

### **IT Management**

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### **SCG Logistics Business Background**

- **1999** Spun off from SCG's in-house Operations Division (Cost Plus model) to profit center business unit
- **2000** → Starting as Light Assets LSP Business Model
  - ➔ Re-modeling Organization Structure
  - → Using Business Process Improvement as key mechanism
- 2001 Onwards →

Continuously Using Business Process Improvement and IT Implementation



### **SCG IT Platform**

Order from customers Inbound Logistics Truck from Plant Warehous	e Outbound Logistics Trucks to Transport by Truck/ Barge Customers
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#### Information needs:

	Customer demand	<ul> <li>Dispatching</li> <li>rate</li> <li>Truck waiting</li> <li>time</li> </ul>	Inventory level     Loading rate	•Truck/ Barge turnover		• Unic	bading rate	•Trac statu	king Is
port	• Order detail	Dispatching time control at plants	<ul> <li>Loading time contr warehouse</li> <li>Automatic update inventory data</li> </ul>	Track & Trace system	<ul> <li>Loading time control at warehouse</li> <li>Automatic update inventory data</li> </ul>			Track & Trace system	
IT sup	E-Ordering	RFID	Barcode WMS CCTV		GPS Event Mgt.		Barcode WMS CCTV		RFID GPS Event Mgt. VMI
		SAP : SD (GI)	SAP : IM		SAP	SAF	P : IM,SD (GF	R,GI)	SAP : FI



### **IT Implementation concept**



### **SCG Logistics' Vision**

- To become a Dominant Logistics Service Provider with sustainable development by the year 2015
- To serve strategic customers in ASEAN, focusing on Bulk, Full Truck Load and Consolidated Segments
- To ensure high value services through operational excellence, advanced technology development at partnership level



## Example: RFID (1/2) Postponement concept

#### Pains

- Destination subject to change frequently
- No visibility to manage truck flow
- Delay and inaccurate Information for monthly account closing



## Example: RFID (2/2)

### **Results:**

1. Increase truck utilization from shorten waiting time



- 2. Increase visibility track and trace status of trucks
- 3. Reduce manual transactions more data accuracy



### **Example: RFID**

	Order from customers Truck from Plant		istics Plant	Warehouse		Outbou Transport b	nd Logistics by Truck/ Barge	e Trucks to Customers		
Information needs:										
•Customer demand		Dispatching     Ir rate     Truck waiting     time		ventory level • Tru bading rate turr		ick/ Barge nover	Unloading rate	Tracking     status		
port	• Order detail	Dispatching time control at plants	<ul> <li>Loa war</li> <li>Auto investion</li> </ul>	ding time contr ehouse omatic update entory data	ol at	Track & Trace system	<ul> <li>Loading time co warehouse</li> <li>Automatic updat inventory data</li> </ul>	ntrol at æ	Track & Trace system	
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		SAP : SD (GI)	SAF	P:IM		SAP	SAP : IM,SD (G	GR,GI)	SAP : FI	



### **Example: GPS**

Pain: No information to manage truck flow

Benefits: Process monitoring; Accident, Loss & Damage and On-time monitoring



#### Transport Route

### **Example: RFID**

	Order from customers Truc		Inbound Log Truck from F	nbound Logistics Fruck from Plant		Warehouse		Outbound Lo Transport by Tr		I Logistics Truck/ Barge		Trucks to Customers	
lr	Information needs:												
•Customer demand •Tr tir			Dispatching rate Truck waiting time	Inventory level     Loading rate			•Truck/ Barge turnover		Unloading rate		• Tracking status		
port	• Order detail	•	Dispatching time control at plants	•	<ul> <li>Loading time control a warehouse</li> <li>Automatic update inventory data</li> </ul>			Track & Trace system	<ul> <li>Load ware</li> <li>Autor invertion</li> </ul>	ing time con house matic update ntory data	trol at	Track & Trace system	
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# Example: TMS (1/2) Decentralized fleet management

#### Advantage:

• "Under-control" customer perception

#### Disadvantages:

- Sub-optimized operational management
- Redundancy work force (CTL and contractors)
- Unable to response to demand fluctuation





# Example: TMS (2/2) Centralized fleet management



GISTICS

### **Suggestion: Important Database**

#### TMS

- Traffic lane The most & least utilized route (Origin and Destination)
- Risky point High possibility for accidents
- Domestics volume by products
- Strategic location Switching transportation mode, e.g., truck to barge / truck to rail

#### LND

- Truck Registration
- Driver Registration
- LSP



### Backhaul Matching Cost saving model

Step 1: SCG is our base volume Step 2: Build up Backhaul volume by expanding to Non-SCG



### Conclusion





### Conclusion

- Logistics activities require IT to monitor process for execution accuracy and improvement
- Process Implementation and standardization come first (before IT)
- Fact and Data obtained from IT system are crucial for incremental Process improvement and Business reshaping

