DOWNLOAD PDF 10. DISTRIBUTE, MARKET, AND MANAGE WITH IMPACT

Chapter 1 : Market Research Reports, Marketing Research Company, Business Research by MarketsandM

The channels of distribution describe how products are delivered to target customers. Manufacturers can either use intermediaries to market and deliver products or independently manage the steps.

Comment To weather the recession and succeed during the recovery, companies will have to adapt to 10 trends that will profoundly affect the U. Here we are in the middle of , scrabbling our way out of the Great Recession and approaching the "Great Comeback. However, the recession affected different industries in different ways. Food, beverage, pharmaceuticals, cosmetics, and medical products were less affected, while housing and automotive were hit hard. Likewise as the comeback progresses, results will continue to vary by sector. The overall recovery, however, will be strong. In fact, for companies that planned for the Great Comeback, the next four years will be good years. One industry segment that will be profoundly affected by the economic recession and recovery is the U. I believe that over the near term, warehousing in general will have to adapt to the following 10 major industry trends: There have been huge reductions of inventory during the recession. These reductions were often accomplished by simply buying less, but now companies are managing inventory correctly. The high, prerecession inventory levels will not return. Meanwhile, inventory turns will remain at the recessionadjusted, elevated levels. As a result, warehouses will have excess storage capacity and will need to alter the density of their storage. Greater pressure on employees. Even though warehouses are seeing increased volumes, they are still reluctant to hire. These hiring freezes put a lot of pressure on current employees to be more productive and to work longer hours. Eventually, as other industries begin to grow again, warehouses and distribution centers will hire again. Until then, some of the warehouse staff will buckle under the pressure and move on to less stressful jobs. This will have a negative impact on warehouses and further increase the pressure on existing employees. Management needs to understand these dynamics and proactively work to avoid their damaging effects. Increased investment in material handling systems. For the last two years, companies have held off on replacing their old material handling equipment. This pent-up demand will result in many upgrades in the near future. During this period, the material handling space will see changes take place across the boardâ€”in everything from system design to vendor selection to implementation. Systems will have increased flexibility, modularity, and agility, and there will continue to be a larger number of smaller orders placed with vendors. Customers will base selection less and less on the brand of the equipment and more and more on the quality, reliability, and reporting capability of the control system. As most material handling equipment is now a commodity, purchases of material handling systems are more about controls than about the equipment itself. Fewer systems will be bought from material handling equipment vendors themselves. Companies will add capacity in the form of equipment when it is needed. Warehouses will no longer take five years to implement their requirements only to realize that they once again need greater capacity. We will see an increase in the percentage of goods that come into a warehouse but do not get placed into a storage location. These cross-docked goods will come into the distribution center ready to ship to the customer. Greater use of cross-docking will contribute to an increase in inventory turns and may require alterations or additions to material handling systems. Wider use of logistics service providers. More companies will analyze their core competencies and their peak volumes and decide that some or all of their warehousing functions should be outsourced. At the same time, logistics service providers will begin to understand more about their own core competencies and will focus on opportunities in which their specific capabilities provide a value proposition for their clients. The post-recession "new norm" is that there is no "new norm. Instead of continuing to attempt to improve their forecasts, warehouses will need to become more agile and better able to respond to uncertainty. Major changes to order profiles. Increasing demand for value-added activities. When it comes to the type of value-added activities warehouses will be asked to perform, I see no end in sight. Some organizations seem to be doing more value-added functions in the warehouse than in their manufacturing operation. There is nothing wrong with a warehouse providing value-added services as long as the customer provides sufficient resources and compensation for these services. The warehouse needs to be open and honest about what it can provide as a "standard warehouse service" and what requires an additional charge. If the warehouse operator does not set some ground rules, requests for value-added services are likely to become more and more bizarre. As the economic recovery picks up steam, warehousing will be viewed less as a process unto itself and more as a sub-process of the end-to-end supply chain. Because the end-toend supply chain of plan-buy-makemove- store-sell must focus on the customer, warehousing will need to define its role in this context. Succeeding in this business is no longer about having a great warehouse. It is about the warehouse doing all that it can to contribute to a great supply chain. More mergers and acquisitions. There are a lot of strategic deals taking place these days. One of the synergies that companies are seeking from these deals is the integration of the supply chains involved and, thus, the integration of the warehousing functions. To integrate supply chains, companies often need to optimize their overall distribution networks and rationalize the number of warehouses. While that process is under way, the development of the newly merged organization must be documented and understood, and any problems must be addressed. To successfully make it through the economic recovery and the Great Comeback, companies need to scrutinize and optimize the warehousing function as well as talent, while staying focused on strategy, cutting all unnecessary costs, and planning for the recovery. As this roundup of trends makes clear, we certainly live in exciting times, and there is no single piece of advice that will work for every company in every circumstance. Nothing is off the table. Everything is in play. Join the Discussion After you comment, click Post. Want more articles like this? Sign up for a free subscription to Supply Chain Executive Insight, a monthly e-newsletter that provides insights and commentary on supply chain trends and developments. Click here to subscribe. We Want to Hear From You! We invite you to share your thoughts and opinions about this article by sending an e-mail to? Correspondence may be edited for clarity or for length.

Chapter 2 : What Channels of Distribution Affect Marketing? | www.nxgvision.com

The importance of 'excellent' publications for the career of scientists. Young researchers are well-advised to strive for publications in journals with high impact factors - especially if they are not sure yet whether they want to pursue a career in academia or in the non-academic job market.

A company may decide to incorporate one key inventory management technique or combine a variety of techniques to meet organizational needs. Businesses utilize inventory management strategies to create invoices and purchase orders, generate receipts and control inventory-related accounting. Supplier Assistance An effective way to manage inventory is to solicit the help of suppliers. Distribution-intensive companies utilize vendor managed inventory controls to eliminate data-entry errors and to effectively manage the timing of purchase orders. Inventory Control Personnel An efficient method for managing inventory is to hire a dedicated inventory control specialist. Inventory specialists manage all merchandise items that are on hand and in transit. They also perform adjustments, manage returns, validate received merchandise and implement inventory reporting strategies. Lead Time Lead time is the amount of time it takes to reorder inventory. Suppliers deliver products at varying times after an order is placed. A useful way to manage inventory is to establish lead time reports to understand how long it takes to replenish your inventory. Monitor Inventory Levels Having high levels of inventory adds to expenses and increases overhead costs. An effective way to manage inventory is to determine the inventory demands of the business. Limit seasonal inventory and cut back on inventory that does not sell. Customer Delivery An effective way to manage inventory is to measure inventory turnover and delivery turnaround time. This involves measuring how often your inventory sells and how long it takes to get into the hands of your customers. Inventory Consultant Many organizations hire inventory consultants outside the company to develop and manage internal inventory systems. Inventory consultants are responsible for maintaining accuracy, cycle counting, shipping and receiving, and managing order-picking operations. Purchase Software Many businesses manage inventory by designing an inventory management database or purchasing inventory management software. Inventory management software enables distributors to customize the database to fit their individual needs. Product Turnaround All businesses have products that sell and products that sit on the shelves. A helpful way to manage inventory is to establish a system that pinpoints which products move quickly and which products take more time to sell. Tracking System Many businesses develop a tracking system to manage inventory and monitor turnaround times. Inventory tracking system formats range from spreadsheets to computer programs. They provide complete inventory control allowing business owners to organize item levels and take cycle counts in distribution centers or stock rooms. Work in Progress Businesses successfully manage inventory by tracking units as they move through different operational stages. Many businesses utilize some inventory to create other products. Establishing a system to track "work-in-progress" materials allows businesses to adjust order amounts before the inventory gets too low and slows production. References 1 Vendor-Managed Inventory: She studied political science at Arizona State University and her education has inspired her to write with integrity and seek precision in all that she does.

Chapter 3 : Chapter Distribution Decisions

Distribution Impact on the Property Market Joe Valente Looks at key trends in the distribution sector and their potential impact on the warehousing property market. Draws on interviews held with property and distribution directors of major companies from a variety of business sectors.

Channel structure Channel structure varies considerably according to whether the product is consumer or business to business oriented. The former tends to have a variety of formats, whereas the latter is less complicated. The choice of which one is used depends on the requirements listed above. The converse is the scenario in many less developed countries. In East Africa, for example, small dukas carrying less than items and occupying no more than Also there can be very thriving parallel market systems, often difficult to track down. Decisions on what channels and entry strategy to adopt depend heavily on the risks, availability and costs of channels. Most developing countries rely heavily on agents in distributing their products. Whilst criticism of being "ripped off" is often made, the loss caused by the shrinkage is less than that associated with more sophisticated channel forms. We can now look in detail, at some important types of channel members relevant to agricultural marketing. Brokers Brokers do not take title to the goods traded but link suppliers and customers. They are commonly found in international markets and especially agricultural markets. Brokers have many advantages, not least of which is they can be less costly overall for suppliers and customers. Personalised trading networks Frequently, relationships may be built up between a buyer and a seller, in which over time as confidence grows, unwritten and informal understandings develop. These relationships reduce information, bargaining, monitoring and enforcement costs. Often, as relationships build, then trust develops which may become proxy for laws. Flexibility ensues which often means priorities or "favours" can be expedited. Trust and reciprocity can enable trade to develop in unstable economic circumstances, but both parties are aware the relationship can be undermined through opportunistic behaviour. The Kenyan fresh vegetable industry is a classic example of personalised trading networks enabling international trade between Kenya suppliers and their familial often Asian buyers in the United Kingdom. Associations, voluntary chains, cooperatives Associations, voluntary chains and cooperatives can be made up of producers, wholesalers, retailers, exporters and processors who agree to act collectively to further their individual or joint interests. Members may have implicit or exclusive contracts, membership terms and standard operating procedures. These forms of coordination have a number of advantages: This is very important where supermarkets in the UK, for example, are now buying in such quantities that they are dictating terms to suppliers. Developing countries do not have a history of good cooperative development, primarily because of poor management, financial ineptitude and over-reaching themselves. However, the Bombay Milk Scheme in India is working very well. The latter has been very successful in going into value added processing as well. Contracting Contracting represents an intermediate institutional arrangement between spot market trading and vertical integration. Marketing and production contracts allow a degree of continuity over a season, cycle or other period of time, without the "instantaneous" of spot trading. The two main types of contract are: These involve commitments by buyers and sellers to sell and purchase a particular commodity over a stated period of time. Specifications usually include weight, volumes, standards and values. Prices may be based on cost plus or negotiated. These contracts exist between farmers and first handlers and exporters and importers. In such a contract the exchange of raw material or commodity is made on condition that it involves the use of certain inputs or methods, advised by the buyer, who may even take over the distribution function. This is a typical Marks and Spencer arrangement. By creating forward markets, the seller reduces market risk, and the buyer ensures that he receives commodities to certain specifications. Production contracts to farmers are also a source of credit collateral. Integration Integration vertically involves the combination of two or more separate marketing or production components under common ownership or management. It can involve investments "forward" or "backward" in existing activities or investments in interlinked activities. Integration horizontally means the linking of marketing or production separables at the same level in the system, for example, a group of retailers. Integration can bring a number of economies to food marketing systems, viz: More direct control over assets may enable the firm to invest in processing and marketing facilities which further enable the development of economies of scale. Typical examples include nuclear estates and outgrower schemes. Taxes, prices and exchange controls and other regulations may be "absorbed" to give pecuniary gain. Also, integration enables the firm to increase its market share and leverage with suppliers and customers. In agriculture, Lonrho and Anglo American provide excellent examples of vertically integrated organisations. Lonrho, with its estates in Kenya, is also in processing. Anglo American is also in agriculture and provides an interesting case of vertical integration giving advantages. If one takes the Anglo American operation in Zimbabwe, it owns, amongst other things, citrus estates. It not only grows, but processes and markets domestically and internationally. In addition, Anglo owns training facilities, transport facilities and gives credit and investment capabilities. Government It has already been seen in chapter seven that Government can take a leading role in the distribution of goods and services via state-owned Marketing Boards. Government may provide an infrastructure which the private sector just cannot afford for example roads, utilities, training and extension. Government has the sovereign authority to provide the regulatory framework within which commodity or agricultural export systems can be developed. It can also define the rules for international trade and market entry. It can negotiate in either a bilateral or multilateral form, to facilitate a particular commodity transfer or arrange lower terms of access. Government also has other roles to play like cooperating or providing services in defined markets. It can provide credit or market information. It may stabilise prices with price controls like floor or ceiling prices, buffer stocks, quantity controls and so on. Government can regulate the competitive position of markets by passing regulations which protect or promote a market structure. It may force suppliers into Marketing Boards as the only outlet and so alter the whole competitive structure of industry. Both Marketing Boards and Marketing Orders can be used to control physical commodity flows, enforce market quality standards and pool market risk. Finally Government can "enable" suppliers through the introduction of export incentives, reduced taxes or export retention schemes. As an example of international channels decisions and management the following cotton example is given, adapted from the ITC training manual 1. Cotton marketing Customer requirements In marketing cotton the basic question is, who is the customer? The customer has a number of clearly defined needs including the following: Its relative value must be competitive versus synthetics quality and against the Liverpool index. In addition, the producer and merchant have needs and objectives: Channel structure Figure At each stage value is added. He performs the following functions: As can be seen from this list the services offered are considerable. The services he can provide to a producer are as follows: Dangers to watch out for are: Whilst most of these factors are producer oriented criteria, the trader himself has a predicament. Think small can be triggered by questions like will West Texas produce low micronaire cotton? Will XYZ Spinners go bankrupt? Will I find freight from Buenos Aires to Lagos? Will the price go up or down tomorrow? Whilst trying to find an answer to this dilemma, the trader may run out of time, money and courage and go broke. Risk and reward are ultimate advisers.

Chapter 4 : 10 warehousing trends to watch â€“ Warehousing â€“ CSCMP's Supply Chain Quarterly

Even with the United States' 10 percent tariff on $ billion worth of Chinese goods set to rise to 25 percent Jan. 1, , industry watchers and executives have yet to see a significant impact.

Quality looks at deposits generally, more finely distinguishing between operating and non-operating balances. Consistency considers the day-to-day reliability of balances. Timeliness measures stability throughout the day i. These are distinct yet mutually reinforcing aspects of reliable funding. Regulatory-driven changes related to each will likely affect your balance management and funding practices. Quality Regulatory focus on balance quality continues in Banks must ensure they have sufficient high quality liquid resources to survive an acute stress scenario lasting 30 days. What are termed operating balances by the regulations are considered more stable despite being liquid, since they link to daily business flow and are less easy to withdraw suddenly. The operational portion of your balances can be effectively employed for bank funding. The net effect is that banks want to attract operating balances. To ensure your deposits qualify, banks must quantify the relationship between your deposits and your transactional activity. Any funds not immediately supporting payment flows for daily operations must be treated as non-operating balances. An increased focus on operating products. Certain deposit products will be decidedly less attractive for banks to offer, particularly in the U. Those with less than 30 days duration are most impacted, including Money Market Deposit Accounts, time deposits, hedge-fund deposits, Fed Funds traded and certain types of liquid regulatory cash. In light of the effects of quality as a measurement of stability, you may need to: Assess how you currently distribute your cash management business across your banking relationships and whether your deposits are supporting transactional flows. Speak with your banking partners about solutions to optimize the cash needed to fund payments and to learn about alternatives for non-operating deposits, such as money market funds, repurchase agreements and commercial paper. Determine whether current investment policies support the anticipated changes for non-operating deposits. A sustainable funding structure decreases the risk of bank failure and the potential knock-on effect of broader systemic stress. The net stable funding ratio NSFR measures this sustainability. Consequently, banks value customer deposits with a stable core as a source of reliable funding and contributor to the NSFR. Banks will value consistent day-to-day funding. As banks more finely analyze your operating balances predictability serves as a key indicator of consistency. The very nature of operating balances is that they fluctuate from day-to-day, which is different from balance volatility. Spikes in deposits that relate to out-of-the-norm, non-repetitive events create day-to-day volatility, and banks must classify these funds as non-operational balances. For example, pre-funding your account to cover a large payment creates unevenness at the time of deposit and cash outflow. This qualitative difference in the treatment of your balances has a quantifiable impact on how banks view your operating cash and how you must manage it on a daily basis. Smoothing the volatility of operating balances becomes a necessity. The challenge for companies becomes two-fold: One way to achieve consistency and manage balance fluctuations is to consolidate operating flows with fewer cash management providers since a portfolio effect can accrue with larger consistent balances. To address balance volatility, expect your banks to suggest tools to help you manage your flows. Prefunding is one such tool. In response to the impacts of consistency as a component of stability, you may need to: Analyze your balances to understand overall patterns of inconsistency within and across your banking relationships. Work to improve cash visibility and hone cash forecasting to anticipate unevenness in balances. Think about ways to smooth fluctuations and volatility, which may include consolidating operating flows with fewer cash management providers and implementing tools such as prefunding. Timeliness Intraday liquidity IDL is defined as the cash or liquid assets available to meet payment obligations plus intraday limits uncommitted credit lines [IDL] and is increasingly in the purview of regulators and banks. Banks must actively manage their cash positions and related risks on a timely basis throughout the day under normal and stressed conditions as part of the smooth functioning of payment and settlement systems. As a result, balance stability considerations must include intraday limit utilizations. IDL is increasingly a valued resource requiring measurement and transparency. Today, intraday mismatches between payments and liquidity exist as there areneither explicit capital charges for intraday liquidity, nor is there a substantial short-term liquidity supply. This treatment is changing, however, as regulators consider formal reporting requirements of key IDL metrics for banks. The result is to increase IDL transparency and potentially the cost of its usage in the future. Intraday self-funding will become a necessity. Mismatches between your cash inflows and outflows require banks to deploy IDL. Payment prioritization and timing are essential to matching cash flows throughout the day. Banks will look to corporations to self-fund their accounts during the course of each day. Increasing bank operating deposits in your deposit account to support payments can facilitate balance sheet stability and reduce the use of intraday bank credit lines. Reviewing sources, uses and timing of funds is crucial, and pre-funding accounts can greatly relieve IDL pressure. This may require your treasury group to change its investment practices where short-term and overnight placements divert liquidity from where it is required. This means you may need to: Another common method involves collating, grouping payments and credits during a time period e. Dig deeper to identify drivers, patterns and changes in usage over time. This includes drilling down into individual drivers or payment flows and reviewing the timing of your cash inflows and outflows. Build a case for change internally and then drive new behaviors. This typically involves working with payment counterparties to match the timing of liquidity inflows and outflows, reviewing internal processes that drive liquidity usage, and integrating intraday and end-of-day cash management. The Impact of Monetary Policy: As the Fed unwinds these effects, the U. Reduced market liquidity will further drain bank reserves and overall market cash balances. This dynamic will introduce a fourth dimension to the equation for active cash management as it could further compress market liquidity management demands. This will heighten the emphasis on quality, consistency and timeliness as interrelated, mutually reinforcing aspects of banking system resiliency. Market participants will need to focus even more attention on their liquidity management strategies. A change in strategy Promoting a sound banking system will necessitate changes in how banks define, measure and manage balance stability. The market is beginning to experience the impact of distinct yet interrelated reform measures under Basel III and other regulatory measures. The effects will intensify as market liquidity continues to normalize. Morgan solutions reward clients with increased value for deposit stability and enhanced operating service: Liquidity Management Accounts align the stability of your operating business over time with an increased return on deposits. Balances remain completely liquid but build value as they remain in the account. Core Cash Management Accounts expand on the Liquidity Management Account concept by aligning increased return on your deposits with increased use of operating services over time with yield enhancement linked to overall operating stability. Related Insights Harnessing Technology Innovation for a Better Banking Proposition In the current payments landscape, it is critical to leverage technology and choose partners that support treasury in contributing to business strategy and the bottom line.

Chapter 5 : Top Ten Ways to Manage Inventory | www.nxgvision.com

The market is beginning to experience the impact of distinct yet interrelated reform measures under Basel III and other regulatory measures. The effects will intensify as market liquidity continues to normalize.

Full-Line Wholesalers, Inventory Levels vs. Product Sales, by Product Type, Exhibit 3: Specialty Distributors, Exhibit 7: Unbranded and Branded Generics, Share of U. Prescriptions, to Exhibit 9: Number of Independent Pharmacy Locations, to Exhibit Pharmacy Franchise and Marketing Programs, Exhibit Other Dispensing Formats, Exhibit Generic Purchasing Volume, by Organization, Exhibit Hospital Costs, by Type of Expense, Exhibit Generic Drugs, Exhibit Path of Wholesaler Gross Profits, Brand vs. Multi-Source Generic Drug, Exhibit Manufacturers and Overall Market Exhibit Drug Purchases, Annual Total, to Exhibit Change in List vs. Net Price, by Manufacturer, Exhibit Pharmacy Industry Prescription Revenues, Traditional vs. Specialty Drugs, to Exhibit AmerisourceBergen, Top 10 U. All Other Customers, to Exhibit Cardinal Health, Profitability Metrics, to Exhibit Cardinal Health, Top 10 U. Pharmaceutical Distribution, Revenues and Growth, to McKesson, Top 10 U. Distribution, Revenues and Growth, to Celesio, Revenues, by Operating Segment, to Exhibit McKesson Canada, Revenues and Growth, to

Chapter 6 : Digital Disruption Q&A: How Enterprises Can Manage the Impact - Smarter With Gartner

Many supplier businesses have trouble getting a handle on their relationships with the companies that distribute their products or services. that create impact.

Chapter 7 : How a Stronger Banking System Could Impact Liquidity Management | J.P. Morgan Securities

As a business grows in an international market, marketing strategy evolves, and each sequential phase requires management resources specific to the task, different skills, and financial investment.