

## **Unit 3**

### **LESSON 6 Logistics**

#### **Read and translate the text:**

#### **Logistics**

The word 'logistics' dates from the ancient Greek logos – 'ratio, word, calculation, reason' and was used in ancient Greek, Roman and Byzantine empires to denote the military's need to supply themselves with arms, ammunition and rations as they moved from their base to a forward position.

With increasing development of trade and economy, it started to be used in business too. Moving raw materials to manufacturers and then finished goods to customers used to be a simple job for men with strong backs and little education. Today more than ever before senior management of a firm is concerned about improving transportation management and logistics as transportation represents a major expense item and freight transportation accounts for about 6 per cent of gross domestic product of a country.

The goal of transportation is to ensure that all raw materials arrive at the factory at the proper time and in good condition. To achieve that it is necessary to focus on improvements of operations that lead to a better service at the lowest cost. Transportation managers are also involved in many other operations. They assist marketing by quoting freight rates for salespeople, suggesting quantity discounts that can be based on transportation savings and selecting carriers and routes for reliable delivery of products.

The meaning of logistics is expanding. Now we speak about inbound, internal, outbound logistics, transport logistics, strategic logistics, warehousing logistics, integrated logistics etc. According to the Council of Logistics Management, now one of the world's prominent organizations for logistics professionals, 'logistics is that part of the supply chain process that plans, implements and controls the efficient, effective forward and reverse 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'. As transport logistics is a major factor in the supply chain process, specialists pay much attention to modes of transport, transport companies' operations as well as to some other activities related to customs clearance, warehousing and safe delivery of goods to final destinations.

