

Supply chain management and walmart



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1. Walmart has a brilliant Distribution System and Logistics Management that helps in maintaining the company's performance in many ways. The Distribution System procures goods directly from the manufacture, eliminating the intermediaries.

They negotiate with manufacturers and make sure that they are purchasing each and every product from them with lowest cost running in the market. This in turn creates long term relationship with vendors. Another efficient and productive technique that Walmart uses is the Barcode Technology on their products which keeps a detailed track of all the products that are in and out of the distribution center. In addition, Walmart utilizes the modern technology of portable electronic devices which are used instead of paperwork. This not only saves time but also is an excellent way to keep accurate information of all the products at just a click away.

Walmart has the fastest transportation system for the distribution of all its products around the US. They only hire skilled and experienced drivers. The drivers have a daily routine of reporting the details of the job to their supervisor. They use the Private Fleet Driver Handbook which educates the drivers and the employees with regard to the code of conduct.

Walmart introduced the Cross-Docking system by which they are able to maintain their everyday low prices. 2. Walmart introduced the Satellite Communication System in 1987. This network allows the transfer of data between vendors and within the company all around the world.

Its a major source of communication between the management and the workers around the world. Walmart has more than 10, 000 stores in twenty-

seven countries. The company is also on top of meeting the customer's demands by using IT capabilities. Walmart has unlimited services for their customers starting from low prices to Automated Reordering System.

Walmart entered into partnership with a manufacturer, Procter and Gamble. Their collaboration came up with an advanced idea of sharing the data across their mutual supply chains which resulted in an increase of sales because this way they were able to meet customers' demands faster. This also helps them maintain the inventories in their stores. Walmart uses RFID (Radio Frequency Identification Systems) to tag and track their merchandise. The RFID on the products is invisible and makes the checking out and invoicing of the products faster.

In addition, Walmart uses Algorithm System to forecast exact quantities of their merchandise. This system is utilized from when the product is received to when it is delivered. Walmart also has Accelerated Delivery System. All these various technologies have made the supply chain more productive and convenient. One of the major achievements of Walmart is the Cross-docking system which makes the distribution process faster and easier. By this process the incoming merchandise is unloaded and directly loaded on the trucks or trailers for delivery to stores.

This reduces the handling and storage of finished goods as there is no need for storage of all products. Walmart uses all the advanced technology such as computer systems in all the company's operation which makes them continue their services to their customers, suppliers, stock holders and

trading partners. 3. There are various supply chain management techniques adopted and invented by Walmart.

In Procurement and Distribution of their merchandise Walmart doesn't have any middle-man between the manufacturers which reduces the purchasing cost. They prefer local and regional vendor suppliers and the transportation is conducted quick. Another advanced skill they use is the barcode technology which enables them to keep a record of all the products which are in and out along with other benefits such as keeping track of all the prices by which the product was sold before and the quantities sold, and much more. This is very beneficial to the company along with all the customers world-wide as this helps them maintain their low costs.

By using the modern technologies the management can monitor their employees at all times and help expand the business by making sure the duties are performed productively. Logistics Management uses more than 3,500 trucks for transportation of its merchandise. They hire only experienced drivers and uses Private Fleet Driver Handbook which refers the drivers to the code of conduct. They transfer from supply chain to demand chain.

They mainly use five types of cross-docking. It is effective because goods are picked up directly from the manufacturer by reducing the storage and handling charges. Inventory Management uses IT and Communication System to communicate to all its workers around the world. This is the fastest way to meet the customers demands and get a quick response.

They also use Algorithm system and barcoding system. They collaborated with Atlas Commerce. This has proved to be beneficial and effective because <https://assignbuster.com/supply-chain-management-and-walmart/>

by this system they are able to communicate quick with their stores and help reduce the unproductive inventory. This helps in distribution of needed products in the market and an accurate distribution of goods according to the customers demands. 4.

Walmart has low transportation costs and there is reduction in lead time as the products are transported within 48 hours. Walmart has proved to be the fastest in replenishing the shelves compared to its competitors. The company always purchases in bulk quantities which helps them keep low costs and have good bargaining power. This benefits the customers as the discounts are higher on products.

Walmart has accurate forecasting of inventory levels due to all these advanced skills the company uses. Because of this there is never an issue of the storage place and instead there is always increased storage space. This also has reduction in safety stock. They use better working capital utilization.

Also, the elimination of old stocks is been able to done faster along with maintaining the quality of products.