

International Logistics

Aim

To provide both an understanding of the logistical issues that organisations are faced with when trading internationally and an introduction to specialist techniques that organisations purchasing internationally will need to employ.

Rationale

More organisations than ever are trading internationally. Both purchasers and their suppliers may use a number of international sources. Increased access to global markets highlights the need for purchasing and supply personnel to understand the logistical issues which organisations are confronted with when trading internationally.

1. The elements of international logistics management

- a) The importance of effective logistics management
- b) Alternative modes of transport: maritime, air, land
- c) Multi-modal logistics

Learning outcomes

In the assessment the candidate may be required to:

- 1.1 Demonstrate an understanding of the role of logistics management in international supply chains.
- 1.2 Identify the activities, which go to make up the 'links' in an international supply chain.
- 1.3 Evaluate the relative merits of using each of the most commonly used transport modes and judge which is most appropriate in different circumstances
- 1.4 Describe multi-modal logistics and demonstrate an understanding of when it is appropriate

2. Packing and unitisation

- a) Appropriate packing and packaging: transit packaging marking and labelling
- b) Containerisation: bulk cargo, consolidation/groupage, intermodal/multimodal/single shipments

Learning outcomes

In the assessment the candidate may be required to:

- 2.1 Explain the need for appropriate packing and packaging
- 2.2 Demonstrate knowledge of the packing and packaging considerations required when planning international shipments
- 2.3 Explain the advantages of containerisation for shipping internationally
- 2.4 Explain the different types of container, container freight rates, how bulk cargo is shipped and how container consignments are consolidated

3. Arranging international transportation

- a) Responsibilities under INCOTERMS
- b) Key INCOTERMS
- c) Transport documentation
- d) Warehousing
- e) Port and customs clearance

Learning outcomes

In the assessment the candidate may be required to:

- 3.1 Describe the main purpose of INCOTERMS and distinguish between the provisions of each of them
- 3.2 Outline the different INCOTERMS and explain who is responsible for what under INCOTERMS
- 3.3 Identify the principal documents used in international distribution and describe the role of each
- 3.4 Demonstrate an understanding of the role of warehousing in international logistics
- 3.5 Explain the role of ports, customs authorities and clearing agents on the importation process

4. The issues affecting organisations when buying internationally

- a) Differences in international purchasing
- b) Payment methods
- c) Dealing with currency fluctuations

Learning outcomes

In the assessment the candidate may be required to:

- 4.1 Describe the main differences between international and domestic purchasing
- 4.2 Explain the elements of international purchasing which present the greatest additional risk to purchasers and identify strategies for reducing risk
- 4.3 Describe the main methods used for paying international suppliers
- 4.4 Explain the risks associated with buying in other currencies and describe the main techniques for avoiding losses through currency fluctuations