

Logistics and Supply Chain Management: Strategies for Reducing Costs and Improving Services

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This book exposes clearly the handicaps of the classical approach of managing a supply chain, and puts forward concepts as well as ideas on how to gain competitive advantage. This nine chapter book is well presented, interesting and easy to read. Some basic knowledge of inventory systems, warehousing and distribution is desirable but not essential. Throughout the book Professor Christopher's aim is to demonstrate how effective logistics management can provide an important source of competitive advantage (productivity and value advantage). The challenge of logistics management encompasses three key issues which are thoroughly discussed throughout this book (cutting short the pipeline, improving pipeline visibility and managing logistics as an entire system).

The customer service dimension is covered in one whole chapter to illustrate its importance. The next two chapters discuss logistics costs and performance and competitive benchmarking. (This is a major tool in gaining competitive advantage.) How to manage the global pipeline and how to strike the correct balance between central control (information systems, network structuring, sourcing decisions, etc.) and local management (customer service, inventory and warehouse management, human resource management) is well emphasised in chapter five. The impact of longer lead time and logistics pipeline management (concept of value-adding and cost-adding activities) are also given a full chapter. Reducing the lead time gap and how to capture the information on the order penetration point, which is further up the pipeline than the actual order point, is given a lot of emphasis. Another chapter discusses the conventional approach and JIT strategic thinking. The use of logistic information systems and flexible manufacturing systems (change from economies of scale to economies of scope) are also covered. Quick response logistics when linked to JIT manufacturing and delivery shows how to produce a substantial competitive edge (cut cost, improve customer service and increase customer variation in requirements). The last chapter addresses the issue of how to manage the supply chain as a global entity. It also discusses the key features of the traditional organisation (vertical organisation) which concentrates on input and which is constrained by budget, and the logistic organisation (horizontal organisation) which is output focussed and market driven. The need for integration as well as encouraging co-makerships and logistics partnership as part of a steady and long term success is also well emphasised. As a summary the five major perceptual changes of the leading-edge logistics include: from functions to processes, from profit to profitability, from products to customers, from transactions to relationships and from inventory to information. This is discussed in the last chapter. The Xerox example is used to demonstrate how the implementation of their integrated supply chain drastically improved their competitive advantage.

This is, in my opinion, a well structured and documented book that certainly reflects the new era of logistics. Academics in OR/MS as well as business/manufacturing managers and consultants will find this book full of constructive ideas that can be useful in either teaching or in assisting management in the decision process.

SAID SALHI

Reliability and Decision Making

RICHARD E. BARLOW, CARLO A. CLAROTTI and FABIO SPIZZICHINO (Editors)

Chapman and Hall, London, 1993. xvi + 370 pp. £49.95

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The aim of this volume, according to the editors' preface, is to 'supply the reliability community with a coherent Bayesian predictive view on reliability theory and practice'. The papers gathered here were given at a conference on Reliability and Decision Making held in Sienna in 1990, but it is to both the editors' and authors' credit that this reads quite unlike a