

Optimal Retail Distribution for Bulk (Oil)

Vinodh Soundarajan
Futureshift Consulting Pte Ltd
vinodh@futureshift.com.sg
<http://in.linkedin.com/in/vinodhsoundarajan>
<http://www.futureshift.com.sg>

Phone:

+91 94931 05490 (Cell)
+1 425 451 7954 (USA)

Mailing Address:

7-1-31/6/A, Leelanagar,
Ameerpet, Hyderabad – 500 016

Optimal Retail Distribution for Bulk

Abstract

This paper describes Retail distribution of bulk products. Oil distribution falls in the Bulk Distribution vertical and follows distinct process steps. Distribution of bulk Chemicals and Pesticides follows similar process steps. Gas distribution is either through pipelines or via discrete model for LPG. An efficient end-to-end supply chain planning and optimization system includes functionality for Vendor Managed Inventory, Demand Forecasting, Order Management, Supply and Transportation. Various constraints and complexities faced in real-world retail business scenario are discussed. Potential Variable Pricing strategies of oil at the retail location are also touched upon.

The goal of this paper is multifold – Firstly, it attempts to expose challenges of global retail distribution to general population. The goal is to demonstrate complexities involved in delivering the right level of service (availability of right petroleum products at the petrol pumps at the right time). Secondly, each step of the value chain is analyzed thoroughly using data from developed nations to offer strategic and tactical recommendations for business practitioners. Planning and Optimization leads to reduced inventory carriage, timely scheduling of orders and enhanced ability to service customers and end-customers. Importantly, this paper recommends approaches to significantly reduce retail distribution costs by way of efficiency and customer service improvements. This paper can be used as a guideline while optimizing distribution costs in the Indian business scenario. Most of the business constraints and decisions explained in this paper are applicable for the Indian sub-continent also.

About the Author

Mr. Vinodh Soundarajan is a global leader in Supply Chain Management and Engineering. He is currently a partner with Futureshift Consulting Pte Ltd, a boutique firm delivering Supply Chain, Management, HR and Technology solutions to customers worldwide. He is the mentor and on the board of a couple of private technology startups in Education and Retail verticals. Most recently, he managed global Engineering Organization for SumTotal Systems, provider of Talent Development solutions. He was the Vice President and Member of Executive Management Staff and was responsible for strategic and execution leadership at SumTotal. Prior to SumTotal, Vinodh was a Director of Product Development at JDA, a leader in Supply Chain and Retail software solutions. Vinodh was instrumental in setting up JDA India organization in 2004-2006 and lead Logistics, Demand, Pricing and Optimization Engineering teams. He has a Bachelor's in Computer Science Engineering from NIT Warangal, a Master's in Computer Science from University of Mississippi and an MBA from Penn State University. He can be contacted at vinodh@futureshift.com.sg.

About Futureshift

Futureshift Consulting Pte. Limited (S200908933) is a Singapore registered company with its main office at 14 Robinson Road #13-00, Far East Finance Building, Singapore 048545.

Supply Chain Practice @ Futureshift Consulting : In this flat world of Commerce and Trade, Supply Chain is a key differentiator. Every industry has a supply demand factor. We are firm believers of the demand driven philosophy. Our strengths lies in creating the right synergy between traditional Supply Chain practices and agility to weather the toughest of changes. Besides vast industry experience in Demand Forecasting, Optimization, Planning, Scheduling, Pricing, Promotions and Logistics, we bring forth specific ideas and models that work best in each of your scenarios. We blend the solution with appropriate tools including software and services to deliver utmost value for complete satisfaction.