

Improving operational effectiveness and customer service



Case Study: Improving operational effectiveness and customer service at Gant Logistics

1. 0 Introduction

Nowadays, the term of “ logistics” has become a necessary word relate to the normal life. Many logistics business has developed rapidly. In this report, the Gant Logistic is the company which is buyout a business logistics business to make up of the current new business. There is no doubt as a new business establish as the difficulties will come out. The purpose of the report is to analyse what kind of problem that Gant Logistics faced up, what kind difficulties need to be overcome. The aim of this report is help the initial business become developed faster and improved the disadvantages. Furthermore, the report will analyse the scope of the business.

1. Overview of logistics information systems and technologies.

2. 1 Essential features

Logistics management is very important for achieve an efficient and customer-oriented logistics service of a logistics company. It is a part of supply chain, it plans, implement and controls the efficient, effective forward and reverse flow and storage of goods, services, materials and any information between the point of origin and the point of consumption in order to meet customer requirements. It contains materials management, cannel management, and distribution and supply-chain management.

Logistics automation is another feature of an efficient and customer-oriented logistics service. It is the application of computer software, to improve the

efficiency of logistics operations. The industrial machinery can easily identify products by transmitted through radio frequency and is usually used in RFID tags, sometimes by bar code. The supply chain management system enables the business to meet the demands of their customer more effectively and efficiently. It can help companies to process orders much more quickly and effectively to ensure customer needs are addressed quickly. It also provides company lowers cost, improved collaboration, give cycle times, response to conflict.

The Customer Relationship Management is very important to maintain customer-oriented logistics service because it supports the effective management of customer relationships and lifecycle, from initial lead right through to after sales activity. Microsoft Dynamics CRM is good to use in Gant Logistics Ltd. Because it turning Microsoft Outlook into a single center that can organize customers data, offering familiarity, functionality and flexibility in management of communications. It helps company increase efficient of customer service.

Using Enterprise Resource Planning systems is another essential feature of an efficient and customer-oriented logistics service. Its integration across all business process, make business more efficient, faster and less error, enhanced productivity, increase overall performance and quality reports and performance analysis, it also integrate with supplier and customer systems enhance full visibility and efficiency across the business supply chain. Allow customers to track their parcels, delivery fast, customer service and delivery couriers attitude are also the essential features of an efficient and customer-oriented logistic service. Modeling and management of decision making, <https://assignbuster.com/improving-operational-effectiveness-and-customer-service/>

tracking and tracing are include in the information system, which is very important as well. It gives essential data and consolation in each step of the interaction among logistics services and the target station. A well-developed transportation system is also the essential features of an efficient logistics services. Without a good transportation system, logistics could not bring its advantages and will decrease the efficient and customers. It also will cost a lot to the company.

2. 2 Main types of information systems

As Gant Logistics Ltd is a new business, it is important and necessary to set up two key elements that help the business developed which are operational efficiency and customer orientation. Although the two elements has been organised, the business still need an efficient information system and technologies to organise. The term of information system is connect the relative information to support the business decision making and control in organisation (Management information systems 2015, Pxxi). The Gant Logistics business is focus on logistics and transport, so supply chain management systems will be one of the information systems that improve the business more effectiveness. Another system to support market function is decision support system and enterprise resource planning system.

Supply chain management system is the active management which maximise customer value and achieve a sustainable competitive advantage activities (Robert 2011). The main function for supply chain management is transformation, movement and storage of goods and materials. For Gant Logistics the operational efficiency is the key element to grow business,

during the process movement of the product has to be organised well, appropriate timing, check goods quality and quantity, and organise quick delivery process is the components for operational efficiency. Unsuccessfully and inappropriate communication would drag the business to failure.

Therefore, timely communication and technology-enabled visibility lead business to organise production correctly and modify the potential problem.

Logistics business

3. 0 Recommendations

3. 1 Information systems and technologies

3. 1. 1 Inventory management system

Inventory management system is to scan inventory items, for example, feature licenses and hardware components. Hardware components are installed in the routing platform, both of part and serial number. Feature licenses enable software features to run on a routing platform. It is advisable for Gant to introduce inventory management software into its inventory management system. It will maintain a timely track of orders, inventory levels, shipments and other items. As for certain products, which might be sold together at most time, or are more popular in the market, it can be grouped by inventory management software and be placed together (Barbosa & Musetti, 2010). Considering potential market and delivery destination, inventory management software placed all the products near the delivery area, in order to speed up daily operation of warehouse, which is beneficial for manufactures, distributors, wholesalers and retailers. Inventory

management system will contribute to the optimization of warehouse and distribution centers. Since Gant has a number of distribution centers in 11 locations and deliver various products such as fast-moving consumer goods and domestic appliance. It is difficult to find out the exact goods listed on the inventory order. Introduction of inventory management software will increase the efficiency of keeping and picking up of products. Inventory management software enables Gant to manage and automate track the receipts, adjustments, transfers and stock counts in the warehouse.

3. 1. 2 Third-party logistics

Third-party logistics refers to the supply chain including both its own suppliers and outsourced suppliers, to fulfill its overall objectives. It requires for an integrated operation both in warehousing and transportation services, which can be scaled and customized in accordance with the changeable market conditions, such as additional demands for goods and materials. Once there is an integration of procurement or production of goods, the company shall call the third-party logistic providers for help (Helo & Szekely, 2005). It is a particular operation in the overall supply management, including raw material provision, warehousing and transportation. Fuel cost is a major cost element for Gant's business, with an annual fuel bill in excess of \$60 million. It operates distribution centers in 11 locations across Australia and utilizes a fleet of 182 trucks. It is essential for Gant to reduce its fuel cost and increase its operational efficiency. Third-party logistics allows Gant to transfer its pressure to third party and enjoy a cost saving. There are 3 main types of third-party logistics providers, which are asset based, management based and integrated providers (Cheng & Phillips, 2011). It is <https://assignbuster.com/improving-operational-effectiveness-and-customer-service/>

advisable for Gant to choose the third one, in order to maintain flexible operation, reduce capital commitment, save both cost and time.

3. 1. 3 Customer-oriented model

Unlike former strategic goals in logistic system, which emphasizes greatly on profitability and market share, customer-oriented model highly value customer service in the entire supply chain. The Quick Response is the key to success of the customer-oriented model. Gant shall recognize customers' changeable demand and react to it as soon as possible. Quick Response requires for a closer cooperation among all the participants in the supply chain, including manufacturers, deliverers, wholesalers, retail sellers, etc, so that the cost of customer service are able to be reduced to the minimum. Gant shall gain the key information on customer's demand in time and make the most of it in the supply chain. Modern logistic technologies shall be introduced to the logistic system, such as EDI (Hazen & Byrd, 2012). Customer-oriented model are carried out through out the overall logistic processes. It requires for redesigning in manufacturing operations, good partner relations in negotiation, shorter periods in delivery, timely information sharing in communication, fast transport and TQM obligations. It is of great significance for Gant to set up customer-oriented model, for the reason that it helps the company to boost sales volume and cut costs, which is good for all the participants in the supply chain.

3. 1. 4 Drivers monitoring system

All the trucks in Gant shall be equipped with console-mounted cameras.

Cameras are able to track the drivers' eyes behavior, when they are driving.
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When drivers are found to nod-off, they will be alarmed through Bluetooth earpiece. With a customized sound or gentle vibration, drivers will be waked by this driver fatigue alarm. In addition to that, sensors shall be embedded in the truck seat, which are able to measure electrocardiography of drivers, known as ECG (Gruenwald, 2013). Sensors are able to measure drivers' heart rate variability, so that assess the stability of drivers heart rate, from beat to beat. When drivers are tired or sleepy, their heart rate will slow down greatly, which will be detected by the sensor. This information will also start up driver fatigue alarms in the truck. It is necessary for Gant to introduce cameras and sensors in their logistic system, for the reason that it is to resolve serious issue of driver fatigue. These technologies will enable Gant to carry out real-time monitoring on driver's healthy and efficiency, as well as to eliminate the negative impact brought by driver fatigue as much as possible.

3. 2 Schedule for implementation

Time	Strategy	Operations
1 st year	Inventory management system	Inventory management software
	Drivers monitoring	Sensors, cameras,

system	alarms
2 nd year Customer-oriented model	Quick response in all the processes
3 rd year Third party logistics	Integrated providers

4. 0 Conclusion

Gant is a new company formed from the management buyout of a transport and logistics business. There are a couple of issues in its current operation, such as high fuel cost and low operation efficiency. Strategies shall be set up to deal with these issues, such as set up inventory management system and drivers monitoring system, introduce customer-oriented model and select third-party logistics providers. There is no doubt that a series of difficulties will be met during Gant's development in logistics system. It is necessary for Gant to keep a timely record and share information with its partners, in order to quick response to the changeable market condition.

5. 0 References

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