

ERP ABBATE UK

LOGISTICS: A Key to SUCCESS



**LOGISTICS MANAGEMENT
PROGRAMME**

BY

ERP ABBATE UK LIMITED

INTRODUCTION

2

This programme is dedicated to 2 kind of working environments:

- Fast Moving Consumable Goods (FMCG) companies who have outsourced their logistics and supply chain activities to a logistics provider
- Manufacturing companies with outsourced supply chain.

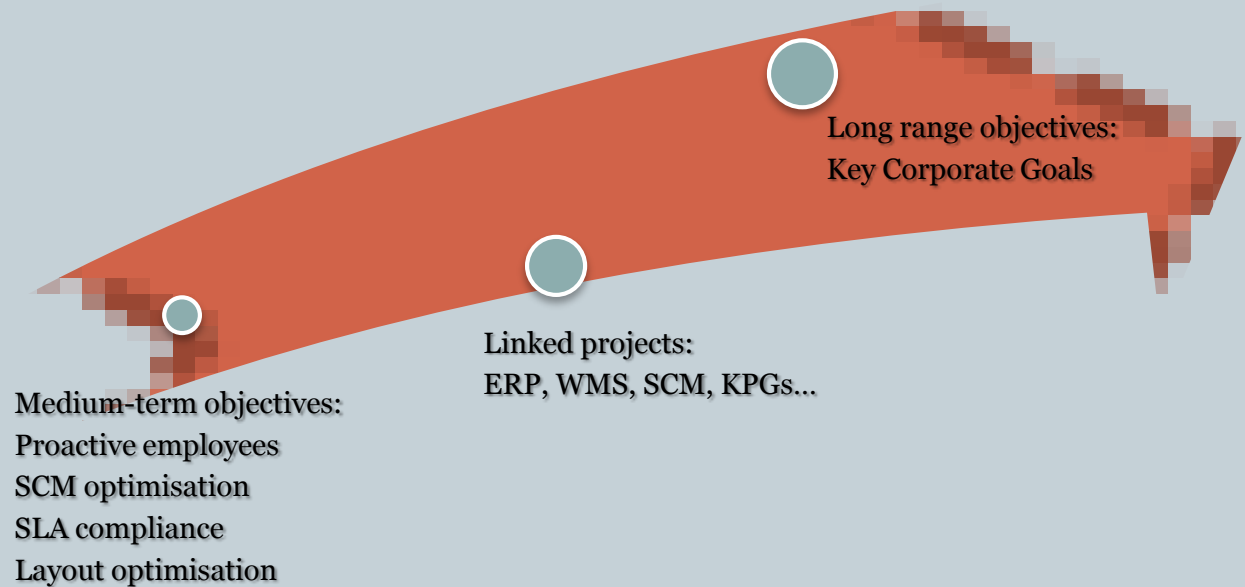
INTRODUCTION

3

- Putting in place a proper logistics is the key to success for any Retail/Distribution company operating in the Fast Moving Consumer Goods (FMCG) segment. Many would stress on the importance of advanced service supply chain systems which can trigger inventory reductions, service level improvements, total supply chain costs reductions and dramatically increased service revenues and corporate profit. Others focus on varied service offerings, geographic / channel and product complexity as key issues to be tackled in order to obtain a “proper type of logistics”.
- We believe that huge focus is to be put on employees who perform key operational functions and that a comprehensive methodical approach should be tried in order to make them more proactive in reaching key corporate goals (KCGs).
- Technology plays an important role, but it is not an end in itself.

PROGRAMME OBJECTIVES

4



AUDITING PROCESS

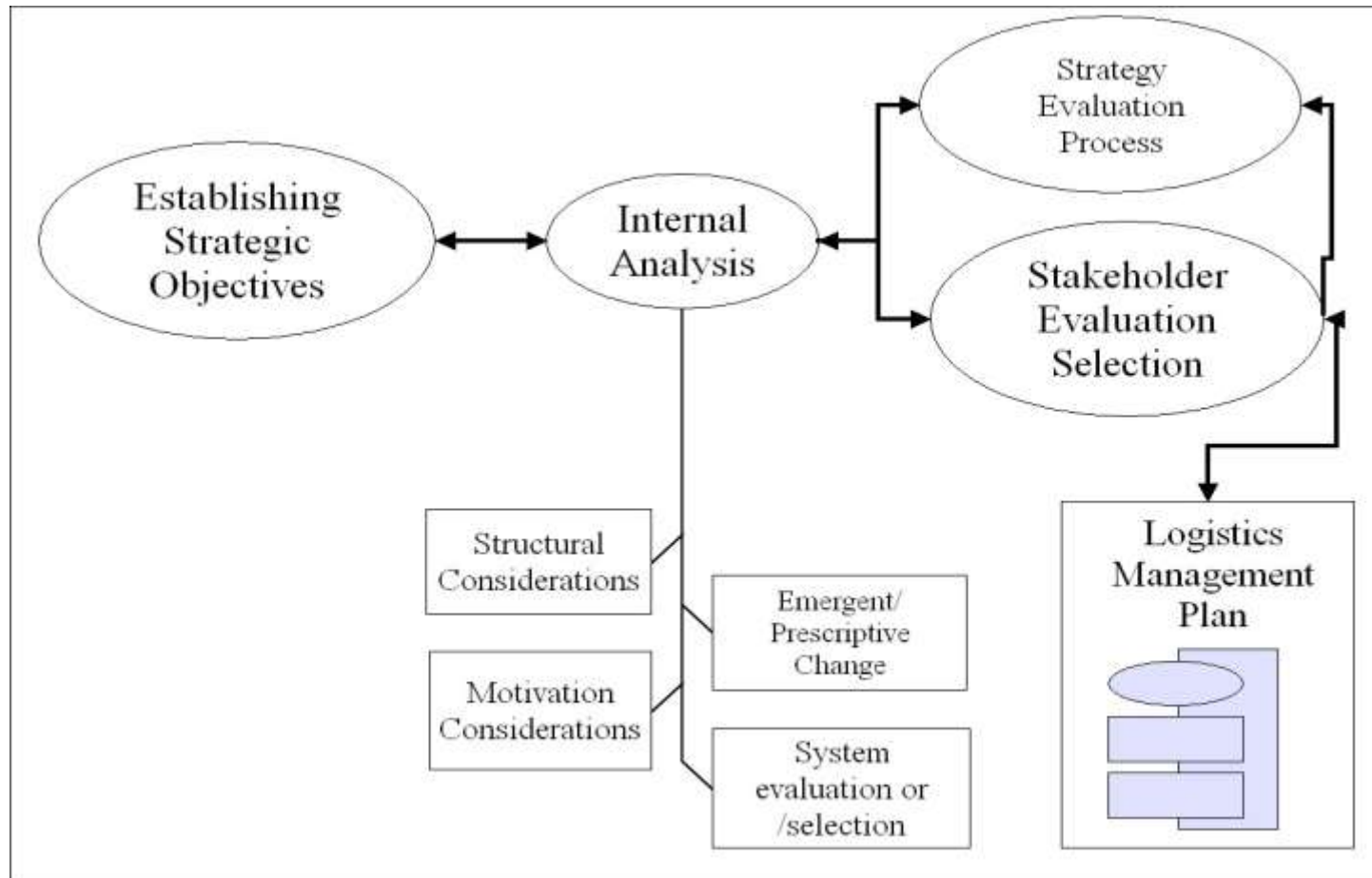
5

Existing processes must be analysed under an “as is” perspective, before trying to define a “to be” view. Failure of understanding the current state situation would seriously hinder the drive towards a future state. The change management process is composed by:

- Strategic Assessment
- Current State Assessment
- Future State Assessment
- Gap Analysis
- Implementation Planning

AUDITING PROCESS

6



INTERNAL ANALYSIS

7

Internal analysis is composed by the following subsections:

- Auditing Process “as is”: define processes as they are now
- Auditing Process “to be”: define processes as they should be
- Logistics Management Goals: define logistics management goals vs. KCGs
- Logistics Management Objectives: define logistics management objectives
- MOST analysis for Key Participants: analyse yourself under a MOST perspective
- MOST analysis for the company: analyse the company you work for under a MOST perspective
- SWOT analysis for key participants: analyse yourself under a SWOT perspective
- SWOT analysis for the company: analyse the company you work for under a SWOT perspective
- Logistics Management forecast: learn to produce a logistics-orientated forecast.

In order to audit existing process, we would use easy data flow and logic flow techniques. That would allow you to:

- Map the processes creating a high-level view with data management implications
- Expand this high level view to analyse its logic flow.

Auditing Process “as is” versus “to be”

8

A few examples of auditing process:
«AS-IS» versus «TO-BE» in information management

“AS-IS” – Information Management	“TO-BE” – Information Management
Have you identified each point in the current business process where information is captured or created?	Have you identified each point in the future business process where information will be captured or created?
Is the current business process model been described in all its components?	Where does the new business process model affect the existing one? Is the proposed change sustainable in time?
Have user roles, procedures, and business rules been established to capture the necessary information?	Have user roles, procedures, and business rules been established to capture the necessary information in the new business model? Is there any training involved?

PROGRAMME BASICS

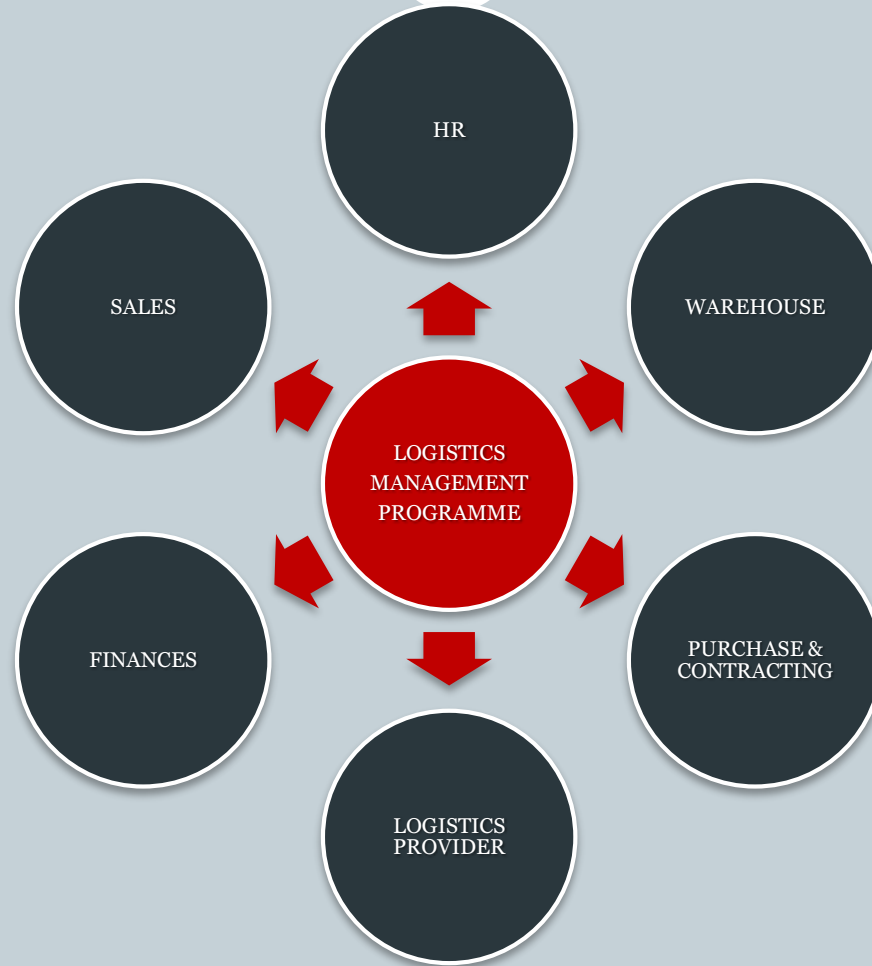
9

4 Rules to avoid process disruptions:

- Logistics Management Programme affects all departments
- Department objectives are to be consistent with Key Corporate Goals
- Logistics provider is to comply with Service Level Agreement (SLA)
- Logistics provider must receive correct inputs from the client.

PROGRAMME & DEPARTMENTS

10



PROGRAMME & DEPARTMENTS

11

Key
Corporate
Goals

The diagram features two circular nodes on a light blue background. The left node is a solid red circle containing the text 'Key Corporate Goals'. The right node is a solid gold circle containing the text 'Department Objectives'. A red double-headed arrow connects the two nodes, with the text 'Do they match?' centered within the arrow's shaft.

Do they
match?

Department
Objectives

RETAIL FMCG CLIENT & LOGISTICS PROVIDER

12

CLIENT

SLA
COMPLIANCE

CORRECT
INPUTS

LOGISTICS PROVIDER

INCREASED EFFECTIVENESS

13

The programme will increase the overall effectiveness by addressing the following issues:

- Transportation costs
- Total inventory
- Overall cost-per-order processing
- Warehouse management improvement
- Anomaly management
- Delivery time
- Value-added services such as packaging, tagging and quality inspections
- Warehouse automation
- Carrier selection
- Layout & Facilities
- SLA compliance.

Logistics management GOALS

14

- ✘ Overall increase in efficiency and effectiveness
- ✘ Better customer service
- ✘ Sales increase
- ✘ Improvement in key-relationships (customers, suppliers, service providers and partners).

ERP ABBATE UK LIMITED

Anova House
Wickhurst Lane
Broadbridge Heath
Horsham
West Sussex
RH12 3LZ

info@erp-abbate.co.uk

