

Good research paper about distribution logistic process: procter and gamble

[Business, Management](#)



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Part A

The distribution logistics process determines how products are retrieved from the warehouse and transported to the retailer. The focal point of any distribution logistic process is the shipment of goods from the manufacturer to the consumer. It comprises of all the activities related to the provision of finished merchandise and products to the consumer. Distribution logistic process is a market-linked production system that links a company's production logistic with the customer's procurement logistic. The recent technological and business trends have transformed the structure and performance requirements of many distribution channels in most businesses.

The higher service level of expectation by clients or customers and distribution outsourcing by manufacturers and suppliers are some of the new challenges faced in any supply chain management. These emerging problems have now created an urgent need by companies to face the complex problem of changing or reconfiguring their distribution chains.

Procter and Gamble (P&G), a leading industry player in consumer packaged goods, sells more than 300 brands in about 160 countries all over the world.

It has about 130 manufacturing sites around the world. The greatest challenge faced by P&G in its distribution logistic process has always been meeting customer satisfaction and the reduction of transport costs. P&G measures customer satisfaction levels at two levels which it calls ' moments of truth'. There is the need of making available a product on the shelf every time a shopper wants it and buyer satisfaction when he/she buys the product. The impact of stock-outs usually has a long term negative impact on the consumer with regards to the product, and hence he/she may shift to

other alternatives. Convincing them to buy the initial product becomes a daunting task when a customer shifts to alternatives. Hence the urgent need to re-engineer the company's supply network to genuinely be responsive to consumer demand.

The current distribution logistics in Procter and Gamble involves high transport costs and have not yet met efficient customer service. Most of P&G products like for example the Gillette products are stored and dispatched from distribution centers using both own and sub-contracted carriers for example DHL. This usually involves high transportation costs as sometimes the vehicles are usually not stacked pallets to maximize on the space available. To reduce the transport costs, P&G needs to optimize on the stacking of pallets in each dispatch vehicle or trailer and the improvement of management of own or sub-contract vehicle fleet by matching vehicles to load stacks for each load.

Part B

There is the need of effective warehouse distribution solution to reduce the transport costs and increase flexibility. This upgrade of the warehouse management system to the latest versions should also be done so as to meet the increasing customer demands. Maximization of the space held by the vehicles would greatly reduce the transportation costs as trucks will distribute maximum products they can carry rather than having more trucks carry products that one vehicle could. Improvements in the distribution logistic process would involve meeting the operational requirements and factoring in all customers aspects from the time of processing of orders

through the time of confirmation of dispatch to the delivery of the products. Improvements in customer service would involve working towards ensuring customer requirements are met, creation of load stacks to ensure that they match customer delivery requirements and the allowing of customers under the trade terms to be able to achieve full load delivery every time.

Restructuring of the process to cut on the transport costs and improve customer service would greatly benefit the profitability of the company. The re-engineering of the distribution logistics to cut on the transport costs would ensure that the right amount of products is made available to the customers at the right time and in the correct amounts at low transportation costs. The supply chain management process would be enhanced hence making sure that the operational costs are maintained at a minimum and customer service is enhanced thus contributing to the profitability of the company, Procter and Gamble.

Works cited