

Core Business Process:

Logistics and Supply Chain Management

Objective: To optimize the flow of goods, information, and resources throughout the supply chain, ensuring cost efficiency, timely delivery, and high-quality service.

Step 1: Supply Chain Planning

- 1. Demand Forecasting:
 - Use historical data, market trends, and customer insights to predict future demand.
- 2. Inventory Planning:
 - Establish inventory levels to balance supply with demand while minimizing carrying costs.
- 3. Supplier Coordination:
 - Work with suppliers to align production schedules and ensure availability of raw materials or products.
- 4. Transportation Planning:
 - Determine optimal shipping routes, modes, and carriers to minimize costs and delivery times.

Step 2: Procurement and Supplier Management

- 1. Source Suppliers:
 - Identify reliable suppliers that meet quality, cost, and delivery requirements.
- 2. Negotiate Contracts:
 - Agree on terms such as pricing, delivery schedules, and service-level agreements (SLAs).
- 3. Monitor Supplier Performance:
 - Evaluate suppliers regularly based on quality, on-time delivery, and cost-effectiveness.
- 4. Establish Contingency Plans:
 - Develop backup supplier agreements to mitigate risks.



Step 3: Inbound Logistics

- 1. Coordinate Shipments:
 - Manage the transportation of raw materials or products from suppliers to warehouses or production facilities.
- 2. Track Shipments:
 - Use tracking systems to monitor the status of inbound shipments in real-time.
- 3. Receive Goods:
 - Inspect deliveries for quality and quantity against purchase orders.
- 4. Store Inventory:
 - Organize and store goods in warehouses using efficient layout and inventory systems.

Step 4: Operations and Fulfillment

- 1. Order Processing:
 - Validate customer orders, confirm inventory availability, and generate shipping instructions.
- 2. Production Coordination (if applicable):
 - Align production schedules with order demand and material availability.
- 3. Pick, Pack, and Ship:
 - Use warehouse management systems (WMS) to efficiently pick, pack, and prepare orders for shipment.

4. Monitor Delivery Status:

• Track outbound shipments to ensure on-time delivery to customers.

Step 5: Distribution and Delivery

- 1. Route Optimization:
 - \circ $\;$ Use route optimization tools to minimize delivery times and costs.
- 2. Carrier Management:
 - Partner with reliable carriers and evaluate their performance regularly.
- 3. Real-Time Tracking:
 - Provide customers with tracking updates and estimated delivery times.
- 4. Proof of Delivery:



• Collect and store delivery confirmations for record-keeping and dispute resolution.

Step 6: Return and Reverse Logistics

- 1. Manage Returns:
 - Establish a streamlined process for handling customer returns or damaged goods.
- 2. Inspect and Restock:
 - Assess returned items for repair, recycling, or restocking.
- 3. Disposal of Unsellable Goods:
 - Safely and sustainably dispose of items that cannot be reused or repaired.
- 4. Analyze Return Data:
 - Identify trends and root causes to reduce future returns.

Step 7: Performance Monitoring and Optimization

- 1. Track KPIs:
 - Measure key performance indicators such as on-time delivery rate, order accuracy, transportation cost per unit, and inventory turnover.
- 2. Identify Bottlenecks:
 - Use analytics to pinpoint inefficiencies and implement solutions.
- 3. Leverage Technology:
 - Invest in supply chain management software and automation tools to improve visibility and efficiency.

4. Continuous Improvement:

• Regularly review processes and implement best practices to adapt to changing market demands.

Conclusion: A well-structured logistics and supply chain management process ensures operational efficiency, cost savings, and customer satisfaction. By continuously monitoring and optimizing the supply chain, businesses can remain competitive and resilient in dynamic markets.