## **Contents**

	Introduction to Global Operations and Logistics  Global Operations and Logistics Defined 2  Objectives of the Book 3  How the Book Is Organized 3	1
	PART I ◆ Global Operations and Logistics Strategies	7
01		
Chapter 1	Global Operations and Logistics: Evolution and Design  Forces of Globalization 8  Operations and Logistics: Application and Objectives 9  Flow Management 12  Global Operations and Logistics: An Integrated Approach to Managing Flows A New Approach 16	8
	CASE 1-1: Centrum Co. 23 CASE 1-2: "Bull Group" 28	
Chapter 2	The Strategic Framework	39
	Strategic Role of Operations and Logistics 40 The Strategic Framework 41 The Concept of an Operations and Logistics Strategy 48 The Strategy Process 52	
	CASE 2-1: Michelin A 57 CASE 2-2: El Remache C.A. 69	

Chapter 3	The Globalization of Operations Strategies	15
	Introduction 75 A Conceptual Framework: The Four Driving Forces of the Globalization Process 76 Global Market Forces 78 Technological Forces 81 Global Cost Forces 83 Political and Macroeconomic Forces 85 Current and Future Challenges 89	
	CASE 3-1: Renault Mexico 91 CASE 3-2: Pizza Hut Moscow 99 CASE 3-3: Guangzhou Machine Tool 110	
Chapter 4	Global Marketing Strategies	114
	Changing Consumer Behavior 114 Geographical Integration: Global Versus Local Marketing 116 Functional Integration of Logistics and Operations: The Global Product 118 Sectorial Integration: Manufacturer/Distributor 120 Efficient Consumer Response (ECR) 121 The Need for a Global Marketing Approach 123	
	CASE 4-1: Talk to Me: Expansion in the Russian Telecommunications Market 124 CASE 4-2: Zamech Ltd. 130	
	PART II • Global Operations and Logistics Planning	145
Chapter 5	Supplier Network Development	146
	Introduction 146 The Evolving Concept of Outsourcing 147 A Framework of Analysis 151 Summary 155	
	CASE 5-1: Bose Corporation: The JIT II Program (A) 157 CASE 5-2: Rank Xerox France 165	
Chapter 6	Physical Distribution	172
	Introduction 172 The Importance of Channels of Distribution in Physical Distribution 173 The Architecture of a Physical Distribution Network in a Global Operations Approach 179	

	Logistics Service Firms and Third-Party Logistics (3PL) 183 Summary 186	
	CASE 6-1: Apple Computer's Supplier Hubs: A Tale of Three Cities 187 CASE 6-2: Laura Askley and Federal Express Strategic Alliance 196 CASE 6-3: R. Mer 206	
Chapter 7	Global Supply Chain Management	214
	Introduction 214  Demand Volatility, Information Distortion, and the Bullwhip Effect in Supply Chains 216  From Domestic to Global Supply Chains: Added Complexities and Uncertainties 224  Vertical Integration Issues in Global Supply Chains 226	
	CASE 7-1: Eurofood 232 CASE 7-2: Phytosante 239 CASE 7-3: The Marmitou Case 241	
Chapter 8	Logistics Network Design for Global Operations	251
	Global Logistics Network Configuration 252 Orienting International Facilities: Considerations and Framework 257 Trade-offs Associated with Each Approach 260 Mapping the Different Approaches 262 Capacity Expansion Issues 264	
	CASE 8-1: General Appliance Company, Inc. 271 CASE 8-2: The Logistics Impact of the Channel Tunnel 286 CASE 8-3: ISOL + 300	
Chapter 9	Risk Management in Global Operations	306
	Operating Exposure to Exchange Rate: Risk and Its Management—Introduction 306  The Concept of Operating Exposure 307  Factors That Complicate the Estimation of Operating Exposure 311  Managing Operating Exposure 314  Pricing Strategies for Exporting Firms 317  Use of Operational Flexibility to Minimize Operating Exposure 321  Global Sourcing Strategies Under Exchange Rate Uncertainty 325  Impact of Exchange Rates and Classification of Hedging Strategies in Global Sourcing 326  Basic Function of Foreign Exchange Markets 327  Micro-Level Strategies for Managing Exchange Rate Risk 330  Macro-Level Strategies 334	
	CASE 9-1: BMW: Globalizing Manufacturing Operations 341	

	PART III ◆ Effective Management of Global Operations and Logistics	357
Chapter 10	Information Management for Global Logistics	358
	Introduction 358 The Global LIS/LITS: Capabilities and Limitations 360 Capabilities of Today's Technologies 360 Characteristics of a Logistics Information and Telecommunications System 364 Logistics Organization and Its Relationship to LITS 366 Functional and Geographic Dimensions of the LITS 368 Sectorial Dimension of LITS 371 Developing a Sectorial LITS: The Role of Information Systems 373 Summary 376	
	CASE 10-1: Manugistics 377	
Chapter 11	Performance Measurement and Evaluation in Global Logistics	383
	Introduction 383 Operations and Logistics Control: Key Activities Need Performance Information 383 Measuring Performance in Functional Integration 388 Measuring Performance in Sectorial Integration 396 Summary 400	
	CASE 11-1: The China Lacquer Product Line 401 CASE 11-2: Ciments Antillais Corporation 414	
Chapter 12	Organizational Structures for Global Logistics Excellence	424
	Introduction 424 New Organizations Related to Manufacturing and Logistics Operations 425 The Organizational Implications of Sectorial Logistics Cooperation 431 The International Factor in Global Organizations 440 Summary 442	
	Book Epilogue	445
	Index	449