

SUPPORTING INNOVATION AT PANE QUOTIDIANO

Operations & Logistics

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SUMMARY

Introduction	2
New platform to communicate with donors and suppliers	2
Implementation of Microsoft Cloud for Non-Profit.....	3
Partnership with E-Mobility	4
New “Mobility Project”	5
Conclusion	6

Introduction

According to the words of logistics manager Alberto Giusti, the problem of making Pane Quotidiano's entire supply chain more efficient, from the relationship with suppliers to the management and organization of packages for distribution, emerges. For this reason, our group has decided to focus on this area, believing that finding innovative solutions in supply chain organization can lead to an increase in the effectiveness of PQ action and a sharp reduction in the costs it incurs.

In order to make PQ's logistics system more efficient (and effective), our team came up with some solutions:

- 1) New platform to communicate with donors and suppliers;
- 2) Implementation of Microsoft Cloud for Non-Profit;
- 3) Partnership with E-Mobility.
- 4) New "Mobility Project".

Now we can show all these points through an analysis that describes the characteristics of the ideas and the way to actual implement them.

New platform to communicate with donors and suppliers

Our team thinks that a clear system to communicate with all people who would to donate is the main way to attract more donators and make the donation process easier. In this way, suppliers and donators will be always aware about which are PQ's needs and they can even better schedule the program to collect and receive donations.

The platform should be accessible from Pane Quotidiano's website and easily accessible through links on the organization's social profiles.

Through it should be possible to consult inventories so as to facilitate donors and suppliers in choosing what and when to donate.

Starting from the beginning, you can link this platform to the database that keeps all the data about the products in the warehouse. Once you have a complete screening readily available to anyone, it will be easier for even suppliers and casual donors to fill the real demand for PQ. In addition, this platform will be able to receive "orders" from suppliers and work out a timetable for collection or receiving donated goods. In this way, the platform accessible from the PQ website will be a direct and always functioning method of communication between suppliers, donors, and the association. This will have to work through a simple mechanism: the supplier will have to, through the platform, select the type of product he/she can deliver, the expiration date, the method of collection (collection through PQ or delivery to the association's headquarters), date and time of collection/delivery, and any notes to be communicated. Thanks to this system, receiving "orders" will be greatly facilitated as it is now based on an email exchange system, which is not automatic and therefore tied to the presence of physical volunteers and the opening hours of the secretariat.

If the portal that will receive information from vendors is always available, they will have an incentive to provide all materials to be donated to PQ as the "transaction costs" and difficulties in communicating their needs are very low. At the same time, this mechanism will ensure an always available and very timely forecast of all present and future goods in stock, so that the program of distributing goods to people can be organized even earlier.

This platform will also need to be able to meet another need. Since Pane Quotidiano accepts and collects all kinds of proposed goods, it may happen that some goods need to be processed before being distributed to the population. This is the case with goods given to other associations, such as canteens, that provide this service. These goods then are not directly allocated among the visitors of Pane Quotidiano but donated to other associations as well. Thus, there will be a section on the platform where all the goods to be donated to other associations will be placed, with the latter directly applying through the platform and, as in the case of suppliers, indicating all the necessary information to ensure efficient and effective distribution.

In addition, to improve the individual donors it's possible to develop a plan with incentives for them. The platform gives to donors the possibility to create its own profile to account all their donations. Establishing partnership with popular grocery shops (like *Esselunga*, *Pam*, *Conad*, and so on...), it's possible to generate awards to the best donors or grocery discounts based on donated quantities. These awards should not be paid by PQ but offered by the grocery shops, so they can contribute with donation in this way.

Implementation of Microsoft Cloud for Non-Profit

Microsoft launched a new cloud platform for Non-Profit organization in November 2021. Our advice is to adopt this platform in Pane Quotidiano as well. It is called "Microsoft Cloud for Non-Profit" and it is available at the link: <https://www.microsoft.com/en-us/nonprofits/microsoft-cloud-for-nonprofit?activetab=pivot-1%3aprimar7>.

This cloud can be useful for all areas of the organization, not just the logistics-related part. This platform also guarantees "training videos" and its ease of use is one of its strengths. From the point of view of logistics and supplier relations it guarantees two types of service:

- "Know your donors and supporters"
- "Secure donor and program participant data"

The first is also related to the issue of fundraising, indeed its scope is: "Increase funding and support of your mission by aligning program needs with personalized supporter engagement."¹

Thanks to this function the organization will be able to:

- "Attract, retain, and grow donors with tools that will tailor the donor experience and save staff time, including rapid donation management, payment processing, and constituent research powered by LinkedIn Sales Navigator";

¹ <https://www.microsoft.com/en-us/nonprofits/engage-donors-constituents?rtc=1&activetab=pivot1%3aprimar6>

- *Gain deeper constituent insights* through the use of AI processes to elaborate data and generate insights;
- *Improve marketing effectiveness*: it consists in personalizing outreach to donors and volunteers based on their history and interactions with your organization, thanks to a Dynamics 365 Marketing approach;
- *Earn lifelong donors*.

The function “secure donor and program participant data” has the role of “protecting sensitive data and build trust with supporters, program participants, and employees using integrated, best-in-class security tools.”² Thus, this topic will ensure the protection of the organization data from cyber-attacks.

Finally, there are other two components of this cloud system that could impact other areas of the organization. Only to mention them, those functions are:

- *“Deliver effective programming*: empower staff and volunteers to deliver measurable and responsive programs based on community needs;
- *Accelerate mission outcomes*: improve evidence-based decision making through connected organization-wide data powered by rich capabilities, AI, and machine learning.”³

Partnership with E-Mobility

The advent of new car sharing platforms could make it very useful to create new partnerships to reconcile a need of theirs and one of Pane Quotidiano. In fact, through a partnership, these new platforms could make their service, that is, their means of transportation such as cars and vans, available to Pane Quotidiano. They will certainly be able to receive tax relief and will have a not inconsiderable return in image and will certainly be able to gain a lot of notoriety especially among young people, the main users of the service.

This collaboration program could develop through a direct contact between PQ and the sharing platforms like *Enjoy*, *Uber* and *Share Now*.

It's evident that PQ needs new vehicles to move, collect and deliver goods more efficiently and in less time. Similarly, having more vehicles means fewer trips to be made, thus saving time for volunteers who can later be deployed to other tasks. At the same time, the implementation of the new idea “Mobility Project” requires new vehicles to guarantee a well distribution. Thus, if PQ can use cars and vans free of charge in collaboration with the above-mentioned sharing platforms, it can optimize its costs (mainly vehicle maintenance and fuel). This means finding new suppliers, not directly of goods, but of services, so as to reduce the costs faced by Pane Quotidiano and to use the resources saved to better achieve its mission.

The incentives for the platforms are given by fiscal benefits and brand promotion, both important for them since the strong competition in the sharing sector.

² <https://www.microsoft.com/en-us/nonprofits/data-security?rtc=1>

³ <https://www.microsoft.com/en-us/nonprofits/microsoft-cloud-for-nonprofit?activetab=pivot-1:primaryr7>

New "Mobility Project"

The new "Mobility Project" is a very interesting idea to reach people in need in other areas of the city as well. For this reason, the first focus in our opinion should be the choice of the area in which to place this mobile unit. Given the presence of PQ, with its two locations, in the East area of Milan, our idea would be to place this new project in the West area, more specifically Zone 7 would be the ideal place to meet the needs of the other part of the city of Milan.

We think that trying to collaborate with companies close to social issues could also be a facilitation for PQ here, in terms of ease in administrative approvals and the provision of some facilities or indirect publicity. An example could be a partnership with a company and the placement of PQ's mobile unit in a square or a street close to the firm headquarter. The company could thus provide, for example, the structure (tent) where the package distribution banquet could be set up.

In any case, our idea is to have a different format than the distribution of goods that takes place in Viale Toscana. To contain the costs in terms of volunteers to be employed and size of the structure, the packs will have to be pre-packaged and only picked up at the PQ collection point. The people who will collect the goods therefore will not collect and bag each item but will directly collect the entire bag already prepared in advance by PQ volunteers at one of the two sites (Viale Toscana or Viale Monza). Through this type of logistics, another warehouse (at the mobility location) is not created, and the volunteers employed will only be those needed to check the packages to be donated. The main requirement of this project is the transportation of packages from PQ locations to the mobile center. This requires considerable travel by van. Thus, the usefulness of "Partnership with e-Mobility" also emerges in this project, so as to reduce the number of trips directly charged to PQ.

If PQ cannot receive a tent and the other materials needed to create a mobile place, or the structure where placing the packages to deliver, the cost of them is around €1,500/2,000. At the same time, authorizations can involve in other costs that PQ has to afford. In accordance to our idea, only few material items are needed to carry out the project. In fact, the necessary things are: a detachable tent, few chairs, a big table and a few tools such as scissors and tape transportable already from one of PQ locations. Another no-material cost to consider is the personnel employed in the place. According to our considerations, it is sufficient the presence of only 2 or 3 volunteers since packages are already prepared before arriving at the mobile unit. Thus, volunteers should only check and control the right distribution of the pre-prepared goods. Obviously, it is necessary to add to this number of volunteers the others that will drive the vans that carry the packages from PQ's sites to the place of the project.

In addition, an important aspect is *when* the Mobility Project has to take place. Since the project implies new addition costs, our group thinks that, at the beginning, the project can be held two days a week, such as Tuesday and Saturday, in the afternoon, in both days. Tuesday because it is just before the start of the week, so volunteers can organize the work the day before, on Monday. The other choice is Saturday because it is the last day of work of the week and, according to statistics, it is the day with the highest attendance, both of "needy" people because they may have fewer commitments than during the 5-day workweek, and of volunteers, as those who work during the week can also be present. The choice of afternoon instead of morning is motivated by two reasons.

The first one is to give the opportunity to prepare the packages in the morning at PQ's sites and carry them to the Mobility Project place in the late morning. This is given by the fact that packs can contain fresh items that should not be there from the day before the delivery. The second motivation is to differentiate the time of delivery. In PQ's sites, the delivery hours are just in the morning. In this way, it is possible to offer the PQ service also in the afternoon so as people busy in the morning might benefit from Mobility Project. Another important question regards the number of goods carried in the project's place. In our opinion, to make effective the project it is necessary to bring 30% of the goods usually distributed to both PQ locations on that given day (Tuesday/Saturday). In this way, substantial equity can be achieved among the three distribution locations. To accomplish this goal, PQ can use the forecasts on the demand based on the past numbers. For example, if on the Tuesday before PQ at Viale Toscana has computed 1500 "visitors", that location will give to the Mobility Project goods for 450 people on the next Tuesday. The same logic has to be made for the location in Viale Monza.

Conclusion

At the end of our proposal, we can summarize our ideas saying that PQ has a supply chain which can be made more efficient and effective. According to our thoughts improving the logistics of the association can reduce some costs for Pane Quotidiano that can be re-invested in other purposes. Thus, collaboration with E-Mobility platforms could make saves in costs of transportation that can be used to improve the quality of other part of the association.

The new platform to communicate with suppliers and donators can increase the number of donations and the quality of the relationships with current suppliers. Making relationships easier can generate benefits in all parts of the organization.

The last topic discussed is the new Mobility Project. In our opinion this project is strongly needed to improve the quality of the service offered by PQ and to better accomplish the mission of the association. Following our instruction can be possible to carry out this project and offer the PQ services to another side of the city in a cheap and effective manner. In fact, the main key is the finding of new collaboration (and so new type of "supplier") to minimize costs, as covered in the section *"New Mobility Project"*.

In conclusion, our idea is based on the review of the logistics, from supplier and donor management (through new platforms and the search for new ones) to a new method of distribution. Since the association has not revenues we thought that a new and innovative logistics will make the organization able to reduce costs so as to see savings as a kind of income. Thanks to these savings, in fact, the resources saved can be invested in other areas of the organization, or in logistics itself, to improve the quality of Pane Quotidiano's operations.