

Good article review about managing global systems: primark

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CombineNet ASAP Helps Primark Manage Its Global Supply Chain

Why is supply chain management so important at a company such as Primark?

Primark employs the Free On Board policy, which means the transportation costs from its source markets all through to distribution in the European market are expensed to its account.

What set of business conditions prompted Primark to look into upgrading its supply chain management system?

An increased pressure on Primark to maintain low prices in the face of a recession, an increase in the UK's value added tax (January 2011), rising cost of labor in China and an unprecedented spikes in shipping rates

What problems was Primark having managing its suppliers and global supply chain?

How to keep freight costs low when shipping large amounts of cargo from the various production sites in Asia to distribution in the European market. With more origination ports, shipping to Primark's multiple destination ports, supply chain logistics increased in complexity.

How did the CombineNet ASAP software provide a solution to these problems?

CombineNet's ASAP is a software service with an online-based supply execution system. It is used to optimize sourcing for direct and indirect materials, transportation services and all other supply chain processes. It uses an algorithm to workout "if-then" conditions into the bidding process

through Expressive bidding. This allows the carrier to participate in price differentiation (to optimize its business opportunities), and it allows the transportation purchaser to calculate the savings (based on different shipping scenarios).

How does the CombineNet ASAP software improve supply chain execution for Primark?

Primark has seen a reduction its total transportation costs by about two and a half percent already, which is approximately \$2. 5 million and increased its visibility into its supply chain that had not previously been readily available.

References

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