

# Contents

<b>1</b>	<b>Overview</b> .....	1
	Reza Zanjirani Farahani, Nasrin Asgari, and Hoda Davarzani	
1.1	Definition of Logistics .....	1
1.2	Definition of SCM .....	3
1.3	Background of Logistics and SCM Researches .....	5
1.4	Obstacles, Pre-Requisites and Infrastructures of Modernized Logistics and SCM .....	7
1.5	Challenges of Union Countries and Global SCM .....	9
1.6	Logistics and SCM in Developing Countries .....	11
1.7	Research Trends in Logistics and SCM .....	14
	References .....	18
<b>2</b>	<b>Performance Measurement</b> .....	21
	Sara Sharahi and Maryam Abedian	
2.1	Importance of Measurement .....	21
2.2	Properties of Performance Measures .....	22
2.3	Process Management System Analysis .....	23
2.4	Process-Oriented Approach .....	24
2.4.1	SCOR Model Level One Performance Measure (Huang et al. 2005) .....	24
2.4.2	Measurement in Strategic, Tactical and Operational Levels (Gunasekaran et al. 2004) .....	26
2.4.3	SCP in Transport Logistics (Lai et al. 2002) .....	29
2.4.4	Taxonomy of Measure of SCP in More Detail (Shepherd and Gunter 2006) .....	31
2.5	Goal-Oriented Approach .....	35
2.5.1	Six Perspectives to Measure the Performance of SCM (Otto and Kotzab 2003) .....	35
2.5.2	Performance Measures of Perspectives .....	35
2.6	Attributes of National Logistics Systems .....	37

2.7	Using the Balanced Scorecards to Manage SCP (Bolstorff 2006) .....	41
	References .....	41
<b>3</b>	<b>Global Supply Chain Management</b> .....	<b>43</b>
	Mohsen Sheikh Sajadieh	
3.1	Global Supply Chain Drivers .....	44
3.1.1	Market Drivers .....	44
3.1.2	Cost Drivers .....	45
3.1.3	Government Drivers .....	45
3.1.4	Competitive Drivers .....	46
3.2	Global Vs. Domestic Supply Chains .....	46
3.2.1	Differences Between Global and Domestic SCs .....	47
3.2.2	Selecting Global or Domestic Supply Chain? .....	49
3.3	Characteristics of Global Supply Chains .....	50
3.3.1	Farness .....	50
3.3.2	Forecasting Complexities .....	50
3.3.3	Economical and Political Worries .....	51
3.3.4	Infrastructural Insufficiency .....	51
3.4	Global Sourcing .....	51
3.4.1	Global Sourcing Challenges .....	52
3.4.2	Global Sourcing Dimensions .....	53
3.5	Demand Management .....	55
	References .....	56
<b>4</b>	<b>National Logistics Costs</b> .....	<b>57</b>
	Mir Saman Pishvae, Hadi Basiri, and Mohsen sheikh Sajadieh	
4.1	Importance of Logistics Costs .....	57
4.2	Complexity of Calculating Logistics Costs .....	60
4.3	Components of National Logistics Costs .....	60
4.4	Factors Affecting National Logistics Costs .....	62
4.5	Logistics Costs in Agriculture .....	64
4.5.1	Logistics Costs Components Including in Method .....	64
4.5.2	Result Analysis .....	65
4.6	State of Logistics in America .....	67
4.6.1	Literature Review .....	67
4.6.2	CASS Methodology .....	70
4.7	State of Logistics in South Africa .....	80
4.7.1	South Africa's Methodology .....	80
4.7.2	Conclusion of State of Logistics Survey in South Africa .....	80
4.8	Conclusion .....	82
	References .....	83

<b>5</b>	<b>Spatial Analysis and Land-Use Planning</b> .....	85
	Elnaz Miandoabchi and Nasrin Asgari	
5.1	Spatial Planning and Development .....	85
5.2	Logistics, Space and Geography .....	87
5.3	Core Geographical Dimensions of Logistics .....	89
5.3.1	Flows .....	90
5.3.2	Nodes and Location .....	91
5.3.3	Networks .....	92
5.4	Role of Public Sector .....	93
5.5	Spatial Planning for Logistics .....	94
5.5.1	Spatial Planning for Logistics Terminals .....	94
5.5.2	Spatial Planning for Public Logistics Terminals .....	97
5.5.3	Spatial Planning and Logistics Centres .....	99
	References .....	102
<b>6</b>	<b>Supply Network Design</b> .....	105
	Hoda Davarzani and Shabnam Rezapour	
6.1	Classification of Network Design Problems .....	106
6.2	Network Design Models .....	109
6.2.1	Basic Model .....	109
6.2.2	Model with Capacitated DCs .....	111
6.2.3	Model with Service Considerations .....	112
6.2.4	Model with Parameter Uncertainty – Scenario Based Approach .....	112
6.2.5	Theory in Application: Distribution Network for Fresh/Dry and Frozen Food (Ambrosino and Sciomachen 2007) .....	113
6.3	Closed-loop Network Design .....	115
6.4	International Distribution Network Design .....	119
6.4.1	Influential Factors in International Distribution Network Design .....	119
6.5	National and Governmental Distribution Networks .....	121
6.5.1	Comparison Between International and National-Governmental Distribution Networks Design .....	122
6.6	Distribution and Logistics Development in China (Jiang and Prater 2002) .....	122
6.6.1	China’s Traditional Distribution System .....	122
6.6.2	China’s Current Distribution System .....	123
6.6.3	Chinese Company Perspective .....	123
6.6.4	Future Prospects of China’s Distribution/Logistics .....	125
6.6.5	Distribution and Logistics Development in Japan .....	125
	References .....	127

<b>7</b>	<b>Privatization</b> .....	129
	Ameneh Moharerhayeh Esfahani, Sara Hosseini, and Hoda Davarzani	
7.1	A Literature Review on Privatization and its Definition .....	131
7.2	Steps to Privatization (Shehadi 2002) .....	132
7.2.1	First Phase: Getting Ready .....	133
7.2.2	Second Phase: Moving to Sale .....	133
7.3	Privatization Methods .....	134
7.3.1	Asset Sale or Long Term Lease .....	134
7.3.2	Contracting Out (Outsourcing) .....	135
7.3.3	Corporatization .....	135
7.3.4	Franchise .....	135
7.3.5	Internal Market .....	135
7.3.6	Joint Venture .....	136
7.3.7	Management Contracts .....	136
7.3.8	Private Infrastructure Development and Operation .....	136
7.3.9	Partnership .....	136
7.3.10	Public–Private-Partnership (PPP) .....	137
7.3.11	Anchor Investor Sales .....	137
7.3.12	Performance Based Contract .....	137
7.3.13	Self-Help .....	138
7.3.14	Volunteers .....	138
7.3.15	Vouchers .....	138
7.4	Selecting the Appropriate Method (Shehadi 2002) .....	139
7.5	Impact of Privatization (Shehadi 2002) .....	139
7.5.1	Company Performance .....	140
7.5.2	Fiscal Adjustment .....	140
7.5.3	Foreign Investments .....	141
7.5.4	Capital Market Development .....	141
7.5.5	Employment .....	141
7.5.6	Poverty .....	142
7.6	Managing Privatization Program .....	142
7.6.1	Political Commitment from the Top Political Leadership .....	142
7.6.2	Transparency and Fairness of the Privatization Process ..	143
7.6.3	A Desirable Legal Environment .....	143
7.6.4	Liberalization and Competition before Privatization .....	143
7.6.5	Establish Strategies for Employees .....	144
7.6.6	Establish Regulatory Framework .....	146
7.6.7	Evaluation and Monitoring .....	146
7.7	New Opportunities .....	147
7.8	Challenges (See <a href="http://www.knownet.hhs.gov">http://www.knownet.hhs.gov</a> ) .....	148
7.9	Case Studies .....	149
7.9.1	Port Privatization, Efficiency and Competitiveness (Heng 2005) .....	149

7.9.2	Rice Milling and Textile Industry in Egypt after Privatization .....	151
7.9.3	Textile and Garments .....	151
7.9.4	Institutional and Structure Changes in Air Navigation Service-Providing Organizations (Button and McDougall 2006) .....	152
7.9.5	Bank Privatization in Argentina (Clarke and Cull 2005) ..	154
7.10	Conclusion .....	155
	References .....	156
<b>8</b>	<b>Export Clusters .....</b>	<b>159</b>
	Seyed Vahid Moosavi and Mahdi Noorizadegan	
8.1	Cluster Definition .....	159
8.2	Export Oriented Clusters .....	161
8.3	The Four Gears Model of a National Export Strategy .....	162
8.4	Cluster Life Cycle .....	164
8.5	Structure of Clusters .....	166
8.6	The Role of Public Sector and Financing in Clusters .....	167
	8.6.1 Ottawa's Silicon Valley North .....	168
	8.6.2 India's Bangalore Software Cluster .....	168
8.7	Cluster Success Factors .....	170
	8.7.1 DTI Report .....	171
	8.7.2 The Cluster Initiative .....	172
8.8	Measuring Cluster Development .....	173
	8.8.1 Measuring the Success of Interventions .....	174
	8.8.2 Establishing Targets .....	176
8.9	Cluster Policy Vs. Industrial Policy .....	177
8.10	Cluster Initiatives Require a Catalyst .....	177
8.11	Case Studies .....	179
	8.11.1 Turkey .....	179
	8.11.2 Pakistan .....	181
	8.11.3 Tirupur .....	183
	8.11.4 Greater Boston .....	187
	8.11.5 Economic Over View .....	189
	References .....	193
<b>9</b>	<b>Green Supply Chain Management .....</b>	<b>195</b>
	Ehsan Nikbakhsh	
9.1	GrSCM Origins .....	196
	9.1.1 Supply Chain Management .....	196
	9.1.2 Environmental Management .....	196
	9.1.3 Green Supply Chain Management .....	197
	9.1.4 A Note on Sustainable Supply Chain Management .....	198
9.2	GrSCM Advantages and Barriers .....	199
9.3	GrSCM Initiatives .....	200
9.4	Green Design .....	201

9.4.1	Life Cycle Assessment . . . . .	201
9.4.2	Environmentally Conscious Design . . . . .	204
9.5	Green Operations . . . . .	205
9.5.1	Manufacturing and Remanufacturing . . . . .	205
9.5.2	Reverse Logistics and Network Design . . . . .	206
9.5.3	Waste Management . . . . .	207
9.6	Green Procurement . . . . .	208
9.6.1	Green Public Procurement . . . . .	208
9.6.2	European Commission GPP Model . . . . .	209
9.7	GrSCM Framework . . . . .	209
9.7.1	EPA Lean and Green Supply Chain Model . . . . .	210
9.7.2	GreenSCOR Model . . . . .	210
9.8	Role of Governments and International Organizations . . . . .	213
9.8.1	European Union . . . . .	214
9.8.2	United States . . . . .	214
9.8.3	ISO 14000 Series . . . . .	215
9.9	Conclusion . . . . .	215
	References . . . . .	216
<b>10</b>	<b>Logistics Management and SCM in Disasters . . . . .</b>	<b>221</b>
	Marjan Aslanzadeh, Ehsan Ardestani Rostami, and Laleh Kardar	
10.1	Types of Disasters . . . . .	222
10.2	Why Disasters Should be Given Closer Attention . . . . .	223
10.3	Disaster Operations Life Cycle . . . . .	224
10.4	Humanitarian, Relief, or Emergency Logistics? . . . . .	224
10.5	Humanitarian Relief Supply Chain Vs. Commercial Supply Chain . . . . .	227
10.6	Decision Flow for Disaster Management Supply Chain . . . . .	230
10.7	Strategic Fit and Scope . . . . .	231
10.8	Challenges for Relief Chain Management . . . . .	231
10.9	Relief Logistics as a System . . . . .	233
10.9.1	Planning Subsystem . . . . .	233
10.9.2	Procurement Subsystem . . . . .	236
10.9.3	Transportation Subsystem . . . . .	236
10.9.4	Inventory Subsystem . . . . .	237
10.9.5	Control Subsystem . . . . .	239
10.9.6	Information and Communication Subsystem . . . . .	239
10.10	Case Studies . . . . .	241
10.10.1	Case Study 1: Marmar Earthquake . . . . .	241
10.10.2	Case Study 2: Tsunami . . . . .	248
	References . . . . .	251

<b>11 Military Logistics and Supply Chains</b> . . . . .	253
Mohammad Hadji Molana and Reza Zanjirani Farahani	
11.1 Definitions . . . . .	254
11.1.1 Military Supply . . . . .	254
11.1.2 Military Supply Chain Management . . . . .	254
11.1.3 Military Logistics . . . . .	254
11.2 Fundamental Differences between Corporate and Army SCM . . . . .	255
11.2.1 Corporate Supply Chain Management . . . . .	255
11.2.2 Military Version of Supply Chain Management . . . . .	255
11.3 Anticipatory Logistics: The Army's Answer to Supply Chain Management (See <a href="http://www.dtic.mil/doctrine">http://www.dtic.mil/doctrine</a> ) . . . . .	257
11.4 Investigating SCM Implementation in DoD . . . . .	258
11.4.1 About DoD (See <a href="https://acc.dau.mil">https://acc.dau.mil</a> & <a href="http://www.wikipedia.org">http://www.wikipedia.org</a> ) . . . . .	258
11.4.2 PBL and SCM . . . . .	259
11.4.3 How Does DoD Think about SCM? . . . . .	260
11.4.4 Relating SCOR Model to DoD Logistics Chain . . . . .	262
11.4.5 Logistics Customer Relationships across DoD . . . . .	265
11.5 Revolution in Military Logistics (See Piggee (2002)) . . . . .	268
11.5.1 Automation . . . . .	268
11.5.2 Communications . . . . .	269
11.5.3 Best Business Practices . . . . .	269
11.5.4 Infrastructure and Reduced Logistical Footprint . . . . .	270
11.5.5 Distribution-Based Logistics . . . . .	271
11.6 Logistics Systems for the Finnish Defense Forces (See <a href="http://www.almc.army.mil">http://www.almc.army.mil</a> ) . . . . .	272
11.6.1 Demographics . . . . .	272
11.6.2 Finland's Defense System . . . . .	272
11.6.3 The Changing Environment . . . . .	273
11.6.4 Comparison of Tasks and Doctrines . . . . .	273
11.6.5 Characteristics of Logistics . . . . .	274
11.6.6 Principles and Functions of Logistics . . . . .	275
11.6.7 US Army CSS Transformation Tenets . . . . .	277
References . . . . .	277
<b>12 Logistics and Supply Chain Management Information Systems</b> . . . . .	279
Shabnam Rezapour, Reza Sadeghi, and Majid Alerasoul Dehkordi	
12.1 Literature on IT in SCM . . . . .	280
12.1.1 Strategic Planning for IT in SCM . . . . .	280
12.1.2 Virtual Enterprise in SCM . . . . .	281
12.1.3 E-Commerce and SCM . . . . .	282
12.1.4 Infrastructure for IT in SCM . . . . .	283
12.1.5 Knowledge and IT Management in SCM . . . . .	283
12.1.6 Implementation of IT in SCM . . . . .	284

12.2	A Framework for the Development of IT for Effective SCM . . . . .	285
12.3	Roles of E-Government in Business . . . . .	285
12.4	How ICTs Lead to Successful Use of E-Government . . . . .	287
12.5	E-Government Architecture Framework . . . . .	289
12.5.1	Access Layer . . . . .	290
12.5.2	E-Government Layer . . . . .	290
12.5.3	E-Business Layer . . . . .	290
12.5.4	Infrastructure Layer . . . . .	292
12.6	Barriers to E-Government Adoption . . . . .	293
	References . . . . .	294
<b>13</b>	<b>Case Studies . . . . .</b>	<b>299</b>
	Maryam Abedian and Sara Sharahi	
13.1	A Bitter Pill at Hershey (Sridharan et al. 2005) . . . . .	299
13.2	Assessing Supply Chain Management Success Factors (Tummala et al. 2006) . . . . .	301
13.3	An Assessment of the Danish Pork Supply Chain (Hobbs et al. 1998) . . . . .	304
13.3.1	Strengths . . . . .	304
13.3.2	Weaknesses . . . . .	304
13.3.3	Opportunities . . . . .	305
13.3.4	Threats . . . . .	305
13.4	A Study of Supplier Logistics Performance Measurement in the Automotive Industry (Schmitz and Platts 2004) . . . . .	306
13.5	Comparison of Asian and European Logistics Systems (Bookbinder and Tan 2003) . . . . .	308
13.6	Challenges to Bangladesh Logistics Development (Abdur Razzaque 1997) . . . . .	308
13.7	Strategic Logistics Management in Singapore (Sum and Teo 2001) . . . . .	310
13.8	Logistics Management Practices and Development in Thailand (Goh and Pinaikul 1998) . . . . .	311
	References . . . . .	311
	<b>Index . . . . .</b>	<b>313</b>