

Scientific glass

Business



Scientific Glass Case Study s Storage has always been a very crucial aspect of economic development. This is why Scientific Glass (SG) came up with recommendations on how to make the inventory plan to support the firm's sales and customer-service objectives devoid of requiring a large capital investment. SG Inc was established in 1922 and produces specialised glassware for laboratory use and research entities. SG focuses on offering durable products, superior customer service, and innovative design.

Warehouses can be utilised to create product assortments for customer shipment. Since SG was selling its products to a variety of organisations such as biotechnology firms, pharmaceutical firms, research labs, and environmental testing facilities, the cost of logistics was reduced due to the fact that an assortment of products can be distributed whereas taking taking advantage of consolidated transportation.

Achieving logistical support across the global market usually needs strategic location of warehouses. SG company used centralised parts inventory at a central warehouse thereby reducing the requirement for inventories at each assembly plant. Products are bought and shipped to the strategically located central warehouse, thus taking advantage of consolidated transportation.

Centralising of the warehouses in North America allowed SG to pool its inventory so as meet demand. SG maintained a single warehouse which served all of North America, or in which SG's warehouses offered integrated service to meet consumer's demand (Wheelwright & Schmidt, 2011). A firm can also outsource its warehousing functions. For instance, Global Logistics offered delivery service that included centralised warehousing in Atlanta. The firm assured SG it would administer all order-fulfillment and inventory control functions. The firm also attempted to keep inventory balances as lean as

<https://assignbuster.com/scientific-glass/>

possible without jeopardizing the capability of the distributors to punctually meet client's demand by not being paid for any product that was delivered to the foreign warehouses until an additional product was sold and delivered to the consumer.

A typical warehouse uses a combination of extended and active product storage facilities. Warehouses erected by SG directly served customers thus focusing on short-term storage. On the contrary, other warehouses use extended storage for speculative or obsolete inventory. Whereas effective logistics systems need not to be designed to hold inventory for extended periods, there are some instances when inventory storage is actually justified on the basis of service and cost (Bayles, 2011). SG came up with stacking systems that permitted glassware to be stored for extended periods securely by utilising less space. SG utilises fixed review period inventory system for many of the glass items that it stocked. This ensures product velocity.

No warehousing needs to be included in a logical system except if it is fully justified on some combination of service and inventory. It provides both economic and service benefits. The major benefit of sorting is to reconfigure freight as it flows from the place of origin to destination. SG uses cross-docking so to merge inventory from various multiple origins into a prespecified assortment for a particular customer (Bowesox & Cooper, 2013).

Most firms experience steady rising of shipping and holding costs. This needs reinforcement of the objectives of expanded warehouse network such as increasing inventory turns, reducing number of customers back order, and enhancing order fulfillment times. The development of work procedures is <https://assignbuster.com/scientific-glass/>

directly linked to training of warehouse personnel by relying upon warehouse management systems (WMS) in order to standardise work procedures and encourage best practice.

References

Bayles, D. L. 2011. E-Commerce Logistics and Fulfillment. Upper Saddle River, NJ: Prentice-Hall.

Bowesox, D. J., & Cooper, C. (2013). Retrieved February 19, 2014, from Warehousing: <http://answers.mheducation.com/business/management/supply-chain-logistics-management/warehousing>

Wheelwright, S., & Schmidt, W. (2011). Scientific Glass, Inc.: Inventory Management. London: Harvard Business School.