»
**Профилизации «Таможенная логистика», «Экономическое
обеспечение таможенной деятельности»**

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Перечень материалов

1. Теоретическая часть (поурочный глоссарий логистических терминов и понятий).
2. Текстовые материалы с заданиями, направленными на формирование и развитие языковых и коммуникативных умений обучающихся.
3. Блок контроля знаний.
4. Учебная программа по дисциплине.

Пояснительная записка

Целью разработанного ЭУМК является формирование иноязычной коммуникативной компетенции будущего специалиста, что позволит ему применять иностранный язык в качестве средства профессионального и межличностного общения в будущей профессиональной деятельности.

Разработанный ЭУМК способствует, не только удовлетворению индивидуальных образовательных потребностей обучающихся и повышению образовательного процесса в целом, но и созданию условий для формирования нравственно зрелой, интеллектуально развитой личности будущего специалиста, которой присущи социальная и исследовательская активность, гражданская ответственность и патриотизм, приверженность к университетским ценностям и традициям, стремление к профессиональному самосовершенствованию, активному участию в научной, экономической и социально-культурной жизни страны.

Особенности структурирования и подачи учебного материала

Содержание ЭУМК представлено следующими разделами: теоретический, практический, раздел контроля знаний и вспомогательного раздел.

В теоретическом разделе ЭУМК представлены основные понятия и термины, связанные с осуществлением логистической деятельности в объеме, предусмотренном учебной программой. Это дает возможность обучающимся изучить основные лексические единицы, термины, освоить их толкование и правила использования в речи.

Практический раздел ЭУМК включает упражнения на разные виды деятельности, как учебно-тренировочные, так и речевые. Материал представлен в виде тематических текстов и широкого комплекса упражнений, направленных на усвоение и активизацию в речи изученных лексических единиц, речевых формул и клише, наиболее часто используемых в сфере профессионального общения. Дидактически обработанный аутентичный материал упражнений, представленных в данном разделе, позволяет не только расширить словарный запас обучающихся, закрепить сформированные лексико-грамматические навыки говорения и чтения, но и развить кругозор слушателей.

Раздел контроля знаний ЭУМК включает в себя тесты для оценки приобретенных языковых и грамматических навыков. Данный раздел обеспечивает возможность самоконтроля обучающегося, его подготовки к

текущей, промежуточной и итоговой аттестации, самооценки результатов освоения учебной дисциплины.

Вспомогательный раздел представлен учебной программой дисциплины «Иностранный язык первый (профессиональная лексика)» для специальности 6-05-1036-01 «Таможенное дело», включая учебно-методическую карту дисциплины.

Рекомендации по организации работы с ЭУМК

Учебно-методический комплекс по дисциплине «Иностранный язык первый (профессиональная лексика)» для студентов дневной формы получения образования предназначен как для аудиторных занятий, так и для самостоятельной работы обучающихся.

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1. ТЕОРЕТИЧЕСКИЙ РАЗДЕЛ

ACTIVE VOCABULARY

UNIT 1. LOGISTICS

1. procurement	закупка, приобретение
2. inventory	список, перечень товаров
1. batch	a group of products handled together, often having come
2. to reply to any inquiries	отвечать на любые запросы
3. to draft proposals and quote for potential customers	готовить предложения и расценки для потенциальных клиентов
4. to place orders with suppliers	размещать заказы у поставщиков
5. to track the shipments	отслеживать поставки / груз
6. to attend networking events	посещать сетевые мероприятия networking event – a gathering specifically designed to bring together professionals in a specific field, industry or age group to make business connections and stay on top of the latest news and trends.
7. to troubleshoot and resolve any problems or issues if they arise	устранять неполадки и разрешать любые проблемы, если они возникают
8. to process payments and invoices	обрабатывать платежи и счета-фактуры
9. to handle returns and exchanges	заниматься возвратом и обменом товара
10. a brick-and-mortar store	обычный магазин any physical storefront that sells goods and services directly to customers. Coffee shops, bank branches, grocery stores, and clothing outlets at the mall are all examples of brick-and-mortar stores.
11. haulage ['hɔ:lɪdʒ] contractor/haulier	подрядчик по перевозке / перевозчик

UNIT 2. ОСНОВНЫЕ ВИДЫ ЛОГИСТИКИ.

1. encompass	включать / охватывать
2. allocation of supplies	распределение поставок / предметов снабжения
3. materials handling	обработка материалов / обращение с материалами
4. idle inventory	неиспользуемый инвентарь
5. cargo tracing	отслеживание груза
6. recapture	возврат Возврат – это условие, установленное продавцом актива, которое дает ему право выкупить обратно часть или все активы в течение определенного периода времени.
7. refurbishment	переоборудование
8. aftermarket support	послепродажная поддержка
9. field service	полевое обслуживание
10. procurement	закупка
11. streamline	рационализировать, оптимизировать
12. excessive inventory	чрезмерные запасы
13. product obsolescence [ˈɒbsəˈlesns]	устаревание продукта
14. downtime of goods	простой товара
15. discrepancies	расхождения, несоответствия

UNIT 3. ЛОГИСТИЧЕСКИЕ УСЛУГИ.

1. drop-ship services	услуги прямой доставки
2. shrink wrap	термоусадочная пленка
3. bubble wrap	пузырчатая пленка
4. foam and padded packing	пенопластовая и мягкая упаковка
5. to preserve utility	сохранять полезность
6. to take up a ground space	занимать место на земле
7. hand-heaped	сложенный вручную
8. fork-lift trucks	вилочные погрузчики
9. cross docking	кросс-докинг an operational procedure where products are directly transferred from incoming to outbound transport. Unlike traditional warehousing, you do not typically handle or store any product. операция в логистической цепочке движения товара, при которой товар не принимается на ответственное хранение, находясь на складе минимальное время. По сути – это сквозное складирование, прямая доставка от поставщика, без использования хранения на складе.
10. mezzanine ['metsəni:n]	складской мезонин – это стеллажная конструкция в несколько ярусов из металлического каркаса, поделенная этажами с напольными панелями. Последние могут быть выполнены также из металла – профлиста, сплошного листа с насечками или решетчатого настила. Либо на древесной основе – ДСП, фанера
11. back-up storage	резервное хранилище
12. marshalling and dispatch ['mɑ:ʃ(ə)liŋ]	сортировка и отправка In the context of logistics or transportation, marshalling refers to the organization and coordination of vehicles or goods in a specific order or sequence. This ensures efficient movement and prevents congestion or delays.
13. collation	подборка
14. value-added services	услуги с добавленной стоимостью
15. a put-away instruction	инструкция по размещению
16. unloading bay	разгрузочный отсек / площадка
17. brokerage ['brəʊkəriɪdʒ]	брокерская деятельность / посредничество
18. collapsible [kə'ləpsəbl]	складной / разборной

19. stackable ['steɪkəbl]	штабелируемый
20. adjustable	регулируемый
21. corner-posts and sides	угловые стойки и бортики
22. palletization [pælɪtaɪ'zeɪʃn]	укладка на поддоны
23. bulky	крупногабаритный
24. mobile shelving	передвижные стеллажи
25. omnichannel logistics / multichannel	многоканальная логистика

UNIT 4. SUPPLY CHAIN MANAGEMENT

16. established companies	компании, утвердившиеся на рынке
17. to move up the agenda	менять приоритеты, подниматься на повестке дня
18. heavy manufacturing.	тяжелое машиностроение
19. manufacturing capacity	производственный потенциал
20. to source components or even finished goods	находить поставщиков компонентов и готовых товаров
21. to handle suppliers	обрабатывать грузы от поставщиков
22. production shortfall	невыполнение плана выпуска продукции, дефицит производства
23. to divert stocks	перенаправлять запасы
24. to bring in alternative suppliers	привлекать альтернативных поставщиков
25. a vendor	поставщик, продавец, вендор
26. stock-out	отсутствие товара на складе
27. complex manufacturing	производство технически сложных многокомпонентных изделий
28. to run into	приводить к чему-либо
29. vertically integrated production	вертикально-организованное производство Vertically integrated production , also known as backward integration, is when a company buys or controls manufacturers and suppliers for its products and materials. This can include all aspects of the value chain – from raw materials to product marketing and sales.
30. in-house	внутри предприятия
31. to run supply-chain logistics	проводить логистику цепей поставок
32. to be accounted for by	образовываться за счет чего-либо
33. master schedule	комплексный график работ
34. supplier tiering	распределение поставщиков по уровням Large enterprises can have thousands of suppliers with lengthy supply chains. These suppliers can be divided into multiple tiers based on their closeness with the customer and end product. Supplier tiering is the practice of classifying suppliers based on their performance and importance to your

	business. Suppliers can be broken down into three tiers: • Tier 1 Suppliers are your direct suppliers. • Tier 2 suppliers are your suppliers' suppliers or companies that subcontract to your direct suppliers. • Tier 3 suppliers are the suppliers or subcontractors of your tier 2 suppliers. • The concept of supplier tiering started in the automotive industry to identify how far away elements of the supply chain are from the production of the final product.
35. to give the business of logistics more credit	повышать доверие к логистическому бизнесу
36. search for a competitive edge	поиск конкурентного преимущества
37. to be at a premium	быть дорогостоящим, быть в большом почете
38. to be at the forefront	быть в авангарде
39. to drive costs	снизить расходы
40. to meet long-term sales and earnings growth targets	достигать долгосрочных целей по росту продаж и прибыли
41. surging input costs	растущие затраты на вводимые ресурсы
42. top-line growth	рост выручки
43. bottom-line performance	итоговая производительность bottom-line the degree of profit or loss after everything has been calculated
44. out of stocks	отсутствие на складе
45. lost sales	потерянный сбыт
46. to hold inventory	проводить инвентаризацию / хранить запасы
47. costs of holding inventory	затраты на хранение товарно-материальных запасов
48. to deliver benefits	приносить пользу
49. sharp pricing	соответствующее моменту ценообразование
50. to establish a cooperative relationship	устанавливать отношения сотрудничества
51. access to the customer sales data	доступ к данным о продажах клиентов

52. live data	оперативные данные
53. replenishment deliveries	поставки для пополнения запасов
54. to schedule replenishment deliveries on a store-by-store basis	планировать поставки пополнения по каждому магазину
55. cachet of haute couture	образец высокой моды
56. to carry price tags to match	носить соответствующие статусу ценники
57. leading edge products	товары, возглавляющие список популярности
58. brand-led marketing	маркетинг, основанный на популярности бренда
59. sporting-superstar endorsement	поддержка спортивными суперзвездами
60. a globe-spanning virtual enterprise	виртуальное предприятие, охватывающее весь земной шар virtual enterprise a company that works with many other contractors, subcontractors, so that it gives the appearance of being much bigger than it really is
61. to be at the core	быть в основе
62. state-of-the-art R&D capabilities	современные возможности в области исследований и разработок
63. a ruthlessly low-cost manufacturing strategy	безжалостно дешевая производственная стратегия, стратегия на снижение расходов производства
64. to outsource production	передать производство на аутсорсинг (передавать функцию производства сторонней организации)
65. to retain in-house manufacturing of key components	сохранить собственное производство (внутри страны) ключевых компонентов
66. extended lead time	увеличенное время выполнения заказа
67. far-flung activities	широкомасштабная деятельность, разные по характеру виды деятельности
68. materials and process innovation	обновление материалов и технологий
69. punishing rate of innovation	стремительный рост инноваций, изнурительная скорость инноваций
70. high levels of finished inventory	высокий уровень запасов готовой продукции
71. to achieve sales forecasts	достичь уровень прогнозируемых

	продаж
72. global-sales system	система глобальных продаж
73. customer-service support system	система поддержки обслуживания покупателей
74. to prioritize shipments	располагать партии товара в приоритетном порядке
75. order fulfillment	выполнение заказа
76. product-availability information	информация о наличии продукта
77. fashion-conscious	ориентированный на моду, следящий за модой
78. to rely more heavily on	в большей степени полагаться на
79. sourcing and procurement of raw materials	поиск и закупка сырья
80. manufacturing facility	производственное предприятие / производство
81. to retrieve	извлекаться
82. advent of big data	появление больших данных

UNIT 5. RELATIONSHIPS WITH SUPPLIERS

1. supply a competitive edge	предоставлять конкурентное преимущество
2. replacement	замена a thing or person that takes the place of something or someone else
3. to cause controversy	вызывать разногласия
4. to achieve benefits	получать выгоду
5. to ensure continuity and consistency	обеспечить непрерывность и устойчивость поставок
6. to fail to work	перестать работать If a business fails it is not successful and loses so much money that it has to close
7. timeliness	своевременность doing something at the right time
8. just-in-time management –	система управления «точно в срок» «точно-в-срок» (Just-In-Time) – широко распространенная в мире логистическая концепция, которая является неотъемлемой составляющей бережливого производства. Она направлена на создание сбалансированной производственной системы с плавным и быстрым материальным потоком, которая может эффективно функционировать при минимальном уровне запасов. Just-in-Time (JIT) is a manufacturing and inventory management philosophy that aims to improve efficiency, reduce costs and waste by producing goods only as they are needed. JIT is based on the idea that keeping large inventories of raw materials, work-in-progress, and finished goods is inefficient, costly and can lead to stockouts, delays and other issues.
9. delay in supply	задержки в снабжении delay – when something does not happen or start when it should
10. knock-on delays	задержки, вызванные эффектом домино

	knock-on delays – subsequent delays that happen as a result of an initial delay knock-on – an event or situation that is indirectly caused by another event or situation
11. to be committed to high quality	придерживаться традиции высокого качества
12. to source good-quality components	найти поставщиков высококачественных компонентов
13. to manage the process in house	управлять процессом внутри предприятия
14. to manage the process through wholly owned subsidiaries	управлять процессом через дочерние предприятия, находящиеся в собственности subsidiary – a company that is at least half- owned by another company
15. commitment	стремление к одной цели commitment – the hard work and loyalty that someone gives to an organization or activity
16. early warning system	система раннего предупреждения a system set up to detect potential problems
17. to file for insolvency	заявить о неплатежеспособности file (for) – to officially ask a court for something, for example to officially state that you are insolvent to be insolvent – unable to pay creditors due to lack of money or assets
18. to present smb. with a crisis	поставить кого-либо в кризисную ситуацию
19. disruption in a supply chain disruption in a supply chain	перебои в цепи поставок
20. primary supplier	первичный поставщик
21. cashflow	поток наличности (разница между всеми поступлениями и платежами компании за определенный период: отражает все источники и направления использования средств компании и ее способность выполнять текущие обязательства) cash flow – the amounts of money coming in and going out of a company

	and the timing of these
22. to swap information on	обмениваться информацией о
23. to set up a system	установить систему
24. to change payment terms	изменить условия оплаты payment terms – the conditions of a sales agreement that concern how the customer will pay, and especially how much time is allowed for payment
25. to extend the ratings and communication with suppliers	расширить систему рейтинга и обмена информацией
26. second-tier supplier –	поставщик второго уровня second-tier supplier – a company that sells and delivers materials or goods to a first-tier and delivers materials or goods to a first-tier or primary supplier
27. sub-supplier	субподрядчик, поставщик поставщика
28. to go bankrupt	обанкротиться
29. supply base	база поставщиков supply base (also supplier base) – the number of companies that supply a bigger company
30. dual or multiple sourcing	два и более поставщика dual sourcing – when a company has two suppliers for the same product so as to be sure that the product will always be available and to be able to compare the suppliers' prices, etc. multiple sourcing – getting materials or goods from a number of different suppliers (also multi-sourcing)
31. to switch supplier	поменять поставщика
32. misplaced confidence	неоправданная уверенность
33. worldwide demand for	мировая потребность/спрос на что-либо
34. shortage	дефицит
35. to be/put under control	справляться с чем-либо / контролировать
36. complete stock	весь запас
37. shipment	отправка
38. to account for	обеспечивать заказами
39. to meet orders	удовлетворить заказы
40. disruption	перебои
41. as a matter of routine (procedure)	в рабочем порядке

42. to put on a monitoring list	включить в список контроля
43. to check the status	проверять состояние
44. to take steps	предпринять шаги
45. to secure supplies	обеспечить поставки
46. to put pressure on	оказать давление на
47. to use additional capacities	использовать дополнительные производственные мощности
48. to meet needs	удовлетворить потребности
49. to negotiate priority status	договориться о приоритетном статусе
50. to ramp up production	наращивать производство ramp up – to increase or make something increase in amount
51. to agree to a lead time	договориться о времени подготовки к выпуску продукции lead time – время выполнения заказа; Период времени с момента разработки продукта до момента его производства или изготовления.
52. to take action	принять меры
53. alternative sources of supply	альтернативные источники снабжения
54. to single-source key components	отдать все права на поставки одному поставщику
55. estimated	предположительный (о сумме) estimate – to calculate what you think the value, size, amount, etc. of something is or probably will be
56. to force to stop	заставить остановить
57. to maintain production level	сохранить уровень производства

UNIT 6. GLOBAL LOGISTICS AND MANAGEMENT

1. global sourcing	осуществление поставок со всего мира sourcing – the activity of getting supplies of goods, especially ones that are used to make
2. to go global	выйти на мировой уровень
3. cost efficiency	экономическая эффективность
4. offshoring	осуществление всех или части операций компании за пределами страны offshore – If a company <i>offshores</i> jobs or an activity, it moves them to a foreign country where costs are lower
5. sourcing locally	поиск местных поставщиков
6. static cost of a supply chain	неизменная стоимость цепи поставок
7. cost ex-supplier factory	стоимость при отпуске с завода поставщика ex-supplier factory An <i>ex-supplier factory</i> price is one where the supplier makes goods available to the buyer at the supplier's factory, and the buyer is responsible for paying for the transport of the goods to where they are needed
8. to offset	компенсировать offset – to balance the effect of something, with the result that there is no real change or difference
9. to underestimate	недооценивать
10. buffer stocks	резервные запасы buffer stocks – an extra quantity of goods that is kept in order to protect against possible interruptions to supplies
11. to respond to changes in demand	реагировать / откликаться на изменения в спросе
12. dynamic costs	изменяющиеся, растущие затраты
13. to be trained to the necessary level	быть обученным до необходимого уровня
14. to relocate	переносить производство relocate – If a company <i>relocates</i> or <i>is relocated</i> , it moves to a different place
15. wage inflation	инфляция, вызванная ростом заработной платы
16. compete for labour	конкурировать за трудовые ресурсы

17. trained middle manager	квалифицированный менеджер среднего звена
18. to be fluent in English and Mandarin	бегло говорить на английском и стандартном китайском языке
19. backshoring	возвращение производства в страну, из которой оно ушло по каким-либо причинам
20. emerging countries	развивающиеся страны
21. customized	выполненный по индивидуальным заказам
22. rush of manufacturers to China	наплыв производителей в Китай
23. to decide against smth.	принять решение не делать чего-либо
24. factory to the world	фабрика, обслуживающая весь мир
25. to set up operations	начинать производство
26. manufacturing investment	вложения в производство
27. to re-evaluate policy	пересматривать политику
28. to have a strong appeal	иметь сильную притягательность
29. pitfall	западня, подводный камень, невидимая опасность pitfall – a problem or difficulty that is likely to happen in a particular job, course of action or activity
30. freight charges	грузовые тарифы
31. hourly labour charges	почасовые расценки
32. joint venture	совместное предприятие joint venture – business activity in which two or more companies have invested together
33. competitive edge	конкурентное преимущество
34. specifications	технические характеристики
35. to meet shifts in demand	удовлетворить изменения в спросе
36. to split production	разделить производство split – to divide or separate something into different parts
37. technical sophistication	техническая сложность sophistication – when something is advanced in design
38. to subcontract work	– передоверить выполнение работы subcontract – to pay a person or a company to do some of the work that you have been given a contract to do
39. to fail to uncover/expose	не смочь выявить
40. to face allegations	столкнуться с неподтвержденными обвинениями

	allegation – a statement that someone has done something wrong or illegal, but that has not been proved
41. neglect of factory workers	халатное отношение к работникам фабрики
42. living wage	прожиточный минимум living wage – money you earn for work that you need to live
43. ethically acceptable conditions	этически приемлемые условия труда
44. to push prices down	сбивать цены
45. to work on small margins	работать с малой прибылью margin – the difference between the price that something is sold for and the cost of producing or buying it
46. to cut costs	сократить расходы
47. to employ/use child labour	применять детский труд
48. to expose violations	выявлять нарушения
49. to develop corporate social responsibility practices	разрабатывать корпоративные нормы социальной ответственности corporate social responsibility (CSR) <i>n.</i> the idea that a company's role is not just about producing goods, but that it has a duty to help people in society
50. to carry out spot checks	Проводить точечные проверки spot check – a check on particular things or people from a group, done without warning
51. acceptable employment practices	социально приемлемые методы ведения работ employment practices (<i>pl.</i>) – the accepted way that work is done in a particular company, organization or country (also called working practices)
52. to guarantee ethical working conditions	гарантировать этически приемлемые рабочие условия
53. to market and distribute	продвигать на рынке и распространять
54. long-standing partnership	давно установившиеся отношения сотрудничества
55. on-site teams	команды, организованные на рабочем месте
56. to maintain ethical practices	соблюдать этические нормы

UNIT 7. TRANSPORT AND DISTRIBUTION IN LOGISTICS

1. mode of transportation	вид транспорта
2. perishable items	скоропортящиеся продукты
3. to haul	тащить, тянуть
4. economy of scale	экономия за счет масштаба
5. energy efficiency	энергоэффективность
6. freight cars	грузовые вагоны
7. non-bulk haulage ['hɔ:lɪdʒ]	негабаритные перевозки
8. viscosity of fluids	вязкость жидкостей
9. refineries [rɪ'fainərɪz]	нефтеперерабатывающие заводы
10. piggyback	контрейлерные перевозки комбинированные железнодорожно-автомобильные перевозки прицепов, полуприцепов, трейлеров (прицепов для тяжеловесных неделимых грузов) или съемных кузовов на железнодорожной платформе. В Европе такую технологию называли «бегущее шоссе», т.е. перевозка автомобиля на железнодорожной платформе с пониженным полом.
11. to ship in ice-cold rooms	транспортировать в камерах со льдом
12. to control temperature and humidity	контролировать температуру и влажность воздуха
13. to send alerts	отправлять предупреждения
14. to make adjustments remotely	выполнять настройки удаленно
15. to look beyond national borders	выходить за рамки национальных границ
16. to be conscious of temperature fluctuations	обращать внимание на колебания температуры
17. to adjust ventilation setting properly	правильно отрегулировать режим вентиляции
18. perishable produce	скоропортящаяся продукция (продукты)
19. shelf life	срок годности товара
20. to reduce the time to get fresh produce on the supermarket shelf	сократить время доставки свежих продуктов на полку супермаркета
21. condensed supply chain	сжатая цепочка поставок
22. perishables supply chain	цепочка поставок скоропортящихся продуктов
23. Cargo Perishables Handling Centre	центр обработки скоропортящихся грузов
24. a chilled facility	охлаждаемое помещение
25. to process perishable cargo	обрабатывать скоропортящиеся грузы

26.to break up bulk shipments	разбивать / дробить оптовые поставки
27.sell-by date	дата истечения срока годности
28.soaring prices	стремительно растущие цены
29.to shift manufacturing sites	перенести производственные площадки
30.to cut its transport bill	сократить транспортные расходы
31.capital spending on capacity	капитальные затраты на наращивание производственных мощностей
32.to create a more distributed sourcing network	создать более распределенную сеть снабжения
33.to launch a comprehensive review	запустить / начать всесторонний / комплексный обзор
34.kick off a study	начинать исследование
35.large single-category regional production sites	крупные региональные производственные площадки одной категории
36.to justify building new capacity	обосновать создание новых мощностей
37.on the back of new distribution costs	на фоне новых затрат на дистрибуцию.
38.shipper of consumer goods	отправитель потребительских товаров
39.siting of factories	размещение заводов
40.to meet growing demand	удовлетворять растущий спрос
41.Increased transport costs due to oil-price rises can change the economics on which supply chains were built.	Увеличение транспортных расходов из-за роста цен на нефть может изменить экономику, на которой были построены цепочки поставок.
42.at the expense of	за счет
43.just-in-time	«точно-в-срок» (JIT)
44.lean manufacturing	Бережливое производство Lean manufacturing is a production method aimed primarily at reducing times within the production system as well as response times from suppliers and to customers.
45.low-cost country sourcing	недорогие страны-поставщики Стратегия закупок, при которой компания закупает материалы из стран с более низкими затратами на рабочую силу и производство, чтобы сократить операционные расходы. LCCS подпадает под широкую категорию закупок, называемых глобальными поставками.

	a strategy where businesses source materials, products, or services from countries with lower labor and production costs to reduce overall expenses.
46.an end-to- end assessment of the supply chain	комплексная оценка цепочки поставок
47.inventory costs	затраты на складские запасы
48.tipping point	переломный момент
49.trade-off between more energy-efficient, centralised warehouses and transport costs	компромисс между более энергоэффективными централизованными складами и транспортными расходами
50.a carbon trade-off	компромисс по выбросам углерода
51.bulky product	крупногабаритный продукт
52.to increase average vehicle loading	увеличить среднюю загрузку транспортного средства
53.to reduce empty running	сократить время работы вхолостую
54.increase vehicle capacity	увеличить вместимость транспортного средства
55.to reschedule deliveries to off-peak periods	перенести поставки на непиковые периоды
56.to use more fuel-efficient vehicles	использовать более экономичные транспортные средства
57.to use lower carbon fuels	использовать топливо с более низким содержанием углерода.
58.to reduce carbon footprint	уменьшать выбросы углекислого газа
59.to merge logistics operations	объединить логистические операции
60.to ship to shared warehouses	отправлять на общие склады
61.gantry crane	козловой кран
62.reach stacker	штабелер
63.transtainer	транстейнер
64.a spreader beam	распорная балка

UNIT 8. INVENTORY MANAGEMENT IN LOGISTICS

1. economies of scale	экономия за счет масштаба
2. buffer stock	буферный / резервный запас
3. lead time	время выполнения заказа
4. Continuous replenishment program (CRP)	программа непрерывного пополнения запасов
5. pre-Christmas sell-outs	предрождественские распродажи
6. sophisticated forecasting tools	сложные инструменты прогнозирования
7. to ration the supply	ограничивать / нормировать поставки
8. to withhold goods	придерживать / удерживать товары
9. to run out of stock	исчерпать запасы
10. to announce expected shortages	объявлять об ожидаемом дефиците
11. to alienate ['eɪlɪəneɪt] customers	отталкивать покупателей
12. unwanted stock	ненужный / нежелательный запас
13. getting stock levels right	правильное определение уровня запасов
14. perfecting forecasts	совершенствование прогнозов
15. broadening the supply base	расширение базы поставок
16. to step up production	увеличить / нарастить производство
17. multi-sourcing	использование нескольких источников multi-sourcing , also known as multiple sourcing, is an outsourcing approach in which products or services are contracted to various suppliers needed to conduct the business instead of using traditional single sourcing.
18. to meet temporary surges in demand	удовлетворять временные всплески спроса
19. agreeing flexible contracts with suppliers	заключение / согласование гибких контрактов с поставщиками
20. to boost deliveries	увеличить поставки
21. with a notice	с уведомлением
22. to increase production at short notice	увеличить производство в кратчайшие сроки
23. to make forecasting more accurate	делать прогнозирование более точным
24. predictions of customer demand	прогнозы потребительского спроса
25. collecting predictions of customer demand across a wide region	сбор прогнозов потребительского спроса в широком регионе
26. a responsive supply chain	быстро реагирующая / гибкая цепочка поставок
27. to offer smth. at affordable	предлагать что-либо по доступным

prices	ценам
28. to change and update stock constantly	постоянно менять и обновлять ассортимент
29. to compete with smb.	конкурировать с кем-либо
30. to achieve rapid growth and success in a highly competitive environment	добиваться быстрого роста и успеха в условиях высокой конкуренции
31. to implement a strategy	реализовывать стратегию
32. to minimise stock and respond quickly to market needs	сокращать запасы и быстро реагировать на потребности рынка
33. items with the widest and longest-lasting appeal	предметы с самой широкой и продолжительной привлекательностью
34. low-cost manufacturing countries	страны с низкой себестоимостью производства
35. to carry out activities that improve cost efficiency through economies of scale in house	осуществлять деятельность, которая повышает эффективность затрат за счет экономии масштаба внутри компании / собственными силами
36. manufacturing activities, including labour-intensive finishing of goods	производственная деятельность, включая трудоемкую отделку изделий
37. price-tagging	установление ценников
38. to receive any technological, financial and logistical support necessary to meet strict targets for time and quality.	получать любую технологическую, финансовую и логистическую поддержку, необходимую для соблюдения строгих показателей по времени и качеству.
39. to keep inventory costs to a minimum	сводить затраты на складские запасы к минимуму
40. to complete deliveries	завершить поставки
41. to calculate stock allocations for the shops	рассчитывать распределение запасов по магазинам
42. to keep production at a level slightly below expected sales to keep stock moving	поддерживать производство на уровне, немного ниже ожидаемого объема продаж, чтобы обеспечить движение запасов
43. to deal with any sudden changes in demand	справляться с любыми внезапными изменениями спроса
44. a state-of-the-art smart tag	ультрасовременный смарт-тег / смарт-метка
45. to replace conventional bar codes	заменить обычные штрих-коды
46. to attach RFID tags	прикреплять RFID-метки
47. to manage the huge flow of	более эффективно управлять огромным

merchandise in and out of stores more effectively	потоком товаров, поступающих в магазины и выходящих из них
48. to reduce inventory losses and labour costs	сокращать потери запасов и затраты на рабочую силу
49. to send out an alert	отправлять предупреждение
50. restocking	пополнение / возобновление запасов

UNIT 9. INCOTERMS

The Incoterms or International Commercial Terms can be defined as a set of international rules published by the International Chamber of Commerce (ICC) relating to international commercial law. They are widely used in International commercial transactions or procurement processes as the use in international sales is encouraged by trade councils, courts and international lawyers. A series of three-letter trade terms are related to common contractual sales practices. The aim is to avoid disagreements resulting from differences in trading practices in various countries by describing clearly the duties of the seller and the buyer.

Incoterms inform sales contract defining respective obligations, costs, and risks involved in the delivery of goods from the seller to the buyer. However, it does not constitute contract or govern law. Also it does not define where titles transfer and does not address the price payable, currency or credit items.

The Incoterms rules are accepted by governments, legal authorities, and practitioners worldwide for the interpretation of most commonly used terms in international trade. They are intended to reduce or remove altogether uncertainties arising from different interpretation of the rules in different countries.

The first work published by the ICC on international trade terms was issued in 1923. The eighth version – Incoterms 2010 – was published on January 1, 2011. Each new version of INCOTERMS builds upon the previous version, introducing updates and revisions to accommodate changes in international trade practices, address emerging challenges, and improve clarity and usability. Currently INCOTERMS 2020 are for the most up-to-date guidelines and standards. Incoterms 2020 is a registered trademark of the ICC.

INCOTERMS DO NOT...

- ✓ Determine ownership or transfer title to the goods, nor evoke payment terms.
- ✓ Apply to service contracts, nor define contractual rights or obligations (except for delivery) or breach of contract remedies.
- ✓ Protect parties from their own risk or loss, nor cover the goods before or after delivery.
- ✓ Specify details of the transfer, transport, and delivery of the goods. Container loading is NOT considered packaging, and must be addressed in the sales contract.

Remember, Incoterms are not law and there is NO default Incoterm!

The terms are grouped in four separate categories (Incoterms 2010):

GROUP E DEPARTURE the seller makes the goods available to the buyer at the seller's premises	
EXW	Ex Works
GROUP F MAIN CARRIAGE PAID BY THE BUYER the seller has to deliver the goods to a carrier	

appointed by the buyer	
FCA	Free Carrier (... named place)
FAS	Free Alongside Ship (...named port of shipment)
FOB	Free On Board (... named port of shipment)
GROUP C MAIN CARRIAGE PAID BY THE SELLER the seller pays for carriage, but does not accept liability for loss or damage after shipment and dispatch	
CFR	Cost and Freight (... named port of destination)
CIF	Cost, Insurance and Freight (... named port of destination)
CPT	Carriage Paid To (... named place of destination)
CIP	Carriage and Insurance Paid To (... named place of destination)
GROUP D ARRIVAL the seller bears all costs and risks in shipping goods to the country of destination	
DAF	Delivered At Frontier (... named place)
DES	Delivered Ex Ship (... named port of destination)
DEQ	Delivered Ex Quay (... named port of destination)
DDU	Delivered Duty Unpaid (... named place of destination)
DDP	Delivered Duty Paid (... named place of destination)

The INCOTERMS 2020 is a revision of the INCOTERMS 2010. The changes in INCOTERMS 2020 are relatively minor, but they do address some of the shortcomings of the INCOTERMS 2010 rules. Here are some of the key changes in INCOTERMS 2020:

- ✓ A new rule was introduced: DPU (Delivered at Place Unloaded).
- ✓ The DAF (Delivered at Frontier) rule has been renamed DAP (Delivered at Place).

The eleven Incoterms have been grouped in **two** categories for Incoterms 2020:

Rules For Any Mode Or Modes Of Transport	
EXW	EX WORKS
FCA	FREE CARRIER
CPT	CARRIAGE PAID TO
CIP	CARRIAGE AND INSURANCE PAID TO
DPU	DELIVERED AT PLACE UNLOADED
DAP	DELIVERED AT PLACE
DDP	DELIVERED DUTY PAID
Rules For Sea And Inland Waterway Transport	
FAS	FREE ALONGSIDE SHIP
FOB	FREE ON BOARD
CFR	COST AND FREIGHT
CIF	COST INSURANCE AND FREIGHT

The terms which fall within the class entitled “rules for any mode or modes of transport” may be used without regard to the mode of transportation. The second class has been updated to address the point of delivery and the place to which the equipment is carried are both ports. Under the last three terms of this class, the point equipment is being delivered when it is “on board” the vessel.



RULES FOR ANY MODE OR MODES OF TRANSPORT

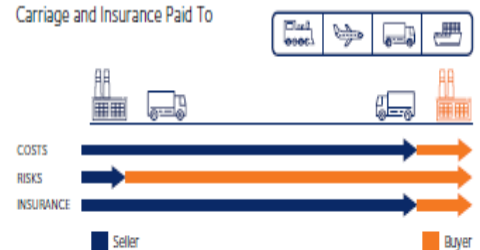
EXW

Ex Works



CIP

Carriage and Insurance Paid To



CPT

Carriage Paid To



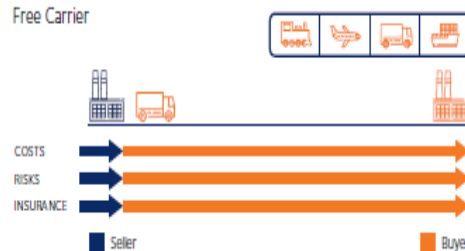
DAP

Delivered at Place



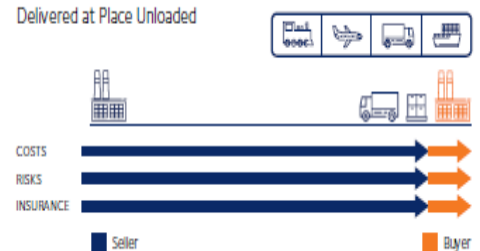
FCA

Free Carrier



DPU

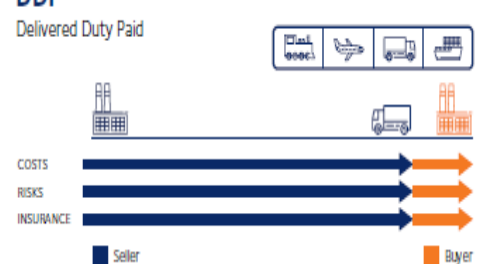
Delivered at Place Unloaded



DDP

DDP

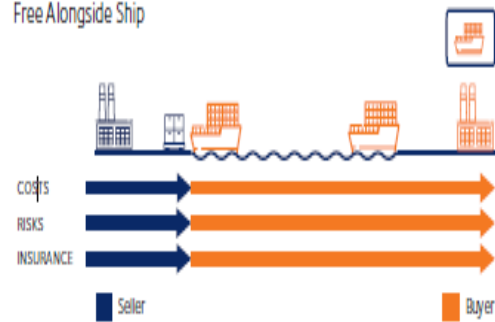
Delivered Duty Paid



RULES FOR SEA AND INLAND WATERWAY TRANSPORT

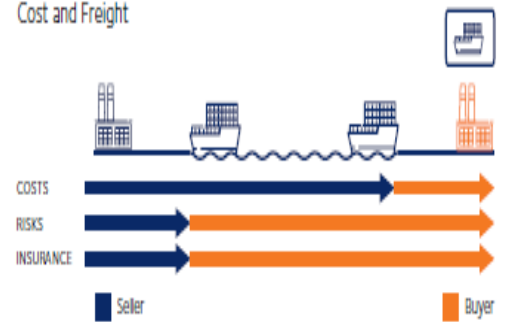
FAS

Free Alongside Ship



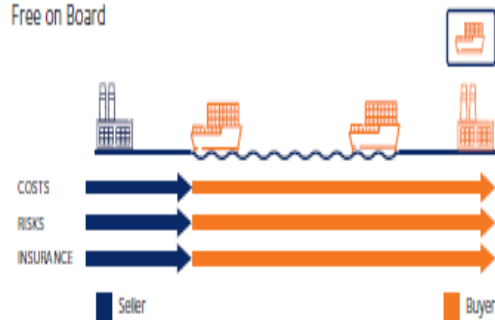
CFR

Cost and Freight



FOB

Free on Board



CIF

Cost, Insurance and Freight



UNIT 10. PACKAGING AND LABELING OF GOODS

packing is more about <u>protection</u> , the packaging is focuses on the <u>design and appearance of the product</u> which makes it attractive.	
1. environmentally hazardous substances	вещества, опасные для окружающей среды
2. corrugated ['kɒrəgeɪtɪd] boxes	гофрированные коробки
3. rigid boxes	жесткие коробки
4. chipboard packaging	упаковка из древесностружечной плиты (упаковка из ДСП)
5. poly bags	полиэтиленовые пакеты
6. foil sealed bags	пакеты, запечатанные в фольгу
7. products with inherent injurious components	продукты с присущими им вредными компонентами
8. to undergo stringent packing requirements	подвергаться строгим требованиям упаковки
9. to observe proper marking requirements	соблюдать надлежащие требования маркировки
10. to be durably and clearly marked	иметь прочную и четкую маркировку
11. unobstructed	беспрепятственный
12. to display the specific hazard labels	отображать конкретные знаки опасности
13. to be affixed to the package	быть прикрепленным к упаковке
14. to meet stringent requirements	соответствовать строгим требованиям
15. to fall under classification	подпадать под классификацию
16. to endure natural elements and conditions	переносить природные стихии и условия
17. to be exposed during handling and transport	подвергаться во время обработки и транспортировки
18. be certified for the containment of specific hazardous material classes	быть сертифицированным для содержания определенных классов опасных материалов
19. to ensure the integrity of the package	обеспечивать целостность упаковки
20. failure or negligence in compliance with the rules	несоблюдение или халатность в соблюдении правил
21. bale	тюк
22. chest	ящик
23. barrel/cask	бочка/бочонок из-под вина
24. crate	ящик, клеть
25. drum	бочка
26. sturdy ['stɜːdi]	крепкий

27.to strap load	привязать груз
28.to exceed vehicle capacity	превышать грузоподъемность транспортного средства
29.to withstand	выдерживать, противостоять, переносить
30.to present a potential hazard to human health and safety	представлять потенциальную опасность для здоровья и безопасности человека
31.to provide a taxonomy [tæk'sɒnəmi] of dangerous goods	обеспечивать систематизацию опасных грузов
32.to render compliance with smth.	обеспечивать соответствие чему-либо

“Dangerous goods” are materials or items with hazardous properties which, if not properly controlled, present a potential hazard to human health and safety, infrastructure and/ or their means of transport.

For all modes of transportation, whether by Road, Rail, Air or Sea, the categorization of Dangerous Goods is based on the type of risk they present. The UNITED NATIONS Committee of Experts on the Transport of Dangerous Goods decides on the classification of Dangerous Goods classes.

The transportation of dangerous goods is controlled and governed by a variety of different regulatory regimes, operating at both the national and international levels. Prominent regulatory frameworks for the transportation of dangerous goods include the United Nations Recommendations on the Transport of Dangerous Goods, ICAO’s Technical Instructions, IATA’s Dangerous Goods Regulations and the IMO’s International Maritime Dangerous Goods Code. Collectively, these regulatory regimes mandate the means by which dangerous goods are to be handled, packaged, labelled and transported.

Regulatory frameworks incorporate comprehensive classification systems of hazards to provide a taxonomy of dangerous goods. Classification of dangerous goods is broken down into 9 classes according to the type of danger materials or items present.

1. Explosives
2. Gases
3. Flammable Liquids
4. Flammable Solids
5. Substances
6. Toxic & Infectious Substances
7. Radioactive Material
8. Corrosives
9. Miscellaneous Dangerous Goods

The multitude of dangerous goods regimes across the world and the complexity of dangerous goods classifications and regulations render compliance with a particularly difficult task.

2. ПРАКТИЧЕСКИЙ РАЗДЕЛ

UNIT 1. LOGISTICS

I. People give their definition of logistics. Complete the sentences using the words from the box

storage	support	provide	distribution	maintenance	delivery
---------	---------	---------	--------------	-------------	----------

1. Logistics means that you manage the procurement and movement of goods and the ... of inventory.
2. It means the ... of the goods the customer needs at the right time, in the right place, and of the right quality.
3. My definition of logistics is this: it's to plan, organize, and manage operations that ... services and goods.
4. *Logistics* – that's the purchasing, maintenance, ... , and replacement of material and staff.
5. *Logistics* is the planning and ... of operations such as warehousing, inventory, transport, procurement, supply and

TEXT Logistics

The definition of Logistics has been a constant for many years, with origins going back to the Military. The term Logistics simply represents moving product from Point A to Point B in the fastest and most cost effective way possible.

Logistics is a complex set of activities aimed at optimizing the management of goods and information flows at all stages of their movement from the manufacturer to the end consumer. The goal of logistics is to reduce costs, improve operational efficiency, and enhance customer service quality. Logistics involves the integration of information, transportation, inventory, warehousing, material-handling, packaging and security. Logistics may have an internal focus (inbound logistics), or external focus (outbound logistics).

If the company manufactures a product from parts purchased from suppliers, and those products are then sold to customers, one can speak about a supply chain. Supply Chain can be defined as a network of facilities and distribution options that performs the function of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these finished products to customers.

Logistics management is a part of supply chain management. Logistics management plans, implements, and controls the efficient flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers' requirements.

Successful supply chain operators work in close partnerships with their customers; they jointly explore the opportunities for increasing efficiency of the supply chain and improving service levels by using the latest systems and

techniques. This approach is also referred to as logistics re-engineering. The re-engineering process considers the following factors: the nature of the product, the optimal or preferred location of source or manufacture, freight and transport costs and the destination market, seasonal trends, import and export regulations, customs duties and taxes, etc.

A professional working in the field of logistics management is called a logistician. Logisticians are responsible for the life cycle and supply chain operations of a variety of products. They are also responsible for customs documentation. They regularly work with other departments to ensure that the customers' needs and requirements are met.

Functions and Tasks of Logistics

1. Purchasing and Inventory Management.

Purchasing and inventory management are essential functions of logistics that ensure continuity of production and meet customer needs. To optimize inventory management, a company can utilize automated procurement and inventory control systems that track inventory levels, forecast demand, optimize stock levels, and reduce storage costs. It is also important to control the shelf life of goods and store them correctly to avoid quality losses and product damage. Effective inventory management reduces purchasing and storage costs, ensures continuity of production, and satisfies customer demands for the required goods and services.

2. Transportation and Warehousing.

Transportation ensures the delivery of goods from the manufacturer to the end consumer, while warehousing provides temporary storage of goods throughout the logistics chain. One of the main challenges in logistics is selecting transportation modes and delivery routes. Warehousing plays a vital role in optimizing logistics processes and inventory management. Effective warehousing reduces delivery time and increases the overall speed of goods movement. Logisticians must know how to store goods properly to avoid damage and losses, as well as control inventory levels.

3. Distribution and Delivery.

The final stage of the logistics chain, distribution and delivery of goods, is a critical element that affects customer satisfaction. Logisticians must ensure accurate delivery execution, taking into account factors such as the customer's location, delivery schedule, and specific requirements.

4. Customs Clearance and Import-Export.

They involve a range of procedures necessary for handling inbound and outbound goods and managing international shipments. A specialist needs to have a good understanding of customs procedures and international trade legislation. They must ensure compliance with all requirements during customs clearance and consider customs duties, taxes, and other charges.

EXERCISES

I. Match the words from the text with their corresponding definitions.

1. inventory	a. movement, protection, storage and control of materials and products throughout manufacturing, warehousing, distribution, consumption and disposal. It incorporates a wide range of manual, semi-automated and automated equipment and systems that support logistics and make the supply chain work.
2. warehousing	b. something coming or being directed towards a particular location or place.
3. material-handling	c. the sequence of processes involved in producing and distributing a commodity
4. packaging	d. the process of locating and agreeing to terms and purchasing goods, services, or other works from an external source, often with the use of a tendering or competitive bidding process
5. inbound	e. the length of time a product may be stored without becoming unsuitable for use or consumption
6. outbound	f. a list of items or goods held in stock by a business. It usually includes descriptions of each item, serial numbers, quantities on hand, and other information.
7. supply chain	g. the ability to adhere to standards, regulations, rules, policies, orders, or requests
8. procurement	h. something that is moving or directed away from a particular point or location
9. shelf life	i. the process of storing physical inventory for sale or distribution.
10. compliance	j. the act of wrapping or enclosing a product for the purpose of protection, preservation, storage, identification and, or promotion.

II. Find the words/phrases in the text which follow the verbs below.

1. to reduce	10. to forecast
2. to improve	11. to reduce
3. to enhance	12. to control
4. to meet	13. to select
5. to explore	14. to store
6. to improve	15. to avoid
7. to use	16. to handle
8. to be responsible	17. to ensure
9. to track	

III. Match the words to make collocations taken from the text.

1. information	a. levels
2. end	b. options
3. supply	c. management
4. a network of	d. modes
5. distribution	e. procedures / clearance
6. procurement of	f. trends
7. finished	g. facilities
8. freight / transport	h. storage
9. destination	i. execution / schedule
10. seasonal	j. flows
11. import / export	k. chain
12. purchasing and inventory	l. market
13. temporary	m. products
14. transportation	n. consumer
15. inventory	o. regulations
16. delivery	p. materials
17. customs	q. costs

IV. Complete the sentences with the collocations from Exercises III. Make all the necessary changes.

1. ... in logistics are a tool for managing the processes of movement and warehousing of products.
2. A strong ... can offer a wide variety of logistics services that lead to savings.
3. Distribution channels in logistics are diverse, offering multiple pathways for products to reach the
4. Effective ... logistics management helps reduce costs and improve operational efficiency across business processes.
5. ... are any goods that have gone through the production cycle and are ready to be distributed or sold by a company.
6. ... facilities are intended to be used, for example, by port or airport operators, terminal operators and importers as storage facilities where goods can be unloaded and stored for a limited period of time.
7. International ... refer to the laws and policies that govern the movement of goods and services across national borders.
8. ... is the process of strategically planning an effective ... for when and where goods or services will be delivered.
9. Most of these ... are offered by third parties and will take some percentage of sale in order to offset their costs.
10. ... is the process of a declaration to the customs, submission of documents, inspection, and taxation for exporting and importing.
11. Someone who is involved in ... is responsible for the buying of new goods or the materials needed to make those goods.
12. ... is a form of marketing in which a destination is promoted to potential visitors to increase the number of people who travel to that location.

13. ... are the costs internally assumed by the providers of transport services. ... , also known as shipping expenses or transportation fees, encompass the total charges involved in transporting goods from one location to another. These costs cover various ... , including air, sea, rail, and road.
14. A ... is a repeating pattern in consumer behavior, demand, or interest, influenced by changing seasons, holidays, or specific times of the year.
15. Managing ... is not just about keeping stock; it's a delicate balance between supply and demand, ensuring availability while minimizing costs.
16. ... systems are a key component of effective ... in that they monitor existing stock and help companies determine what to buy, how much to buy, and when to buy it.

FOLLOW-UP ACTIVITIES

I. Complete these sentences with either *efficient* or *effective*.

1. The ... use of resources helped the company save money.
2. An ... strategy might involve implementing a quality control system that ensures products meet certain standards before reaching the market.
3. The new manufacturing process was much more ... than the previous one.
4. The company's ... customer service led to increased customer satisfaction.
5. To remain competitive, companies need to have highly supply chains.
6. Companies that manage their core processes in a more cost- ... way than their competitors will gain the advantage in the marketplace.
7. Suppliers and customers need to have ... communication systems in order to share information about production needs.
8. A well-run supply chain can make a company more ... , leading to significantly reduced production costs.
9. We hired a very ... secretary. Not only that she does the job quickly but also with very little waste. Not to mention that she's very competent.
10. The new marketing strategy was very ... in increasing sales.

II. Fill in the table.

Verb	Noun
1. to provide	
2.	storage
3. to support	
4.	delivery
5.	distribution
6. to maintain	
7.	transportation
8.	purchasing

III. Complete the sentences with the correct form of the words from the above table.

1. In my job I oversee the ... of vehicles and machinery.
2. Do they also ... parcels and packages on Sundays?
3. Goods are normally bought in the ... department.
4. We ... a 24-hour delivery service.
5. This company only ... goods by road.
6. We ... all our goods in the warehouse.

IV. Match the words/phrases with their corresponding definitions.

1. carrier	a. a company which carries goods by road
2. freight forwarder	b. person or firm named in a freight contract to whom goods have been shipped or turned over for care
3. supplier	c. company that specializes in the speedy and secure delivery
4. haulage contractor/haulier	d. company that transports or conveys goods
5. courier	e. company which supplies parts or services to another company; also called vendor
6. consignee	f. person or business that arranges documentation and travel facilities for companies dispatching things to consumers

V. Complete the sentences with the words/phrases from Exercises IV. Make all the necessary changes.

1. To comply with export documentation and shipping requirements, many exporters utilize a ... to act as their shipping agent.
2. A ... is a company that delivers packages, freight or people internationally. The major package delivery ... in the U.S. are FedEx, UPS, and USPS. The shipper is the person who sends a package via a A ... delivers packages and documents regionally.
3. Local ... typically offer more personalized service and quicker response times compared to national They are often more familiar with the specific needs and preferences of their customers in the local area.
4. A ... is a company that offers ... services. They can range from small local companies to large national companies but they all do the same thing which is to transport goods.
5. In most cases, the ... will be unable to legally complete a delivery without the approval of a ... or an authorized representative. The ... must be physically present in order to collect a shipment from a

VI. Chose the correct options.

1. The last *consinement* / *consignment* was damaged when it was delivered.
2. Due to increasing *freight* / *fright* costs, it is difficult to remain competitive.
3. Can you please send the *invoice* / *invoise* by the end of the week, as we are reaching our year end?
4. Your options are to pay in two *instalments* / *unstalments* or in full.
5. Our company *supplied* / *supplied* diary components on time.
6. We need to check all *deliveries* / *deliveryes* before signing for them, in case they are damaged and we can't claim compensation later.

VII. Complete the sentences with the English equivalents of the words / phrases in brackets. Make all the necessary changes.

A day in the life of an importer/exporter

The day begins by (1. *проверять электронную почту*) and (2. *отвечать на любые запросы*) that have come in overnight. Next, the importer or exporter (3. *просматривать и обновлять свой веб-сайт*) to ensure that all the products and services are still accurate and up-to-date. They post any new products or services online and (4. *отвечать на любые поступающие телефонные звонки или запросы*).

Next, the importer or exporter (5. *готовить предложения и расценки для потенциальных клиентов*). They (6. *вести переговоры с поставщиками, чтобы получить наилучшие цены на их продукцию*). Once they (7. *размещать заказы у своих поставщиков*), they (8. *отслеживать поставки / груз*) and update their customers accordingly. They also prepare customs documents and file all the necessary paperwork.

The importer or exporter also (9. *проводить онлайн-исследование для выявления новых продуктов и услуг*) that they could offer their customers. They also (10. *искать новые рынки и возможности*). They might (11. *посещать торговые выставки или сетевые мероприятия*) to meet new people and build relationships with potential customers. They also (12. *работать над поддержанием отношений со своими существующими клиентами и поставщиками*).

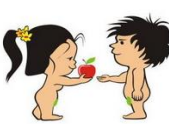
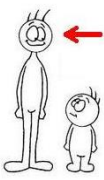
The importer or exporter (13. *устранять неполадки и разрешать любые проблемы, если они возникают*). They (14. *обрабатывать платежи и счета-фактуры*) and (15. *отправлять продукцию своим клиентам*). They also (16. *заниматься возвратом и обменом товара*). Finally, they provide customer service and support as needed.

VIII. Answer the questions.

1. Why does the importer or exporter check their email in the morning?
2. What is the purpose of updating the website?

3. What kind of paper work does the importer/exporter do?
4. How does the importer or exporter find new products and services?
5. What is the goal of attending trade shows or networking events?
6. What do they do if any problems or issues arise?

IX. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1. ,  V  Y 4=o	2. C  1    +g 1=m
3. $\frac{C}{S}$    'E	4.  "U  ¹ R 3
5.  I,  'SP,     1=m 2=u 1=m	
6. ,    ,   DU  " 1=l +c	

UNIT 2. TYPES OF LOGISTICS

Text 2.1. A variety of logistics: inbound and outbound logistics

Logistics can be classified based on many criteria. According to categories, there are over 13 types of logistics practiced in organizations. All types are critical to contemporary company operations, each of which is involved in preserving effectiveness, productivity, and client satisfaction.

Often, supply chains are very complex to manage “as a whole.” Dividing complex supply chain processes into inbound and outbound logistics is a way to improve the effectiveness by focusing on things that are easier to handle.

Inbound logistics is a process that encompasses the activities of purchasing and coordinating the movement of materials, parts, and unfinished inventory from suppliers to manufacturing plants, assembly lines, and warehouses. The primary purpose of inbound logistics is to secure supplies for production and assembly, resulting in secured and stable sales.

Efficient management, in this case, implies taking care of all the operations from when an order is placed to the subsequent allocation of supplies across suppliers and to the delivery and transportation arrangements for receiving and storage.

Outbound logistics, in its turn, connects companies directly with their clients and ensures the seamless flow of finished goods from the company’s warehouses into the consumers’ arms. It is responsible for ensuring timely deliveries of finished products to their destination.

Here, the balance between company cost savings and consumer satisfaction becomes vital. Managers must ensure that products are always on the move, the clients receive their orders timely, and there’s no room for idle inventory. Here, transportation is one of the most crucial parts of the entire process.

Inbound and outbound systems share some common activities (e.g. transportation, inventory, warehousing, materials handling). Nevertheless, like inbound systems, outbound systems have some activities that are unique in nature.

The cargo handling services may include:

- ★ Cargo collection and consolidation.
- ★ Cargo forwarding.
- ★ Transit warehousing.
- ★ Product completion and inspection.
- ★ Cargo tracing.
- ★ Documentation and import handling.
- ★ Customs clearance, etc.

In modern complex economy, businessmen search for the best possible business opportunities, and one of the fastest growing areas is the field of **Reverse Logistics (RL)**. The term “reverse logistics” is used to describe all operations related to the reuse of products and materials. It is the process of planning, implementing, and controlling the efficient, cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of

consumption to the point of origin for the purpose of recapturing value or proper disposal. Remanufacturing activities may be included in the definition of reverse logistics too. The activities related to reverse logistics include warehousing, repair, refurbishment, recycling, aftermarket call centre support, field service and many others.

EXERCISES

I. Match the words/phrases from the text with their corresponding definitions.

1. outbound logistics	a. a condition set by the seller of an asset that gives him/her the right to purchase back some or all of the assets within a certain period of time.
2. idle inventory	b. the process of returning goods from the end consumer or customer back to the retailer or manufacturer
3. field service refers	c. the process of renovating or repairing something that has been damaged or worn out
4. reverse logistics	d. secondary market transactions for additional products (e.g. accessories and add-ons) and product recovery processes
5. refurbishment	e. the process of receiving and storing raw materials and components that are needed for production
6. inbound logistics	f. distribution of finished products to customers
7. aftermarket support	g. stock that is not being actively used or sold, but still occupies space and incurs maintenance costs
8. recapture	h. any work performed on your products at a customer's site instead of your company site

II. Match the words to make collocations taken from the text.

1. manufacturing	a. arrangements
2. assembly	b. inventory
3. materials	c. orders
4. transportation	d. lines
5. receive	e. service
6. idle	f. plants
7. field	g. handling

III. Complete the sentences with the collocations from Exercises II. Make all the necessary changes.

1. An ... is an integral part of the modern manufacturing landscape, designed to streamline production through the division of labor.
2. Offer discounts or promotions to clear out This can attract customers who are looking for a bargain and help generate cash flow.
3. Aluminum can ... produce millions of cans per day relying on high-speed equipment, control systems, and technology to monitor performance.
4. ... damaged ... can discourage customers from placing future orders, and it may require the company to provide refunds or replacements, resulting in negative reviews.
5. ... workers can provide customers with advice on how customers can maximize equipment usage to achieve any/all desired outcomes.
6. The primary objectives of ... are to boost efficiency, minimize damage, improve safety, and reduce costs.
7. Unscrupulous brokers often operate from multiple countries, providing financing and ... as part of the package.

IV. Match words from the text (1–7) with their synonyms (a–g).

1. encompass	a. space
2. inventory	b. removal, elimination
3. seamless	c. include
4. room	d. unimpeded
5. tracing	e. renovate, repair
6. refurbishment	f. tracking
7. disposal	g. equipment

Text 2.2. Transport, procurement and inventory Logistics

Transport Logistics

Transport logistics is a branch of logistics that ensures reliable and efficient delivery of goods from the manufacturer to the end consumer.

Transport logistics involves the selection of optimal transportation modes and routes, as well as the management of all stages of delivery, from loading to unloading.

Transport logistics encompasses different modes of transportation, including road, rail, sea, and air. The choice of transportation mode depends on factors such as delivery cost, time, nature of the goods, and volume. Transport logistics also includes the management of all stages of delivery, including planning, tracking, and coordinating freight transportation. Logistics professionals monitor every step of the delivery process to ensure that goods are delivered on time and according to customer requirements.

Procurement Logistics

Procurement logistics is a part of logistics that focuses on organizing and managing procurement processes. It includes procurement planning, supplier search, supplier evaluation and selection, as well as supply management.

One of the main objectives of procurement logistics is to reduce procurement costs and improve the quality of goods and services purchased by the company. To achieve these goals, procurement logistics utilizes various methods and tools, such as market analysis, supplier selection based on quality, price, and delivery time, and quality control of goods and services.

Procurement logistics is closely related to other parts of logistics, such as production logistics and warehouse logistics. It ensures the supply of necessary materials and components for production and manages inventory on the warehouse level.

Properly organized procurement logistics allows a company not only to reduce costs but also improve the quality of its products or services, enhancing its competitiveness in the market.

Inventory Logistics

Inventory logistics is a branch of logistics that focuses on managing stocks of materials and goods required to maintain uninterrupted business operations. Inventory logistics aims to minimize inventory levels, ensure timely delivery of goods, and reduce costs associated with inventory storage.

Properly organized inventory logistics enables a company to minimize costs associated with inventory storage and ensure timely fulfillment of production needs. It also allows the company to be more responsive to changes in demand for goods and services, enhancing its competitiveness in the market.

EXERCISES

I. Match the words/phrases from the text with their corresponding definitions.

1. transportation mode	a. the desire, willingness and ability of consumers to pay a certain price for a product or service at a given period.
2. procurement	b. the process of carefully stowing away items in a distribution center or storage facility for future purchases.
3. demand	c. strategic approach to acquiring goods, services, or works from external sources to fulfill organizational requirements.
4. inventory storage	d. specific method used for traveling or transporting people and goods, each relying on distinct infrastructure, vehicles, operators, and operations.

II. Match the words to make collocations taken from the text.

1. inventory	a. competitiveness
2. quality	b. costs
3. inventory	c. modes
4. enhance	d. control
5. transportation	e. quality
6. reduce	f. level
7. improve	g. storage

III. Complete the sentences with the collocations from Exercises II. Make all the necessary changes.

1. A well-organized ... system can increase cost-effectiveness, allowing warehouse personnel to move a considerable volume of inventory while reducing the likelihood of errors.
2. Today, the right ... allows you to solve most of the cargo transportation operations.
3. In our fast-paced world, the need for ... in manufacturing stands out. It is a key part that shapes a firm's spot in the market, leading to growth and success.
4. By maintaining optimal ... , companies can ... their ... , improve cash flow, and reduce the risks associated with excess or insufficient stock.
5. Six Sigma is a business framework that provides an organization with two methodologies to ... and ... thus enhancing the profitability of the business.

Text 2.3. Information, production and distribution logistics

Information Logistics

Information logistics is an area of logistics that focuses on managing the flow of information related to logistics operations.

Some key information technologies in information logistics include:

- Warehouse management systems
- Cargo tracking and monitoring systems
- Order management systems
- Information security
- Protection of confidential data.

The goal of information logistics is to ensure a smooth flow of information among different participants in the logistics chain. This helps to streamline logistics processes, reduce costs, and improve the overall efficiency of the supply chain.

Production Logistics

Production logistics is crucial for businesses involved in manufacturing goods or providing services. It aims to improve business efficiency, reduce costs, and enhance customer satisfaction. The goal of production logistics is to ensure the timely availability of necessary materials and components for production, as well

as the delivery of finished products to the warehouse and subsequent distribution to customers.

Planning and control of production processes are important components of production logistics. It is important to consider environmental aspects when planning and managing production and logistics processes.

Production logistics is closely interconnected with procurement logistics and inventory logistics. It is necessary to ensure a continuous supply of materials and components for production, as well as organize the storage of finished products in the warehouse.

Distribution (Sales) Logistics

Distribution logistics, also known as sales logistics, is a type of logistics that focuses on the organization and management of product delivery from the manufacturer to the end consumer. Its goal is to ensure the delivery of products to the right place and at the right time, satisfying customer needs and enhancing the competitiveness of the business.

The use of information technologies to optimize logistics processes is an important factor in distribution logistics. An essential element of sales logistics is efficient warehouse management.

Modern warehouse management systems and logistics information systems enable fast and accurate tracking of goods movement and inventory control, which speeds up order processing and reduces costs associated with storage and transportation.

EXERCISES

I. Match the words to make collocations taken from the text.

1. confidential	a. management
2. information	b. products
3. streamline	c. supply
4. finished	d. delivery
5. environmental	e. processing
6. ensure	f. data
7. product	g. processes
8. end	h. security
9. warehouse	i. aspects
10. order	j. consumer

II. Complete the sentences with the collocations from Exercises I. Make all the necessary changes.

1. An organization maintains an interaction with the environment through a business activity, this is what defines an... ; this impact can be beneficial or it can generate some damage in nature.
2. In a world where businesses must adapt and evolve to stay ahead of the competition, the importance of efficient inbound logistics cannot be overstated. From

sourcing raw materials to delivering ... , inbound logistics plays a crucial role in modern businesses, ensuring the smooth flow of materials and goods.

3. Manual ... is like using a typewriter in a world of laptops; it's just not efficient.

4. ... can range from personal employee information, trade secrets, to financial records.

5. Business process management and automation are ways to ... in your company. ... mean that work is easier and more enjoyable for everyone involved, as well as less time-consuming.

6. In today's fast-evolving digital landscape, ... must remain at the forefront of SCM strategies.

7. In manufacturing, procurement is a must-have as it ... a steady ... of quality materials and components at optimal prices.

8. The purpose of distribution channels is to guarantee the ... to

9. The primary goal of ... is to ensure that the right products are in the right place at the right time, minimizing costs and maximizing efficiency throughout the supply chain.

Text 2.4. Warehouse and Customs Logistics

Warehouse Logistics

Warehouse logistics is a type of logistics that focuses on inventory management and the organization of storage facilities.

Tasks of warehouse logistics:

- ✓ Inventory planning to avoid shortages or excess stock
- ✓ Space management within warehouses for efficient space utilization
- ✓ Organizing the processes of receiving and shipping goods, quality control, and risk management
- ✓ Utilizing modern technologies such as automatic identification systems and warehouse process automation.

Warehouse logistics enables the optimization of supply chains, reducing logistics costs through the use of optimal delivery routes and minimizing transportation times. It can also help reduce lead times and improve service quality, enhancing customer relationships.

Improper warehouse management can lead to additional costs and risks, such as inefficient use of warehouse space, excessive inventory, product obsolescence, and losses. Insufficient quality control can also result in the shipment of defective goods and potential customer returns.

Customs Logistics

Customs logistics is an important aspect of international trade that involves the documentation and payment processes at borders, as well as quality control and security checks of goods. Its goal is to reduce the risks associated with cross-border transportation and ensure compliance with all requirements and standards.

The main task of customs logistics is to simplify and expedite the customs clearance process to reduce logistics costs. This is achieved through the use of

electronic documents and simplified procedures, such as customs warehousing and transit.

Customs authorities may conduct inspections of goods crossing the border to ensure compliance with laws and regulations. Such inspections can take time and lead to delivery delays. The goal of customs logistics is to minimize the downtime of goods and ensure smooth transportation across the border.

EXERCISES

I. Find the words/phrases in the text which follow the verbs below.

1. to avoid	4. to ensure
2. to reduce	5. to simplify
3. to improve	6. to to minimize

II. Match the words to make collocations taken from the text.

1. storage	a. the downtime
2. inventory	b. obsolescence
3. excess	c. returns
4. quality	d. checks
5. risk	e. facilities
6. product	f. stock
7. customer	g. clearance
8. security	h. inspections
9. customs	i. control
10. conduct	j. planning
11. to minimize	k. management

III. Complete the sentences with the collocations from Exercises II. Make all the necessary changes.

1. ... is essential in preventing shortcomings, and ensuring that products are consistent, safe, and reliable.
2. Today ... is seen as one of the guiding principles associated with modern Customs administration.
3. ... levels are typically caused by three factors: inaccurate demand forecasting, poor replenishment tactics, lack of product life cycle tracking.
4. Some ... are climate-controlled to protect stored items from temperature extremes, while others are not.
5. Effective ... can meet customer expectations by offering the right products, speeding up the order processing time, eliminating avoidable mistakes that cost a business time, money, and brand reputation.
6. ... unscheduled ... can decrease overall manufacturing downtime costs.
7. ... affects both physical products and digital goods, impacting businesses across different sectors.

8. Dealing with ... poses a growing challenge, for businesses often underestimating the costs involved.
9. During ... , the imported or exported goods are inspected, and relevant documentation, including invoices, permits, and certificates, is reviewed.
10. By ... based on risk assessment, utilizing advanced technologies, and enforcing stringent documentation checks, customs agencies strive to strike a balance between trade facilitation and security.
11. This ... is a measure we take to ensure that high-value goods are purchased by a legitimate cardholder, and to protect others from having their funds stolen through our store.

FOLLOW-UP ACTIVITIES

I. Fill in the empty squares with the words from the box.

by rail	in stock	to mail out	batch
to pay in instalments	freight	in the warehouse	unit price
to order	to dispatch	invoice	consignment

groups of goods	before goods are delivered	movement of goods	money relating to goods

II. Fill in the table.

Noun	Verb	Adjective	Adverb
1. logistics	X		
2.	procure		X
3. provision			X
4.	identify		X
5.	import		X
6. export			X
7.		regulatory	X
8. delivery			X
9.		transportable	X

III. Complete the sentences with the words from the above table.

1. To ... goods from another country, you must first ... the product and determine if it can be imported into your own.
2. Next, you must ... the goods from the foreign country. This can be done through buying, bartering, or other methods of trade.
3. Once the goods have been ... , you must ... them to your own country. This includes ensuring the goods meet all ... requirements and paying any tariffs or taxes that may be required.
4. Once the goods have arrived in your country, you must ... them to their final destination. This may involve trucks, trains, or ships.
5. Finally, you must ... the goods to the customer or client. This may involve the ... of instructions on how to use the product, assembling it, or providing customer service.

IV. Choose the best option.

1. What is outbound logistics?
A. From point A to B.
B. Supply chain.
C. The movement from us to the customer.
D. Management of goods
2. What is inbound logistics?
A. The inventory of a warehouse.
B. From point B to point Z.
C. The inventory of a garage.
D. The goods we receive from raw material.
3. What is reverse logistics?
A. Supply chain.
B. Returning goods from the customer.
C. Products inside the office.
D. Selling goods to the customer.

V. Complete the sentences with the English equivalents of the words / phrases in brackets. Make all the necessary changes.

Efficiency is the cornerstone of business success in today's (1. *конкурентная среда*). Inbound logistics, a critical component of supply chain management, (2. *играть ключевую роль в определении операционной эффективности и общих показателей / общей производительности деятельности компании*).

Inbound logistics encompasses the processes involved in (3. *прием, хранение и распределение сырья, комплектующих или готовой продукции от поставщиков на производственные объекты или склады*).

By optimizing these processes, businesses can significantly (4. *сокращать затраты, улучшать производительность и повышать / усиливать удовлетворенность клиентов*).

Outbound logistics refers to all logistics processes built for (5. *перемещение готовой продукции со склада / хранилища к конечному потребителю*).

Outbound logistics includes inventory, (6. *складирование, комплектацию, упаковку и транспортировку*) itself.

The (7. *обратная / реверсивная логистика*) process begins when a consumer decides to return a product that, for various reasons, (8. *не соответствовать чьим-либо ожиданиям*). At this stage, the customer is required to provide proof of purchase and state the reason for the return, which is particularly helpful later in the process during the product inspection. There can be many reasons for a return, such as (9. *несоответствия / расхождения с описанием*), incomplete products, (10. *дефекты или повреждения*), incorrect sizing, or dissatisfaction with functionality. Following this, (11. *транспортировать товар на объект, где оценивается его состояние и причина возврата*). Employees inspect the item to ensure it meets return conditions, usually at a logistics center. The transportation can occur through a (12. *курьерская служба*), (13. *почтовое отделение*) or a (14. *розничный магазин*), if the return was made in person. Depending on the inspection results, products may (15. *быть отремонтированным, утилизированным, перепроданным или переработанным*). After completing the inspection, the company responsible for the product (16. *обрабатывать возврат средств клиенту*).

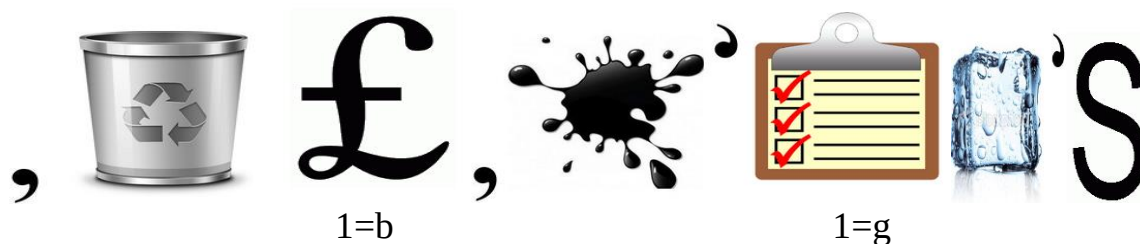
VI. Read the definitions. Write the missing letters in each word.

1. To choose or select goods.
2. How much something is worth in money.
3. To send money.
4. Another word for *freight*.
5. A ship used to transport goods on inland waterways.
6. A piece of paper providing specific information, either on the product itself or the packaging.
7. A motor vehicle used for transporting goods.
8. To put things on top of each other.
9. A device used for lifting heavy goods.
10. A wooden base on which goods can be transported.
11. A box made of cardboard.
12. The opposite of *export*.
13. The measurement system used in most countries.
14. This means that something breaks easily.
15. A company which transports goods.
16. A document that gives details about the cost of something and is also a request for payment.
17. The weight of goods which can be loaded onto a vehicle.

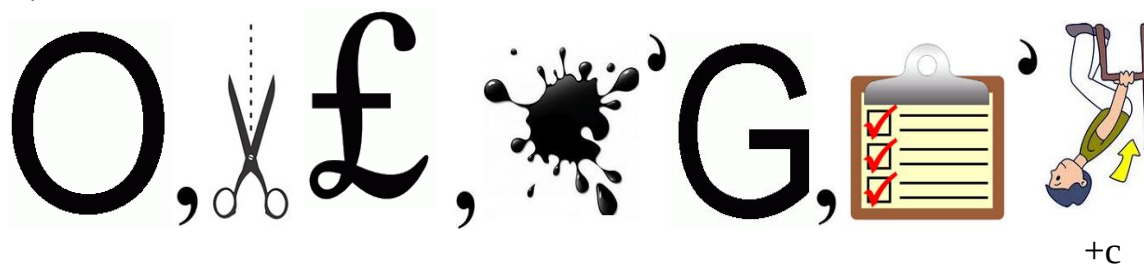
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| ⁴ | A | | | O | | | | | | | | | | | | | | | | | | | |
| ⁵ B | | R | G | | | | | | | | | | | | | | | | | | | | |
| ⁶ | A | B | | L | | | | | | | | | | | | | | | | | | | |
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| ⁸ S | T | | | K | | | | | | | | | | | | | | | | | | | |
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| ¹⁰ P | | L | | | T | | | | | | | | | | | | | | | | | | |
| ¹¹ C | | R | T | | N | | | | | | | | | | | | | | | | | | |
| ¹² | M | | | R | T | | | | | | | | | | | | | | | | | | |
| ¹³ M | | T | R | | C | | | | | | | | | | | | | | | | | | |
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| ¹⁷ P | | Y | L | | | D | | | | | | | | | | | | | | | | | |
| ¹⁸ D | | S | | | | C | H | | | | | | | | | | | | | | | | |
| ¹⁹ | | P | | L | I | | R | | | | | | | | | | | | | | | | |
| ²⁰ R | E | | A | | L | | R | | | | | | | | | | | | | | | | |
| ²¹ T | | A | C | | I | | G | | | | | | | | | | | | | | | | |
| ²² F | O | | W | | R | D | | R | | | | | | | | | | | | | | | |
| ²³ Q | U | | T | A | | | O | N | | | | | | | | | | | | | | | |
| ²⁴ | | R | | | | U | | E | | | | | | | | | | | | | | | |
| ²⁵ C | O | | T | | I | | E | R | | | | | | | | | | | | | | | |
| ²⁶ P | | R | | | A | | I | | G | | | | | | | | | | | | | | |
| ²⁷ B | I | | L | O | F | L | | D | | N | G | | | | | | | | | | | | |
| ²⁸ L | | T | | E | | O | F | C | | E | | I | T | | | | | | | | | | |

VII. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1.



2.



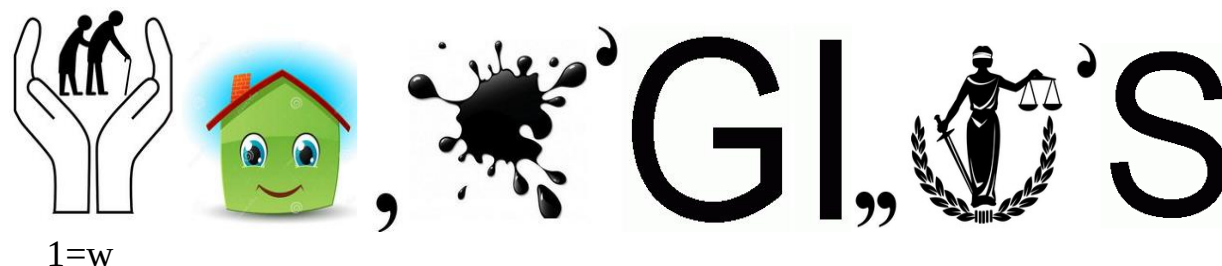
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4.



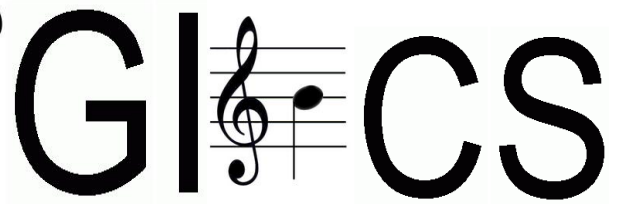
5.



6.



2=e



+t

UNIT 3. LOGISTICS SERVICES

Text 3.1. Logistics services

Logistics services are essential to every company's supply chain, enhancing local, national, and international coverage. Logistics companies usually provide various services. The main challenge for logistics companies is to offer various services at a competitive price. Some of the common services offered by logistics companies are:

Warehousing

When goods are held in stock to make them available as and when required, it is known as warehousing. It helps businesses to overcome the problems of storage and makes goods available when needed and thus, helping in maintaining prices at a reasonable level. It is a planned place for storing commodities in a secure and efficient manner until they are needed for consumption. Warehouses (also known as distribution centers) are utilised by distributors, manufacturers, importers, exporters, enterprises, and wholesalers due to the diverse roles of warehousing.

Containerized warehousing

This is a type of warehousing services. It involves shipping containers that are manufactured and then used to store certain items or materials. The items or materials are packed inside these containers and transported to the clients.

It is very similar to containerizing, but the storage is not limited to a single location. Companies that provide this service can ship all kinds of goods, which include food items, raw materials, etc.

Pick and pack

This is the transportation of the product directly from the warehouse to the client. It is the most common transportation service. It involves trucks, semi-trailers, etc.

The cost of transportation varies depending on the distance or location between the warehouses and the client. Shippers pay to have their products picked up while clients pay to have them delivered to their addresses. Some shippers will deliver products in their own vehicles, while others will use a third party logistics firm.

Drop ship services

This is one of the most popular services by logistics firms. In drop-ship services, the client does not need to purchase the goods as they are shipped directly from the suppliers to the customers.

The good thing about drop shipping services is that the company takes care of the packaging, inventory and shipping of the goods to the clients. Clients can purchase goods from any place and have them delivered to their doorstep without the hassle of finding and purchasing the goods themselves.

Custom Clearance

Customs clearance, as the term suggests, is the procedure of acquiring goods from a country's port or border and bringing them into another country legally.

Before acquiring the goods, there may be extensive paperwork, formalities, charges, and regulatory proceedings.

Fortunately, a logistics company can clear customs on your business's behalf by preparing the correct documents, fulfilling taxes, negotiating, and other related responsibilities. Logistics will save your business risks, time, inconveniences, and additional costs.

Logistics firms also offer **refrigeration services**, which include chilled goods, perishable goods and frozen goods. They also offer packaging services, which include shrink wrap, boxes, bubble wrap, foam and padded packing.

EXERCISES

I. Find the words/phrases in the text which follow the verbs below.

1. to offer	5. to ship
2. to overcome	6. to take
3. to maintain	7. to clear
4. to store	8. to offer

II. Match the words to make collocations taken from the text.

1. competitive	a. containers
2. logistics	b. service
3. containerized	c. services
4. shipping	d. firm
5. transportation	e. price
6. third party logistics	f. services
7. drop-ship	g. companies
8. refrigeration	h. warehousing

III. Complete the sentences with the collocations from Exercises II. Make all the necessary changes.

1. ... is a concept that involves using ... to create customized storage spaces within a small warehouse. This innovative approach allows businesses to maximize their storage capacity and optimize their operations by tailoring the warehouse layout to their specific needs.
2. ... provide businesses with services that support supply chain operations, such as warehousing, order fulfillment, transportation, inventory management, and more.
3. ... are an eCommerce business model where we don't have to buy inventory before selling. Alternatively, after customers purchase products from our store, only then do we proceed to buy products from a third-party supplier.
4. ... help businesses optimize their inventory levels to reduce transportation costs and ensure products are readily available to meet customer needs.

5. In today's fast-paced world, ... are essential for connecting people and goods across different locations. ... can range from public transport, courier services, and ... to private car services and ride-sharing services.
6. Offering ... can enhance customer loyalty, encouraging repeat business and fostering long-term relationships.
7. Commercial ... cater to businesses like supermarkets, restaurants, medical facilities, and more. These services involve the installation of large-scale refrigeration systems, including walk-in coolers, freezers, and specialized refrigeration units for specific products like pharmaceuticals.

IV. Fill in the following phrases with the correct prepositions

1. challenge ... logistics companies
2. services offered ... logistics companies
3. to be held .. stock
4. to offer various services ... a competitive price
5. to maintain prices ... a reasonable level
6. a place ... storing commodities
7. to be utilised .. distributors, manufacturers, etc.
8. to be limited ... a single location
9. to be packed ... the containers
10. transportation ... the product ... the warehouse ... the client
11. to depend ... the distance or location
12. location ... the warehouses and the client
13. to be shipped ... the suppliers ... the customers.
14. to take care ... the packaging and inventory
15. to purchase goods ... any place
16. to be delivered ... the doorstep ... the hassle ... finding and purchasing the goods themselves
17. to acquire goods ... a country's port
18. to bring goods ... another country legally
19. to clear customs ... your business's behalf

Text 3.2. Warehousing today

Storage has always been a critical component of economic progress. Initially, the warehouse was seen as a static unit for maintaining and storing commodities in a scientific and methodical manner in order to preserve their original quality, worth, and utility. Typical warehouses took up a lot of ground space and received goods via rail, truck, or freight wagon. The goods were usually physically transferred to a warehouse storage area and hand-heaped in rows on the floor. Sometimes fork-lift trucks were used.

During the last few years, however, the role and the design of the warehouse have changed. Today's warehouses are more than just storage facilities; they are also logistical service providers that are cost-effective. The warehouse is now

considered a critical link between a manufacturing plant and the external world with a strong impact on the performance of the entire manufacturing and logistics system.

Warehouse automation and complex technologies are now used in order to produce effective operations. Many warehouses today are equipped with warehouse management systems (WMS), which automate the product flow throughout the warehouse and maximize the use of warehouse space through effective picking methods, location consolidation and cross docking (figure).

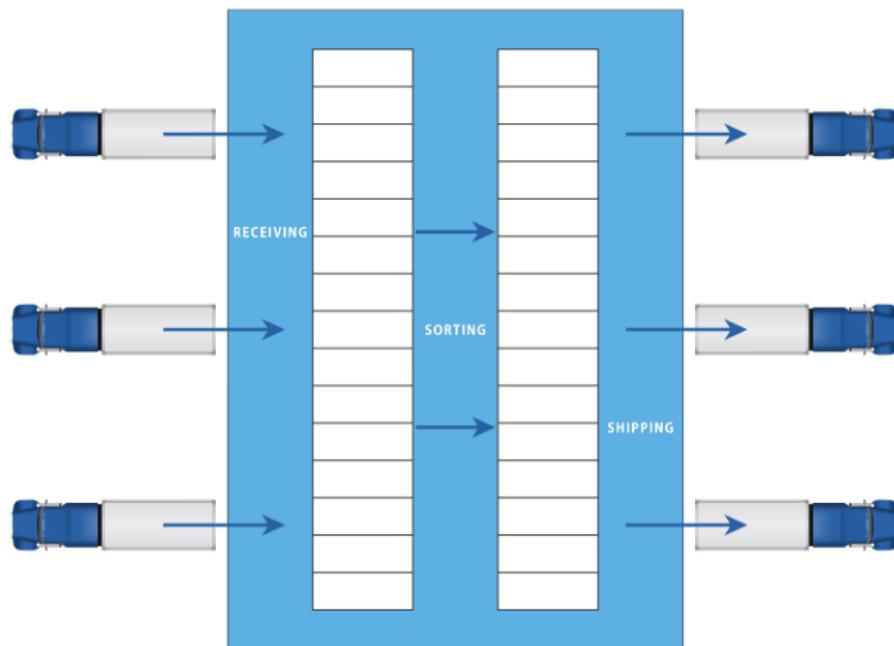


Figure – Crossdocking

Automated Storage and Retrieval Systems (ASiRS) have been introduced in many warehouses. AS/RS involves high-racking storage with a machine operating within the aisles, serving both sides of the aisle. These systems can pick, replenish, and perform inventory checks without a human operator.

In fully automated systems, conveyor belts are very important as they link the different areas of the warehouse and carry the goods to where they are required: for example between the receiving areas and reserve storage, or between the picking and loading areas.

The warehouse of today would be unthinkable without the barcode. The barcode label on each item provides specific information about the product, which can be transferred to a computer system. This makes it possible to locate the item's position in the warehouse and find it again. By using automated technology, such as barcode scanners and RFID (radio frequency identification), warehouse inventory and product flow can be efficiently managed. Combined with modern IT systems, barcodes enable warehouse staff to track and trace all items in the warehouse at any given time and usually in real time.

Warehousing performs several functions, such as transportation, order fulfillment, inventory management, and value-added services. Warehouses come in various types, each with its own pros and cons (table).

Table – Types of warehouses

Type	Definition	Advantages	Disadvantages
Private Warehouses	Owned by companies to store their goods	Total control over the warehouse and its operations	High investments and maintenance costs
Public Warehouses	Shared storage space rented by companies	Cost-effective and flexible option	Limited control and customization options
Bonded Warehouses	Used for the storage of imported goods	Duty and tax exemption on goods until they leave the warehouse	Strict regulations and security requirements
Co-operative Warehouses	Shared storage space owned by a group of companies	Shared investment and operating costs	Limited control over the warehouse operations
Automated Warehouses	Utilizes technology to automate warehouse operations	Increased efficiency and accuracy	High initial investment and maintenance costs
Distribution Centers	Used for the storage and distribution of goods	Fast and efficient distribution of goods	Limited storage space
Cold Storage Warehouses	Used for the storage of perishable goods	Extended shelf life for perishable goods	High energy consumption and maintenance costs
Cross-Docking Warehouses	Used to move goods directly from inbound to outbound transportation	Reduced storage and handling costs	Limited storage and customization options
Hybrid Warehouses	Combines two or more types of warehousing	Greater flexibility and customization options	Higher complexity in operations and management
Mezzanine ['metsəni:n] Warehouses	Multilevel-warehouses utilizing mezzanine levels	Maximizes vertical space utilisation	Limited weight capacity and increased fire hazards

EXERCISES

I. Answer the questions.

1. How is your company's warehouse organized?
2. Do you work in a warehouse yourself?
- 3 How has warehousing changed over the last few years?

II. Find the words/phrases in the text which follow the verbs below.

1. to preserve	7. to maximize
2. to take up	8. to provide
3. to produce	9. to be transferred
4. to be equipped	10. to locate
5. to produce	11. to track
6. to automate	

III. Fill in the following phrases with the correct prepositions.

1. to take ... a lot of ground space
2. to be hand-heaped ... rows on the floor
2. impact ... the performance ... the entire manufacturing and logistics system.
3. to be equipped ... warehouse management systems
4. to automate the product flow ... the warehouse
5. to maximize the use ... warehouse space ... effective picking methods, location consolidation and cross docking
6. to provide specific information ... the product
7. to be transferred ... a computer system
8. to locate the item's position ... the warehouse
9. to track and trace items ... the warehouse ... real time

FOLLOW-UP ACTIVITIES**I. Match the verbs with their corresponding definitions.**

1. to label	a. put goods on a pallet or vehicle
2. to repack	b. provide specific information on the product itself or the packaging
3. to handle	c. deal with
4. to select	d. pack in special material for protection
5. to batch	e. put several things together
6. to sort	f. pick or chose
7. to wrap	g. put into new units or formats
8. to load	h. arrange in a special way or order

II. Complete the sentences using the correct active or passive form of the verbs in brackets.

- a. After the unit load ... (check), it goes into automated storage.
- b. As soon as an appropriate location ... (identify) by the warehouse management system, a put-away instruction ... (must, issue).
- c. After a vehicle driver ... (report) to the gatehouse, the vehicle documentation ... (check) by staff.
- d. Then the packages ... (process), i.e. they ... (may, label) with bar codes.
- e. The goods ... (check) on unloading.
- f. After that, staff ... (direct) the driver to an unloading bay or a parking area.

Put the steps in the goods receiving process in the correct order.

1. ____; 2. ____; 3. ____; 4. ____; 5. ____; 6. ____;

III. Read the text describing warehouse areas and label the areas with words from the box.

sortation	back-up storage
receiving	marshalling and dispatch
order picking	collation and value-added services

First of all there is the (1. ...), area. That's where all incoming goods arrive and documentation is checked and recorded. Goods are often unpacked or repacked here to make their format more suitable for warehouse handling.

The (2. ...) area holds most of our warehouse inventory.

In the (3. ...) area the goods are selected in the right quantities, that means the quantities required by the customer. Here we also break bulk. That means, for example, after receiving goods in large quantities (e.g. pallets), we need to pack them in smaller separate units for the customer.

In the (4. ...) area we deal with smaller order sizes. Sometimes several orders have been batched together to simplify the picking process and now need to be sorted down to individual orders.

After picking, the goods are consolidated and made ready for dispatch. Depending on the customer's requirements the goods may be packed into cartons or cases or they are wrapped (i.e. stretch-wrapping or shrink-wrapping). Some warehouses also provide special service such as labelling. This part of warehouse operations is called (5. ...).

The final stage in warehouse operations is the (6. ...) area. The goods are brought together to form vehicle loads and are then loaded onto vehicles for onward dispatch.

IV. Match the warehouse areas (1–5) to the activities that take place in them (a-e).

1. reserve storage	a. the goods are selected and put together in the units required by the customer
2. dispatch	b. complete orders are packed and wrapped
3. receiving	c. goods are brought together for loading and transport
4. collation	d. where the goods are kept until required
5. order picking and sortation	e. the goods are prepared for warehouse operations

V. Complete the descriptions of typical warehouse equipment and systems. Use the adjectives from the box.

bulky	rigid	driverless
stackable	mobile	collapsible
adjustable	suitable	

1. An automated guided vehicle is a ... truck which is controlled by computer and electrically powered.
2. IBCs (Intermediate Bulk Containers) made of metal or plastic are ... , but there are also ones made of canvas, which are
4. Cage and box pallets are fitted with corner-posts and sides. They are usually
5. Some products are not ... for palletization e.g. expensive electronic items or large and ... items.
6. ... shelving is often used for smaller products in non-palletized systems.

VI. Label the paragraphs in the text with the correct headings from the list.

- A Changing logistics requirements for manufacturer
- B 3PL in the past
- C Today's role of major providers
- D Change in logistics concept
- E New challenges for 3PL

New trends in third-party logistics

1. _____ Until a few years ago, companies used to outsource only parts of their logistics operations to providers specializing in services such as distribution or warehousing. A single company sometimes had several third-party logistics providers (3PLs).
2. _____ The globalization of trade and increasing demand for services, however, has led to a drastic shift in logistics concepts and management with an impact on both producers and logistics providers.
3. _____ As far as manufacturers are concerned, logistics management has become a lot more complex. By now, many of them have learned that outsourcing single segments to different providers has not really made their logistics operations more efficient. That is why they are looking for providers who can provide a higher level of service and more comprehensive supply chain solutions.
4. _____ For 3PLs all over the world, requirements keep getting more demanding with customers asking for a wider range of logistics solutions. Apart from that, logistics providers today are facing an increasingly tough and highly competitive market. In recent years,

growing pressure on prices has led to a decrease in profit margins. In order to compensate for this, many third-party logistics providers now offer value-added services for their customers. Due to fierce competition in the 3PL market, however, experts predict that only the big international players will be able to work profitably in the future.

5. _____ The big global players, also called super-3PLs, can provide their customers with comprehensive supply chain or end-to-end solutions. These services usually include forwarding, transportation, consolidation, customs brokerage, warehousing, and distribution, as well as a range of value-added services.

VII. Complete the sentences with the English equivalents of the words / phrases in brackets. Make all the necessary changes.

3PL Providers

Although many companies continue (1. *управлять своей собственной цепочкой поставок*), more and more companies choose (2. *отдавать / передавать свою цепочку поставок на аутсорсинг*) to specialist organizations; these organizations are called 3PL providers.

3PL providers (3. *управлять запасами, хранением и дистрибуцией продукции*). 4PL providers take it a step further; not only do they run inventory, storage and distribution; they also (4. *управлять обслуживанием клиентов, обратной логистикой и другими услугами с добавленной стоимостью*).

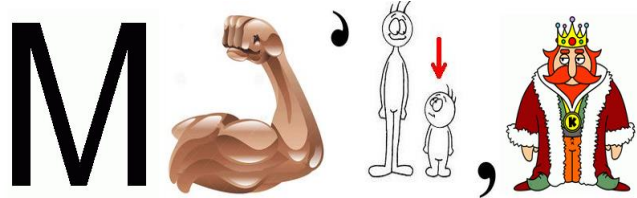
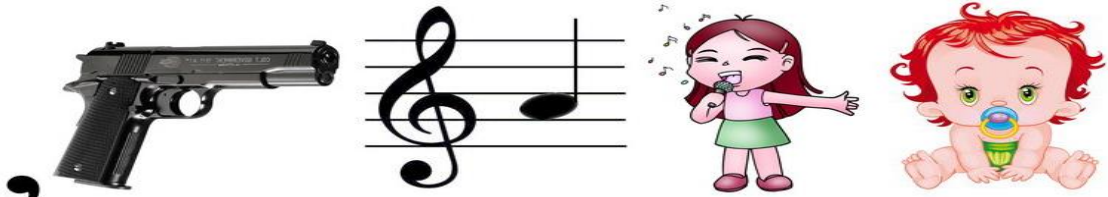
Although this is not a new concept, we are starting to see more small to medium sized businesses adopting these options. Whilst it is (5. *выгодный*) for small and medium-sized enterprises (SMEs) (6. *инвестировать в разработку продукта*) rather than capital expenses; it is also (7. *выгодный*) for SMEs (8. *сосредоточиться на продажах и маркетинге, а не на хранении и дистрибуции*). (9. *Грузовые компании*) are not 3PL providers, holding (10. *запасы*) does not make a (11. *грузовая компания*) a 3P provider.

VIII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. What are the major directions in logistics?
2. The role of inventory management in logistics.
3. What skills should a logistician have?
4. The current issues in logistics operations.
5. The importance of transportation for a company.
6. Warehouse trends and problems in omnichannel logistics.
7. The impact of logistics functions on the financial performance of the organizations.

8. How supply chain management and logistics can help to strengthen the business operation?
9. Innovative methods in logistics.
10. The main problems of logistics in the 21-st century.
11. What is the main purpose of logistics, and how does it work?
12. The role of a logistic network design for a single enterprise.
13. Logistics as one of the most essential components in the economy.
14. Logistics in the nearest future.
15. Reverse logistics as an integral part of supply chain management.
16. The role of logistics in global business operations.

IX. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1.  2=o	2.  2=h
3. 	
4.  +o 1=d 3	
5.  +k	6.  4=k

UNIT 4. SUPPLY CHAIN MANAGEMENT

TEXT 4.1. Control of the supply chain turns critical

An efficient supply chain is a prize worth working for. According to the consultancy firm Accenture, “supply chain leadership” can increase a company's market value by between 7 and 26 per cent above the industry average. But for a business, even competing for that prize demands a significant investment in resources. In sectors such as consumer goods and retailing, established companies have already achieved the easiest supply chain efficiencies. Making further improvements is much more difficult.

Nonetheless, an efficient supply chain is a must for a widening range of businesses. Fashion, hi-tech and grocery retailers realised early on the importance of ensuring the right stock reached the right store at the right time. No one wants a warehouse full of summer dresses at the beginning of autumn, or indeed shelves of last season's mobile phones in the weeks before Christmas. But the supply chain is now moving up the agenda in slower-moving sectors, such as heavy manufacturing.

Effective supply-chain management is the only way to make efficient use of global sourcing strategies, and especially the huge manufacturing capacity of China and south-east Asia. Although globalisation has reduced production costs in a wide range of sectors, the trend to source components or even finished goods from China and elsewhere has made the supply chain manager's task far harder. “Our internal systems handle more than 700 suppliers”, says Christian Verstraete, worldwide supply-chain expert at Hewlett-Packard. “We have to be able to exchange messages not just with them, but with their suppliers”.

Supply-chain managers in many sectors are looking for greater visibility of what is happening in their supply chains and faster access to more accurate data. This means that if there is an unexpected event, such as storms affecting shipping or a production shortfall, companies can divert stocks or bring in alternative suppliers. “Companies are not just asking suppliers why there is a problem with an order”, says Sanjiv Sidu, President of i2, a vendor of management software for supply chains. “They are asking: “When did you first know, and why did you surprise me?”.

In sectors such as retail, supply-chain problems lead to “stock-outs” or empty shelves, which send customers elsewhere. In heavy or complex manufacturing, supply-chain problems can lead to cancelled orders running into billions of dollars, or severe penalties for late delivery.

As manufacturers move away from vertically integrated production, where all steps of the production process are controlled in-house, the supply chain suddenly becomes critical. “In aerospace and defence, we are 10 years behind the hi-tech or even automotive sectors, and how we improve the performance of our supply chain is quite a challenge”, explains Bill Black, Chief Quality Officer at aerospace manufacturer EADS. “The cost of running our supply-chain logistics is

minor, set against the \$100m cost of an aircraft. But the cost of failure is enormous”.

“About 80 per cent of the cost of an aircraft is accounted for by suppliers and partners”, says Black, making EADS “a co-ordinator of complex products”. “I need to know if an event can affect our master schedule, and that means that I need to know what is happening, not just with my tier-one suppliers, but with tier-three, -four or-five suppliers as well”.

(by Stephen Pritchard, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

- 1 What kinds of company already have efficient supply chains?
- 2 Why is having an effective-supply chain so important, especially in this period of globalisation?
- 3 What can be the result of supply-chain problems?
- 4 Which industry sectors have less-developed supply chains?
- 5 When does the supply chain become especially critical for manufacturers?
- 6 Why is supply-chain management so important to the aerospace industry?
7. Why is an efficient supply chain a prize worth working for?
8. Why is it difficult for consumer goods and retailing companies to make improvements to their supply chains?
9. Give two examples of what can result from mistakes in the supply chain of retailing companies.
10. Who does Hewlett-Packard's supply chain expert need to communicate with in its supply chain?
11. What do supply-chain managers increasingly need from their supply chains?
12. What two examples are given of unexpected problems that can affect a supply chain?
13. Why is improving the supply chain such a challenge for the aerospace and defence industries?
14. What is the cost of a large modern aircraft?
15. Why is the cost of failure in the supply chain so high for the aerospace industry?

II. Match the words from the text with their corresponding definitions.

- | | |
|-----------------|--|
| 1. supply chain | a. direct suppliers to a customer |
| 2. vendor | b. goods or products which are stored and waiting to be sold |
| 3. market value | c. to buy or get materials, components, etc. |

- | | |
|---------------------------------------|---|
| 4. tier-three, -four, -five suppliers | d. financial punishments |
| 5. tier-one suppliers | e. another name for a shop |
| 6. retailers | f. a place to store goods |
| 7. to source | g. a company that sells to another company |
| 8. stock-outs | i. suppliers to the suppliers of a company's direct suppliers, suppliers to those suppliers, etc. |
| 9. to divert | j. when not enough goods are produced by a manufacturer |
| 10. stock | k. companies which sell products to the public |
| 11. store | l. when shops have empty shelves |
| 12. penalties | m. send to a different destination |
| 13. shortfall | n. a network of people and entities who are involved in creating a product and delivering it to its consumer. |
| 14. warehouse | o. the total value of a company's shares, or of all companies together on a particular stock market |

III. Match the words to make collocations taken from the text.

1. production	a. value
2. manufacturing	b. goods
3. market	c. capacity
4. industry	d. costs
5. production	e. average
6. consumer	f. shortfall

IV. Fill in the gaps with a suitable preposition from the box.

against	to	away	from
up	for (4)	in	into

1. An efficient supply chain is a prize worth working
2. It needs a lot of resources to compete ... the prize of an efficient supply chain.
3. The importance of the supply chain is moving ... the agenda.
4. Supply-chain managers are looking ... faster access to information.
5. In cases of production shortfalls, companies may need to bring ... alternative suppliers.
6. In the retail sector, supply-chain problems can lead ... empty shelves.
7. The cost of cancelled orders can run ... billions of dollars.
8. Manufacturers are moving ... vertically integrated production.

9. The costs of running supply chains in the aerospace industry are small when set ... the cost of building an aircraft.
10. About 80 per cent of the cost of an aircraft is accounted ... by suppliers and partners.

V. Match the words and phrases (a-j) with the verbs + prepositions in the above exercise that they can replace (1-10).

a. result in	f. try to win
b. taken up	g. compared with
c. trying hard to get	h. want
d. use / work with	i. amount to
e. leaving / changing from	j. becoming more important on

VI. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. How would you define a supply chain?
2. What makes a supply chain efficient?
3. What problems can be caused when a supply chain does not work efficiently?
4. How would you define vertically integrated production?
5. What do you understand by tier-one suppliers? And what are tier-two, tier-three or tier-four suppliers?
6. Why is an efficient supply chain essential for all kinds of businesses. Give examples.
7. Why is effective supply-chain management so important for European companies which source components from China and other parts of Asia?
8. Why does the supply chain become critical when manufacturers move away from vertically integrated production?
9. The main reason for a global sourcing strategy is cost reduction. What are some of the hidden costs of this strategy?

TEXT 4.2. Adding value with the supply chain

As the manager in charge of the world's largest supply chain, Keith Harrison believes the time has come to give the business of logistics more credit. The Head of Global Product Supply at Procter & Gamble believes the search for a competitive edge will focus more on supply-chain efficiency as retailers and suppliers battle huge increases in raw material and energy costs.

“Today you have road congestion, you have freight costs, driver shortages, capacity issues. Working capital is at a premium. Competition among retailers and vendors is higher. All of this is putting pressure on having a more efficient supply chain. This is more critical than it has been before”.

Since his appointment Mr Harrison has been at the forefront of efforts to drive costs from P&G's supply chain, helping the company meet its long-term sales and earnings growth targets, in spite of surging input costs. But he says P&G has also been looking increasingly over the past years at ways to turn improvements in the supply chain into top-line sales growth. "We're trying to make the supply chain into a growth engine for the company", he says. "A lot of the time, supply-chain management is reactive, or passive, cost control. But we think there's also an opportunity for us also to use the supply chain to create top-line growth as well as bottom-line performance".

An effective supply chain helps manufacturers by reducing a retailer's "out-of-stocks", which in turn prevents lost sales. Those sales also benefit the retailer, while efficient delivery of products to meet demand can also reduce the costs of holding inventory to the retailer.

P&G is telling retailers that it should be rewarded for the benefits its supply chain delivers. "If I do something with my supply chain to reduce my customer's inventories, I want more than just the "supplier of the year" award", he says. "How do we get that value that we've created at least partially reinvested in growing our business? Do we get sharper pricing, better features, more display, better shelving?"

As an example of the potential benefits, Mr Harrison gives the example of a pilot project with Wal-Mart in the US, whose worldwide stores account for 15 per cent of P&G's overall sales. The two established a cooperative relationship in the late 1980s, starting with Wal-Mart's decision to allow P&G and other suppliers access to the customer sales data collected by its Retail Link computer system.

Over the past 12 months, a P&G factory in Missouri has been using live sales data from stores not to forecast demand but to schedule replenishment deliveries on a store-by-store basis for a single test product. Rather than shipping the required volume to a distribution centre, where it is then divided up for each store, the shipments are instead prepared at the factory for the right store. When the goods arrive at the Wal-Mart distribution centre, they are moved directly from P&G's truck to the appropriate Wal-Mart truck, with no time in storage. "It is assembled for a store, and it is just flowing through the system", says Mr Harrison.

Kevin O'Marah, a logistics consultant at AMR Research, believes P&G is the first consumer goods company to use the Retail Link data in this way.

(by Jonathan Birchall, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. What is Keith Harrison's job, and when did he start it?
2. How big is P&G's supply chain?
3. What pressure are retailers and suppliers under?

4. What is one thing that P&G is trying to do with its supply chain?
5. What else is P&G trying to do with its supply chain?
6. How does supply-chain management usually operate in a company?
7. How can a supplier's effective supply chain help retailers?
8. What does P&G want from its customers if it improves its supply-chain performance and reduces their out-of-stocks and inventory levels?
9. How important a customer is Wal-Mart for P&G?
10. What kind of co-operation do Wal-Mart and P&G have?
11. Is P&G the only company to have access to Wal-Mart's Retail Link data?
12. What is special about P&G's Missouri factory?

II. Match the words/phrases from the text with their corresponding definitions.

1 competitive edge	a. extremely valuable and rare, which a lot of people want
2. battle	b. the way goods are arranged in a store so they are easily seen by customers
3. at a premium	c. information about sales, which is current or in real time
4. at the forefront	d. put together in a certain way
5. surging	e. something that gives a company an advantage over others
6. display	f. replacement of what has been used or sold
7. a pilot project	g. fight against
8. live sales data	h. a test done on a small scale to see how something works
9. replenishment	i. in the leading position
10. assembled	j. rapidly increasing

III. Find the words/phrases in the text which follow the verbs below.

1. to give	7. to make
2. to battle	8. to create
3. to put	9. to reduce
4. to be	10. to establish
5. to drive	11. to allow
6. to meet	

IV. Complete the sentences with the words and phrases from the box.

growth targets	vendors	inventory
sales data	cost control	freight costs
replenishment deliveries	working capital	road congestion

1. To keep costs down, it is important for retailers to keep their ... levels as low as possible.

2. If retailers carry too much stock, they will use a lot of their
3. A more cost-effective way to operate is to schedule ... on a just-in-time basis.
4. If suppliers have live access to a customer's ... , they can prepare deliveries specially for each store.
5. Suppliers are also known as
6. Delivering goods by truck now takes longer in many countries due to increased
7. With rising oil prices, ... are also going up.
8. A traditional aim of supply-chain managers is ... , keeping costs down.
9. P&G is using its supply chain to meet sales

V. Choose the best explanation for each phrase in italics from the text.

1. "... *capacity issue*" (paragraph 2)
 - a) problems about the company's expertise
 - b) problems about production volumes
2. "... *input costs*" (paragraph 3)
 - a) costs of materials purchased by a company
 - b) costs of manpower employed by a company
3. "... *top-line sales growth*" (paragraph 3)
 - a) increased sales turnover
 - b) better sales of the most profitable products
4. "... *a growth engine* for the company ..." (paragraph 3)
 - a) something that will make the company bigger
 - b) something that will help the company increase sales
5. "... *bottom-line performance*" (paragraph 3)
 - a) better sales of poor performing products
 - b) better profitability
6. "... *sharper pricing...*" (paragraph 5)
 - a) more competitive prices
 - b) more risky prices

VI. Fill in the table.

Noun	Verb	Noun	Verb
	to ship		to replenish
distribution			to store
	to grow	competition	
	to improve		to manufacture
	to deliver	investment	

VII. Put the verbs in brackets into the correct form of the passive.

Rather than shipping the required volume to a distribution centre, where it then 1. ... (*divide*) up for each store, the shipments instead 2. ... (*prepare*) at the factory for individual stores. So, when the goods arrive at the Wal-Mart distribution centre,

they 3.... (*move*) directly from P&G's truck to the appropriate Wal-Mart truck, with no time in storage. It 4. ... (*assemble*) for a store, and it is just flowing through the system.

VIII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

- 1 In what ways do you think a company producing consumer products can use its supply chain to increase sales growth?
- 2 What are the benefits to retailers if their suppliers have efficient supply chains?
- 3 How can deliveries to the distribution centre of a retailer be made more efficient?
4. Imagine you are the supply-chain manager at a consumer goods manufacturer like P&G. Hold a meeting with your customer, a large supermarket chain. Argue for things such as sharper pricing and better display of your products in return for reducing the customer's costs of holding inventory levels because of the efficiency of your supply chain.
5. Give a presentation to the board of your company to explain how using your customers' live sales data can help reduce their inventory levels and at the same time increase sales of your company's products.

TEXT 4.3. The logistics challenge of global business

In little more than a generation, US-based sports company Nike Inc. reinvented the concept of the sports shoe. It transformed the cheapest of mass-market footwear into high-tech, high-performance products, with all the cachet of haute couture and carrying price tags to match.

Technologically, Nike's products are leading edge, as is its brand-led marketing, which successfully used sporting-superstar endorsement to establish the brand as an icon of youth subculture. However, as in any global organisation, logistics and the management of the supply chain is a crucial strategic issue at Nike.

From its headquarters in Beaverton, Oregon, Nike operates a globe-spanning virtual enterprise. At its core are a set of business processes, designed to combine its state-of-the-art R&D capabilities with a ruthlessly low-cost manufacturing strategy. The company outsources virtually 100 per cent of its shoe production, for example, retaining in-house manufacturing of a few key components of its patented Nike Air System.

Nike's basketball shoe, for example, is designed in Oregon and Tennessee and developed jointly by Asian and US technicians in Oregon, Taiwan and South Korea. The shoes themselves are manufactured in South Korea (men's sizes) and in Indonesia (boy's sizes), from 72 components supplied by companies in Japan, South Korea, Taiwan, Indonesia and the United States. Moreover, the complexity

of the product means that it passes through more than 120 pairs of hands during the production process. It also means that there is a danger of extended lead times.

Tying the whole Nike enterprise together are information systems that co-ordinate each step of these far-flung activities, and a logistics infrastructure capable of bringing the components together at precisely the right time, as well as managing the supply of finished goods into the global marketplace.

Significantly, both are flexible enough to cope with the constant product, materials and process innovation, allowing the company to bring more than 300 new shoe designs to market each year. However, this punishing rate of innovation brings with it high levels of finished inventory if sales forecasts are not achieved.

In the United States and Europe, primary distribution of Nike products is increasingly outsourced to specialist third parties, who are linked into the company's global-sales and customer-service support systems. These links allow the contractors to prioritise shipments and manage order fulfillment as cost effectively as possible, while ensuring that product-availability information is readily accessible to all decision-makers throughout Nike's virtual enterprise.

Importantly, too, these organisational capabilities will be extremely useful for Nike if fashion-conscious young consumers turn away from designer sports shoes, forcing the company to rely more heavily on sales of its widening portfolio of sports equipment, clothing, watches and eyewear.

When the supply chains are global and the products are fashion oriented, the management of logistics becomes a key factor in business success or failure.

(by Martin Christopher, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

- 1 What is the profile of Nike products in the marketplace?
- 2 How much of Nike's shoe production is outsourced?
- 3 How important is product innovation for Nike?
- 4 How does Nike co-ordinate its complex global production and distribution activities?

II. Read the text again and say whether these statements are true (T), false (F) or there is not enough information given (N). Correct the false ones.

1. Nike sports shoes are mass-market products.
2. Running an efficient supply chain is a key to Nike's success.
3. Nike has a very small number of full-time employees.
4. Nike outsources most of its R&D.
5. Nike designs its basketball shoe in the US.
6. Nike's basketball shoes are the only product manufactured in the US.

7. All of Nike's products go through at least 120 checks before they are released onto the market.
8. Nike releases more than 300 new shoe designs each year.
9. Nike sometimes gets its sales forecasts wrong and is left with unsold stock.
10. Nike outsources the distribution of finished products in the US and Europe.
11. Nike is planning to move away from sports shoes and into sports equipment, clothing, watches and eyewear.

III. Match the words/phrases from the text with their corresponding definitions.

1 mass-market	a. production of finished products at reduced costs for raw materials, parts and components using manual labor and/or machines without compromising product quality or customer satisfaction
2. leading edge	b. activities carried out on a large scale and extending over a great distance
3. a brand	c. to get work done by making a contract with another company to do it, often in another country, rather than in your own company
4. virtual enterprise	d. someone who works or provides a service for a company for a limited period of time, but is not an employee
5. state-of-the-art	e. a type of product made by a particular company and sold under a particular name
6. low-cost manufacturing	f. the entire process of receiving and executing an order
7. outsource	g. a product is intended to be bought by as many people as possible, not just by people with a lot of money or a special interest
8. far-flung activities	i. interested in the latest fashions and in wearing fashionable clothes
9. contractor	j. a temporary business organization set up between trading partners operating from geographically dispersed sites, for the duration of a common project
10. order fulfillment	k. something that is at the forefront of

	technological or scientific advancements. It refers to the highest level of development achieved in a particular field or industry at a given time
11. fashion-conscious	1. the most advanced position in an area of activity

IV. Find the words/phrases in the text which follow the verbs below.

1. to use	7. to extend
2. to establish	8. to co-ordinate
3. to operate	9. to manage
4. to combine	10. to prioritise
5. to outsource	11. to manage
6. to retain	

V. Choose the best explanation for each phrase in *italics* from the text.

1. "... with all the *cachet* of haute couture..." (paragraph 1)
 - a) special reputation
 - b) style
2. "... and *carrying price tags to match*" (paragraph 1)
 - a) with prices similar to other sports shoes
 - b) with prices similar to other high-fashion items
3. "... as *an icon of youth subculture*" (paragraph 2)
 - a) something both famous and fashionable to young people
 - b) a symbol of youthful rebellion
4. "... Nike operates *a globe-spanning virtual enterprise*" (paragraph 3)
 - a) Nike has subsidiaries and plants in many parts of the world.
 - b) Nike produces and sells worldwide, but does not have employees in lots of countries.
5. "... with *a ruthlessly low-cost manufacturing strategy*" (paragraph 3)
 - a) Nike treats its production workers very poorly.
 - b) Nike is very strict about keeping production costs down.
6. "... there is *a danger of extended lead times*" (paragraph 4)
 - a) It is possible that Nike products may sometimes come onto the market ahead of schedule.
 - b) It is possible that Nike products may sometimes be late to market.
7. "*Tying the whole Nike enterprise together* are information systems..." (paragraph 5)
 - a) coordinating everything the company does
 - b) making the process too complicated
8. "... this *punishing* rate of innovation ..." (paragraph 6)
 - a) unusually high
 - b) dangerously high

VI. Match the words to make collocations taken from the text.

1. information	a. availability
2. business	b. times
3. manufacturing	c. forecasts
4. production	d. infrastructure
5. lead	e. processes
6. logistics	f. service
7. sales	g. process
8. customer	h. strategy
9. order	i. systems
10. product	j. fulfilment

VII. Complete the sentences with the collocations from Exercise IV.

1. A complex supply chain spread over different parts of the world can sometimes result in long
2. Nike's ... enable it to co-ordinate all the steps in its complex virtual enterprise.
3. Nike has highly developed ... to ensure that it can coordinate all aspects of its supply chain as effectively as possible.
4. Nike baseball shoes go through a very complex
5. If Nike gets its ... wrong, it can be left with a lot of unsold stock at its retail outlets.
6. In the US and Europe, delivery and ... for customers are outsourced to contractors.
7. Nike's ... enables components from different parts of the world to be brought together in the right place at the right time.
8. To keep its production costs down, Nike has a very low-cost
9. Making sure customers get what they need and are satisfied is the role of the ... department.
10. In order to be able to replenish stocks quickly, the distributors need to have up-to-the-minute information about

VIII. There are word partnerships in the text which function as adjectives. All of them have a hyphen, e.g. *high-tech*. Find adjectival word partnerships in the text which fit these meanings.

1. located in the US	6. extremely up to date
2. selling in high volumes at low prices	7. spending as little money as possible
3. with a very good performance	8. internally in the company
4. where the product name and image is most important	9. in distant locations
5. in all parts of the world	10. strongly influenced by trends in fashion

IX. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. When you hear the name “Nike”, what images come to your mind?
2. How much of Nike’s sports shoe production do you think is based in the US?
3. What do you understand by the term *virtual enterprise*?
4. Nike outsources almost all of its shoe production, as well as its distribution in Europe and the US. In fact, it is called a *globe-spanning virtual enterprise*. What are the pros and cons of Nike’s business strategy?
5. Nike has had some bad publicity in recent years about the working conditions in some of the factories in developing countries where its shoes are manufactured. Given the outsourcing business model Nike uses, how can the company ensure that its suppliers comply with good employment practice?

FOLLOW-UP ACTIVITIES

I. Complete the text with the appropriate words/word combinations from the box.

track	packaging	reduce waste
create	sustainable	meet the needs
ensure	distributing	make decisions
deliver	demanding	product delivery
analyze	maximizing	customer-centric
improve	minimizing	customer demand
optimize	data-driven	advent of big data
shipping	critical part	rise of e-commerce
procuring	collaborative	monitored and managed
distribute	manufacturing	communication and coordination
use resources efficiently		focus on environmental issues
respond to unexpected events		minimize environmental impact
share data and information seamlessly		
manage the flow of goods and materials		
reduce the cost of a company’s operations		
quality of a company’s products or services		

The Supply Chain Process

The supply chain is the process that businesses use to (1. ...) and (2. ...) products to customers. The supply chain includes all of the steps that a product goes through from creation to delivery, including (3. ...), (4. ...), and (5. ...). The supply chain is a (6. ...) of a business, and it is important to (7. ...) the process to ensure efficient and effective (8. ...). There are many different aspects of the

supply chain, and businesses must carefully manage all of these elements to (9. ...) a successful operation.

The supply chain process is the system that organizations use to (10. ...) from suppliers to customers. The supply chain process includes the steps of (11. ...), manufacturing, and (12. ...) goods and materials. The supply chain process is designed to (13. ...) of customers while (14. ...) efficiency and (15. ...) cost. The supply chain process is constantly evolving as organizations strive to (16. ...) their competitiveness.

Supply chain management can help to improve the efficiency of a company's operations. It can also help to improve (17. ...) between different parts of a company. Additionally, supply chain management can help to improve the (18. ...). Finally, supply chain management can help to (19. ...) or increase the speed of its operations.

The challenges of supply chain management include the need to coordinate and manage a large number of suppliers, often located in different countries. The supply chain must be designed to meet the specific needs of the company, which can vary depending on the products or services being produced. The supply chain must be constantly (20. ...) to ensure that it is efficient and effective. The challenges of supply chain management also include the need to (21. ...), such as natural disasters or sudden changes in (22. ...). To be successful, supply chain management requires a high level of coordination and communication between all of the different parties involved.

The future of supply chain management will be more (23. ...). With the (24. ...) and the Internet of Things, there will be more data available than ever before. Supply chain managers will also need to be able to (25. ...) this data and use it to (26. ...) about where to source materials, how to manufacture products, and how to (27. ...) them, supply chain management will be more (28. ...). In order to be successful, supply chain managers will need to be able to work with other departments within their organizations, as well as with suppliers, manufacturers, and distributors. They will need to be able to (29. ...) in order to make the best decisions for the entire supply chain.

In addition, the future of supply chain management will be more (30. ...). With the (31. ...), customers are becoming more and more (32. ...). They expect to be able to buy products when and where they want, and they expect to be able to (33. ...) their orders throughout the entire process. Supply chain managers will need to be able to meet these expectations in order to be successful.

Finally, the future of supply chain management will be more (34. ...). With the increasing (35. ...), sustainability will become more and more important. Supply chain managers will need to find ways to (36. ...), (37. ...), and (38. ...).

II. Answer the questions based on the text.

1. Why is the supply chain process important?

2. What do you think are the most important benefits of supply chain management? Why?
3. What do you think is an important challenge of supply chain management right now? Why?
4. What is your opinion about the future of supply chain management?
5. What is the role of data in supply chain management?
6. How can supply chain management be more customer-centric?
7. What are some ways to make the supply chain management more sustainable?

III. Complete the sentences with the English equivalents of the words / phrases in brackets. Make all the necessary changes.

The supply chain process begins with the (1. *поиск и закупка сырья*). These materials then (2. *транспортироваться на производственное предприятие / производство*), where they are received and stored.

When it is time to begin production, the materials (3. *извлекаться из хранилища*) and moved to the production area. Here, they (4. *использоваться в производственном процессе для создания изделий*). Once the products are created, they (5. *проходить проверку на качество и затем упаковываться*).

The (6. *упакованные товары*) are then transported to (7. *склады*), where they are received and stored. When orders are received from customers, they are prepared for (8. *отправка / доставка*).

Customers may (9. *оставить отзыв о продукции*) they have received.

IV. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1.  5=n	2.  3=i
3.  +k	

4.



O



S

3=o

5.

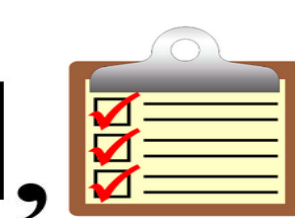
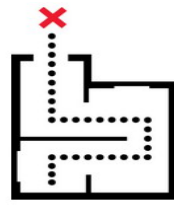
P



1=d

2=h

6.



H



3=e

1=m

UNIT 5. RELATIONSHIPS WITH SUPPLIERS

TEXT 5.1. An alliance that can supply a competitive edge

Apple Computers announced an end to its relationship with IBM as supplier of microprocessors for its desktop computers. The naming of Intel, the world's biggest semi conductor company, as its replacement caused controversy within the industry. How well would Apple manage the transition to the new supplier, a process that could take anything up to two years? Would the company be able to achieve the benefits it expected from the new relationship? Most observers were confident that the answer would be yes to both questions, but the move also had serious risks.

The developments at Apple are a sharp reminder of the importance of good suppliers, and developing strong relationships with them, in order to ensure continuity and consistency of supply. When supply chains fail to work efficiently, the entire business faces problems.

Difficulties with the supply chain typically relate to three issues: cost, quality and timeliness. The first issue is critical: companies organise their supply chains in order to reduce the costs of materials and components as far as possible. But the others – timeliness and quality – can also be extremely important.

Given the widespread use of just-in-time management in industrial production, even short delays in the supply of critical components can cause knock-on delays in the production process, in turn reducing profits. Time is also important to customers. Increasingly, they demand that companies respond faster to their needs. Companies that can respond more quickly than the industry average can expect to be twice as profitable as their competitors. They can also expect to grow up to three times more quickly. Obviously, none of this can happen so if the company's own suppliers are not equally timely.

As for quality, good products can be created only from good materials and components, so choosing suppliers who are committed to high quality is vital. If companies cannot source good-quality components and have them delivered on time, their own products will be late to market and have defects. When this happens, any advantage in terms of price will quickly disappear.

In order to establish control in all three areas, managers have two main options for managing the supply process. The first is to manage as much of it as possible in house or through wholly owned subsidiaries. The second is to source components and materials through the market, using supplier companies.

Buying components and materials from independent suppliers has become the preferred solution for many companies. But for this to work, it is necessary to build strong partnerships with suppliers. According to Hakan Hakansson, professor at Sweden's University of Uppsala, the most so important element in any supply-chain relationship is commitment among those involved. Suppliers and customers must be open with each other and trust each other for the system to function efficiently.

(by Morgen Witzel, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. What action did Apple take that caused such a lot of disagreement in the computer world?
2. According to the writer, what are the three most frequent sources of problems in the supply chain?
3. The writer mentions two strategies that companies can choose for sourcing materials and components. What are they?
4. What are the potential consequences for companies when there are short delays in the supply of critical components?
5. According to the writer, what are the potential benefits for a company that can respond to customer needs faster than its competitors?
6. What are the consequences for companies that fail to source good-quality components and have them delivered on time?
7. According to Hakan Hakansson, what three qualities are important for making partnerships between companies and their suppliers work?

II. Match the words from the text with their corresponding definitions.

1. controversy	a. relationships between companies who work together
2. transition	b. faults or imperfections
3. continuity	c. happening at exactly the right time
4. consistency	d. strong belief and willingness to do something
5. timeliness	e. continuing over time without interrupts or problems
6. knock-on delays	f. always being of the same standard
7. defects	g. a strong disagreement
8. subsidiary	h. a change from one situation to another
9. partnerships	i. a company owned by a larger company
10. commitment	j. when a delay causes several other delays, one after the other

III. Find the words/phrases in the text which follow the verbs below.

1. to cause	7. to reduce
2. to achieve	8. to cause
3. to develop	9. to respond
4. to ensure	10. to be committed
5. to fail	11. to establish
6. to face	12. to source

IV. Find words or phrases in the text which match these meanings.

1. whole	6. obtain
2. to be connected with	7. owned completely
3. very important	8 honest and not secretive
4. extensive	9. work
5. react	

V. Find expressions in the text that are used to talk about timing.**VI. Complete the text with the collocations from Exercise V.**

Because our main supplier failed to deliver (1. ...) there were serious (2. ...) at each stage of the manufacturing process. The result was that the new Turbo M5 was (3. ...).

In company like ours, (4. ...) is of critical importance, so we must take action. Unless they can guarantee more (5. ...) deliveries in future, we will need to find an alternative supplier.

VII. Match the adjectives (1–8) with the nouns (a–h) to make collocations taken from the text.

1. serious	a. subsidiary
2. strong	b. delays
3. entire	c. relationships/partnerships
4. widespread	d. quality
5. short/knock-on	e. business
6. critical/good-quality	f. use
7. high	g. risks
8. wholly owned	h. components

VIII. Complete the sentences with the right form of the verbs from the box.

cause	build	have	respond	source
-------	-------	------	---------	--------

1. Late deliveries of materials and components can ... knock-on delays at each stage of the production process.
2. Companies will be more profitable if they ... to customer needs quickly.
3. Companies that only ... components and materials from one supplier are putting themselves at risk.
4. ... good relationships with your suppliers is critical for ensuring consistent supplies.
5. Nearly 15 per cent of the products in the last delivery ... defects.

IX. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. In your view, what are the three most frequent causes of difficulties in supply chains?
2. Do you think it is better to manage the sourcing of components and materials internally (in house) or through external suppliers? Is it the same for all types of products and materials?
- 3 Many companies use “just-in-time management”, a system which has material and parts arriving just before they are needed.
 - a) Why has it become so popular?
 - b) What are the risks for the supply chain?
 - c) What can be done to minimise them?
4. What two trends have made it even more important for companies to avoid delays with supplies?
- 5 In order to produce high-quality products, what must companies look for in their suppliers?
- 6 When companies source components through supplier companies, what should they do to increase the chances of success?
7. What are the benefits and risks of sourcing materials and components through a network of suppliers? What steps can be taken to minimize the risks? Write a short report summarizing your views.
8. What practical steps can a company take to build strong relationships with its suppliers?
9. Write an e-mail to a supply company. You have noticed a small increase in the number of defects in its last three orders. You are also concerned that the last order was late and are worried about the potential impact it could have on your ability to meet orders if this continues.

TEXT 5.2. Early warnings in the supply chain

When Edscha, a German manufacturer of sun roofs and other car parts, filed for insolvency early in 2009, it presented BMW with a crisis. The luxury carmaker was about to introduce a new model – and Edscha supplied its roof. “We had no option of going to another supplier, as that would have taken six months and we don't have that time. We had to help Edscha survive”, BMW says.

Today, Edscha is still in business, because of the support offered by its leading clients, including BMW. However, BMW is still so worried about disruption to its supply chain that it has increased the number of staff in its risk-monitoring department with responsibility for component makers.

Such concerns are felt not just in the German automotive industry. Failures among important suppliers affect many sectors, from manufacturing to retail. So how should companies monitor whether their suppliers are getting into difficulty? And what should they do if they get into trouble?

It is essential to maintain good relationships with suppliers. Stephan Wagner, a professor in logistics management in Germany, says one of the simplest

solutions is to communicate: “Talk to them. That will give you a very good feel for what is going on”.

The Swiss Federal Institute of Technology (ETH) in Zurich proposes four steps, some already widely used but others followed by only a few.

The first step recommended by ETH is to establish a rating system for a company's primary suppliers. The ratings should be based on financial information, with cashflow more important in many cases than profitability. BMW looks at a variety of issues, including the ownership structure. It also maintains close contact with Audi and Mercedes, its main competitors, to swap information on suppliers.

The second, related, proposal is to set up an early warning system that monitors what is happening in the present. Such a system looks at operational issues such as whether quality problems are increasing at a particular supplier, as well as financial issues, such as any attempt to change payment terms.

The third recommendation is to extend the ratings and communication with suppliers further down the chain. Professor Wagner says: “Many companies don't even know who their second-tier suppliers are”. He points to the example of a German carmaker where production nearly stopped after the sub-supplier of material for its seats went bankrupt.

The final proposal is to examine the interdependences in a company's supply base. According to Professor Wagner, many companies with dual or multiple sourcing are confident that they would be able to switch supplier if one got into trouble. But research by ETH suggests this confidence may be misplaced: if one supplier in a particular area goes bankrupt, the probability increases in that other suppliers in that sector will become insolvent.

(by Richard Milne, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

- 1 Why did BMW decide to support Edscha when it got into financial difficulty?
- 2 What action has BMW taken in response to the crisis with Edscha to protect its supply chain from disruption?
- 3 What two steps has it taken to check the financial health of critical suppliers?
- 4 What example does Stephen Wagner give to illustrate the importance of extending ratings to its supplier's suppliers?

II. Read the text again and say whether these statements are true (T), false (F). Correct the false ones.

- 1 Edscha is a key supplier for BMW.
- 2 Edscha is no longer in business.
- 3 The problem of failures among suppliers mostly affects the car sector.

III. The text includes five proposals for minimising the risk of supplier problems. Mark the order in which the writer mentions them.

- a) Extend ratings and communication to your suppliers' suppliers.
- b) Put in place an early warning system to alert you to potential problems.
- c) Check the interconnections between your suppliers, for example if they use the same suppliers or supply the same industry or companies.
- d) Set up a rating system to analyse suppliers' financial performance.
- e) Communicate regularly and build strong relationships with suppliers.

IV. Match the words/phrases from the text with their corresponding definitions.

1. second-tier supplier	a. interruption of normal activity
2. supplier base	b. using two suppliers for the same component or service
3. crisis	c. a series of steps for spotting potential problems with suppliers
4. insolvency	d. ways in which organisations are dependent on each other
5. primary supplier	e. to declare formally that it is unable to pay its creditors
6. disruption	f. a company that supplies components and services to a primary/tier-one supplier
7. risk-monitoring department	g. watch and check over a period time to see how something is progressing
8. failures	h. all the suppliers a company work with
9. monitor	i. a company that supplies components and services to the final customer, also called a tier-one supplier
10. dual sourcing	j. using many suppliers for the same component or service
11. a rating system	k. a time of great danger or difficulty
12. an early warning system	l. when businesses have to close because of lack of success
13. interdependencies	m. a situation when a company is unable to pay what it owes its creditors
14. multiple sourcing	n. a systematic method of evaluating how good suppliers are
15. to go bankrupt	o. the name of a department responsible for checking the status of risks

V. What do you think the phrase *single sourcing* means in this sentence?

For its fan assemblies, Computer Global has adopted single sourcing and finds that working closely with this one partner ensures consistent quality.

VI. Find the words/phrases in the text which follow the verbs below.

1. to file	6. to establish	11. to go
2. to introduce	7. to swap	12. to examine
3. to get	8. to set up	13. to switch
4. to maintain	9. to change	14. to misplace
5. to propose	10. to extend	15. to become

VII. Fill in the table with the words from the text used to describe failure in companies.

Noun	Adjective	Verb/verb-noun phrases
	failed	to fail
		to insolvency (=to ask formally) to ... insolvent
bankruptcy		to go ... bankruptcy to ... bankrupt to be declared bankrupt

VIII. Complete the sentences with the words/phrases from the box.

single sourcing	supplier base	dual sourcing
primary	multiple sourcing	second-tier

1. In a radical restructuring of its supply chain, V-ray Enterprises has cut its ... by 15 per cent and plans to lose more suppliers next year.
2. As part of its risk-management strategy, V-ray has set up a team that will support its five... suppliers and also make regular visits to its ... suppliers.
3. A well-known Japanese electronics company now uses two suppliers for each of its main components. It believes this move to ... will protect it from supply disruption.
4. ... worked for Arc Technology because it encouraged competition between suppliers, which helped to keep prices down.
- 5 One advantage of is that it allows a company to build a strong, mutually beneficial relationship with its supplier.

IX. These are guidelines for managing supplier risk. Find words or phrases in the text which can replace the expressions in *italics* in the following sentences.

1. Watch for signs that a supplier is *starting to have problems*, for example late deliveries or requests to change payment terms.
2. *Establish* early warning and rating systems.
3. *Carefully watch and check* what is going on at your suppliers.
4. Try to *keep* good relationships with your suppliers.

5. It essential to *talk to* suppliers to find out exactly is going on.
6. Where possible, *exchange* information about suppliers with your main competitors.
7. *Spread* your rating system to suppliers further down the supply chain.
8. If one of your suppliers is in difficulties, it may be possible to *change* to another supplier.
9. Act early; don't wait until your supplier is about to *go out of business*.

X. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. What are the early warning signs that a supplier is in difficulties, e.g. late deliveries, attempts to change payment terms?
2. What are the risks for a company and its supply chain if a main supplier gets into financial difficulties?
3. What can companies do to detect as early as possible if a supplier is in trouble?
4. Discuss the advantages and risks of a) single sourcing, b) dual sourcing, and c) multiple sourcing key components and services for a minimum of three different types of products.

Present your sourcing strategy for each of your chosen products, highlighting the benefits.

5. Research a company which has tried to help a supplier out of difficulties. What action did it take? Was it a failure or a success? What lessons could other companies learn from this case?
6. Design a checklist that could be used to monitor the operational and financial health of your suppliers.

TEXT 5.3. Two responses to a potential disaster

In 2000s, worldwide demand for mobile phones was booming, and shortages of critical components were a regular threat to growth. Two of the global leaders were the Finnish electronics company Nokia and its Swedish competitor Ericsson.

Once lightning caused a fire in Philips Electronics' silicon-chip manufacturing plant in New Mexico. The fire was under control in minutes, but not before it destroyed silicon chips for thousands of mobile phones. Even worse, damage from the smoke and water contaminated the complete stock of millions of chips, ready for shipment.

Philips reacted immediately, giving priority to its customers according to the value of their business. Together, Nokia and its competitor Ericsson accounted for 40% of its production. Philips therefore made a decision to meet their orders first once the plant returned to normal. However, it did not inform them about the fire until three days later.

Within two days, Nokia's computer systems detected that shipments of some Philips' chips seemed delayed. After that a components purchasing manager called

3. Nokia and Ericsson were informed about the fire and probable delays to their supplies *the day it happened / three days later*.
4. *Nokia / Ericsson* was first to detect a problem with its supplies from Philips Electronics.
5. As a result of the fire, production of chips was stopped for *about a week / several months*.
6. *Nokia / Ericsson* was able to find alternative supplies to meet its orders.
7. The effects of the fire and disruption to supplies were most serious for *Nokia / Ericsson*.
8. *Nokia / Ericsson* was most effective in dealing with the crisis caused by the fire.

III. Match the words from the text with their corresponding definitions.

1. shortages	a. the total amount of goods or the amount of a particular type of goods available for use or sale
2. threat	b. the ability to produce a larger amount
3. stock	c. damaged so badly that it cannot be used
4. destroyed	d. the transportation of goods
5. contaminated	e. high importance in relation to others
6. shipment	f. not enough of something
7. priority	g. time between receiving an order and delivering it
8 disruption	h. made unusable by contact with something harmful
9 capacity	i. a source of danger
10 lead time	j. when a problem interrupts something and prevents it from continuing

IV. Find the words/phrases in the text which follow the verbs below.

1. to give	11.to put pressure on
2. to make	12. to develop
3. to meet	13. to maintain
4. to detect	14. to use
5. to put	15. to negotiate
6. to check	16. to ramp up
7. to disrupt	17. to single-source
8. to affect	18. to stop
9. to take	19. to strengthen
10. to secure	

V. Find words or phrases in the text which match these meanings.

1. increasing and successful	5. small and not serious
2. represented	6. making less complicated
3. to obtain something you need	7. approximately calculated
4. to increase	8. make stronger

VI. The word *status* used in the following sentences has different meanings. Match each use with its meaning (a or b).

1. They began checking the status of these five components once a day instead of the usual once a week.

a) position in relation to others

b) situation at a given time

2. In addition, Nokia sent a team to its other chip suppliers in the US and Japan to negotiate priority status for supplies of chips and to persuade them to ramp up production.

VII. Fill in the gaps with a suitable preposition from the box.

at	for (3)	of (7)
to (3)	in (2)	from
out		

- Shortages ... critical components were a regular threat ... the growth of the mobile phone market.
- When the fire broke ... the plant, there were millions ... chips, ready ... shipment.
- Damage ... smoke and water contaminated all the stock.
- Philips told Ericsson and Nokia that there would only be minor disruption ... production.
- Together, Ericsson and Nokia accounted ... 40 per cent ... Philips' production.
- Nokia immediately began checking the status ... the five components that Philips supplied.
- Their Japanese and US suppliers agreed to give them priority status ...supplies ... chips.
- As a result ... the fire, it is estimated that Philips lost \$400 m ... sales.
- Two ... the suppliers agreed ... lead times that were less than a week.

VIII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

- Think of three unexpected events or natural disasters that can cause major disruption to supply chains, e.g. a fire, serious storm, a strike. What are the potential consequences for companies of each chosen event?
- How possible is it for companies to plan for disasters like these?
- What can they do to minimise the impact and get the supply chain back to normal?
- What lessons can be learnt from the Nokia case that would help other companies manage an unexpected disaster, such as a fire, and minimise disruption to the

supply chain? Write a set of guidelines, including the lessons from the handling of the fire at Philips and any other suggestions you have.

5. Research a company that has faced serious supply-chain disruption as a result of an unexpected disaster.

Think about these questions.

- How well prepared was the company for this type of event?
- How did they discover the problem? / How quickly did they react?
- What action did they take to recover from the disruption?

Present your findings as a report or presentation.

FOLLOW-UP ACTIVITIES

I. Match the supply chain complaints to the examples. Choose the three complaints you think are the most common. Explain why.

1. Long lead times	A. Products that expire after a short amount of time, which can lead to losses.
2. Lack of visibility into the supply chain	B. It can take weeks or even months to receive an order.
3. Inefficient processes	C. Delays or problems with shipping and delivery, which can lead to lost or damaged products.
4. High inventory levels	D. Time and money may be wasted due to inefficient or outdated processes.
5. Poor forecasting	E. You don't have an accurate picture of future demand, leading to stock-outs or excess inventory
6. Stock-outs	F. You may work with companies who are always late and don't meet quality standards.
7. Quality issues	G. Low quality products, leading to customer returns or damages.
8. Late deliveries	H. Products are not received on time, leading to lost sales or customer dissatisfaction.
9. Returns	I. Having to deal with customer returns, which is costly and time-consuming.

10. Damage	J. Running out of goods and products, resulting in lost sales.
11. Short shelf life	K. Receiving broken or destroyed products, which can lead to customer returns or losses.
12. Old inventory	L. Not have enough space or resources to meet demand, leading to lost sales or customer dissatisfaction.
13. Transportation issues	M. You may not know where your product is or when it will arrive.
14. Capacity constraints	N. Too much stock, which ties up cash and space.
15. Poor supplier performance	O. You many have too much stock of products that are no longer in demand

II. Answer the questions below using the words and phrases from the box or your own ideas.

Reduced costs	increasing flexibility
reducing lead times	more use of data analytics
Warehouse Manager	improved customer service
Logistics Coordinator	minimizing inventory levels
Supply Chain Analyst	increasing use of information
Procurement Specialist	movement and storage of goods
Import/Export Specialist	greater use of artificial intelligence
Customer Service Representative	planning, implementing and controlling
increased efficiency and effectiveness	
using technology, outsourcing, and partnering	
coordinate the movement of goods and manage inventory	
difficulties of coordination, integration, and information management	

1. What is logistics and what role does it play in businesses?
2. What is the role of logistics in the supply chain?
3. What are the benefits of using logistics in businesses?
4. How can logistics be used to improve efficiency and effectiveness in businesses?
5. What are some of the challenges faced when implementing logistics in businesses?

6. How can businesses overcome these challenges?
7. What are the future trends in logistics?
8. What kind of job would you like to do in logistics? Explain why?

III. In pairs, act as an interpreter. Role-play the dialogue and make up a similar dialogue of your own.

Sonia: Good morning everyone. I'm Sonia, and today we're talking about the supply chain. As everyone is aware, the supply chain has become a big issue these days. So, today, we're talking with Tony, a supply chain manager. Tony, how much experience do you have with supply chain management?

Tony: Доброе утро, Соня. Рад встрече. У меня более 10 лет опыта в управлении цепочками поставок.

Sonia: Ok, that's quite a lot of experience. Tell us about a time, that you found a way to improve a process in the supply chain. How did you do it? What impact did this have?

Tony: Мне удалось улучшить процесс, упростив взаимодействие между различными отделами. Я добился этого, организовав еженедельные совещания, на которых каждый мог высказать свои опасения и идеи. Это оказало большое влияние, поскольку позволило нам выявлять проблемы на ранней стадии и совместно находить решения.

Sonia: Interesting! And what are some of the biggest challenges you face when managing a supply chain?

Tony: Некоторые из самых сложных задач, с которыми я сталкиваюсь при управлении цепочкой поставок, – это прогнозирование, планирование мощностей и управление запасами.

Sonia: Of course, predicting the future is so difficult. How do you go about ensuring that your supply chain is efficient, and effective?

Tony: Есть несколько основных способов обеспечить эффективность и результативность вашей цепочки поставок:
Во-первых, убедитесь, что у вас есть четкое понимание процессов вашей цепочки поставок и того, что влечет за собой (entail) каждый шаг. Это поможет вам выявить любые области, которые могут вызывать узкие места (bottleneck) или задержки.
Во-вторых, тесно сотрудничайте с поставщиками, чтобы убедиться, что они соответствуют вашим ожиданиям (meet expectations) с

точки зрения качества и сроков поставки.

В-третьих, используйте данные и аналитику, чтобы отслеживать эффективность вашей цепочки поставок и определять области для улучшения.

В-четвертых, постоянно пересматривайте и оптимизируйте процессы вашей цепочки поставок, чтобы гарантировать, что они максимально эффективны и результативны.

Sonia: And I know there are many, but what are some of the most common problems that can occur in a supply chain?

Tony: Вот некоторые из наиболее распространенных проблем, с которыми мы сталкиваемся ежедневно: задержки, сбои и ошибки.

Sonia: And how can you tell if a supply chain is working well?

Tony: Вы можете определить, хорошо ли работает цепочка поставок, посмотрев на показатели (metrics). Мы учитываем, сколько заказов доставляется вовремя. А также процент заказов клиентов, которые мы можем выполнить, из имеющихся на складе. Кроме того, мы следим за тем, сколько заказов мы можем отправить без каких-либо проблем. В целом, мы обращаем внимание на своевременную доставку, уровень заполнения (fill rates) и уровень безупречности заказа (perfect order rates).

Sonia: So, in your view, what are some of the best practices for supply chain management?

Tony: По моему мнению, одними из лучших практик являются сотрудничество, прозрачность и гибкость.

Sonia: What do you mean by visibility?

Tony: Прозрачность, в терминологии управления цепочками поставок, означает способность видеть все аспекты цепочки поставок для принятия обоснованных решений (make informed decisions). Это включает в себя информацию о сети поставщиков, уровнях запасов, графиках производства и маршрутах транспортировки.

Sonia: Finally, what are some of the biggest trends in supply chain management?

Tony: Ситуация быстро меняется. В настоящее время основными тенденциями в управлении цепочками поставок являются

устойчивое развитие, управление рисками и использование больших данных.

Sonia: Well Tony, thank you so much, for such an educational insight into the supply chain.

Tony: Всегда приятно с тобой поговорить, Соня.

IV. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

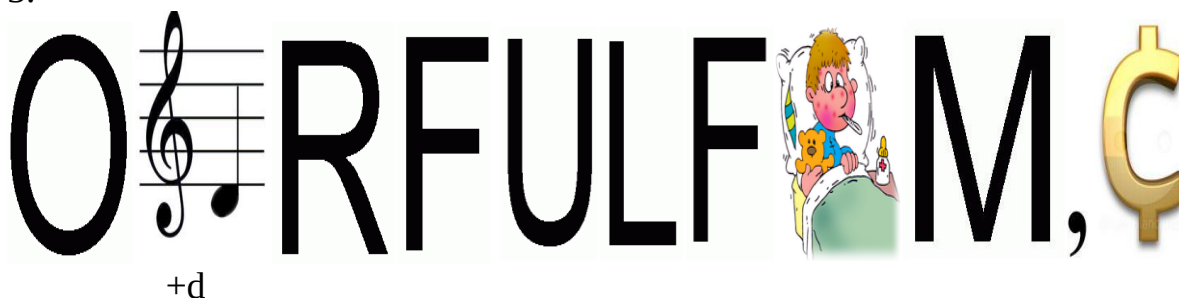
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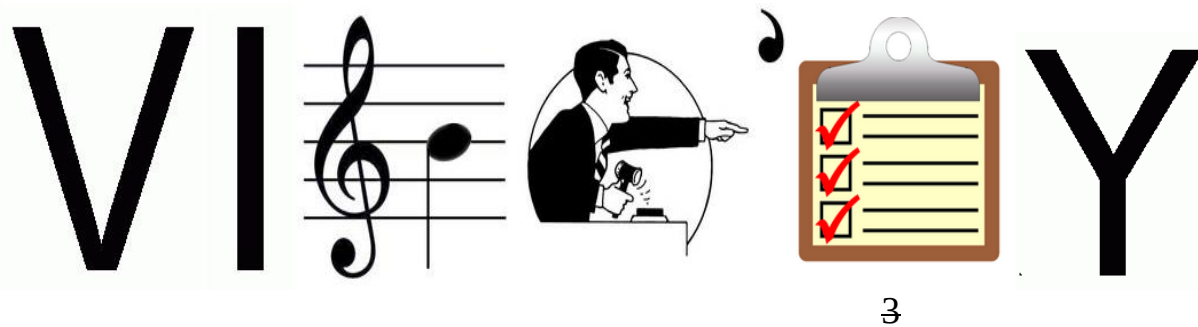
2.



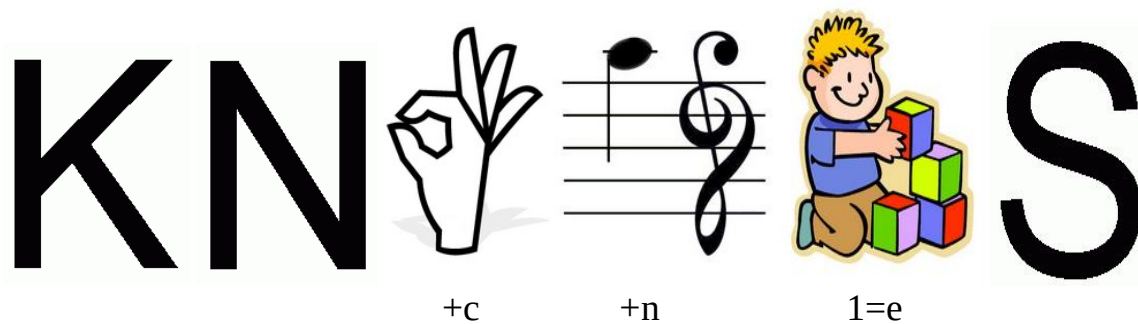
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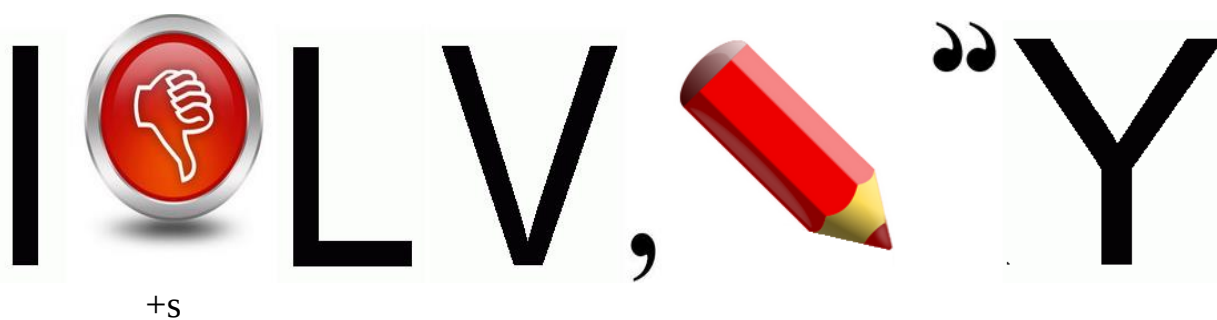
4.



5.



6.



UNIT 6. GLOBAL LOGISTICS AND MANAGEMENT

TEXT 6.1. Is global manufacturing losing its attraction?

The argument for global sourcing and taking advantage of the lower cost of labour for manufacturing in Eastern Europe and the Bric countries – Brazil, Russia, India, China – was mainly based on the cost of transport, which decreased by a third between 1960 and 2000.

However, in our research and others' research, we found that none of the companies that had gone global achieved all the cost efficiencies they had predicted. Some even found that "offshoring" operations was more expensive than sourcing or manufacturing locally, and so have returned to their home country.

The cost of logistics may be a lot more important than originally estimated. Procter & Gamble management, for example, reported that the company's storage and transport costs were higher than the operating expenses of its factories abroad. Other companies found that the product cost was much lower, but the price for lower costs was often reduced quality.

Companies make two common mistakes when deciding to source components from abroad. First, they only tend to calculate the "static" cost of a supply chain. That is basically the cost per unit ex-supplier factory and the transport cost together. With global sourcing, the lower labour cost reduces the unit cost of the product. This generally offsets the higher transport cost of bringing it into the home market from China. Often companies ignore or underestimate other costs. An example of this is the additional cost for buffer stocks, as a long supply chain is less able to respond quickly to changes in demand.

Second, companies often assume that costs remain stable and do not consider what we call "dynamic" costs. The belief is that countries in Eastern Europe, China and India have an unlimited supply of low-cost labour. Although this is certainly still true for China and India, the reality is that these workers are not always trained to the necessary level. Finding the right staff can be a challenge.

Car manufacturers relocating to Slovakia in Eastern Europe, for example, will find that the supply of trained workers has been almost exhausted and that wage inflation is rising fast as manufacturers compete for labour. In India, trained staff will change jobs several times per year if they see the chance of higher salaries elsewhere, and staff turnover of 20% has become normal. In China, a trained middle manager in the car sector, fluent in English and Mandarin, can earn more in Shanghai than in Wolfsburg or Birmingham.

Our research suggests that manufacturing will increasingly come back to where the markets are. "Backshoring", as we call it, does not mean that all manufacturing will come back. The emerging countries are also very large markets, and local production will still serve local consumption there. In the future, companies will need to think so about having networks of smaller flexible plants that can produce customized products for local markets.

(by Arnoud De Meyer and Matthias Holweg, source: Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. The writers think many companies have underestimated the real cost of logistics for global manufacturing. What two examples do they give to support this view?
2. According to the writers, companies will find it more and more difficult to find cheap labour with the right skills in emerging countries. What evidence support this view in:
 - a) Slovakia?
 - b) India?
 - c) China?
3. What predictions do the writers make about:
 - a) trends in offshoring?
 - b) the future location and size of plants?

II. Read the text again and say whether these statements are true (T), false (F). Correct the false ones.

1. Reductions in labour costs in emerging countries made global manufacturing a real possibility for companies in the developed world.
2. Locating production in low-cost countries has resulted in big savings for companies.
3. Most companies have miscalculated the true cost of sourcing and manufacturing in countries a long way from their home markets.
4. Even in low-cost countries, there is a shortage of workers with the right skills.
5. Most companies with production in emerging countries have already returned home.

III. Match the words/phrases from the text with their corresponding definitions.

1. offset	a. extra quantities of stock that are kept in case they are needed
2. cost efficiencies	b. countries with less-developed economies that are expected to experience lots of growth
3. relocate	c. a general rise in rates of pay, e.g. in a particular country
4. expenses	d. to balance the effect of something, with the result that there is no real change or difference
5. labour	e. price per item
6. offshoring	f. to move to a different place
7. ex-supplier factory	g. ways of saving money or wasting less money
8. unit cost	i. all the people available to work in a country
9. buffer stocks	j. the rate at which people leave an organisation and are replaced by others
10. wage inflation	k. when a company moves part of its

	operations to another, often cheaper country
11. emerging countries	l. money a company spends in order to operate
12. staff turnover	m. the cost of an item at the supplier's factory, not including delivery charges

IV. Find the words/phrases in the text which follow the verbs below.

1. to take	7. to underestimate
2. to go	8. to respond
3. to make	9. to compete
4. to source	10. to change
5. to reduce	11. to serve
6. to offset	12. to produce

V. Match the adjectives (1–10) with the nouns (a–j) to make collocations taken from the text.

1. global	a. countries
2. operating	b. stocks
3. low-cost	c. inflation
4. trained	d. efficiencies
5. local	e. sourcing
6. customized	f. staff/workers
7. wage	g. expenses
8. emerging	h. labour
9. buffer	i. markets
10. cost	j. products

VI. Complete the sentences with the collocations from Exercise VI.

- Many companies are finding that ... and manufacturing no longer make sense. One of the problems is high Another problem is increasing levels of
- Even in ... with ... , like China and India, there are signs that there are shortages of ... with the right skills.
- In the future, manufacturers may have smaller production units that will produce ... to meet the needs of the
- In order to ensure that a business always has the correct amount of stock, most companies hold ...
- Manufacturers are constantly looking for ways to make their operations more efficient and achieve ... in their supply chains.

VII. Find words or phrases in the text which match these meanings.

1. calculated approximately	5. make an estimate that is too low
2. usually do something	6. believe something is true
3. balances	7. stay the same
4. do not to consider	8. used up

VIII. Find the best explanation for each term.

1. static costs 2. dynamic costs	a. costs that are rising all the time b. costs that are predictable and don't change a lot c. costs that are fixed at a low price d. costs that vary and are continuously changing
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IX. Fill in the table.

Noun: activity/ organisation	Verb	Adjective
	to ...	offshored (production/ manufacturing)
operating / ...	to operate	... (costs/strategy)
		to sourced (components/products/services) ... (decision/strategy)
... / manufacture	to ...	manufacturing (plant/industry) ... (goods/products)

X. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. Many companies in the developed world have moved all or part of their operations to countries such as Brazil, Russia, India or China. What developments have made this possible?
2. What do companies see as the benefits of transferring all or part of their business overseas?
3. Do you think it has been a successful strategy? Why? / Why not?
- 4 Do you think the trend will continue?
5. What are your predictions for the next five years for one of the following?
 - the offshoring of manufacturing to low-cost countries
 - the global sourcing of components, products and services
 - the organisation of manufacturing

If the trend for “backshoring” manufacturing nearer to home markets continues, what are the implications for developing countries? Which ones will do better? Which ones will do worse?

6. Based on the information in the unit and your own experience, prepare a checklist of points that companies need to consider when evaluating the business case for sourcing components from low-cost countries, far from the home market.

TEXT 6.2. Foreign makers find advantages on home ground

Nik Seidenader, Managing Director of a German maker of inspection machines for the pharmaceuticals industry, thought about joining the rush of manufacturers to China last year, but decided against it. In India, Vikas Goel, Chairman of Esys, a computer company, decided to locate his main plant in Singapore.

Behind the two men's strategic choices lies an important change affecting global manufacturing. Despite China's status as factory to the world, foreign companies are starting to think harder about whether to set up operations there. An awareness is growing that longer-established industrialised regions still have plenty to offer manufacturers, in spite of their higher labour costs.

"Although China will continue to be a strong competitor for many kinds of manufacturing investment, it is fair to say companies are re-evaluating their policies on investing there", says Hal Sirkin, a manufacturing expert from the Boston Consulting Group.

China still has a strong appeal for manufacturers. Not only does it offer an expanding market of 1 bn-plus people, it is now also the world's third biggest manufacturer after the US and Japan. But there is increasing concern about the pitfalls of setting up operating plants in China.

First, costs have generally risen, including labour costs and freight charges. Although labour in China may still remain cheap, that is not always the most important factor in a business's calculations. For Mr Goel, for instance, it was not important that Singapore's hourly labour charges are two-and-a-half times higher than China's: costs for labour in computer assembly account for less than two per cent of production costs.

Operating in China's political system – with power shared among many so provincial, state-owned organisations often competing with one another and with Beijing – can sometimes be a problem. Johnson Controls, the US car-parts company, had to set up five joint ventures with different stateowned companies – rather than the single operation the company would have liked – because it could not reach agreement with government officials in the different areas of the country.

Finally, the main industrialised countries are rediscovering their competitive edge. Jim Womack, President of the Lean Enterprise Institute, says increasing numbers of companies make products whose specifications change frequently to meet shifts in demand. If factories are too far away from customers, it can be hard to react quickly to such changes. Tim Powers, Chief Executive of Hubbell, a US electrical products manufacturer that sells mainly in North America, says: "Of our production, 40 per cent is customised. China is just too far away to make it useful for us as a manufacturing centre".

The best approach for many companies will be a "hybridized" strategy. This means splitting production according to factors such as technical sophistication and closeness to markets – and choosing the location that makes most sense in each case. In some cases, China will be suitable; in others, it will not.

(by Peter Marsh, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. Which statement best sums up the main idea of the article?
 - a) More and more manufacturers from industrialised countries will locate all their production in China.
 - b) Most manufacturers will move all their production back from China to be nearer to their customers.
 - c) Many manufacturers will continue locating their production in China, but only for certain types of products.
2. According to the writer, will China lose or keep its position as a top location for global manufacturing?
3. The text explains some problems manufacturers may face when setting up in China. Which three does the writer mention, and in what order?
 - a) long distances from customers
 - b) low productivity
 - c) complex power structure at a provincial level
 - d) lack of workers with the right skills
 - e) increasing costs
4. The writer gives two reasons to explain why China is a good location for manufacturers from industrialised countries. What are they?
5. How does the cost for workers compare in China and Singapore?
6. Why weren't China's low labour costs a key factor for Mr Goul when he decided where to locate his main plant?
7. Why did Johnson Controls have to set up joint ventures with five companies in China rather than just one?
8. Why doesn't locating production in China make sense for Hubbell, the US electronics manufacturer?

II. Match the words/phrases from the text with their corresponding definitions.

1. pitfall	a. belonging to or controlled by the government
2. labour costs	b. specifically made to meet the needs of the customer
3. freight	c. people with positions of authority in an organisation
4. state-owned	d. quality of being more advanced and complex than others
5. joint venture	e. an advantage that a company has over its competitors
6. officials	f. a detailed description of how a product should be made
7. competitive edge	g. goods transported by road, rail and air
8. specifications	h. costs associated with employing people

9. customised	i. a problem or difficulty that is likely to happen in a particular job, course of action or activity
10. sophistication	j. a new business started by two or more companies

III. Match the adjectives (1–5) with the nouns (a–e) to make collocations taken from the text.

1. global	a. regions/countries
2. industrialised	b. edge
3. state-owned	c. organisations/companies
4. technical	d. manufacturing
5. competitive	e. sophistication

IV. Match two columns to make collocations taken from the text.

1 manufacturing	a. officials
2 freight/labour	b. plants
3 government	c. costs, charges
4 operating	d. investment, expert, centre

V. Complete the text with the collocations from Exercises III, IV.

Production costs have increased in China, reflecting higher energy and commodity prices. Even (1. ...) are rising, especially for more skilled workers. As a result, companies from the main (2. ...) are thinking carefully before deciding to set up (3. ...) in China and are looking for countries with lower costs, especially those producing products with low levels of (4. ...). Will this mean less (5. ...) in China? Is China in danger of losing its (6. ...) as a centre for (7. ...)? Will higher (8. ...) and other costs make it more attractive for manufacturers to set up nearer to their home markets?

VI. Find words or phrases in the text which match these meanings.

1. position	6. just one
2. to establish	7. changes
3. attraction	8. dividing
4. worry	9. is the most a sensible thing to do
5. unexpected difficulties	

VII. Complete the text with the collocations from Exercise VI. Make all the necessary changes.

1. If we decide to outsource production, we need to select a supply company which is flexible enough to meet ... in demand.

2. When we started sourcing components from India, one of the biggest ... was long delays at customs.

3. I can see the ... of keeping all our production here, but my ... is the shortage of skilled labour.
4. If companies need to react quickly to changes in demand, it doesn't ... to locate production far away from their main markets.
5. The plan is to a joint venture with a local distribution company.
6. Our plan is to ... production between our plants in Mexico and our plant in Atlanta.

VIII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. Many companies in more industrialised countries have outsourced manufacturing to China.
 - a) Why have they taken this business decision?
 - b) What are the potential risks?
 - c) Do you think this trend will continue? Why? / Why not?
2. What other developing countries are becoming centres for global manufacturing?
3. In the current economic climate, do you think the trend for shifting production to countries with lower costs in Eastern European, Asia and Latin America will grow or decline? Will it vary depending on the sector?
Give a presentation of your conclusions.
4. Prepare a short report or presentation, making the case for or against outsourcing all or part of its production to China for:
 - a) a fashion retailer
 - b) a car manufacturer
 - c) a toy manufacturer.
5. Choose a developing country. Research the country and prepare a set of guidelines to help companies when deciding whether to relocate or set up production there.

TEXT 6.3. Moral dilemma for retailers dependent on suppliers in developing countries

THE PROBLEM

Primark, the clothing retailer, last month announced it had fired three suppliers in India after it was discovered that they had subcontracted work to home workers who used child labour. George Weston, Chief Executive of Associated British Foods, which owns Primark, claimed that the factories had been involved in “systematic deception” and that regular audits had failed to uncover the violations.

Tesco, the UK retailer, faces allegations of neglect of factory workers after a report from the charity War on Want said that its researchers found workers in a factory in Bangalore being paid “half a living wage”.

Is it possible for companies with suppliers in developing countries to guarantee that their goods have been produced in conditions that are ethically acceptable? And what kind of audit system could provide consumers with such a guarantee?

SUPPLY-CHAIN EXPERT

As retail companies continue to push prices down, then clothing factories, working on small margins, are going to try and cut costs - and that can mean they employ child labour because it's cheap. No one with any experience of supply chains in Asia will be surprised that regular audits did not expose violations.

Companies need to move away from simplistic, unreliable inspections towards building trust with their suppliers. That means working together to develop good corporate social responsibility practices rather than just carrying out spot checks. It also means getting suppliers to see that acceptable employment practices are in their interest and helping them to develop the policies and practices that will make them a trusted supplier. Simply cancelling the contracts with factories that indirectly employ children has the potential to make a bad situation worse.

ACADEMIC

Studies show that auditing suppliers has already had a real impact on improving ethical practices in developing countries. The problem has now moved to the level of subcontractors and work done inside homes. But the problem of child labour in developing countries can only be solved through economic development that gives children real alternatives. Poor parents in India, Pakistan or Vietnam cannot choose between sending their children to a school or a factory. The real choice is between eating or going hungry.

EXECUTIVE

It is possible to guarantee ethical working conditions. But companies need to take an active role in the manufacturing process rather than relying on independent auditors who visit occasionally. Applica markets and distributes kitchen and home products, and its products are manufactured mainly in China and Mexico. It has long-standing strategic partnerships with most of its manufacturers. All must adhere to quality controls and codes of conduct, including social responsibility. Engineers and marketers from Applica spend a large amount of time with these manufactures. They also have on-site teams whose task is to audit the manufacturers and work with them to ensure that quality and ethical practices are maintained.

(source: Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. What unethical practices were discovered at:
 - a. Primark's three supplier factories in India?
 - b. Tesco's supplier in Bangladesh?

- 2 What action did Primark take?
- 3 Which two experts give practical suggestions for improving auditing at supplier factories?
4. Which expert gives an example of a company with a successful system for auditing its suppliers?

II. Read the text again and say whether these statements summarise the views of the supply-chain expert (S), the academic (A) or the executive (E).

1. Demand from retailers for cheap clothes makes it more likely that suppliers in developing countries will use cheap child labour.
2. Sacking suppliers is not the solution, as it can lead to even worse conditions for workers.
3. On their own, external audits are not an effective way of improving labour practices.
4. The problem of child labour will not go away until the economies of developing countries become stronger.
5. Supplier factories are more likely to improve working practices if they can see the benefits for them.
6. One good strategy for companies is to put their own people in suppliers' factories to audit and help them improve conditions.
7. The priority for companies today is the improvement of conditions for workers in subcontractors' factories and for home workers.

III. Find words or phrases in the text which match these meanings.

1. deliberately hiding the truth	7. differences between the cost price and the selling price
2. failures to obey regulations	8. official examinations of labour practices
3. statements accusing a company of misconduct	9. processes of running a business in a way that helps people in society to improve their quality of life
4. lack of necessary care	10. quick, unplanned inspections
5. a wage sufficient for a worker to support a family and buy things they need to live	11. sets of rules for ethical behaviour that suppliers must follow
6. to make it certain that something will happen	12. based in the manufacturer's offices

IV. Match two columns to make collocations taken from the text.

1. home	a. practices
2. child	b. conditions
3. audit	c. labour
4. employment	d. system
5. working	e. controls
6. quality	f. workers

V. Find verbs in the text with a similar meaning which can replace the verbs in italics.

1. Independent auditors officially *inspect* each supplier four times a year.
2. Our own compliance team also *conducts* spot checks during visits to suppliers.
3. If an audit *uncovers* minor violations, we work with the supplier to solve the problem.
4. For more serious violations, *terminating* the contract is often the only solution.
5. Last year, we had to *get rid of* two suppliers. They had made no attempt to *comply with* our code of employment and had *made use of* child labour, despite warnings.

VI. Complete the sentences with the words/phrases from the box.

code	auditors	ethical
audits	inspections	allegations
child labour	living wage	subcontractors
employment practices	working conditions	

1. United Sports is fighting to save its reputation after more ... of ethically unacceptable ... in its supply chain last month.
2. Target has a full-time compliance team of 40 staff, including more than 20 foreign-based
3. The audit team carries out 100% of its official factory unannounced.
4. The aim of the audit system is to ensure consistency of working practices in all the company's supply factories.
5. Our ... of employment standards includes provisions to ensure that ... are safe, workers are paid a ... and that no ... is used.
- 6 We conduct regular ... of both our primary suppliers and also smaller

VII. Fill in the gaps with a suitable preposition from the box.

down	of	to
in (4)	on	with (2)

1. Companies must be prepared to take an active role ... improving working practices ... their supply chains.
2. It's not enough to rely ... random inspections and audits.
3. Constantly pushing ... prices and lead times will make it harder for supply companies to adhere ... a manufacturer's codes ... conduct.
4. A better strategy is to develop strategic partnerships ... your primary suppliers.
5. Don't expect immediate changes; it takes time to build trust ... supply companies.
6. Show suppliers that it is ... their interest to improve working conditions ... their factories.

VIII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. What are the risks for brand owners and retailers of negative publicity about conditions in its suppliers' factories abroad?
2. Most companies have codes of labour practice to ensure acceptable working conditions for all workers in its supply chain. What action can they take to:
 - make sure suppliers and their subcontractors follow the code?
 - deal with suppliers who fail to comply with the code?
 - improve conditions for workers in its suppliers' factories long term?
3. What are the benefits for suppliers in developing countries that invest time and resources in improving conditions for their workers?
4. Prepare a short report or presentation to persuade a supplier that it is in its interest to improve conditions for its workers.
5. Research a company that has had a lot of negative publicity because of unethical working practices in a supplier's workplace. Write a short report explaining:
 - what happened
 - what action the company has taken, with what results
 - what other companies can learn from the case.

FOLLOW-UP ACTIVITIES

I. Match the verbs (1–8) with the activities (a-h) to make collocations.

1. book	a. a number of shipments under one bill of lading
2. consolidate	b. booking reservations
3. deal	c. that health and safety standards are maintained
4. keep	d. modern computer systems
5. make	e. space on a ship, train, lorry, or plane
6. use	f. where to put them in the warehouse
7. check	g. an eye on the budget
8. take care	h. with all the necessary documentation

II. Complete this list of documents used in foreign trade with the words from the box.

commercial	required	approved	carriage	hazardous
indicating	receipt	draft	conditions	authority

1. Commercial invoice

A document that contains specific information regarding the goods shipped and the ... agreed between buyer and seller

2. Certificate of origin

Document used in foreign trade which states where the goods were produced. It is often ... by customs authorities.

3. Packing list

A document which specifies the contents of any form of packaging, e.g. boxes, containers, cartons, without ... the value of the goods shipped.

4. Air waybill

A contract between airline and shipper. It is a shipping document which states the terms and conditions of ... and is also a receipt for the consignment.

5. Consular invoice

A special kind of invoice sometimes required by the importing country. It needs to be ... by an embassy.

6. Pro forma invoice

A ... invoice which the seller prepares before the actual shipment takes place.

7. Export licence

A document which is granted by a government ... and states that specified goods can be exported.

8. Customs invoice

A specific document required by customs in some countries e.g. US when importing goods. It includes more details than a ... invoice.

9. Dangerous goods declaration

Certificate prepared by the shipper/consignor which states that ... goods are handled according to international shipping regulations.

10. Bill of lading

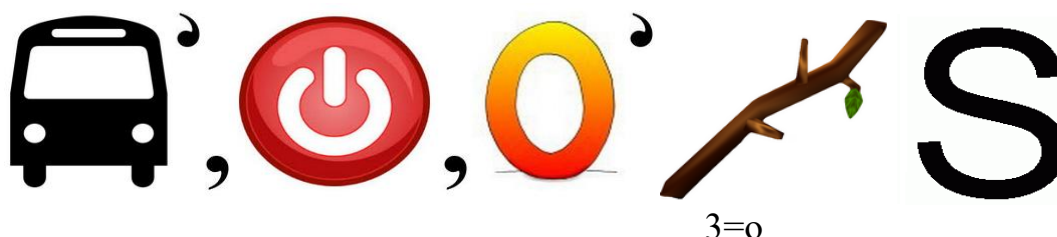
A contract between carrier and shipper which specifies the goods to be shipped and the delivery terms. It is also a ... of shipment and accompanies the goods until they reach their destination.

III. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1.



2.



3=0

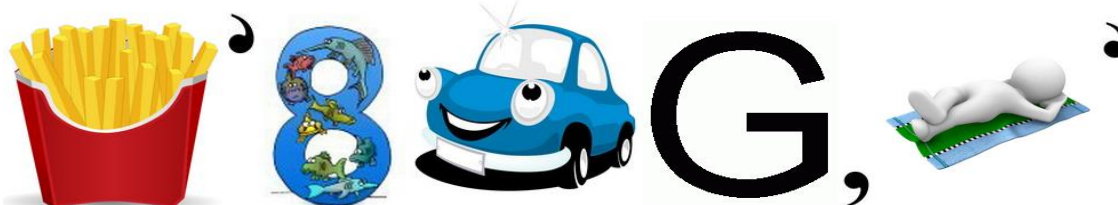
3.



1=j

4=u

4.



+h

5.



+t

3

6.



4=g

UNIT 7. TRANSPORT AND DISTRIBUTION IN LOGISTICS

TEXT 7.1. Modes of transportation in logistics

Logistics refers to the transportation of merchandise – raw materials or finished products – from the point of production to the point of final consumption. Different modes of transportation – road, rail, water and air – can be used for the effective management of merchandise. Every mode of transportation requires a different set of infrastructure, type of vehicles, technological solutions and regulations. All modes of transportation have different costs, service and transit times.

1. Road

Road transportation is one of the most basic and historical means of transportation. Today road transport is the principal means of transport in the European Union for both passengers and goods. There are many different types of vehicles, although trucks are typically used for carrying or delivering freight. Road transportation offers a relatively lower cost compared to other logistic forms and has a widely recognizable and flexible route. However, transportation by road takes a relatively longer period of time than other means of transportation. Besides, it offers a limited capacity. Road transport is most often used for comparatively inexpensive, non-perishable items or for shorter distances.

2. Rail

Rail transport is a means of conveyance of passengers and goods by way of wheeled vehicles running on rails. It is also commonly referred to as train transport. Rail transport uses freight trains for the delivery of merchandise. *Freight trains* are usually powered by diesel, electricity and steam. A freight train hauls cargo using *freight cars* specialized for the type of goods. Freight trains are very efficient, with economy of scale and high energy efficiency. However, their use can be reduced by lack of flexibility, if there is need of trans-shipment at both ends of the trip due to lack of tracks to the points of pick-up and delivery. *Container trains* have become the dominant type for non-bulk haulage. Containers can easily be trans-shipped to other modes, such as ships and trucks, using cranes. *Passenger trains* are part of public transport; they can perform a variety of functions including long distance intercity travel and local urban transit services.

3. Water (maritime transportation)

Sea transport has been the largest carrier of freight throughout the history. Main maritime routes include oceans, seas, lakes, rivers and channels. Water transport uses ships and large commercial vessels that carry tons of cargo every year. Sea, lake or river transport is particularly effective for significantly large quantities of goods that are non-perishable in nature and for cities or states that have water access. Moreover, transport via water is considerably less expensive than other logistics methods, which makes it one of the most widely used choices of transport for merchandise.

4. Air transportation

An airline is a company that provides air transport services for travelling passengers and freight. Airlines vary from those with a single aircraft carrying mail or cargo, to full-service international airlines operating hundreds of aircraft. Airline services can be categorized as being intercontinental, intra-continental, domestic, regional, or international, and may be operated as scheduled services or charters. Air routes are practically unlimited. Merchandise is carried in cargo compartments on passenger airplanes, or by means of aircraft designed to carry freight. Air transport is definitely most time-efficient. Perishable merchandise like fruits and vegetables are generally sent by air. Recently, air transportation has been accommodating growing quantities of high value freight and now is playing a growing role in global (international) logistics.

5. Pipelines

Pipeline transport is the transportation of goods (liquids, gases, chemically stable substances) through a pipe. Pipeline routes are also practically unlimited as they can be laid on land or under water. The longest gas pipeline links Alberta to Sarnia (Canada); it is 2,911 km in length. The longest oil pipeline is the Trans-Siberian, extending over 9,344 km from the Russian arctic oilfields in eastern Siberia to Western Europe. Pipeline construction costs differ according to the diameter, and increase proportionally with the distance and with the viscosity of fluids. Pipeline terminals are very important, since they correspond to refineries and harbours.

6. Intermodal and multimodal transportation

Intermodal transportation concerns a variety of modes used in combination so that the respective advantages of each mode are better exploited. It involves the movements of passengers or freight from one mode of transport to another. Multimodal transportation (also known as combined transport) is the transportation of goods under a single contract, but performed with at least two different means of transport; the carrier is liable for the entire carriage, even though it is performed by several different modes of transport (by rail, sea and road, for example). The carrier does not have to possess all the means of transport; the carriage is often performed by sub-carriers (actual carriers). The carrier responsible for the entire carriage is referred to as a multimodal transport operator, or MTO.

EXERCISES

I. Answer the questions based on the text.

1. What modes of transportation can be used in logistics?
2. What does every mode of transportation require?
3. What types of cargo do you know?
4. What is one of the most basic and historical means of transportation from one place to another?
5. What are the main advantages of road transportation?
6. What vehicles are normally used for carrying or delivering freight?
7. What capacity does road transport offer?

8. What is road transport most often used for?
9. What does rail transport use for the delivery of merchandise?
10. What trains have become the dominant types for non-bulk haulage? Why?
11. What functions can passenger trains perform?
12. What are main maritime routes composed of?
13. What do ships and large commercial vessels carry?
14. What is sea transport mainly effective for?
15. How can airline services be categorized?
16. Are perishable merchandise sent by water?
17. What does pipeline transportation involve?
18. What is the longest gas pipeline?
19. What does intermodal transportation concern and what does it involve?
20. What does MTO stand for?
21. What does multimodal transportation involve?

II. Match the words/phrases from the text with their corresponding definitions.

1. logistics	a. a particular way or direction between places
2. merchandise	b. liable to spoil or decay
3. raw materials	c. to pull something heavy slowly and with difficulty
4. finished products	d. the process of planning, implementing, and controlling the efficient flow and storage of goods and services from origin to customer.
5. vehicle	e. crude or processed material that can be converted by manufacture, processing, or combination into a new and useful product
6. route	f. a machine, usually with wheels and an engine, used for transporting people or goods, especially on land
7. to haul	g. the commodities or goods that are bought and sold in business
8. perishable	h. products that have gone through all manufacturing processes, but have not yet sold

III. Match two columns to make collocations taken from the text.

1. raw	a. efficiency
2. finished	b. airlines
3. final	c. transportation
4. effective	d. transport
5. road	e. operator
6. freight	f. consumption
7. energy	g. materials
8. maritime	h. management

9. international	i. products
10. pipeline	j. trains
11. multimodal transport	k. routes

IV. Match the different types of freight traffic (r-6) with the definitions (a-f).

1. intermodal	a. Combines road and rail transport: whole motor lorries, trailers or swap-bodies are carried by rail.
2. block train	b. The driver does not stay with his road vehicle during transport by rail or ferry.
3. multimodal	c. Train is formed out of individual wagons or sets of wagons which have different origins and different destinations
4. unaccompanied	d. A single shipper uses a whole train which is run directly from the loading point to the destination. No assembling and disassembling is required
5. single-wagon	e. Carriage of goods by at least two different modes of transport, e.g. shipping by motor lorry and aircraft.
6. piggyback	f. . Goods are transported in the same loading unit or vehicle using different modes of transport. The handling of the freight itself is not necessary when changing modes.

TEXT 7.2. A very tight supply chain

“Even mangoes can be got in England now”, declares Cyril Fielding, the college principal in E.M. Forster’s novel “A Passage to India”. “They ship them in ice-cold rooms. You can make India in England apparently, just as you can make England in India”.

Today, making India in England is even easier with the help of atmosphere-controlled refrigerated containers, known as *reefers*, monitored by computer chips. But while transport equipment is now highly sophisticated, the delivery of fresh fruit and vegetables also relies on extremely complex logistics systems which are designed to cut every last hour out of the “cool chain”.

Certainly, the containers themselves have moved on since the “ice-cold rooms” described by Cyril Fielding. Reefer technology can control everything from temperature and humidity to ventilation and gas levels. Microprocessors in reefers detect temperature or other problems and fix them during the voyage, sending alerts to the vessel’s bridge or to a website through which shippers can make adjustments remotely.

These new technologies are increasingly important, as the demand for organic food grows. To satisfy demand, retailers are looking beyond national borders – and organic food is more time sensitive than conventional produce. “You just have to be much more conscious of temperature fluctuations, making sure those are minimised, that the ventilation setting is properly adjusted and that the transit time isn’t too long”, says Barbara Pratt, Chairman of the US International Refrigerated Transportation Association.

Speed is crucial for perishable produce, particularly given the growing popularity of “fresh-cut” produce – pieces of fruit, vegetables and salad that are washed, peeled, trimmed and ready to eat, but which have a far shorter shelf life than whole produce.

In the past five years, UK retailers have dramatically reduced the time it takes to get fresh produce on the supermarket shelf. Today, an order placed by a retail chain might be sent that evening to the suppliers, who start the picking and packing the following morning and send the produce to the distribution centre that evening, allowing the goods to appear on the shelves the following morning. “That’s a very condensed supply chain”, says Brian Gaunt of Christian Salvesen’s food and consumer division.

The use of aviation has also speeded up the perishables supply chain and brought new items to the supermarkets, particularly high-value produce such as soft fruit from the US, South Africa and Zimbabwe.

Many of these and other airfreighted fruit and vegetables are processed at the British Airways World Cargo Perishables Handling Centre at Heathrow Airport. The centre, which is operated by Christian Salvesen, is a chilled facility of almost 70,000 square feet that processes more than 90,000 tonnes of perishable cargo each year.

At the centre, bulk shipments are broken up into individual orders and sorted by product type or according to the regional distribution centre for which they are destined. Machines at the centre print branded labels for each retailer, including the weight, sell-by date and price, allowing supermarkets to change their prices at the last minute.

“If you go back 10 to 15 years, typically there would have been three to four handling points in the supply chain – whether at origin or in destination”, says Gerry Mundy, BA’s Global Perishables Manager. “All that is now handled by the perishable handling centre”.

(by Sarah Murray, source:

Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. What is meant by the phrase in the article *making India in England*?
2. What is meant by the phrase *cool chain*?
3. In what way is organic food different from other food products?
4. What are important factors for keeping organic food products fresh when transporting them?
5. How quickly can fresh produce be transported from the farm to the supermarket shelf?
6. What is the name of the modern equipment used to transport fresh fruit and vegetables? Why do you think it is called that?
7. What does reefer technology control?
8. What functions do microprocessors control in modern refrigerated containers?
9. What are the steps in the process when a retail chain orders fresh produce from suppliers?
10. What kind of fresh produce is transported by plane rather than by ship?
11. Where is BA’s World Cargo Perishable Handling Centre located?
12. Which company runs the centre?

13. How much fresh produce does it handle each year?
14. What kind of activities take place at the centre?
15. How were things different 10 to 15 years ago?

II. Match the words from the text with their corresponding definitions.

1. alerts	a. the time needed to transport goods
2. condensed	b. checked and controlled
3. adjustments	c. frequent changes, especially from high to low or low to high
4. sell-by date	d. used to describe food that can become bad quickly
5. monitored	e. food that is obtained through farming, especially in large quantities
6. chilled	f. length of time food products will stay in good condition once they are put on sale
7. bulk shipments	g. small changes made to a machine
8. detect	h. shortened, concentrated
9. shelf-life	i. warning signals, usually visible or audible
10. fluctuations	j. last date at which a food product can be sold
11. perishable	k. notice something that is not easy to see, hear, etc.
12. transit time	l. kept cool, at a low temperature (but not frozen)
13. produce	m. deliveries in large quantities

III. Find the words/phrases in the text which follow the verbs below.

1. to ship	7. to look
2. to detect	8. to reduce
3. to rely	9. to get
4. to send	10. to start
5. to make	11. to send
6. to satisfy	12. to break

IV. Find verb + preposition phrases in the text which match these meanings.

1. to depend on
2. to remove from
3. to become more modern
4. to search outside
5. to make quicker
6. to be divided into smaller units

V. Match two columns to make collocations taken from the text.

1. computer	a. fluctuations
2. transport	b. centre
3. logistics	c. life
4. temperature	d. centre
5. transit	e. systems
6. shelf	f. type
7. distribution	g. equipment
8. consumer	h. time
9. handling	i. chips
10. product	j. division

VI. Match the verbs (1–7) with the nouns (a–g) to make collocations taken from the text.

1. to control	a. adjustments
2. to detect	b. prices
3. to make	c. demand
4. to satisfy	d. labels
5. to place	e. a problem
6. to print	f. the temperature
7. to change	g. an order

VII. Complete the sentences with the collocations from Exercise V, VI. Make all the necessary changes.

1. During the transport of fresh produce, it is important to ... carefully.
2. Fresh, organic fruit and vegetables are flown halfway across the world to ... consumer
3. In modern containers, if ... such as temperature fluctuations are ... , microprocessors can automatically
4. The supply chain for fresh produce is so well organised, fruit and vegetables can be on the supermarket shelf within two days of an ... being
5. The BA World Cargo Perishables Handling Centre is so sophisticated, machines can ... for each retailer, which means the retailer can decide to ... up to the last minute.

VIII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. What do you think is the shortest time for fresh fruit and vegetables to be delivered to a supermarket shelf from the moment the order is placed?
2. How do you think fresh fruit and vegetables are transported to ensure they arrive in good condition?

3. With many consumers concerned about food miles (how far food has to travel from its source to our tables), how do you see the future of the transport and distribution systems described in the article?
4. Some people argue that flying fruit and vegetables from Africa to Europe is bad for the environment and should be reduced. Others argue that growing these crops for export to rich countries is an important source of income for farmers in developing countries. Which opinion do you agree with? Why?

TEXT 7.3. Oil price forces P&G to rethink its distribution

Soaring energy prices are forcing Procter & Gamble, the world's biggest consumer goods company, to rethink how it distributes products and to consider shifting manufacturing sites closer to consumers to cut its transport bill.

Keith Harrison, Head of Global Supply at P&G, the maker of Tide detergent, Crest toothpaste and Pampers nappies, said the era of high oil prices was forcing P&G to change. "A lot of our supply chain design work was really developed and implemented in the 1980s and 1990s, when our capital spending on capacity was fairly high, and oil was \$10 a barrel", said Mr Harrison. "I could say that the supply-chain design is now upside down. The environment has changed. Transportation cost is going to create an even more distributed sourcing network than we would have had without the big rise in oil prices".

A couple of years ago, P&G launched a comprehensive review of the design of its supply operations, in response both to rising energy costs and its increasingly global expansion. "We've kicked off a study that really asks: what is our business going to look like in the future?" Mr Harrison said.

The study will include assessing trends such as reductions in product size, sustainable packaging and future consumer demand based on regions. It will also try to anticipate changes in the global operating environment. "What happens if oil is \$200 a barrel? What happens if you can't ship using trucks on the weekends or if there are road-congestion issues? Or if you can't bring trucks into cities any more?"

Mr Harrison, responsible for the supply chain behind P&G's global sales of more than \$80bn, said its supply system was based on "large single-category regional production sites with long supply chains". "Up to where oil was \$70 or so, it was hard to justify building new capacity only on the back of new distribution costs. But with oil going as high as \$140, the world has changed".

The company is the world's largest shipper of consumer goods, with an estimated 30,000 trucks on the road around the world every day. It also operates nearly 145 manufacturing plants. Mr Harrison said high energy costs were already changing the calculations affecting the siting of factories. As an example, he quoted a baby care plant being built to meet growing demand in China, located at Xiqing in the northern province of Tianjin, rather than at an existing facility near Guangzhou in southern China. "Part of the justification to go to Xiqing was distribution costs. Part was that I needed more capacity. But today's distribution-

cost equation could lead you to a different answer than you might have reached otherwise”.

(by Jonathan Birchall and Elizabeth Rigby, source: Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. How has Procter & Gamble's (P&G's) production and distribution system been organised over the last 20 years?
2. What kind of study is P&G now carrying out?
3. What factors is P&G taking into account in its study?
4. What is one way P&G would be able to cut its transportation bill?
5. When was P&G's current supply chain developed?
6. What was the price of oil at that time?
7. How does Keith Harrison describe what has happened to P&G's supply-chain design?
8. What is the main aim of the study started by P&G?
9. What supply-chain trends will P&G look at in its study?
10. What questions will P&G ask in the study?
11. What does Keith Harrison mean when he describes P&G's current supply chain as *large single-category regional production sites with long supply chains*.
12. At what point did P&G have to rethink its distribution strategy?
13. How have increased transport costs changed P&G's thinking about how it distributes goods?
14. P&G is the world's largest shipper of consumer goods. What figures support this?
15. What does Keith Harrison mean by the phrase *distribution-cost equation*?

II. Match the words/phrases from the text with their corresponding definitions.

1. siting	a. a period of time that is marked by particular events
2. to anticipate	b. a study of something to see where improvements can be made
3. to justify	c. to think again about something in order to change or improve it
4. shifting	d. to reduce
5. upside down	e. investment of money in business assets
6. soaring	f. started, launched
7. to rethink	g. when there is too much traffic on the roads
8. capacity	h. moving, relocating
9. kicked off	i. put into operation
10. review	j. to imagine or expect what will happen,

	sometimes taking action in preparation
11. implemented	k. increasing rapidly
12. capital spending	l. to give a good reason for doing something
13. to cut	m. completely different from before
14. road congestion	n. locating, positioning something
15. era	o. factories and warehouses

III. Complete the sentences with the words/phrases from Exercise II.

- P&G is considering ... manufacturing sites closer to consumers because of ... energy prices
- It believes the ... of cheap oil is finished for ever.
- The company is having to ... its entire supply-chain system.
- It has just ... a study which will try to ... how the global environment will change in the next five to ten years.
- The study will also consider traffic issues such as
- When the oil price was below US \$70 a barrel, it was difficult to ... building new plants based only on transport costs.
- In the future, the ... of new plants will have to take transport costs into account.
- P&G's current supply-chain system was planned and ... in the 1980s and 1990s.
- Depending on the results of the ... it is carrying out, P&G will change the way it organises its supply-chain system.
- P&G needs to ... what it spends on transporting goods.
- Because of big increases in the oil price, the design of the supply chain is now ... , compared to the previous two decades.
- In the 1980s and '90s, P&G had high levels of ... , when it was building its supply-chain system.
- The 1980s and '90s were a period of rapid growth for P&G, so it needed to spend money on new ... for the production and storage of goods.

IV. Find the words/phrases in the text which follow the verbs below.

1. to distribute	7. to assess
2. to consider	8. to anticipate
3. to cut	9. to bring
4. to create	10. to justify
5. to launch	11. to meet
6. to kick	

V. Match two columns to make collocations taken from the text. Sometimes more than one combination is possible, and some words can be used twice.

1. energy	a. costs
2. consumer	b. plants
3. manufacturing	c. prices
4. transport	d. operations
5. oil	e. goods

6. capital	f. sites
7. transportation	g. demand
8. operating	h. cost
9. product	i. spending
10. production	j. environment
11. distribution	k. bill
12. supply	l. size

VI. Fill in the table.

Noun	Verb	Noun	Verb
distribution			implement
manufacturing			develop
production			assess
consumer			reduce
transportation			justify
spending			ship
expansion			operate
calculations			locate

VII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. How should companies with big distribution networks react to the increase in energy costs?
2. In the light of current and future environmental and energy issues, what challenges are companies likely to face when operating their supply chains?
3. Which production and distribution model do you think will be adopted by companies in the future – large, regional production sites with centralised warehouses, or smaller production sites with smaller warehouses nearer to the customer? Why?
4. Do you think P&G and similar companies will change their supply systems away from large, single-category regional production sites? What would be the advantages and disadvantages of doing so?
5. Imagine you are the head of logistics or supply-chain management at a large international manufacturer of consumer goods. Prepare and give a presentation to the executive board of the company about the need to rethink the company's supply-chain system.

TEXT 7.4. Finding better ways to deliver the goods

Increased transport costs due to oil-price rises can change the economics on which supply chains were built.

Traditional strategies were aimed at reducing the amount of money tied up in inventory and the number of warehouses. However, this was often at the expense of increased frequency of deliveries and longer transport distances, and therefore higher emissions.

Strategies, such as just-in-time, lean manufacturing and even low-cost country sourcing, must be re-evaluated in the light of fuel prices. We have entered a new era where different supply-chain strategies are needed to produce high performance, says *Past the Tipping Point*, a recent report from Accenture and Ilog, a French business-software company.

Jonathan Wright, a supply chain consultant at Accenture, explains that tipping-point analysis is an end-to-end assessment of the supply chain.

The aim is to understand at what point inventory should be held further forward in the supply chain to reduce transport costs.

Moving inventory closer to demand lowers transport and emissions at the expense of higher inventory costs. “The tipping point occurs at different fuel prices, depending on the type and nature of the product”, he says. “The tipping point will be lower with a low-cost bulky product, such as soft drinks or paper. There will always be areas where just-in-time is the right thing to do and others where it is history”.

Kimberly-Clark’s *Network of the Future* places distribution centres closer to its key customers and markets, reducing the number of delivery trips. Its strategy aims for 70 per cent of products to be made and sold in the same country. In the US alone in 2007, it saved nearly 2.8m miles and 500,000 gallons of fuel.

There is usually a carbon trade-off between more energy-efficient, centralised warehouses and transport costs, but, generally, cost and carbon reduction go together.

Professor Alan McKinnon, Director of the Logistics Research Centre at Scotland’s Heriot-Watt University, has identified nine ways of reducing carbon in freight transport, most of which will also reduce costs. These are: switch from road and air to rail or water; reduce the number of links in supply chains; reduce average journey length; increase average vehicle loading; reduce empty running; increase vehicle capacity; reschedule deliveries to off-peak periods; use more fuel-efficient vehicles; and use lower carbon fuels.

Sharing distribution centres and deliveries is a powerful way to reduce cost and carbon footprint. Judy Blackburn, Head of the UK Logistics team at consultancy Kurt Salmon Associates, says that when two competing companies have merged their logistics operations and vehicle deliveries, transport costs have fallen by 15 to 25 per cent, saving 300,000-400,000 tonnes of carbon dioxide.

“Current supply-chain designs are primarily aimed at improving on-shelf availability, reducing cost and supporting sound financial figures”, according to *The Future Supply Chain: Serving Consumers in a Sustainable Way*, a report by the Global Commerce Initiative of manufacturers and retailers and Capgemini, the consultancy firm. “In future, the industry must design for additional parameters,

such as reduction in CO₂ emissions, reduced energy consumption, and reduced traffic congestion”.

The report forecasts that finished products will be shipped to shared warehouses in which multiple manufacturers store their products. Shared transport will deliver to city hubs and regional consolidation centres. Final distribution to stores, pick-up points and homes will use consolidated deliveries.

(by Rod Newing, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. What examples are given of traditional strategies for the organisation of supply chains?
2. What is the likely future strategy for the organisation of supply chains?
3. What are the factors pushing this new strategy?

II. Read the text again and say whether these statements are true (T), false (F) or there is not enough information given (N). Correct the false ones.

1. Traditional supply-chain strategies were not greatly concerned about transport costs or carbon emissions.
2. Many companies are now against building huge warehouses because they are damaging to the environment.
3. Just-in-time, lean manufacturing and low-cost country sourcing are part of the new supply-chain strategy.
4. Tipping-point analysis argues that goods should always be stored close to the customer.
5. Products such as soft drinks or paper will continue to be delivered on a just-in-time basis.
6. Kimberly-Clark is the leader in moving its distribution centres closer to customers.
7. It is more energy efficient to have big, centralised warehouses rather than small, local ones.
8. Most ways of reducing carbon emissions in freight transport come at the expense of higher costs.
9. Shared warehouses and shared deliveries will be the model for the future.
10. This new model will give improved on-shelf availability.

III. Match the words/phrases from the text with their corresponding definitions.

1. end-to-end	a. the amount of carbon emissions an activity produces
2. bulky	b. when several deliveries are combined together
3. tipping point	c. considering
4. trade off	d. joined part of their operations together

5. tied up	e. less busy times of day for travelling
6. vehicle loading	f. from start to finish
7. empty running	g. the moment when one particular result of a process becomes the most likely one, after a period when the result was not sure
8. in the light of	h. factors, limits on how much should be allowed
9. off-peak periods	i. locked away (so that it can't be used for anything else)
10. merged	j. when trucks travel without carrying goods
11. carbon footprint	k. taking up a lot of space
12. parameters	l. the extent to which a truck has a full load
13. consolidated	m. an acceptable balance between two very different things

IV. Complete the sentences with the words/phrases from Exercise III.

1. It is expensive to store ... products in a warehouse, as they take up a lot of space.
2. For environmental reasons, most transport companies are trying to reduce their
3. One way to reduce carbon emissions is to deliver in ... periods, when there is less traffic.
4. Another way is to avoid ... when trucks return to a warehouse with no goods.
5. A third way is to increase average ... by making sure that trucks have as full a load as possible.
6. The traditional strategy of supply chains was to avoid having too much capital ... in inventory.
7. Supply chains in the future will have to take new ... into account, such as carbon emissions and road congestion.
8. In the planning of distribution systems, it is often necessary to make a ... between inventory costs and transport costs.
9. In the future, deliveries from different suppliers will be ... so that trucks can carry full loads.
10. Some companies have ... their logistics operations in order to reduce transport costs.
11. The ... of when it is cheaper to store goods closer to the customer rather than using just-in-time delivery depends on the transport cost and the type of product.
12. The company had to rethink its supply chain strategy ... new developments in just-in-time management.
13. The consultant carried out an ... assessment of the supply chain to understand more clearly the impact of holding inventory.

V. Complete the phrases from the text with a suitable preposition from the box.

at (2)	from	in (2)	on (2)
between	by	of (2)	to (4)

1. the economics ... which supply chains were built
2. the amount of money tied up ... inventory
3. ...the expense ... increased transport frequencies
4. ... the light ... fuel prices
5. to understand ... what point inventory should be held further forward in the supply chain
6. depending ... the type and nature of the product
7. places distribution centres closer ... its key customers
8. a trade-off ... more energy-efficient, centralised warehouses and transport costs
9. switch ... road and air ... rail or water
10. reschedule deliveries ... off-peak periods
11. transport costs have fallen ... 15 to 20 per cent
12. final distribution ... stores, pick-up points and homes will use consolidated deliveries

VI. Match the sentence halves to form definitions. Match each definition with the strategy for reducing the costs of production that it describes.

1. A method of production that aims to cut costs by producing ...	a. ... from areas of the world where manufacturing costs are lower	I. JUST-IN-TIME
2. The activity of finding and buying materials, parts or products ...	b. ... where things are done, supplied or made only when they are needed.	II. LEAN MANUFACTURING
3. A system, especially for manufacturing, ...	c. ... only the quantity of goods that has been ordered and by reducing the amount of time and space that the production process uses.	III. LOW-COST COUNTRY SOURCING

VII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. What are some traditional strategies and aims of running supply chains?
2. What new factors will companies have to take into account when designing their supply chains?
3. In what ways can a company reduce transport costs in its supply chain?

4. Think of as many ways as possible to reduce carbon emissions in freight transport.
5. Look at the nine ways of reducing carbon emissions in freight transport: *switch from road and air to rail or water; reduce the number of links in supply chains; reduce average journey length; increase average vehicle loading; reduce empty running; increase vehicle capacity; reschedule deliveries to off-peak periods; use more fuel-efficient vehicles; and use lower carbon fuels.*
Pick the three which you think will be most effective and give your reasons.
6. To what extent do you agree with the statement “in future, companies will use shared warehouses close to customers and deliveries will be consolidated”? Give your reasons.

FOLLOW-UP ACTIVITIES

I. Define intermodal transport and handling equipment by choosing names from box A and completing the following descriptions with the verbs from box B.

A

reach stacker	gantry crane	ISO container	transtainer
---------------	--------------	---------------	-------------

B

mounted	fitted	attached	handle	piling
straddle	reach	loading	made	move

1. _____
A piece of machinery used for ...and unloading containers from ships onto trucks or rail wagons and vice versa. It is rail-mounted and can ... at least four railway tracks. It is motorized and can ... parallel to the ship's side.
2. _____
A special type of device which is able to ... very heavy loads. It is used for transferring swap-bodies and containers from rail wagons to trucks and vice versa. It has four legs ... with wheels and a spreader beam which can span a wide area. It can be ... on rails or rubber tires and is able to straddle several rows of containers.
3. _____
A kind of fork lift truck used in container handling. It is equipped with a spreader beam and a lifting arm and can be used for lifting containers and ... them on top of each other. It is very flexible and has a high stacking and storage capacity as it is able to ... beyond the first row of containers to lift a container.
4. _____
A rigid box ... of steel which is very common in intermodal freight transport. It can be used for transport by sea, rail, air, and road. It is available in many different versions and sizes. For example, there are open-top and flat-rack versions. Some of them have wheels or a bogie ... to them. The most common lengths are 20,40, and 45 feet. It is made to the specifications of the International Standards Organization.

II. Replace the underlined words with verbs from the box that have the same meaning. Use the correct verb forms.

run	stack	lift	fit
fix	attach	come	

1. This type of crane is used for raising containers.
2. Containers are available in a variety of versions and sizes.
3. It's a heavy-duty fork lift truck equipped with a spreader beam.
4. With this device you can pile containers on top of each other.
5. Some containers have a bogie fixed to them
6. This device is mounted on rails
7. The crane is motorized and able to move alongside the quay.

III. Complete the text with the English equivalents of the phrases in brackets. Make all the necessary changes.

The fast growth of freight transport – driven to a large extent by (1. *экономические решения*) – (2. *способствовать экономическому росту и занятости*) but also causes congestion, accidents, noise, pollution, (3. *растущая/возросшая зависимость от импортируемого ископаемого топлива*), and energy loss. Infrastructure resources (4. *ограничены*) and any (5. *сбой в цепочке поставок*) (i.e. energy) (6. *неизбежно оказывать негативное влияние на мировую экономику*). Without adequate measures, the situation will continue worsening and increasingly (7. *подрывать мировую конкурентоспособность и окружающую среду, в которой мы все живем*).

To overcome such problems, world's transport system needs to be optimized by means of (8. *передовые логистические решения*). Logistics can increase the efficiency of individual (9. *виды транспорта*) and their combination. As a result, fewer units of transport, such as (10. *транспортные средства, вагоны и суда*) should (11. *перевозить большие грузов*). (12. *Воздействие/влияние на окружающую среду*) will decrease accordingly. Rail and inland waterways need to be modernized. Air freight should be more closely integrated in the system. The positive development of short sea shipping should be accelerated. Deep-sea shipping and its hinterland connections need to be enhanced. (13. *Переход на более экологичные способы передвижения*) must be achieved where appropriate, especially (14. *на большое расстояние*), in urban areas, and on (15. *перегруженные коридоры*).

At the same time each transport mode must be optimized. All modes must (16. *становиться более экологичными, безопасными и энергоэффективными*). Finally, (17. *совместная модальность / комодальность*), i.e. the (18. *эффективное использование различных режимов/вариантов/видов как по отдельности, так и в комбинации*), will result in an (19. *оптимальное и устойчивое использование ресурсов*).

IV. Match two columns to make collocations.

1. carbon	a. contract
2. road	b. price
3. logistics	c. delivery
4. supplier	d. miles
5. purchase	e. utilisation
6. vehicle	f. footprint
7. fleet	g. base

V. Complete the sentences with the words/phrases from Exercise IV.

1. JLR (Jaguar Land Rover) has just organised a rebid of its ... for transportation of parts and materials.
2. Over the last five or six years, JLR has substantially reduced the number of ... used in the transport of its parts and finished vehicles.
3. One way that JLR and Wallenius Wilhelmsen have reduced the carbon emissions in ship transport is by optimizing
4. As a result of all its efforts, JLR's ... has been significantly reduced.
5. JLR's ... , from which it purchases components, used to be mainly in the UK, but now it is global.
6. To assess both the financial and environmental implications of global sourcing, JLR takes into account the total landed cost of its materials rather than just the
7. To reduce its carbon emissions, JLR has switched as much of its ... as possible from road to rail.

VI. Work in pairs or small groups.

1. Imagine you are a transport and logistics consultant brought in by a car manufacturer to advise it on how to reduce the carbon footprint of its supply chain. Prepare and deliver a presentation of your recommendations to the board of the company.

You can use:

- to maximise the full capacity of a trailer by consolidating five or six suppliers in a similar geographical area. It will reduce average road miles per week.
- to switch vehicle delivery from road to trains.
- to optimise fleet utilisation, streamlined routes and run vessels – where possible – at more economical speeds.
- to pay extra for the ships to use low-sulphur fuel, which contains 1.3 per cent of the mineral, compared with an International Maritime Organisation target of 4.5 per cent.
- to review vessel steaming speeds. A two-knot reduction saves 244kg of CO₂ per transported unit.
- to explore Wallenius Wilhelmsen's Orcelle project for a lightweight, environmentally sound ship that can carry 10,000 cars. Using solar, wind

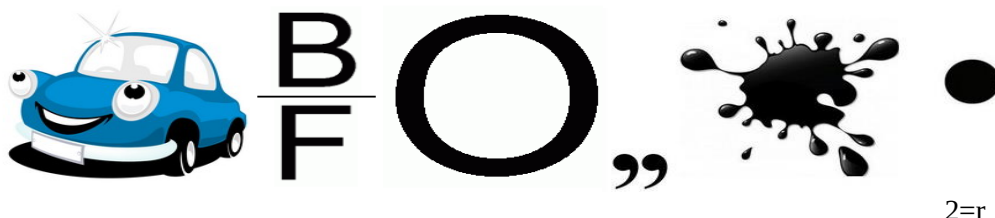
and wave power, it does not release any emissions into the atmosphere or the ocean.

2. There is a big debate in the automotive industry about the best way to reduce fuel consumption and carbon emissions. Japanese car manufacturers, especially Toyota with its Prius model, have opted for hybrid vehicles—a combination of electric motor and conventional petrol engine. In urban areas, the car uses a combination of battery and engine power, and the petrol engine takes over at higher speeds or when the battery is low. But hybrid vehicles are heavier and more expensive to produce than conventional engine cars. Moreover, the battery may need to be changed after a number of years, and is expensive to recycle.

Most of the European car makers, especially in Germany, have opted for a conventional diesel engine specially designed to be highly fuel efficient and low on emissions, using new technologies such as stop-start. They combine this with using lightweight materials when building the car, fitting low-profile tyres, etc. These cars use more environmentally friendly materials that can be more easily recycled at the end of the car's life. Discuss which approach you think is better and give your reasons. What kind of car would you buy?

VII. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

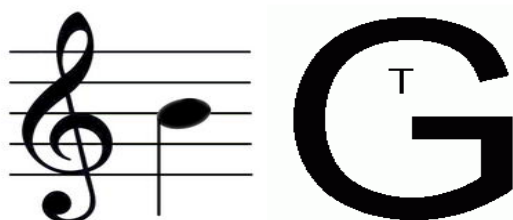
1.



2.



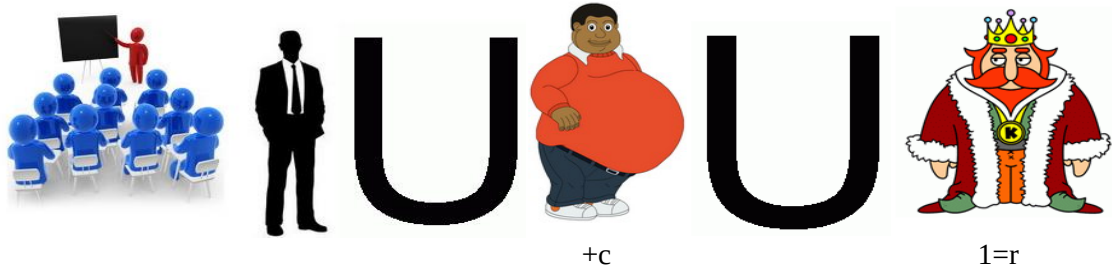
3.



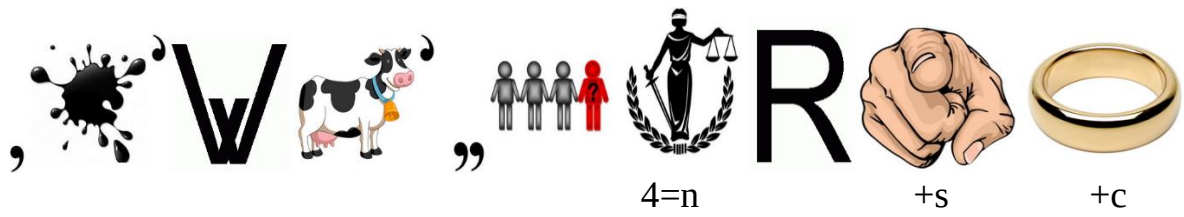
4.



5.



6.



UNIT 8. INVENTORY MANAGEMENT IN LOGISTICS

I. Check your knowledge of key terms in inventory management and procurement by choosing the best definitions for these terms.

1. Economies of scale:
 - a. Reducing costs per unit by increasing production
 - b. Cutting costs by reducing output
2. Buffer stock:
 - a. Goods kept in store to cover seasonal demand e.g. Christmas sale
 - b. Goods kept in store to cover unforeseen shortages or fluctuations in demand
3. Factory gate pricing:
 - a. Transport costs are not included in the purchase price of a product
 - b. The price is lower because you buy directly from the manufacturer
4. Supply chain:
 - a. The close cooperation of all parties involved in the making, selling, and delivering of a product
 - b. Network of stores that supply customers with a wide variety of products
5. Tender:
 - a. An assessment or calculation of the approximate cost or value of a product or service
 - b. An offer for goods or services that follows a request for a quotation made by an official body, e.g. local government

II. Match the beginnings of the sentences (1–6) with the endings (a–f) to make definitions of more key terms in inventory management.

1. Lead time is the time	a. customers are prepared to wait for the delivery of their order
2. Procurement is	b. of reducing inventories by co-ordinating the delivery of materials just before they are needed
3. A retailer is a business	c. it takes to produce and supply a product
4. Customer order cycle time is the time	d. an intermediary between manufacturers and retailers which buys in large quantities and resells in smaller quantities
5. A wholesaler is	e. that buys products from wholesalers or manufacturers and resells them to the ultimate consumer
6. JIT – just in time is a concept	f. the purchasing of goods(materials, parts, supplies, equipment) required to run an enterprise

III. Complete the sentences with the words/phrases from the box.

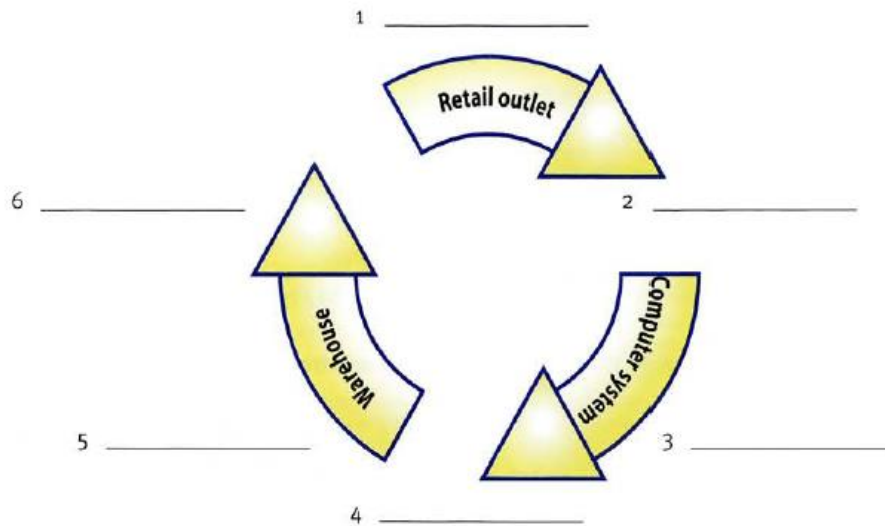
point	stock
lead times	retailer
processing	schedule
replenishment	inventory
data interchange	generated

1. In logistics CRP¹ means continuous
2. CRP can be used to lower inventory and operational costs and to shorten product
3. First of all, you decide what products you want to order at what ... level.
4. The system will use this information at the ... of sale in the retail store.
5. The leading clothes ... Young Fashion introduced continuous replenishment some years ago.
6. With the new system all orders are ... by computers, which process data received from cash registers.
7. The orders are sent to the warehouse by electronic ... , where they are processed.
8. And finally the goods are delivered to the different outlets according to a
9. Since the introduction of the CRP system, Young Fashion has managed to cut ... and transport costs by about 5%.
10. Moreover, errors in order ... have been reduced considerably by using scanning technology and EDI.

IV. Put the processes about CRP in the correct order.

- a. Goods are delivered to the retail outlet.
- b. Orders are processed.
- c. Orders are generated based on the data received from cash register.
- d. System is activated at the point of sale.
- e. Orders are sent to the warehouse.
- f. Sales information is transferred to the CRP computer system.

¹ Continuous replenishment program (CRP) is a business strategy that involves maintaining a constant flow of inventory to retailers or customers in order to reduce stockouts and improve product availability. The program is commonly used in the shipping and logistics industry to help manufacturers or suppliers meet the demands of their customers in a timely and efficient manner. In a continuous replenishment program, inventory levels are monitored in real-time using automated systems that track sales data and inventory levels. When inventory levels fall below a certain threshold, orders are automatically generated to replenish the inventory. This helps to ensure that retailers or customers always have a sufficient supply of products on hand.



V. Here are some more definitions in inventory management techniques. Complete the sentences with the passive form of the verbs in brackets. Match the definitions with the correct abbreviations.

1. A system in which the inventory (<i>monitor</i>), ... (<i>plan</i>) and ... (<i>manage</i>) by the manufacturer on behalf of the customer (often a retailer).	a. QR=Quick response
2. A system which is similar to CRP. It ... (use, often) for products that need to ... (<i>be, supply</i>) frequently and in small batch sizes.	b. CRP=Continuous replenishment
3. It means that orders ... (<i>transfer</i>) electronically to the manufacturer. Then they ... (<i>deliver</i>) to the retail store.	c. VMI=Vendor-managed inventory
4. Real-time demand ... (<i>identify</i>) by electronic cash register and the product movement ... (<i>coordinate</i>) from supplier to the retail store.	d. CM=Category management
5. Products that have similar characteristics regarding their selling profile ... (<i>categorize</i>) into “families”.	e. DSD=Direct store delivery

TEXT 8.1. Make sure you have your Christmas stock in

Every year at Christmas, much-advertised products disappear from the shelves long before most people have done their Christmas shopping, leaving consumers disappointed and frustrated.

Forecasting the right quantity of a product and getting it to the right place at the right time is a tough challenge for businesses, especially when the item is new. “It is the exciting products that are hard to forecast”, says Martin Smith, Head of the Manufacturing Industries Practice at PA Consulting.

The continuation of pre-Christmas sell-outs, despite the use of sophisticated forecasting tools, has led to suspicions that companies ration the supply or even withhold “must-have” goods to create interest among consumers. PA Consulting’s Martin Smith thinks this is unlikely. “If companies run out of stock, it won’t help them maximise the profits they can make from a new product”.

But Yossi Sheffi, Director of Massachusetts Institute of Technology’s Centre for Transportation and Logistics, says it is not unusual for companies to announce expected shortages when launching a new product. “People want more of something that is scarce. Most manufacturers will give newspapers these stories because they increase demand and help future sales”.

But the danger is that actual shortages, especially in the period up to Christmas, will alienate customers, as well as lose potential sales. Another risk of running out of a “must-have” product is that when supplies start again, the fashion may have passed. This can leave companies with unwanted stock.

Getting stock levels right is not so much about perfecting forecasts as about building flexibility into the supply chain. Where possible, that means broadening the supply base so so that manufacturers can step up production quickly in different locations, and use components from different sources.

According to Professor Sheffi, one example of this kind of multi-sourcing is Hewlett-Packard. HP makes Deskjet printers for North America in plants in Vancouver and Singapore. Vancouver is more flexible and closer to the market, but more costly. So HP gives stable, high-volume production to Singapore and uses Vancouver to meet temporary surges in demand.

Agreeing flexible contracts with suppliers is another solution that enables companies to increase or decrease production rapidly. Jabil Circuit, a US electronic manufacturing services company, requires suppliers to be able to boost deliveries by 25 per cent with a week’s notice, and by 100 per cent with four weeks’ notice.

Forecasting can be made more accurate by collecting together predictions of customer demand across a wide region rather than responding on a store-by-store basis, according to Professor Sheffi. By using common components in different products, companies can so also put together their forecasts for these products to give a more accurate picture of demand for the parts.

A responsive supply chain depends on good communication between all its participants. In companies that do this well, there is a free flow of information, says Professor Sheffi. “For example, Toyota displays continuous production reports in its plants, and Dell updates managers hourly on production”.

(by Alison Maitland, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Answer the questions based on the text.

1. According to the article, what are three risks for companies associated with product shortages?

2. Why does Hewlett-Packard have two different plants for making Deskjet printers for the US market?
3. How much advanced warning must Jabil Circuit give its suppliers if they need to increase production by
a) 25%? b) 100%?
4. What actions do Toyota and Dell take to make sure information on production levels is available to others in the supply chain?

II. Choose the best option to complete each statement.

1. Forecasting demand is especially difficult for *all products at Christmas / new products that become very popular*.
2. According to the writer, shortages of “must-have” products are common at Christmas because manufacturers *underestimate demand / deliberately restrict stock to get interest*.
3. The writer *doesn't see / sees* product shortages as a serious risk for companies.
4. The best way for ensuring companies have the right stock levels to meet demand is *more accurate forecasting / making their supply chains more flexible*.

III. The text offers four main solutions for dealing with increases in demand. In what order are they mentioned?

- a. Better communication of information between everyone in the supply chain
- b. Supplier contracts with guarantees to increase production at short notice
- c. Increasing the number of suppliers
- d. More accurate forecasting for a better picture of demand for components

IV. Match the words/phrases from the text with their corresponding definitions.

1. forecasting	a. cause to dislike
2. sell-outs	b. not easy to find or obtain=in short supply
3. ration	c. sourcing from a lot of different suppliers
4. withhold	d. predicting future demand
5. run out (of)	e. control the supply of something
6. scarce	f. when products have sold so well that there are none left
7. alienate	g. information given in advance about when something is happening
8. must-have products	h. use up all of something
9. multi-sourcing	i. products that everybody wants
10. notice	j. deliberately keep something back

V. Complete the sentences with the collocations from Exercise IV.

1. By creating the impression that “must-have” products are ... , companies hope to increase interest and push up demand.

2. When launching new products, there is a suspicion that companies like Apple deliberately ... or even ... stock as a way of stimulating demand.
3. The risk of ... of stock is that customers will get frustrated and buy a competitor's product.
4. Product shortages can quickly result in empty shelves and complete
5. Because sales were higher than expected, the new LX40 was ... until production could be increased.

VI. Find words or phrases in the text which can replace the expressions in *italics* in the following guidelines.

1. It's important that you are able to increase or ¹*reduce* a production ²*quickly*, so make sure you negotiate flexible contracts.
2. When choosing suppliers, make sure they are able to ¹*increase* deliveries to meet sudden ²*increases* in demand.
3. ¹*Extending* your supply base is also a good idea. It will enable you to ²*increase* production ³*fast* in different locations and use components from different sources.

VII. Find adjectives in the text which mean the same as these words/phrases.

1. correct	6. expensive
2. difficult	7. exact
3. advanced	8. shared
4. real	9. quick to react
5. nearer	10. unrestricted

VIII. Fill in the gaps with a suitable preposition from the box.

at	by	from
in (2)	of	with
to (2)	on	up

1. Forecasting demand correctly and getting products ... the right place ... the right time are challenges all companies face.
2. Manufacturers need sophisticated forecasting tools to predict unexpected increases ... demand, especially ... the period ... Christmas.
3. Make sure suppliers have the capacity to handle increased demand as part ... normal service.
4. Choose flexible suppliers, for example those who are able to increase deliveries ... 25 per cent, ... just a few week's notice.
5. Increase your supply base so that you buy components ... different sources.
6. Forecasting demand correctly depends ... having the right forecasting tools.

IX. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. What can cause temporary increases in demand for retail products? Which are predictable, e.g. a national holiday period? Which are unpredictable, e.g. unexpected popularity of a new toy or gadget?
2. What are the consequences if a company isn't able to deal with sudden changes in demand for its products, e.g. product shortages, obsolete stock?
3. What can a company do to make sure its supply chain can handle variations in demand?
4. Prepare a set of guidelines for minimising risks caused by temporary surges in demand.
5. Act out a meeting to negotiate prices with a supplier. You need them to be able to step up production at short notice.
6. Do you agree that running out of a well-publicised electronic gadget or a “must-have” toy or game will damage a company and result in lost customers? Why? / Why not? Find examples to support your view.

TEXT 8.2. Zara wins at fast fashion

A Successful Spanish company Zara produces and sells fashionable clothing. Its core customers are 18-35-year-old women. It offers them the latest fashions at affordable prices. To keep their interest, stock is constantly changed and updated. New deliveries arrive on a twice-weekly basis. Few products are available in store for more than a month, adding a sense of exclusivity and pressure to buy.

Zara competes directly with companies such as Gap, Mango and the Italian giant Benetton. All are examples of companies that use quick-response logistics. Zara has achieved rapid growth and success in a highly competitive environment. This reflects its ability to implement an operating strategy based on dual objectives of minimising stock and responding quickly to market needs even more effectively than its competitors.

About 20 per cent of its merchandise – items with the widest and longest-lasting appeal – is imported as finished goods from low-cost manufacturing countries, mostly in Asia Pacific. The rest is produced by quick response.

Around 50 per cent of all merchandise is manufactured at the company's own factories and network of smaller contractors, situated near to its distribution centres in Galicia in the northwest of Spain. The rest is produced elsewhere in Spain or other European countries.

Zara's manufacturing systems are similar in many ways to those developed so successfully by its competitor Benetton, but improved using ideas developed together with car manufacturer Toyota. Only those business activities that improve cost efficiency through economies of scale are carried out in house (such as

dyeing, cutting, labelling and packaging). All other manufacturing activities, including labour-intensive finishing, are done by small sub-contractors, each specialising in one particular part of the production process or garment type. These sub-contractors work exclusively for Zara's parent, Inditex SA. In return, they receive any technological, financial and logistical support necessary to meet Zara's strict targets for time and quality. Zara keeps inventory costs to a minimum because they only pay for the completed garments.

Finished goods are sent to the company's two distribution centres in La Coruna and Zaragoza, where they are labelled, pricetagged (all items have international price tags with the price in relevant currencies) and packed. From there, they are carried by specialist contractors by road and/or air to the stores. Road is used for journeys of 24 hours or less, while air freight is used for longer distances. All deliveries are completed within 48 hours.

Stock allocations for the shops are calculated centrally, rather than in-store, because production is always kept at a level slightly below expected sales to keep stock moving. True to its original objectives, the complete design, manufacturing and delivery cycle takes only four to five weeks, and the system is flexible enough to deal with any sudden changes in demand.

(by Martin Christopher, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Complete this profile of Zara.

Target customers:	1.
HQ:	La Coruna, Galicia (north-west Spain)
Main competitors:	2.
Business objectives:	3.
Distribution centres:	4.

II. Read the text again and say whether these statements are true (T), false (F). Correct the false ones.

1. Zara has developed an innovative approach to fashion retailing.
2. Stock in its stores is constantly changing.
3. It doesn't source anything from outside Europe.
4. All manufacturing is carried out in Zara's own factories.
5. Products for all its markets go through its two distribution centres in Spain.
6. Zara has its own transport company to deliver merchandise to its stores.
7. It prefers its stores to have too much stock rather than too little stock.
8. Zara is an example of a very successful fast-fashion retailer.

III. Complete this chart about Zara's manufacturing activities.

<i>manufacturing/logistics activity</i>	<i>location</i>
1. ... and dyeing	Zara's own factories

other manufacturing activities and finishing	2. ...
labelling, 3. ... and packaging	4. ...
stock allocation	commercial team at 5. ...
shipping to stores	6. ...

IV. Match the words/phrases from the text with their corresponding definitions.

1. exclusivity	a. financial advantage gained from producing in large quantities
2. quick-response logistics	b. process of sharing stock, e.g. among a group of stores
3. economies of scale	c. transport goods by air
4. contractors	d. an item of clothing
5. labour-intensive	e. when something desirable is limited in availability
6. garment	f. labels on product which say how much they cost
7. price-tags	g. needing a lot of workers to do the work
8. air freight	h. organisations working under contract to produce goods
9. stock allocations	i. a strategy for reducing order lead times, increasing frequency of delivery and reducing average order size

V. Match two columns to make collocations taken from the text.

1. market	a. process
2. manufacturing	b. costs
3. production	c. cycle
4. inventory	d. needs
5. distribution	e. countries/systems/activities
6. design/manufacturing/delivery	f. centres

VI. Match words from the text (1–7) with their synonyms (a–g).

1. core	a. goods
2. implement	b. the lowest amount possible
3. reacting	c. main
4. merchandise	d. responding
5. exclusively	e. tough and exacting
6. strict	f. only
7. a minimum	g. put into practice

VII. Match the sentence halves to make sentences about Zara's activities and distribution.

- | | |
|---------------------------------|---|
| 1. New deliveries arrive | a. within 48 hours. |
| 2. Zara competes directly | b. on a twice-weekly basis. |
| 3. Zara keeps inventory costs | c. with companies such as Gap and Mango. |
| 4. All deliveries are completed | d. to a minimum. |

VIII. Work in pairs or small groups. Speculate about the following. Give your reasons. Discuss your answers with your groupmates. Supply some additional information.

1. Talk about a successful fashion retail company in your country. What are the reasons for its success?
2. Have you ever shopped at Zara, H&M, Iniglow or Mango? Who are their stores aimed at? What makes them different from other fashion retailers?
3. In fashion retailing, what makes a supply chain effective, e.g. rapid turnaround of the latest looks, flexible suppliers, efficient and quick distribution to stores, etc.?
4. In what ways are Zara's operating strategies different to those of its competitors? Make notes for a presentation about: sourcing, manufacturing, distribution and transportation, stock allocation and replenishment.
5. Choose a company. Then prepare a diagram and commentary to explain how it distributes stock to its customers. Include the passive where it fits.
6. How applicable are the principles of quick-response logistics to other sectors and industries?

TEXT 8.3. RFID - the price must be right

A shopper takes a bottle of shampoo from the supermarket shelf, and a signal from a state-of-the-art smart tag is sent to staff, updating them on stock levels. RFID – short for radio frequency identification, a technology that uses radio waves to automatically identify objects – is now working well and ready to replace conventional bar codes.

German retailer Metro AG, the world's fifth-largest retailer, has been introducing RFID in stages along its supply chain. So far, it has distribution centres using the technology, mostly on the wooden pallets which carry the goods; a lot of suppliers now attach RFID tags to their pallets. Recently, it has also started using tags on individual cases of products.

The ultimate aim is to use RFID at all levels, including the individual item, at all of its 2,300 locations – but that will not happen for years, according to Gerd Wolfram, Managing Director of MGI, Metro Group Information Technology.

“We will see RFID increasingly replace bar codes for certain products, but the technology won’t be used to identify all products for at least 15 years”, he says, giving high unit prices for the tags as one of the main reasons. Unit prices, Wolfram says, will need to drop to €0.01 per tag or less to make RFID a viable alternative to a bar code.

Metro sees RFID technology as a way to manage the huge flow of merchandise in and out of stores more effectively, while at the same time enabling the company to reduce inventory losses and labour costs. Wolfram says: “We firmly believe that we’ll be able to lower our operating costs with this technology and in time provide our customers with a better shopping experience”.

For a long time Metro has been testing RFID in a real retail situation at the Extra supermarket in Rheinberg, near Diisseldorf, as part of its Future Store Initiative. Among the innovative RFID applications that Metro is currently testing at the store is the “smart-shelf”, which automatically informs staff when to replenish merchandise. RFID tags are attached to packages of Gillette razor blades or plastic bottles of shampoo from Procter & Gamble. As customers pick up the tagged products, signals are sent electronically to the merchandise management system, which tracks the number in stock and sends out an alert to staff carrying PDAs (personal digital assistants) to tell them when shelves need restocking.

Metro is also carrying out development work on RFID at its RFID Innovation Centre in nearby Neuss, where it is testing some applications. The focus of most of these applications is logistics, warehousing and retail operations, but a few also involve consumers. For instance, they are developing a “smart fridge” which identifies products and informs household members when expiry dates are so coming up.

At Neuss, Metro is also collaborating with its technology partners, including key IT industry companies IBM, Intel and SAP to develop the technology further.

(by John Blau, source:
Driscoll, O`N. Market Leader. Logistics Management)

EXERCISES

I. Choose the best option to complete each statement.

1. RFID is *already* / *not yet* technically reliable enough to replace barcodes.
2. Metro has moved *totally* / *partially* to using RFID throughout its supply chain.
3. At the time of writing the article, Metro was using RFID to track *pallets only* / *pallets and cases of products*.
4. The main motivation for Metro’s move to RFID is to *reduce operating costs* / *improve customers’ shopping experience*.
5. The high cost of RFID tags makes it unlikely that Metro will use the technology throughout its supply chain *ever* / *for many years*.
6. Metro *invests a lot* / *doesn’t invest much* in developing new applications for RFID.

II. Read paragraphs 6 and 7 again and answer these questions.

1. What happens at these Metro locations?
2. Metro is testing two new applications: a “smart shelf” and a “smart fridge”. What is the focus of these applications?

III. Match the words/phrases from the text with their corresponding definitions.

1. smart	a. an advance warning that something is going to happen
2. pallets	b. controlled precisely, through the use of computer technology
3. applications	c. the date on which something can no longer be used or is no longer safe to eat
4. alert	d. all the people living in one home
5. PDA	e. flat wooden or metal surfaces for moving or storing heavy goods
6. household members	f. particular uses that something has
7. expiry date	g. short for “personal digital assistant”; a very small computer for storing information, often with a touch screen

IV. Match two columns to make collocations taken from the text.

1. RFID	a. operations
2. inventory	b. experience
3. innovation	c. losses
4. shopping	d. partners
5. logistics / warehousing / retail	e. tags / technology / applications
6. technology	f. centre

V. Complete the sentences with the collocations from Exercise IV.

1. ... has been around since the 1970s, but so far has been too expensive to replace barcodes for all ... in retail.
2. One strong argument for using ... on pallets and cases is to reduce
3. At their ... , Metro is working on new ... that will make their ... more effective and also improve customers's

VI. Decide which verb does not go with the nouns or noun phrases in bold.

1. replenish / restock / refill	merchandise
2. fall / reduce / lower	inventory costs / operating costs
3. test / experiment / try out	RFID applications
4. track / trace / follow	stock
5. collaborate with / work together with / act with	technology partners
6. introduce / grow / develop	new RFID applications

7. attach / join / fix	RFID tags
8. carry out / do / make	development work / research

VII. Find adjectives in the text which mean the same as these words/phrases.

1. high-tech and modern	5. a number of
2. traditional	6. workable
3. final	7. very big
4. single	8. new and original

VIII. Fill in the gaps with a suitable preposition from the box.

of	at	on
for	out	to (2)
in (2)	since	with

1. Metro has been introducing RFID technology ... stages ... 2003.
2. RFID tags are now attached ... pallets and also used ... individual cases of products.
3. The price ... tags is still too high to make them a real alternative ... bar codes.
4. Metro is collaborating ... IT technology partners to develop new applications ... logistics, warehousing and retail operations.
5. Metro carries ... most of its RFID development work ... its Innovation Centre ... Neuss.

IX. Work in pairs or small groups.

1. Research some current and potential RFID applications in one of these sectors (or a sector of your choice). Then present your findings.
 - manufacturing, e.g. tracking work in progress
 - retail, e.g. reducing stock-outs
 - distribution and logistics, e.g. reducing lost inventory
2. What are the benefits and limitations of barcode and RFID technology for logistics, warehousing and retail operations? Prepare a short report summarising the case for one of them.
3. Discuss how RFID could help this company.

Montomar produces flash memory cards and drives for electronics retailers. Its warehouse operators need to be able to track shipments to their main customer's two distribution centres more efficiently. Orders from this customer fluctuate, but they need to be able to handle up to a 100 orders a day, with shipments of up to 250,000 items. Merchandise is taking too long to leave the warehouse – the target is two to four days. Mistakes also happen during the boxing and loading of orders onto pallets.

FOLLOW-UP ACTIVITIES

I. Three people describe how IT has changed their jobs. Complete their statements with the words from the box.

mobile phone	device	GPS-based
enter	RFID	tag
track	digital	

1. Customer

Tracking shipment is a lot easier with SMS-Fast Track. Now I can use my (1. ...) to find out where my shipment is. I just have to (2. ...) my air waybill number on my mobile and wait a few seconds. Then I get a reply with the details of my consignment's current status. It's such a great idea!

2. Truck driver

All our trucks are equipped with a (3. ...) truck support system now. For me that's a great help as I can always use maps that show me exactly where I am and where I have to go. Obviously, it's also useful for the company. They can (4. ...) my vehicle at any time, see the route I'm taking and where I make stops. And what's very handy for me the system also comes with a (5. ...) camera so I can take photos if there's a problem while I'm on the road.

3. Manager at a trailer storage yard

I work at a trailer yard where trailers filled with packaged goods are kept until they go out to the customers. The site is very large and we have four different areas for trailer storage. Until the new (6. ...) tag system was introduced, it could easily take a couple of hours to find the trailer we wanted. Now it's a matter of minutes to locate the vehicle we're looking for. All we have to do now is put the (7. ...) on a trailer and use a mobile (8. ...) to identify it. It really saves us a lot of time.

II. Complete the text with the English equivalents of the phrases in brackets. Make all the necessary changes.

An American company based in California has recently (1. *разрабатывать устройство слежения*) which may help post offices (2. *улучшать свои услуги*). It can be used to find out more about (3. *задержки и простои в почтовых операциях*).

The small (4. *трекер*), called the Letter Logger, uses the Global Positioning System (GPS) (5. *хранить информацию о местоположении товара*) in transit. Similar devices have been used in the past (6. *отслеживать дорогие потребительские товары*) like cars, but until now none of these systems was small enough to travel in an envelope.

Now that's all changed. As well as fitting into an US standard-size business letter, the GPS Letter Logger also (7. *соответствовать другим почтовым требованиям*): it is bendable and able (8. *выдерживать грубое обращение*). This is particularly important as the envelopes (9. *бросать в мешки*), then

transported by van to (10. автоматические места сортировки) where they run through (11. высокоскоростные системы тасования).

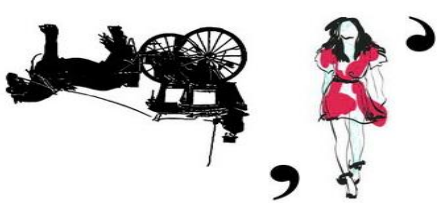
The tracker itself (12. не передавать свое местоположение) during transit, but (13. сохранять журнал путешествия на карте памяти), which can be read by a laptop computer. The GPS device (14. предлагать несколько вариантов программирования) ranging from checking its position every few minutes to checking only when on the move.

The Letter Logger does not help, however, if the envelope carrying it (15. не прибывать в пункты назначения) within about 7 days, as the battery runs flat after about a week.

III. A Chinese courier company receives quotation for packing labels and consignment notes. Put the words or phrases in the correct order to make sentences. The first parts have been done for you.

1. Please, find attached / for three new products / your request / our quotation / according to.
2. Our prices / annual consumption figures / the basis of / your forecast of / are calculated on.
3. As requested / pallets to / we will deliver on / Beijing or Shanghai.
4. For a / we can offer you / of 2.5% / contract term of / a discount / at least two years.
5. In the attached / all prices / have been listed in / your requirements / quotation sheet / columns according to.
6. If you have / me know / any further questions / please let.
7. We look / hearing from / forward to / you soon.

IV. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1.  3	2.  +r
3. 	4.  р

5.



6.



UNIT 9. INCOTERMS

Test your knowledge on the basics of incoterms with these short tests.

TEST 1

1. The International Chamber of Commerce has published the latest version of Incoterms which came into effect in ...

- A. 2020
- B. 2010
- C. 2016

2. Incoterms clearly state which tasks, risks and ... are associated with the buyer and which are associated with the seller.

- A. quantity of goods
- B. costs

3. If the buyer and seller agree to sell goods on ... terms, the seller will only cover the cost of the goods and the export packaging.

- A. Ex-works
- B. FCA
- C. FAS

4. Under FCA, Free-To-Carrier the seller will cover taxes, export duties and ... to get the products prepared for export.

- A. customs clearance
- B. insurance

5. When FOB terms are agreed upon, the seller's obligation is to supply the goods and also to pay for all of the additional charges involved such as ...

- A. the loading charges
- B. the unloading charges

6. CFR and CIF are similar Incoterms that cover

- A. sea and inland waterway transport
- B. any mode or modes of transport

7. If the seller agrees to cover the cost of insurance during transport, they can sell goods under ...

- A. the CIP Incoterm
- B. the CFR Incoterm
- C. the DPA Incoterm

8. Delivered-at-Place-Unloaded is agreed, then the seller will also pay for the ... at the destination
- A. unloading costs
 - B. insurance
9. If DDP, Delivered Duty paid is agreed then the seller will also pay for the import duties, taxes, and ... at the country of destination
- A. customs clearance
 - B. penalty
10. Why is it better to ship goods as pallets instead of loose cartons?
- A. To increase the weight of the package
 - B. Airlines / shipping lines do not accept loose cartons
 - C. Pallets are easier to handle and are more secure
11. Shipping lead time from China to Zambia is 65 days by the sea and 15 days by air. If a customer does not want the lead time to exceed more than 35 days and also does not want to pay very high freight costs, what do we tell him?
- A. We are unable to handle freight for him
 - B. Offer a combination of sea and air freight to manage within the required transit time
 - C. Advise that he needs to accept only air freight option as sea freight will take 65 days
12. At what point does risk transfer from the seller to the buyer if the terms of shipment are DAP (destination address)?
- A. Once goods are handed over to the first carrier or forwarder
 - B. Once goods are delivered at the destination address
 - C. Once goods leave the factory at origin
13. When the Incoterm is Exworks, the buyer's nominated freight forwarder must arrange for the loading of the goods into the truck at the factory. In practice, the seller assists in this task.
- A. True
 - B. False

TEST 2

1. Incoterms are regulated by:
- A. Customs
 - B. International Chamber of Commerce
 - C. World Trade Organization
 - D. United Nations

2. What are Incoterms 2020?

- A. The law relating the international carriage of goods.
- B. A set of internationally recognized contract terms that define buyer/seller's responsibilities when included in international contracts.
- C. A shorthand used by the freight industry for indicating whether the buyer or seller pays for freight costs during the shipment of goods.
- D. A set of contract terms indicating where the title to the goods passes in international shipments.

3. CIP and CIF both: (Select all that apply)

- A. Indicate the seller must pay for the freight to arrival in buyer's country
- B. Assume risk for the international movement of goods is the buyer's not the seller's.
- C. Can be used for any mode of transportation.
- D. Indicate the seller must buy cargo insurance in the name of the buyer.

4. Which Incoterm places the maximum obligation on the buyer and minimum obligations on the seller?

- A. DDP
- B. EXW
- C. FOB

5. Which Incoterm places the maximum obligation on the seller and minimum obligations on the buyer?

- A. DDP
- B. EXW
- C. FOB

6. The seller delivers goods, cleared for export, to the buyer-designated carrier at a named location. This is used for any mode of transport. The seller must load goods onto the buyer's carrier

- A. CPT
- B. DAP
- C. FCA

7. Seller must pay the costs and freight to bring the goods to the port of destination. However, risk is transferred to the buyer once the goods are loaded on the vessel. Insurance for the goods is NOT included.

- A. CIF
- B. DAP
- C. CPT
- D. CFR

8. At what point does risk transfer from the seller to the buyer if the terms of shipment are DAP (destination address)?

- A. Once the goods are handed over to the first carrier or forwarder.
- B. Once goods are delivered at the destination address.
- C. Once goods are delivered at the destination address.

9. When the Incoterm is Ex Works, the buyer's nominated freight forwarder must arrange for the loading of the goods into the truck at the factory. In practice, the seller assts in this risk.

- A. True
- B. False

10. Which is the only Incoterm that requires the seller to pay customs duty in the destination country?

- A. DAP
- B. FOB
- C. DDP

11. Select all of the charges listed that should be paid by the shipper according to the INCOTERMS DAP – Consignee.

- A. Export Formalities
- B. Foreign Pre Carriage
- C. Freight costs to port of discharge
- D. Devanning/handling at port of discharge
- E. Inland costs to destination terminal for Customs Clearance (Place of delivery on HBOL²).
- F. Terminal handling at place of delivery on HBOL.
- G. Customs Clearance
- H. Duties
- I. Insurance
- J. Delivery to the customer door

12. Select all of the charges/responsibilities listed that should be paid by the shipper according to the INCOTERMS EX Works.

- A. Export Formalities
- B. Foreign Pre carriage
- C. Freight costs to port of discharge
- D. Devanning/handling at port of discharge
- E. Inland Costs to destination terminal for Customs Clearance (place of delivery on HBOL)
- F. Terminal Handling at place of delivery on HBOL

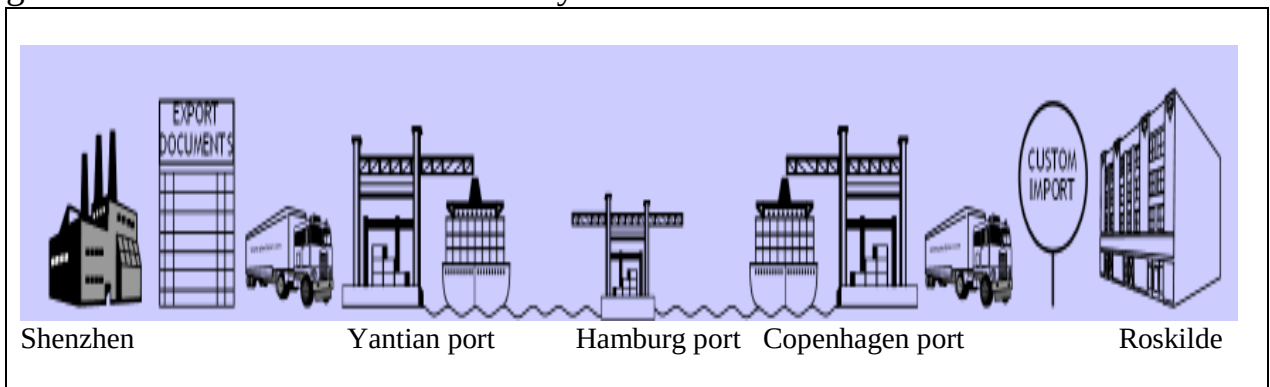
² **A House Bill of Lading (HBL)** is a document that is used to confirm the receipt of goods that are being shipped.

Сквозной коносамент при доставке от двери до двери. Используется при перевозке небольших партий, консолидированных грузов. Экспедитор выдает коносамент о получении груза каждому получателю, несет ответственность за утрату, повреждение или задержку.

- G. Customs Clearance
- H. Duties
- I. Insurance
- J. Delivery to the customer door
- K. Make cargo ready at shipper warehouse.

TEST 3

A container is loaded in the town of Shenzhen and trucked to Yantian port where it is loaded onboard an ocean vessel to Hamburg. Then reloaded onto a feeder vessel and discharged in Copenhagen port. After arriving in Copenhagen port, the container is trucked to consignee's warehouse in the town of Roskilde. Finally, goods are customs cleared and ready to use or sell.



Yantian International Container Terminal is a deep water port in Shenzhen, Guangdong, China. It specializes in handling containers of all sorts from feeders to very large container ships.

Roskilde, city, eastern Zealand (Sjælland), Denmark. Roskilde is the largest rail junction and traffic centre on Zealand, and its development has been stimulated by proximity to Copenhagen

1. What is the correct town/port to use after INCOTerm EXW for above scenario?
 - A. EXW Shenzhen
 - B. EXW Yantian
 - C. EXW Roskilde
2. What is the correct town/port to use after INCOTerm FCA for above scenario?
 - A. FCA Copenhagen
 - B. FCA Yantian
 - C. FCA Roskilde
3. What is the correct town/port to use after INCOTerm FOB for above scenario?
 - A. FOB Shenzhen
 - B. FOB Yantian
 - C. FOB Hamburg

4. What is the correct town/port to use after INCOTerm CFR for above scenario?
- A. CFR Yantian
 - B. CFR Hamburg
 - C. CFR Copenhagen
5. What is the correct town/port to use after INCOTerm CIF for above scenario?
- A. CIF Yantian
 - B. CIF Hamburg
 - C. CIF Copenhagen
6. What is the correct town/port to use after INCOTerm DDU for above scenario?
- A. DDU Roskilde
 - B. DDU Copenhagen
 - C. DDU Shenzhen
7. What is the correct town/port to use after INCOTerm DDP for above scenario?
- A. DDP Shenzhen
 - B. DDP Copenhagen
 - C. DDP Roskilde
8. When using INCOTerm EXW Shenzhen what part of the freight has shipper paid?
- A. Export documents and loading of container
 - B. Trucking from Shenzhen to Yantian
 - C. Nothing
- shipper is only responsible for making the goods available at factory
9. When using INCOTerm FCA Shenzhen what part of the freight has shipper paid?
- A. Loading of container
 - B. Export documents and loading of container
 - C. Nothing
10. When using INCOTerm FCA Yantian what part of the freight has shipper paid?
- A. Export documents and loading of container
 - B. Export documents, loading of container and trucking to Yantian port
 - C. Export documents, loading of container, trucking and origin THC in Yantian port
11. When using INCOTerm FOB Yantian what part of the freight has shipper paid?
- A. All local charges until cargo is delivered to Yantian port
 - B. All local charges until cargo passes ship's rail at Yantian port
 - C. All local charges until cargo is loaded onboard vessel at Yantian port

12. When using INCOTerm CFR Copenhagen what part of the freight has shipper paid?

- A. Freight from loading Shenzhen until cargo is delivered in Copenhagen port
- B. Freight and insurance from loading Shenzhen until cargo passes ship's rail in Copenhagen port
- C. Freight from loading Shenzhen until cargo passes ship's rail in Copenhagen port

13. When using INCOTerm CIF Copenhagen what part of the freight has shipper paid?

- A. Freight and insurance from loading Shenzhen until cargo passes ship's rail in Copenhagen port
- B. Freight and insurance from loading Shenzhen until cargo is delivered in Copenhagen port
- C. Freight from loading Shenzhen until cargo passes ship's rail in Copenhagen port

14. When using INCOTerm DDU Roskilde what part of the freight has shipper paid?

- A. All freight charges until cargo is delivered and customs cleared to Roskilde
- B. All freight charges until cargo is delivered but not customs cleared to Roskilde
- C. All freight charges until cargo is delivered to Roskilde and duty paid

15. When using INCOTerm DDP Roskilde what part of the freight has shipper paid?

- A. All freight charges until cargo is delivered to Roskilde and duty and VAT paid
- B. All freight charges until cargo is delivered to Roskilde and duty paid
- C. All freight charges until cargo is delivered to Roskilde and VAT paid

Work in pairs or small groups.

Using the information below, write a letter to your client informing her about the conditions of your transaction and delivery of her purchases using Incoterms.

Quantity: 9,000 cartons of Megadrives model S550 in 3 standard 10ft containers.

Transport: By sea and to be delivered at the client's chosen sea port : Amsterdam.

Transportation fees will be paid by the client at the port.

Customs: the client has to pay the customs and excise duties.

Insurance: paid already

FOLLOW-UP ACTIVITIES

I. After arranging the express transport with the forwarder, a logistics manager writes an email to confirm what has been agreed. Choose the correct preposition.

Dear Mr. Charleswoth,

As discussed (1. *at / on / to*) the phone this morning, we enclose shipping order No 09/13087-02. Please arrange express transport of the consignment to Iceland through Cargo Worldwide Express, as agreed.

Please note that the goods must arrive (2. *on / in / at*) the customer's premises (3. *at / on / in*) Selfoss, Iceland on Monday, September 22 (4. *until / to / by*) 4 p.m. at the latest.

As agreed, the shipping costs (5. *from / for / to*) this consignment are €1, 570, payable (6. *at / within / during*) 30 days of receipt (7. *of / from / by*) invoice. Please send the freight invoice (8. *at / on / to*) the following address:

VITA COSMETICS Ltd

18 South Road

Bournemouth

BH8 5SX

Best regards

Peter Bott

Logistics

Manager

II. Match the payment methods (1–6) with the definitions (a-f).

1. advance payment	a. customer pays immediately on receiving the goods. This service is usually provided by the post office
2. cash on delivery	b. used to cover financial risk in international transactions e.g. if a buyer does not pay
3. open account	c. the exporter supplies the goods and the importer/customer pays for them at an agreed date in the future
4. documents against payment	d. involves the buyer's and the seller's bank. It is a promise made by the opening bank that payment will be made on receiving documents that comply with the terms agreed
5. documentary credit	e. also called cash against documents (CAD). It means that the exporter has full control over the documents until payment has been made by the importer
6. bank guarantee	f. customer/importer has to pay for the goods before they are shipped

III. Match the verbs (1–11) with the prepositions (a–k) to form phrasal verbs.

1. point	a. back
2. put	b. down on
3. look	c. out
4. focus	d. out
5. run	e. up
6. iron	f. back
7. cut	g. apart
8. go	h. for
9. end	i. around
10. take	j. on
11. work	k. out

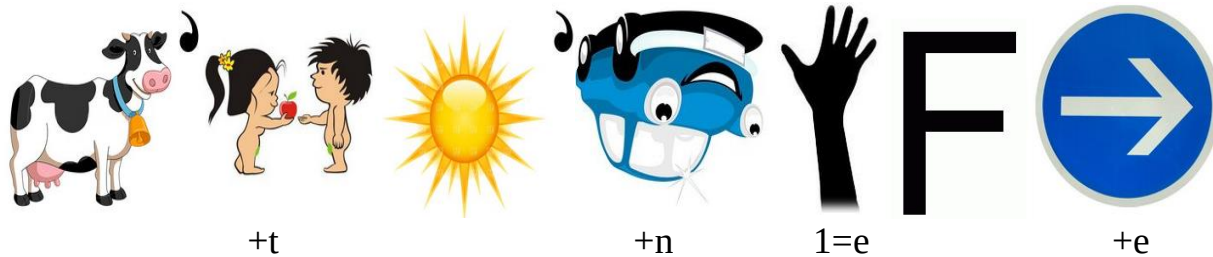
IV. Complete the sentences using the phrasal verbs from Exercise III in the correct form.

1. When companies think about reducing their environmental footprint, they usually... transport and logistics first.
2. There are plenty of ways to ... inefficiencies in long-distance transportation of goods.
3. Many trucks ... empty because they have no load when they return to the depot.
4. In other cases, due to bad planning, trucks ... in the wrong place.
5. After a merger, companies need time to ... how many warehouses they need.
6. Supply-chain experts have ... that there are other ways to reduce the environmental impact of a supply chain than just concentrating on transport and logistics.
7. Some people believe that canal systems should be ... into use for commercial purposes.
8. Many organisations are starting to ... ways of improving efficiencies at all stages in their supply chain.
9. If companies want to make efficiencies across their entire supply chain, they need to ... and look at how their products are made and stored, as well as how they are transported.
10. Part of the environmental impact of a product is how easy it is to ... for recycling at the end of its life.
11. New designs in packaging will enable producers to ... the amount of materials used.

V. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1.  3=t	2.  1=f
--	---

3.



4.



5.



6.



UNIT 10. PACKAGING AND LABELING OF GOODS

Labeling is an information (signs, inscriptions, icons, symbols), which is listed on the packaging, label, tag and (or) on the accompanying documents and used for identification and consumer information. Labeling serves for the advertising, as well as improves the appearance and the image of the product, which ultimately has a positive effect on sales.

Packaging refers to the process of designing and developing a suitable package for enclosing and holding the product so that it can be easily covered and secured. In contrast, labeling refers to the text, design, symbol, logo, instructions and suggestions for usage etc. **Packing** is more about protection.

Marks are essentially identifiers used to describe package contents in more detail than just the labels. They include the proper shipping name, identification number, limited and excepted quantities, and environmentally hazardous substances to name a few.

Types of packaging options

- paperboard boxes (Paperboard is a paper-based material that is lightweight, yet strong);
- corrugated boxes (cardboard boxes);
- plastic boxes;
- rigid boxes;
- chipboard packaging;
- poly bags;
- foil sealed bags (They are often used for storing substances like tea and coffee where the flavor and texture have to be maintained. It is also suitable and used for cured meat, nuts and other food. It is constructed to seal up and increase the shelf life of the food since there should be no oxygen in the bag. It is also going to prevent bacteria from getting in).

Types of labelling

- brand label. (It is a label that contains information about the brand to which a product belongs);
- grade label. (A grade label denotes the quality or grade level of a product);
- descriptive label;
- informative label;
- identification;
- grading;
- consumer protection;
- compliance with law

Some principles for effective marking

- Be clear about the purpose of your marking.
- Effective marking includes detail and rarely needs praise.
- Do your marking as quickly as possible.
- Make marking manageable.

Dangerous goods (abbreviated as DG) also known as hazardous materials (abbreviated as HazMat) are products with inherent injurious components, which if carelessly handled, can harm the health and well-being of living organisms, particularly humans and animals, as well as the safety of property and the environment.

Due to its destructive nature, shipping dangerous goods in different destinations around the world makes it a very complicated business to operate. It goes without saying that DG packaging is a serious matter. To avoid causing damage, injury, or death, these hazardous goods must undergo stringent packing requirements in accordance with the current transport regulations affecting hazard classification, packaging, marking, labeling, and documentation which responsibilities befall on the shoulder of the shipper. To note, shippers must make certain a package is correctly marked, packaged, labeled, and documented.

When it comes to DG packaging, observance of the proper marking requirements establishes clear and accurate communication about the material in a package.

Dangerous goods packages must be marked according to the requirements of the International Air Transport Association (abbreviated as IATA). Each package *must be durably and clearly marked in English with the following basic information without exception*:

- Proper shipping name and identification number;

- Technical name, if required;

- Shipper's name and address;

- Consignee's name and address;

- Orientation markings, when required; and

Required markings must be located away from other markings (advertising for example) and unobstructed by other labels.

When it comes to labeling the dangerous goods, each package must also display the specific hazard labels required by the chemical table for the appropriate level of service. Similar to marking, the labels, whether printed on a carton or visibly affixed to the package, must meet the stringent requirements of the IATA which specifies the design, size, and color of the labels depending on the classification of dangerous goods the package falls under.

Incorrect or missing markings, wrong labels, or even improper labeling of the package can lead to delay in the schedule. This is unacceptable, costly, especially because in shipping and logistics businesses, time is very much the essence.

Lastly, the packaging, labels, and markings must also be durable and resistant enough to endure natural elements and conditions to which the package may be exposed during its handling and transport. According to IATA, dangerous goods must be packaged in "performance packaging." This means that the material with which the package is enclosed or wrapped must be carefully designed, manufactured, tested, and certified for the containment of specific hazardous material classes and packing groups.

There are a lot of important considerations for packaging dangerous goods for shipping and transport. This kind of business is a highly specialized that it entails a lot of critical factors to be carefully addressed in order to be safe and efficient. Important guidelines must be observed at all times so as not only to ensure the integrity of the package in question but to guarantee the safety of those people whose job is to handle dangerous goods as well as for the overall efficiency of the cargo shipping and transport industry as a whole.

Failure or negligence in compliance with the foregoing can result in contamination or even destruction not only of the dangerous goods itself but it could also affect other shipments transported alongside them.

I. Match the pictures with the words.

1.  Cylindrical metal container for liquid	2.  Large cylindrical container with a flat bottom and top. It is made of wood and is used for liquids	3.  Wooden box made of wooden slats. It can be open or closed and is used for packing goods.
4.  Sturdy box with a lid which is made of metal and often used for storage	5.  Large package of presspacked goods (often raw material, which is tightly bound, wrapped, and banded)	a. chest b. bale c. barrel/cask d. crate e. drum

II. Label the following classes of dangerous goods.

Corrosives	Flammable Gases	Flammable Liquids	Radioactive	Oxidizing
Flammable solids	Miscellaneous	Explosives	Toxic & Infectious	

1. 	2. 	3. 	4. 	5. 
6. 	7. 	8. 	9. 	

III. Here is an extract from a manual providing rail loading instructions. Complete the sentences with words from the box.

fit	sure	secure	attention
place	carefully	examine	distribute
overhanging	exceeded	diagonally	instructions

1. ... vehicle carefully.
2. Do not place items ... across the wagon.
3. When loading is complete, ensure that it fully complies with the ... given in our Rail Instructions Manual.
4. Examine load carefully and make ... it is undamaged and suitable for loading.
5. ... longer, heavier pieces on the bottom of the load.
6. Make sure that load is
7. Ensure vehicle is ... to be loaded.
8. Strap ... loads.
9. When checking the vehicle, give special ... to door securing mechanism.
10. Examine vehicle and load ... after loading.
11. ... load as evenly as possible and make sure wheels are evenly loaded.

12. Check whether vehicle capacity has not been

IV. International freight forwarders based in Ghicago, give some shipping instructions on their website. Complete the sentences with words from the box

mark	weight	importing	withstand
exhibitor	clearance	individually	appointed

Shipping Instructions

As the official international freight forwarder (1. ...) , by EXP0 CHICAGO, we will coordinate all international shipments and arrange customs (2. ...) for this event. Please carefully read the following information regarding shipping requirements for (3. ...) goods into the US.

Packing and Marking

- ✓ Ensure that all boxes are securely packed in order to (4. ...) handling by carriers and onsite contractors.
- ✓ Clearly (5. ...) all cartons, cases, or crates on two sides.
- ✓ If you ship your goods in a container, make sure that all cartons are (6. ...) marked and labeled in the following manner:

Address:

Name of (7. ...):

Number of stand:

Case number (...) of (...)

Total (8. ...) in kg:

FOLLOW-UP ACTIVITIES

I. Complete this e-mail about an urgent shipment with prepositions from the box.

by	on	to	of
with	in	out	between

Tom,

I'm afraid there is a problem (1. ...) the scheduled deliveries (2. ...) Spain next week. Our customer GLP Pharma in Gomel has just informed me that they are already (3. ...) of stock and need an urgent delivery of the 5 mg 20 and 40 piece packs this week instead (4. ...) next week.

If possible, we must try to make one partial delivery (5. ...) Tuesday (or as soon as the packaging is finished) of the 5mg 20 packs.

We need a direct truck (6. ...) our production plant in Spain and Gomel. If we can ship the first paft on Tuesday morning, the truck should arrive (7. ...) Gomel on Friday afternoon.

The secondelivery should be made on Friday with the rest of the 5mg 20 and the 40 packs. As the products are needed (8. ...) Monday, the truck must be unloaded in Gomel on Saturday or Sunday.

Please let me know if there are any problems!

Regards
Jon Frederikson
Logistics Manager

II. Complete the sentences with the words from the box.

so	although	about	with
due	despite	as a result	on (2)
at (2)	because (2)	in spite of	

1. Our customer wants to ship vatuable freight ... we need to think ... insurance.
2. A part of the shipment seems to be damaged ... of rough handling.
3. ...the customer needed them urgently, the goods couldn't be delivered ... the weekend.
4. The flight was cancelled ... to bad weather.
5. The driver had the wrong address. ... , it took him three hours to deliver the pallets.
6. The consignment arrived ... time ... all the customs formalities ... the border.
7. We are unable to ship today ... we've had problems ... our dispatch.
8. ... being well secured, the load was damaged ... arrival.

III. Choose the correct words in italics to complete these sentences.

1. The documents stated the wrong quantities. As a *reason* /*result* /*cause*, the shipment was not accepted at the warehouse.
2. The delay was *found* / *noticed* / *caused* by an accident on the motorway.
3. When I spoke to the logistics manager, it *noticed* /*sad* / *turned out* that they had used different packing material.
4. Unfortunately, we are unable to deliver the consignment *due to* /*because* / *so* technical problems in our warehouse.
5. *Although* / *In spite of* / *But* the delay, the delivery will still arrive on time.
6. What is the *cause* / *reason* / *result* for this delay?

IV. Match these words (1–10) with their meanings (a–j).

1. compliance	a. dangerous
2. credentials	b. a new plan to solve a particular problem
3. criticise	c. process of removing minerals from under the ground
4. spotlight	d. evidence that you can do what you say you can do

5. hazardous	e. to get rid of something in an illegal way
6. extraction	f. when people obey a rule or law
7. disposal	g. focus of attention
8. to dump	h. when you get rid of something
9. initiative	i. make negative comments about someone or something

V. Complete these verbs and verb phrases using the prepositions from the box.

of	out	up (2)	with
at	to (3)	towards	

1. to look .../...	3. to turn ...	5. to find ...	7. to pick ...
2. to be used ...	4. to be aware ...	6. to deal ...	8. to sign

VI. Replace the words in *italics* with verbs + prepositions from Exercise V. Make all the necessary changes.

1. When a company *collects* chemicals for disposal, it is important that they are not just dumped.
2. Consumers *expect* companies to improve their environmental credentials.
3. Most of the big international IT manufacturers have *agreed to follow* a code of conduct about how they source their components.
4. Many companies *are accustomed to* dealing with compliance regulations.
5. An important task for companies is to *discover* where their suppliers are sourcing their materials from.
6. In many emerging countries, the local authorities are not equipped to *handle* the full range of health and safety issues.
7. For many years, environmental concerns have focused on emissions caused by road transport, but now attention *is being directed* of the manufacturing process itself.
8. It is important for companies to *know* what processes their suppliers use when producing components.
9. In order to be fully environmentally sensitive, companies need to *examine* carefully the technology they use both in transportation and manufacturing.

VII. What nouns can be formed from these verbs?

1. source	3. improve	5. choose	7. audit	9. achieve
2. publish	4. criticise	6. exploit	8. inspect	10. prove

VIII. What verbs can be formed from these nouns? In two cases, a preposition needs to be added.

1. compliance	3. corruption	5. disposal	7. regulation
2. consumption	4. bribery	6. expectation	8. initiative

IX. Complete the sentences with the nouns and verbs from Exercises VII, VIII. Make all the necessary changes.

1. Companies need to ... government regulations or they risk being fined.
2. An ... is a person who checks various processes both in their own company and in suppliers.
3. In recent years, there has been a big ... in the way companies have established their environmental credentials.
4. If companies use hazardous materials in their products, it is important that these ... correctly, rather than just being dumped.
5. Transporting goods by road ... a lot of energy.
6. When companies do environmental audits of their suppliers, they are looking for ... that they are operating in an environmentally sensitive way.
7. Customers of large companies ... them to carry out their business in an ethical and environmentally sensitive way.

X. Work in pairs or small groups. Solve the following puzzles and then compose your own sentences (or short texts) with the words / word combinations hidden in the puzzles.

1. 	2. 
3. 	4. 
5. 	6. 

3. РАЗДЕЛ КОНТРОЛЯ ЗНАНИЙ

Check Test 1

I. Fill in the gaps with the words / phrases from the box to complete these sentences.

code of conduct	demand	single sourcing	outsourcing	supply base
first-tier	in-house	buffer stocks	competitive edge	lead time
relationships	supply chain management	just-in-time	bottom-line	working capital
inventory	cost-control	warehouses	stock-outs	component

1. ... are parts which are built into the final product.
2. The company announced that it would close eight ... and cut 600 jobs as it replaced smaller distribution centres with a network of larger ones.
3. Introducing ... measures can bring immediate savings and ensure that companies remain competitive in the longer term.
4. By reducing unnecessary... , a company can minimise the need for warehousing space and handling.
- 5 If too much ... is tied up in stock, the company won't have the money it needs to develop the business.
6. A fast way to improve ... performance is to develop more efficient manufacturing techniques that reduce waste and the need for replacements.
7. The central aim of ... is to have the right products in the right quantities (at the right place) at the right moment at minimal cost.
8. For retailers, delays in the supply chain can result in empty shelves and
9. Having a highly effective supply chain increasingly gives a company a ... over its main rivals.
10. Manufacturers need to plan ahead and have accurate systems for estimating ... for their products.
11. "... supplier" is a common term for main supplier, especially in the automotive and computer industries.
12. Three tough years have forced TLM to reduce its ... from 2,000 suppliers to 900 today.
13. ... is when a company places all its purchasing needs with one supplier, often with the aim of negotiating better conditions.
14. Companies need to hold ... in order to maintain supplies when there are breakdowns in the production process or late deliveries from suppliers.

15. After implementing ... methods to production and supply, the company managed to reduce production costs by 40 per cent and inventory costs by 30 per cent.
16. Developing and maintaining effective ... with suppliers is hard work, especially when suppliers are located in different parts of the world.
17. A large order of customised parts may have a ... (order to delivery) of several weeks.
18. For many companies, a key motivation for ... all or part of their operations is to reduce costs.
19. One big decision for DB Enterprises was whether to keep warehousing operations ... or to contract them out to a specialist company.
20. Most companies have a ... which gives minimum standards for working conditions in their supplier factories.

II. Choose the best word or phrase to complete each of these sentences.

1. To limit the risk of ... to supplies, it is important to assess the financial health of supply companies, for example their turnover and company results.
a. disruption b. disturbances c. trouble d. pitfalls
2. According to the terms of the contract, suppliers must pay a ... for late deliveries.
a. fine b. price c. punishment d. penalty
3. It is in every company's interest to keep ... levels at a minimum.
a. customer satisfaction b. inventory c. production d. delivery
4. The company has invested in new software for tracking every stage of order ... and billing.
a. fulfilment b. implementation c. replenishment d. replacement
5. Due mainly to high labour costs in the US, there has been a ... in production of clothing to low-cost developing countries.
a. change b. shift c. movement d. modification
6. Having more than one supplier for critical components can reduce the risk to a company's business if a supplier goes
a. failed b. insolvent c. in debt d. bankrupt
7. In difficult economic times, there is higher chance of companies
a. failing b. going wrong c. withdrawing d. breaking down
8. Product ... have a significant cost impact for companies – some of the most obvious being money, time, resources and lost reputation.

a. innovations b. shortages c. inaccuracies d. defects

9. The late arrival of critical components can result in ... delays throughout the production process.

a. extra b. knock-on c. indirect d. secondary

10. Energy costs ... an increasing percentage of total production costs for manufacturers across many sectors.

a. account for b. make c. produce d. justify

11. Late delivery of essential components meant we could not meet production targets and has led to production ... of 30 per cent for the last two months.

a. restrictions b. losses c. shortfalls d. shortages

12. If your sales ... are lower than the actual demand for a product, there is a risk of product shortages.

a. results b. forecasts c. performance d. requirements

13. Critical components for vehicles are manufactured by suppliers according to the manufacturer's design

a. plan b. conditions c. specifications d. instructions

14. At critical points during the production process, the buyer will want to carry out ... at the supplier's factory to check the quality.

a. examinations b. evaluations c. investigations d. inspections

15. ... reduces the risk of being dependent on a single supplier, but managing a lot of suppliers needs additional time and resources.

a. Single-sourcing b. Dual-sourcing c. Multiple-sourcing d. Exclusive

16. Low-cost labour encouraged many multinationals to ... their manufacturing operations to south-east Asia.

a. subcontract b. offshore c. backshore d. outsource

17. Despite rising costs and wage inflation, China still remains the top location for manufacturing

a. investment b. capacity c. expenses d. innovation

18. Maintaining ... standards has become an increasing challenge for large clothing retailers because of the size and complexity of supply chains.

a. moral b. honest c. realistic d. ethical

19. ... in the press about poor conditions in supplier factories abroad can damage a company's reputation with consumers and negatively affect its sales.

- a. Allegations b. Statements c. Worries d. Suspicions

20. Labour costs in Vietnam are amongst the lowest in the world, but many garment workers are not paid a(n) ... wage (i.e. enough to cover basic costs of rent, food and bills).

- a. live b. living c. average d. regular

Check Test 2

I. Fill in the gaps with the words / phrases from the box to complete these sentences.

run out	off-peak	air-freighted
step up	lifecycle	inventory costs
recycling	maximise	carbon footprint
emissions	complying	road congestions
containers	transporting	production sites
bar codes	sell-by-date	quick-response logistics
perishable	empty running	

1. ... produce, such as fresh fruit and vegetables, needs to be transported under special conditions.

2. Refrigerated ... are used to transport fresh fruit and vegetables.

3. High-value produce, such as soft fruit, is ... rather than being transported by ship.

4. Food products cannot be displayed in a store after their

5. With higher energy prices, the cost of ... goods has increased a lot.

6. To reduce delivery costs, manufacturers are building ... closer to their customers.

7. Most companies are trying to reduce their ... because of increased concern about environmental issues.

8. Reduction in carbon ... can be achieved by using sea and rail rather than road and air for the transport of goods.

9. ... is the result of too many vehicles being on the road at the same time.

10. ... is when a truck returns from a delivery without a load.

11. Evenings and weekends are ... times for delivering goods to stores.

12. The worst thing to happen to a retailer is to ... of a popular product in a busy sales period.

13. To avoid sell-outs, retailers may need to get their suppliers to ... production at short notice.

14. Zara, like Benetton and Gap, uses ... to get merchandise to stores rapidly.

15. By restocking stores frequently, Zara keeps ... low.

16. RFID is unlikely to replace conventional ... for years to come.

17. Jaguar Land Rover aims to ... the capacity of its trucks by collecting from several suppliers in the same area.
18. In order to find ways to reduce their environmental footprint, progressive companies are looking at the full ... of their supply chain, from the design stage to the end of a product's life.
19. If a product is easy to take apart for ..., that also helps the environment.
20. Responsible companies are used to ... with government regulations.

II. Choose the best word or phrase to complete each of these sentences.

1. To ensure that fresh fruit arrives in good condition, it is important that the ... is not too long.
 a. travel b. transit time c. loading d. driving
2. Fresh fruit and vegetables have a relatively short once they go on sale.
 a. shelf life b. lifetime c. lifecycle d. selling time
3. Because of the increased cost of transport, companies are now having to think carefully about the of production plants.
 a. development b. organisation c. management d. siting
4. Companies normally build new manufacturing plants because they need more ...
 a. capacity b. profit c. products d. deliveries
5. Cutting costs in the production process can be achieved by using a ... strategy.
 a. total-quality b. environmentally c. rapid-logistics d. lean-manufacturing friendly
6. In the future, deliveries from different suppliers will be ... so that trucks carry full loads.
 a. shorter b. quicker c. consolidated d. reorganised
7. If newly launched products become very popular, they can be in ... if the logistics operation is not well planned.
 a. great demand b. short supply c. last position d. great difficulty
8. To avoid shortages at peak selling times, some companies use a ... strategy rather than relying on just one supplier.
 a. just-in-time b. bulk-shipment c. consolidated-delivery d. multiple-sourcing
9. Zara's production system enables it to ... quickly to changes in customer demand.
 a. respond b. perform c. answer d. produce

10. To ensure its internal production operations are cost effective, Zara outsources all ... activities, such as finishing of garments, to small, local contractors.
 a. low-cost b. cost-effective c. labour-intensive d. low-priority
11. RFID technology will enable retailers to know their exact ... as soon as a product is removed from the shelf.
 a. stock levels b. cashflow c. customer demand d. profitability
12. Jaguar Land Rover has a 5-year goal to eliminate 50 million ... as part of its plan to reduce the impact of its supply chain on the environment.
 a. vehicles b. containers c. road miles d. quality checks
13. Jaguar Land Rover and the shipping company Wallenius Wilhelmsen aim to ... fleet utilisation, so that fewer ships are needed.
 a. modernise b. optimise c. harmonise d. streamline
14. With better logistics planning, it will be possible for transport companies to make better use of ..., rather than letting trucks travel empty after making a delivery.
 a. cargoes b. drivers c. warehouses d. backhauls
15. Improvements in ... design mean that fewer materials are needed and more items can fit into containers, thus reducing transport costs.
 a. truck b. packaging c. warehouse d. storage
16. Companies are also seeking to eliminate the use of ... and dangerous chemicals during the production process.
 a. toxic b. unsustainable c. expensive d. environmental
17. It is important for their reputation that manufacturers and their suppliers have good environmental
 a. publicity b. conditions c. ideas d. credentials
18. In some emerging countries, bribery and ... are still big problems.
 a. inefficiency b. corruption c. insensitivity d. incompetence
19. Companies need to make sure that their suppliers dispose of chemicals properly, rather than just them somewhere.
 a. dumping b. posting c. removing d. losing
20. Large companies regularly ... their suppliers, not only for quality but also to check compliance with health and safety regulations.
 a. contact b. visit c. assist d. audit

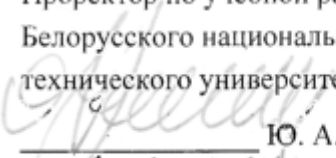
4. ВСПОМОГАТЕЛЬНЫЙ РАЗДЕЛ

1. УЧЕБНАЯ ПРОГРАММА ПО ДИСЦИПЛИНЕ

Белорусский национальный технический университет

УТВЕРЖДАЮ

Проректор по учебной работе
Белорусского национального
технического университета


Ю. А. Николайчик

30.12.2024

Регистрационный № УД-МУ109-70 уч.

ИНОСТРАННЫЙ ЯЗЫК ПЕРВЫЙ (профессиональная лексика)

Учебная программа учреждения высшего образования

по учебной дисциплине для специальности

6-05-1036-01 «Таможенное дело»

профилизации

«Таможенная логистика», «Экономическое
обеспечение таможенной деятельности»

Минск 2024 г.

Учебная программа составлена на основе образовательного стандарта ОСВО 6-05-1036-01-2023 и учебных планов специальности 6-05-1036-01 «Таможенное дело» профилизации «Таможенная логистика», «Экономическое обеспечение таможенной деятельности», (рег. № ФТУГ91д-1/уч., ФТУГ91д-2/уч. утв. 31.03.2023)

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(протокол № 2 от 17.10. 2024 г.)

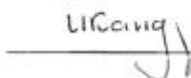
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ПОЯСНИТЕЛЬНАЯ ЗАПИСКА

Учебная программа по учебной дисциплине «Иностранный язык первый (профессиональная лексика)» разработана для специальности 6-05-1036-01 «Таможенное дело», профилизаций «Экономическое обеспечение таможенной деятельности», «Таможенная логистика».

Целью изучения учебной дисциплины является овладение иностранным языком (английским) как средством устной и письменной форм общения в различных сферах общественной и профессиональной деятельности в условиях межкультурной коммуникации и как средством социокультурного развития личности и формирования ценностных ориентаций через диалог культур родного и иностранного языков.

Основой достижения данной цели является практическое овладение иностранным языком (английским), которое предполагает формирование у студентов коммуникативной, лингвистической, социокультурной и профессиональной компетенции.

При этом лингвистическая компетенция как одна из основных компетенций включает:

- способность к чтению и восприятию специализированных текстов на иностранном языке (английском) в режиме реального времени,
- способность к восприятию и документированию информации на иностранном языке (английском) в режиме реального времени,
- способность к лингвострановедческому анализу,
- способность к представлению своих работ в письменной форме на иностранном языке (английском),
- способность осуществлять презентацию материала на иностранном языке (английском),
- способность к проведению научного исследования на иностранном языке (английском),
- способность формировать и расширять знания о тенденциях развития изучаемого языка.

Задачами дисциплины выступают:

– подготовить студентов к естественной коммуникации в устной и письменной формах иноязычного общения в различных видах речевой деятельности (чтение, говорение, аудирование, письмо).

– научить студента применять иностранный язык (английский) для расширения и углубления профессиональных знаний и видеть в нем средство самостоятельного повышения качества своей профессиональной подготовки;

– использовать широкие возможности иностранного языка (английского) для развития у студентов коммуникативных умений, опыта решения задач, формирования их гражданской позиции, принятия нравственных ценностей и культурно-исторических традиций белорусского народа, гражданско-патриотического и духовно-нравственного воспитания, уважения к культурному наследию;

Учебная дисциплина «Иностранный язык первый (профессиональная лексика)» базируется на знаниях, полученных при изучении цикла общенаучных и общепрофессиональных дисциплин, а также таких учебных дисциплин как «Иностранный язык первый (общее владение), «Иностранный язык первый в профессиональной деятельности».

В основе учебной дисциплины «Иностранный язык первый (профессиональная лексика)» лежат фундаментальные положения методики преподавания иностранного языка (английского) в сфере делового и профессионального общения, в частности, в сфере таможенного дела. Знания и умения, полученные студентами при изучении данной учебной дисциплины, необходимы для освоения последующих специальных учебных дисциплин, связанных с вопросами организации таможенного дела на иностранном языке (английском), реферирования, аннотирования и перевода специальной литературы.

В результате изучения учебной дисциплины «Иностранный язык первый (профессиональная лексика)» студент должен:

знать:

- основные фонетические, грамматические и лексические правила, позволяющие использовать иностранный язык как средство общения;

- основные нормы функционирования изучаемого языка: фонетика, орфография, орфоэпия (включая географические названия), морфологические, словообразовательные и синтаксические структуры и схемы реализации речи, правила лексической сочетаемости и функционально-стилистического оформления речевой деятельности;

- особенности профессионально-ориентированной письменной и устной речи.

уметь:

- написать эссе или доклад, в котором системно и логично приводятся детали, доказательства, подкрепляющие излагаемую точку зрения; дать оценку идеям и вариантам решения проблем; синтезировать информацию и аргументы из нескольких источников;

- понимать общее содержание текстов на темы, связанные с профессиональной деятельностью;

- делать четкие подробные сообщения на темы профессионального характера;

- находить необходимую информацию общего характера в таких материалах для каждодневного использования как письма, брошюры и короткие официальные документы;

- уверенно общаться на профессиональные темы;

- переводить аутентичные тексты с иностранного языка на родной язык с использованием словаря и справочников;

- работать со справочниками по сопутствующей отрасли науки;

ИМЕТЬ НАВЫК:

- владения базовой лексикой общего языка и языка специальных целей, фонетикой, нормативной грамматикой и синтаксическими структурами английского языка) с целью правильного оформления высказывания и понимания речи собеседника;
- владения всеми видами чтения для работы со специализированной аутентичной литературой.
- деловой переписки и оформления документации с использованием современных технологий;
- профессионально-ориентированной диалогической и монологической речи;
- критического мышления, необходимого для творческой профессиональной деятельности;
- самостоятельной работы.

Освоение данной учебной дисциплины должно обеспечить формирование следующей компетенции:

УК-3. Осуществлять коммуникацию на иностранном языке для решения задач межличностного и межкультурного взаимодействия.

Согласно учебному плану для дневной формы получения высшего образования на изучение учебной дисциплины отведено всего 180 ч., из них аудиторных – 68 часов.

Распределение аудиторных часов по курсам, семестрам и видам занятий приведено в таблице 1.

Таблица 1

Очная (дневная) форма получения высшего образования						
Курс	Семестр	Лекции, ч.	Лабораторные занятия, ч.	Практические занятия, ч.	Форма текущей аттестации	Форма промежуточной аттестации
3	6	–	–	34	Лексико-грамматический тест	Зачёт
4	7	–	–	34	Лексико-грамматический тест	Зачёт

СОДЕРЖАНИЕ УЧЕБНОГО МАТЕРИАЛА

Тема 1. Логистика

Определение понятия и функций логистики. Основные понятия логистики, цели и задачи. Роль логистики в современном бизнесе.

Тема 2. Основные виды логистики.

Определение понятий: входящая, исходящая логистика (inbound and outbound logistics). Обратная логистика (reverse logistics).

Тема 3. Логистические услуги.

Сущность и классификация логистических услуг. Складские, транспортные и таможенные логистические услуги в обороте товаров.

Тема 4. Управление цепями поставок.

Определение понятий «цепь поставок», «управления цепями поставок» (Supply chain management). Участники «Supply chain management». Основные компоненты, этапы и уровни «Supply chain management».

Тема 5. Взаимодействие с поставщиками.

Взаимодействие с поставщиками как основа успешной работы компании. Риски по работе с поставщиками и их минимизация. Обеспечение непрерывности цепочки поставок в случае стихийных бедствий и катастроф.

Тема 6. Глобальная логистика и управление.

Изменения в мировом производстве товаров. Аутсорсинг производства. Этичный поиск поставщиков.

Тема 7. Транспорт и дистрибуция в логистике.

Основные виды транспорта в логистике: (железнодорожный; морской; автомобильный; воздушный; трубопроводный): преимущества и недостатки. Интермодальные и мультимодальные перевозки. Особенности транспортировки свежих продуктов. Проблема транспортных затрат и затрат на энергию в цепочках поставок и возможности их существенного снижения.

Тема 8. Управление запасами в логистических системах.

Понятие «Управление запасами» (inventory management). Особенности управления запасами. Применение RFID-технологий в складской логистике.

Тема 9. ИКОТЕРМС

Понятие «ИНКОТЕРМС». Классификация ИНКОТЕРМС. Правила и условия использования ИНКОТЕРМС.

Тема 10. Упаковка и маркировка товара.

Манипуляционные и информационные знаки на упаковке. Маркировочные информационные знаки на упаковке, этикетках продуктах питания и иных ценностях. Маркировка опасных грузов.

УЧЕБНО-МЕТОДИЧЕСКАЯ КАРТА УЧЕБНОЙ ДИСЦИПЛИНЫ
очная (дневная) форма получения высшего образования

Номер раздела, темы	Название раздела, темы, учебного занятия	Количество аудиторных часов					Количество часов УСР	Формы контроля
		Лекции	Практические занятия	Семинарские занятия	Лабораторные занятия	Иное		
1	2	3	4	5	6	7	8	9
	6 семестр							
1	Практическое занятие № 1 «Логистика»		6					фронтальный опрос
2.	Практическое занятие № 2. Основные виды логистики.		6					устная презентация
3.	Практическое занятие № 3. Логистические услуги.		6					лексический диктант
4.	Практическое занятие № 4. Управление цепями поставок.		8					работа в парах
5.	Практическое занятие № 5. Взаимодействие с поставщиками.		8					лексико-грамматический тест
	Итого за семестр		34					зачет

1	2	3	4	5	6	7	8	9
	7 семестр							
6.	Практическое занятие № 6. Глобальная логистика и управление.		8					фронтальный опрос
7.	Практическое занятие № 7. Транспорт и дистрибуция в логистике.		8					устная презентация
8.	Практическое занятие № 8. Управления запасами в логистических системах.		6					работа в парах
9.	Практическое занятие № 9. ИКОТЕРМС		6					работа в мини группах
10.	Практическое занятие № 10. Упаковка и маркировка товара.		6					лексико-грамматический тест
	Итого за семестр		34					зачет
	Всего аудиторных часов	68						

ИНФОРМАЦИОННО-МЕТОДИЧЕСКАЯ ЧАСТЬ

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Средства диагностики результатов учебной деятельности

Оценка уровня знаний студента производится по десятибалльной шкале в соответствии с критериями, утвержденными Министерством образования Республики Беларусь.

Для оценки достижений студента рекомендуется использовать следующий диагностический инструментарий:

- фронтальный устный и письменный опрос во время практических занятий;
- собеседование при проведении индивидуальных и групповых консультаций;
- выступление студента на конференции по подготовленному реферату;
- выполнение лексико-грамматического теста;
- сдача зачета по дисциплине.

Требования к зачету:

1. Чтение со словарем оригинального текста по специальности объемом 1600-1800 п.зн. Передача общего содержания текста указанного характера на английском языке с последующей беседой по затронутым в тексте вопросам.

2. Беседа с преподавателем по актуальным проблемам в рамках пройденных тем и ситуаций общения.

Тематика рефератов

1. Green Logistics: Professional Attempts to Measure and Minimize the Ecological Impact of Logistics Activities.

2. The Influence of Environmental Management Practices and Supply Chain Integration on Technological Innovation Performance.

3. Analyze how the concept of Corporate Social Responsibility is promoting socially responsible supply chains.

4. Evolution of logistics and supply chain over the past two decades

5. Impact of e-commerce growth on the global logistics industry.

6. The most recent supply chain innovations and their benefits.

7. Logistics and supply chain management sector: challenges and interventions.

8. The influence of IT innovation on the effectiveness of logistics and supply chain management.

9. The impact of the change in demand and supply on logistics functions and costs.

10. The risk management techniques integration in the supply chain through logistics processes.

11. Research the logistics and supply chain workflows using RFID and bar code database.

12. The significance of IT in the management of logistics and supply chains.

13. Implementation of IT in the 3PL/4PL Industry.

14. Innovations in The Fourth Party Logistics Model (4PL).

Перечень контрольных вопросов и заданий для самостоятельной работы студентов

1. What is the role of supply chain management in business outsourcing?
2. Evaluate the effects of information dissemination and sharing among intermediaries in a supply chain.
3. Explain the barriers to implementing an efficient supply management system.
4. Implementation of E-logistics in Supply Chain Operations.
5. Evaluate the use of technology in modern supply chain systems.
6. Examine the implementation of Green Supply Chain Management Practices.
7. Discuss the advantages and disadvantages of warehouse robots
8. Discuss the effect of packaging on the operations of fragrance exporters.
9. Evaluate the strategies for cost reduction in the supply chain in automobile exports and imports in Belarus.
10. Explain the Impact of Industry 4.0 on supply chain management.
11. What are the reasons for enlisting emergency logistics services?
12. What are the factors that affect the application of an efficient supply management system?
13. Discuss the modern technologies used in warehouses
14. Discuss the role of warehouses in reverse logistics.

Методические рекомендации по организации и выполнению самостоятельной работы студентов

При изучении дисциплины рекомендуется использовать следующие формы самостоятельной работы:

- выполнение индивидуальных и разноуровневых заданий;
- подготовка рефератов по индивидуальным темам;
- подготовка сообщений, тематических докладов, презентаций по заданным темам;
- составление тематической подборки литературных источников, интернет-источников;
- проработка тем (вопросов), вынесенных на самостоятельное изучение.

ПРОТОКОЛ СОГЛАСОВАНИЯ УЧЕБНОЙ ПРОГРАММЫ УВО

Название учебной дисциплины с которой требуется согласование	Название кафедры	Предложения об изменениях в содержании учебной программы учреждения высшего образования по учебной дисциплине	Решение, принятое кафедрой, разработавшей учебную программу (с указанием даты и номера протокола) ¹
Согласование не требуется	Кафедра «Иностранные языки»		Содержание данной учебной программы не требует согласования с другими учебными дисциплинами специальности Протокол № 2 от 17.10.2024

¹ При наличии предложений об изменениях в содержании учебной программы учреждения высшего образования по учебной дисциплине.

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