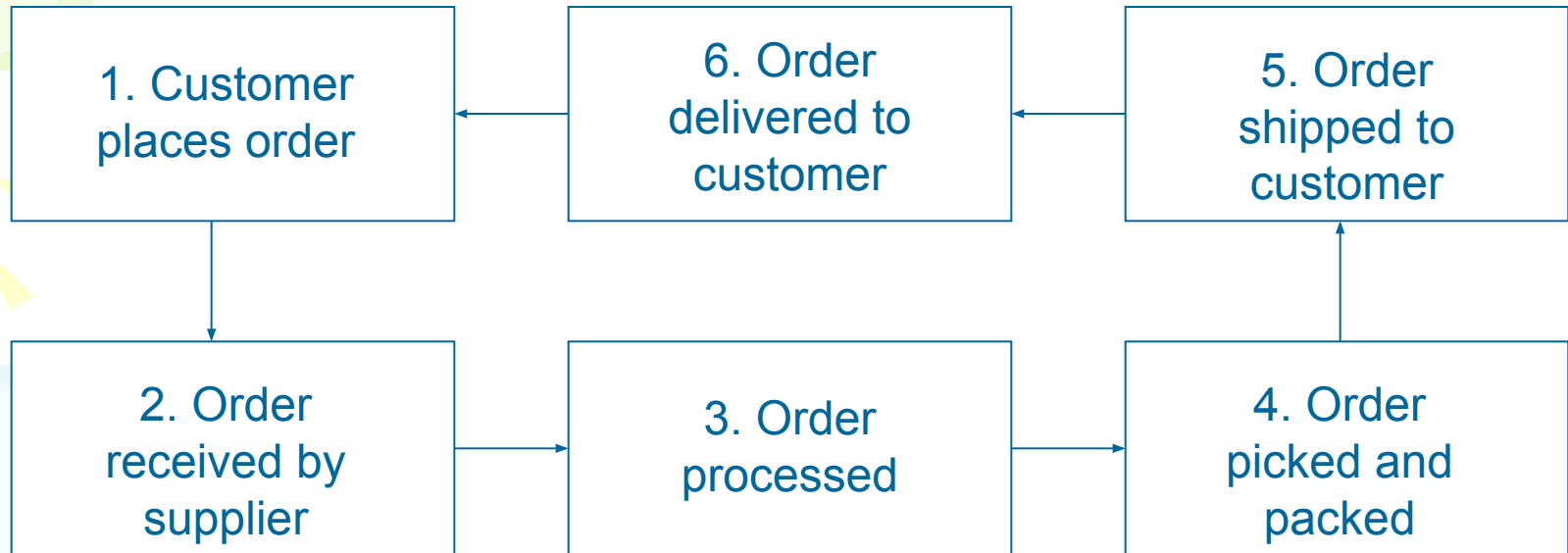


# 6. Logistics Information Systems

- 1.Introduction
- 2.Customer order cycle
- 3.The path of a customer order
- 4.Definition of electronic data interchange
- 5.EDI standards
- 6.Types of EDI systems
- 7.Benefits of EDI implementation
- 8.Integrating Order Processing and the Company's Logistics Management Information System

## 2. Customer order cycle

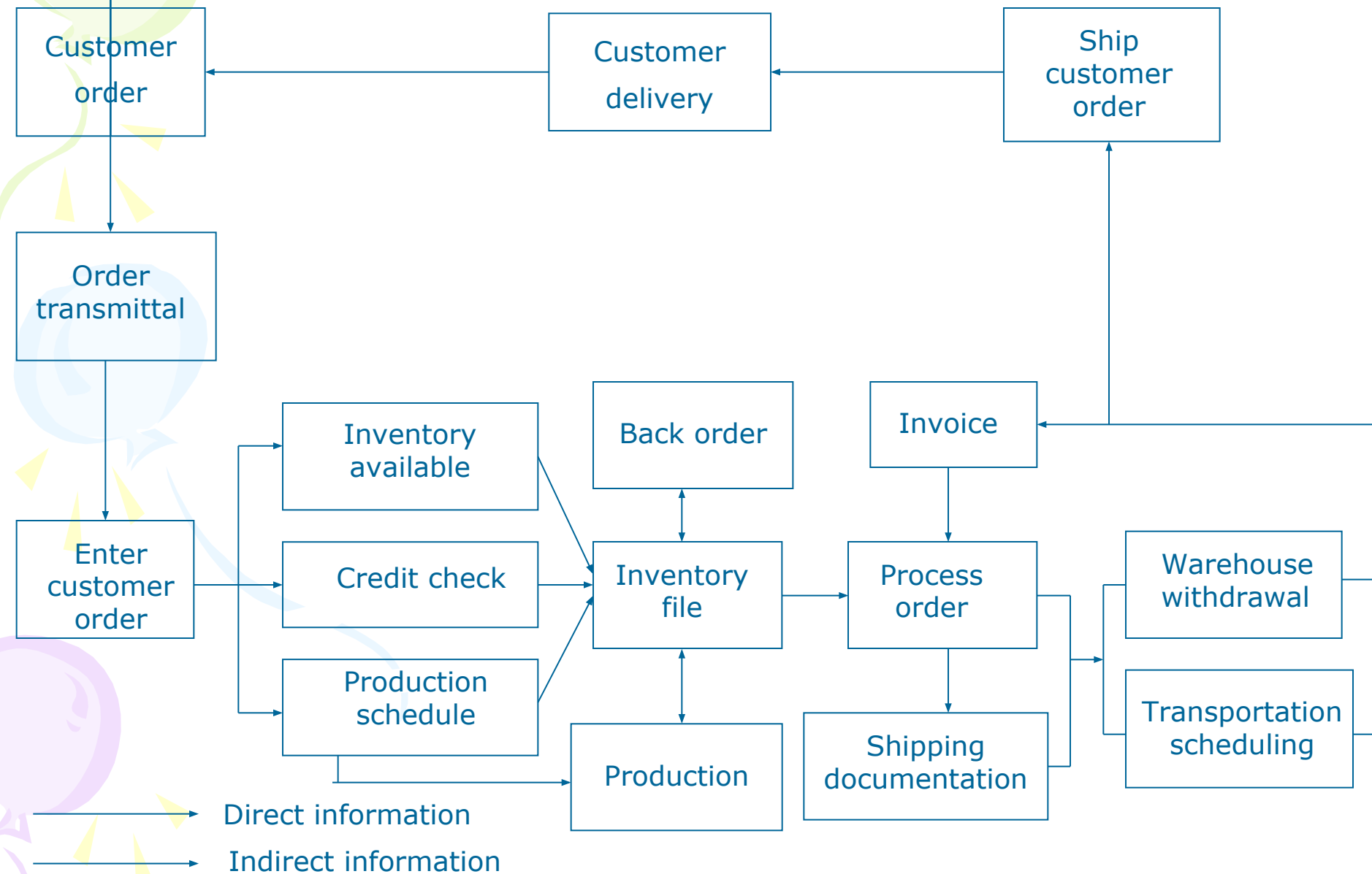


Key:

1. Order preparation and transmittal – 2 days
2. Order received and entered into system – 1 day
3. Order processing – 1 day
4. Order picking/production and packing – 5 days
5. Transmit time – 3 days
6. Customer receiving and placing into storage – 1 day

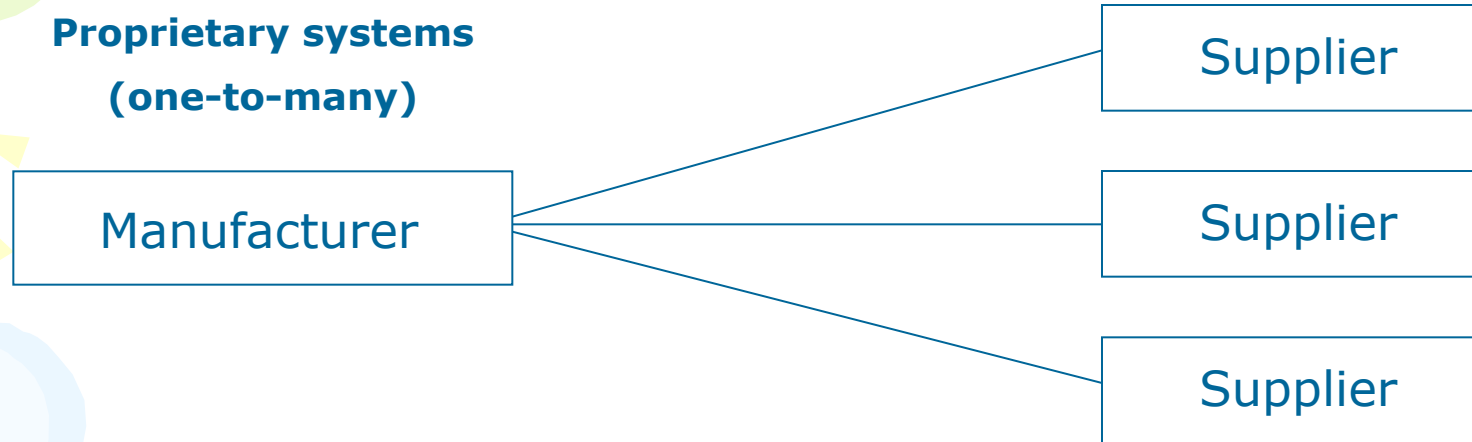
Total order cycle time - 13 days

# 3. The path of a customer order

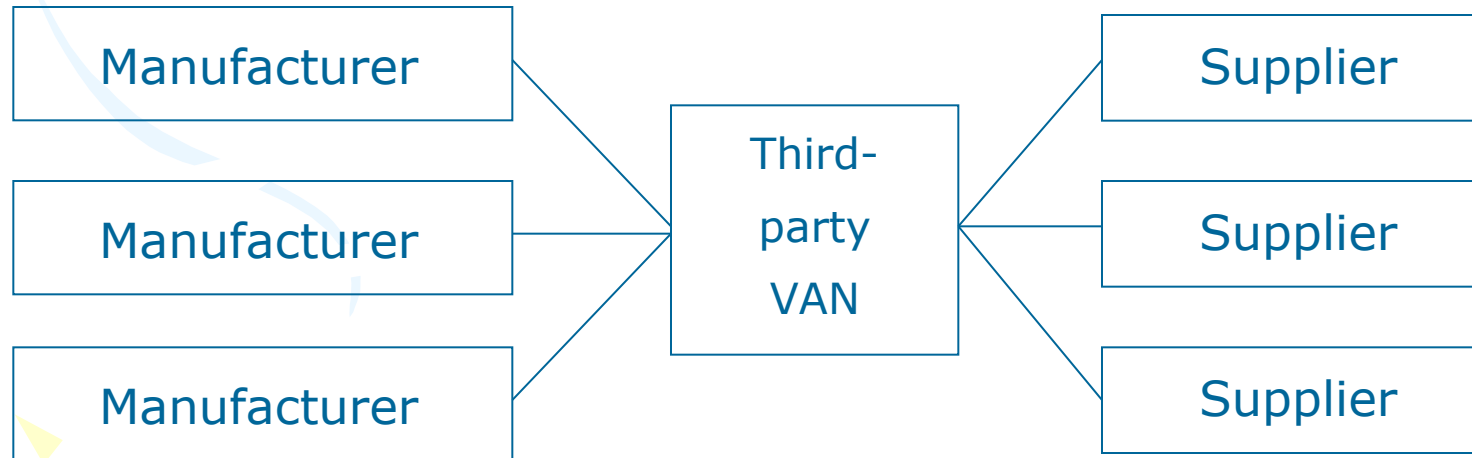


# 6. Types of EDI systems

## Proprietary systems (one-to-many)




## Value added networks (many-to-many)





# EDI Benefits

1. Reduced paper work to be created and filed.
  2. Improved accuracy due to a reduction in manual processing.
  3. Increased speed of order transmission and other data.
  4. Reduced clerical/administrative effort in data entry, filing, mailing and related tasks.
  5. Opportunity of proactive contribution by purchasing because less time is spent on “clerical tasks”.
  6. Reduced costs of order placement and related processing and handling.
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7. Improved information availability due to speed of acknowledgments and shipment advices.

8. Reduced workload and improved accuracy of other departments through linking EDI with other systems, such as bar-coding inventory and electronic funds transfers (EFTs).

9. Reduced inventory due to improved accuracy and reduced order cycle time.

## Key sources of information for the logistics database

### Order processing system

- Custom location
- Order history
- Salesperson
- Revenues
- Order status

### Management

- Competitive reactions
- Sale forecasts
- Future trends/product offerings
- New markets

### Industry/external data

- Market share
- Current product offerings
- Demographic trends
- Economic trends

### Company records

- Cost of capital
- Cost of logistics activities
- Standard costs

### Operating data

- Freight payment
- Transportation history
- Inventory
- Credit files
- Product movement

## Logistic database

### Report generation

- Order performance
- Shipment performance
- Damages and returns
- Product tracking and forecasting
- Performance and cost reports for logistics

