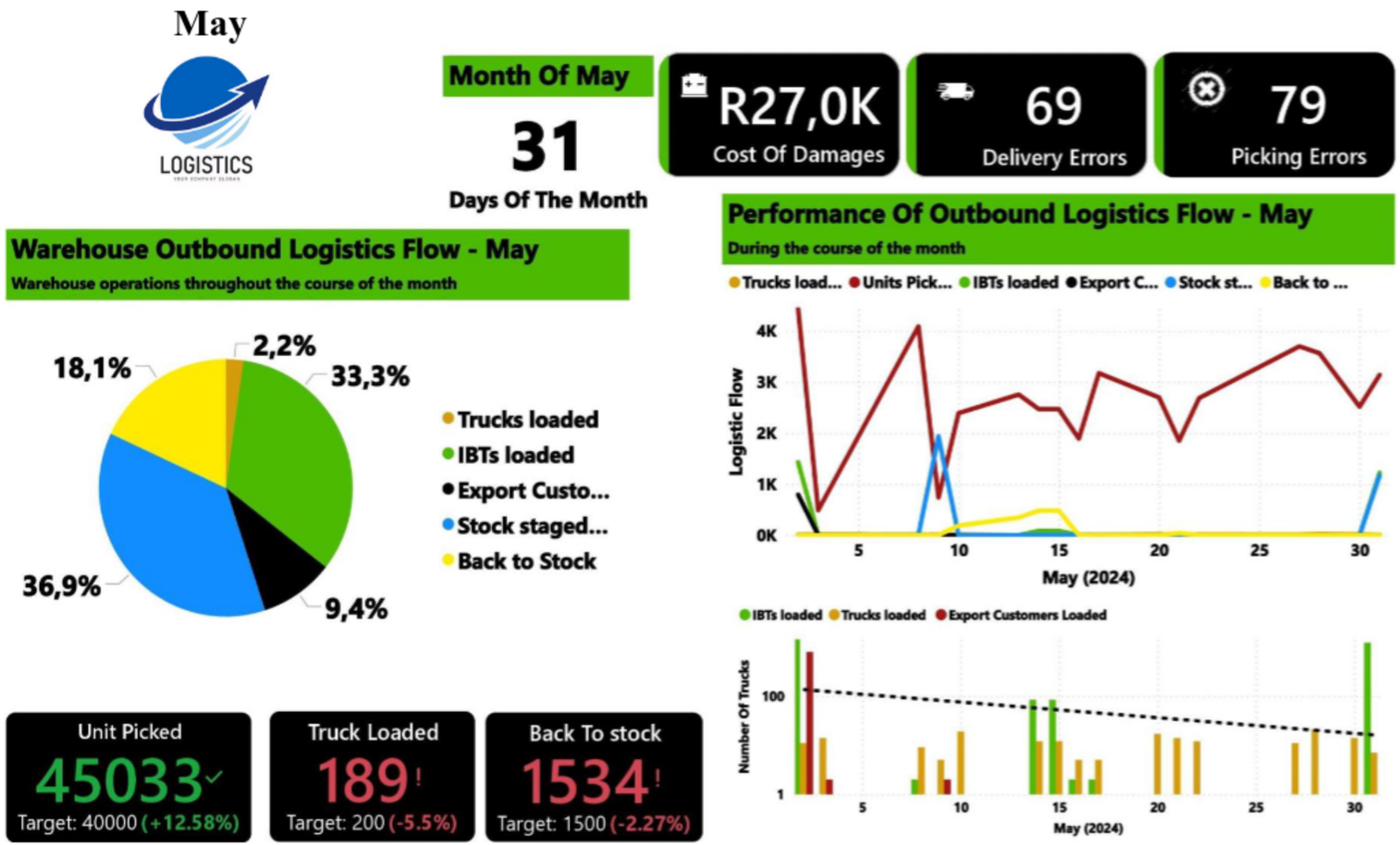
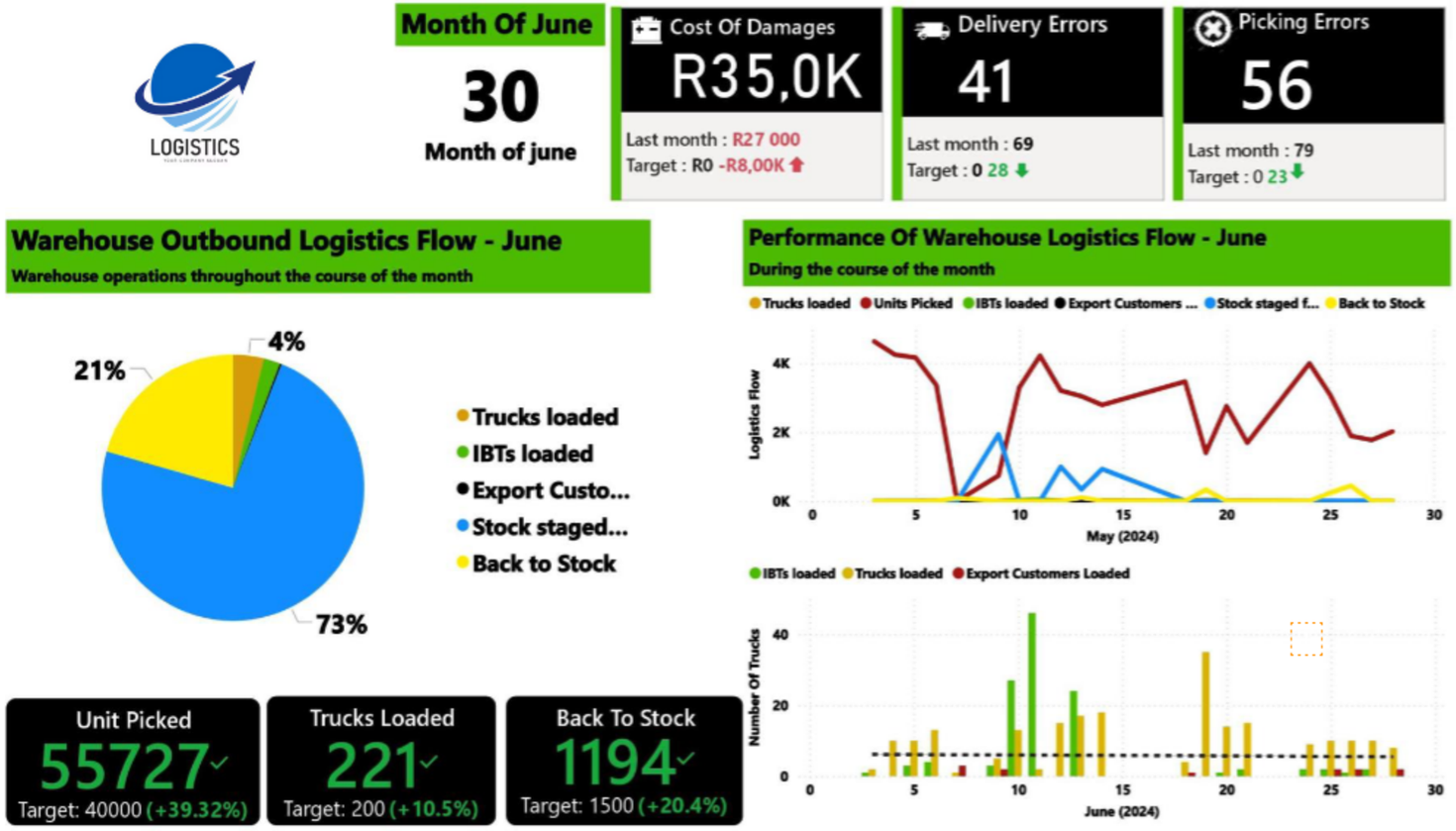
Warehouse outbound logistic flow



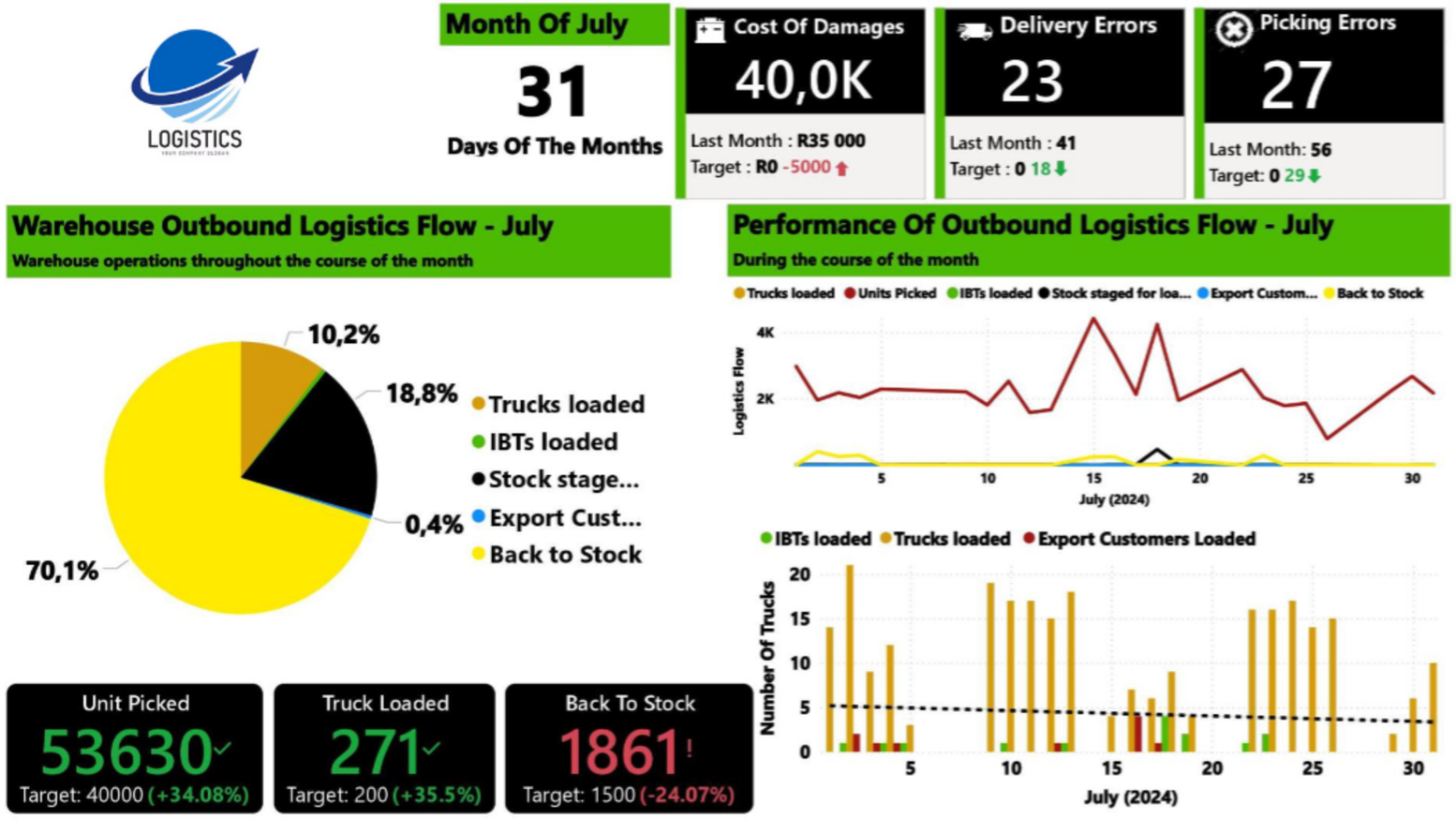
In recent operations, the outbound logistics report revealed several key metrics that underline both strengths and areas for improvement. 189 out of the target of 200 trucks were loaded, highlighting a strong revenue potential linked to higher number of truck deliveries. However, May indicated challenges in some areas. Areas like dispatching which is potentially linked to reduced customer orders, external delays or inefficient loading processes. With our key performance indicators, we were shown inter-branch transfers (IBTs) achieved a loading rate of 33.3%, reflecting a good number of inventory demand across designated SDAs, while export deliveries made up 9.4% of total outbound operations, primarily to neighbouring countries. Stock staged for loading reached 36.9%, the highest percentage among all metrics. Whenever this metric is higher than all metrics, it signifies effective & fast future loading which contribute to effective inventory management and preparation. Whereas 18.1% of stock was returned to inventory, with rotational batteries exceeding the return target (<1500) at 1,534 units. Units picked totalled 45,033, surpassing the expected target of 40,000. This correlates with increased customer orders and high productivity of the pickers. All this is good, However challenges included damages costing R27,000 against a target of R0, along with 69 delivery errors and 79 picking errors, indicating areas for improvement in operational efficiency.

June



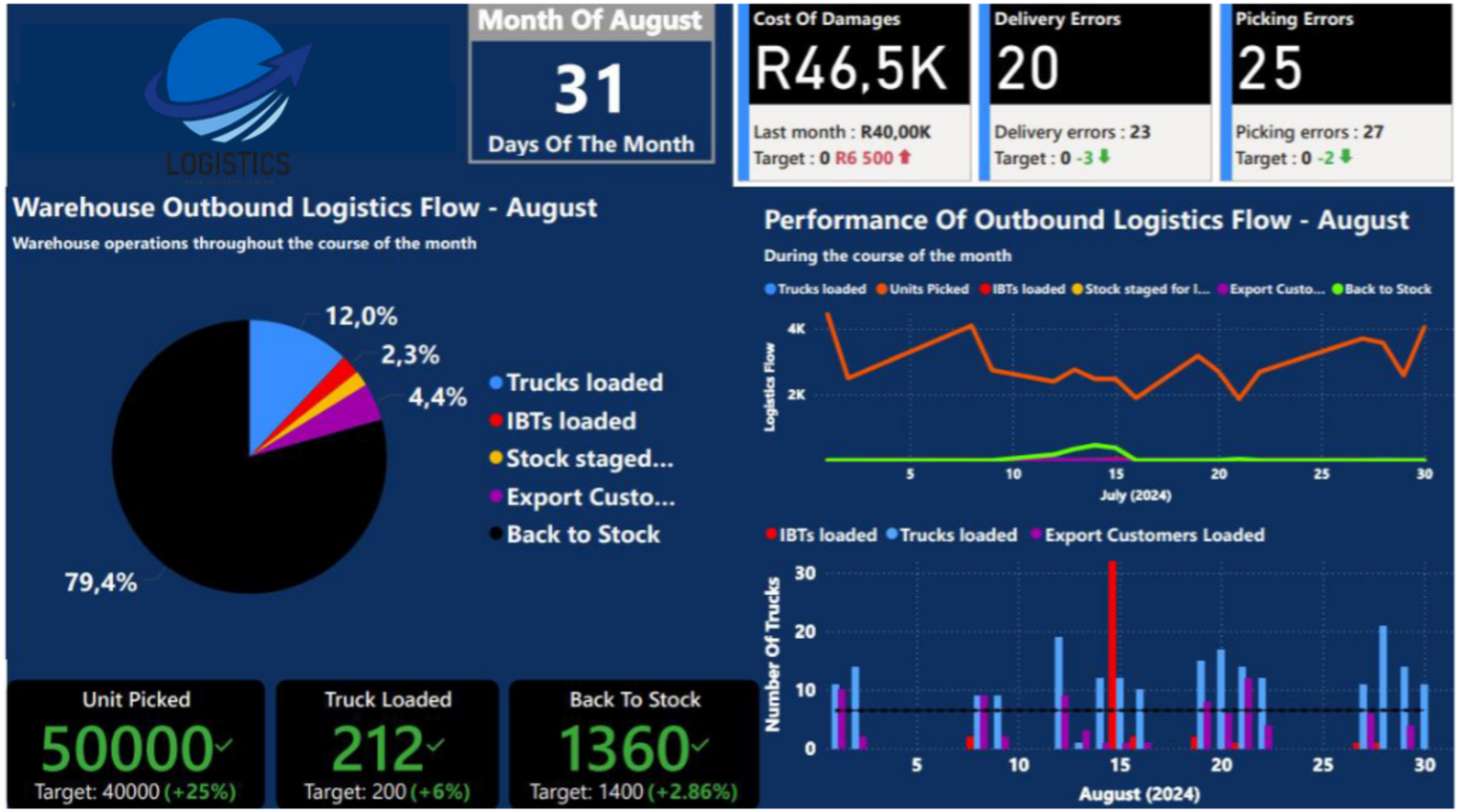
This demonstrated significant operational success, loading 221 trucks out of a target of 200, indicating strong revenue growth potential. With our key performance indicators revealing a decrease in inter-branch transfers (IBT) to 4% from May's 33.3%, suggesting reduced activity despite ongoing inventory demand, while export deliveries plummeted to 2% from 9.4%, highlighting low orders from export customers. Stock staged for loading reached an impressive 73%, the highest percentage among metrics. A positive start for the upcoming month in terms of effective & accurate loading and reduced fatigue for the pickers. Back-to-stock figures were on target (<1500) with 1,194 rotational batteries returned. Units picked surpassed expectations at 55,727 against a target of 40,000, correlating with increased customer orders and improved picker productivity. However, challenges emerged with damage costs rising to R35,000 from R27,000 in May and delivery errors decreasing to 41 from 69, alongside slight improvements in picking errors down to 56 from 79. Overall, while June showed notable progress compared to May, the decline in IBT and export orders necessitates investigation for our SDAs to ensure sustained revenue growth, alongside a focus on reducing damage costs and enhancing handling practices. Few of my suggestions include steps on exploring strategies to boost export sales and inter-branch transfers while maintaining efforts to improve picking accuracy and productivity levels.

July



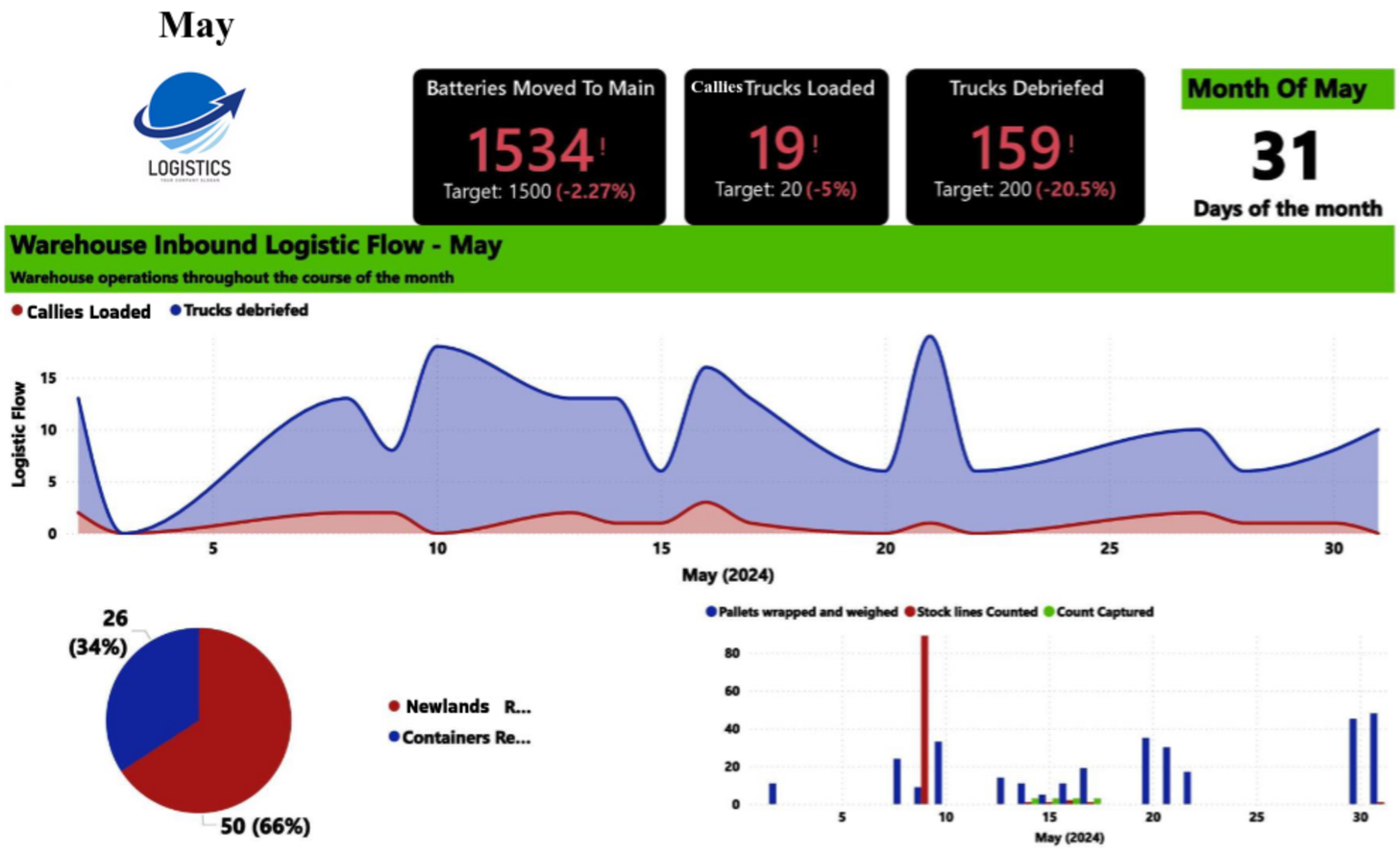
In July, we witnessed a strong performance in outbound logistics, loading 271 trucks out of a target of 200, indicating a consistent strong revenue growth potential correlating with increased deliveries. However, our key performance indicators revealed challenges: inter-branch transfers (IBT) accounted for only 0.5% of outbound operations, a significant decline that suggests diminishing demand for inventory across Service Delivery Areas (SDAs). Export deliveries fell to 0.4% of total outbound, down from June's 2%, highlighting a concerning trend in export orders. While stock staged for loading was at 18.8%, lower than June, we are still in a good light for preparation of future loads. This is crucial for operational readiness. The return of 1,861 rotational batteries exceeded the target of fewer than 1,500, signalling issues with battery returns that need addressing. Units picked reached 53,630, surpassing the expected 40,000 and demonstrating consistent productivity among pickers. Furthermore, challenges persisted with damage costs rising to R40,000 from R35,000 in June. This is an issue at hand that needs to be attended to. Despite a positive decline in delivery errors to 23 and picking errors to 27. Overall, while July reflected effective logistics management and operational productivity at Auto X, the significant drops in IBT and export deliveries point to critical issues in inventory distribution and market demand that require attention.

Forecast for August



Metric	Forecasted Value
Trucks Loaded	212
IBT Percentage	2.3%
Stock Staged for Loading	~1,82%
Export Deliveries	~4,4%
Back to Stock	~1,360
Units Picked	~50,000
Cost of Damages	R46,500
Delivery Errors	~20
Picking Errors	~25

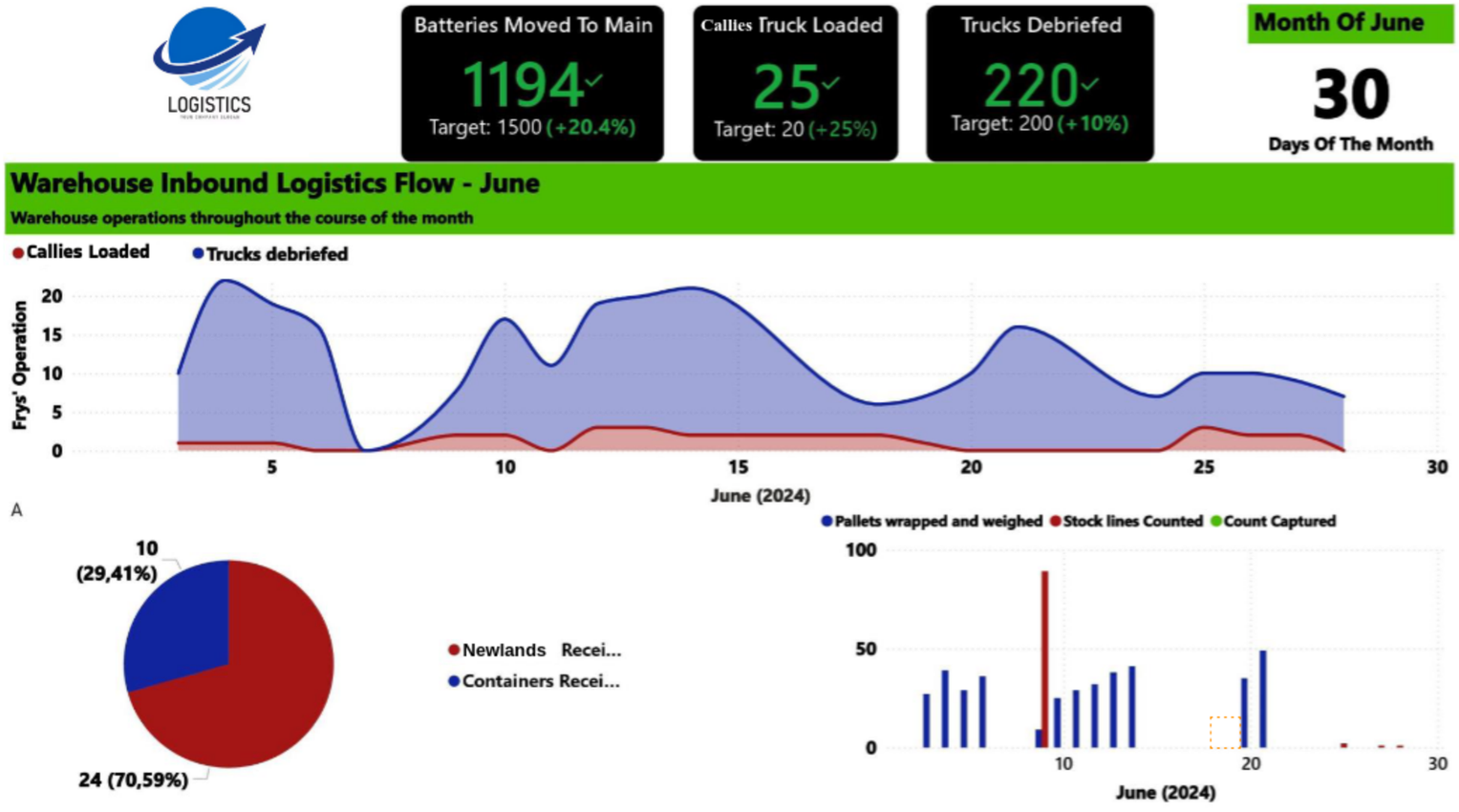
Warehouse Inbound logistic flow



In May, the inbound logistics performance presented a mixed picture following the acquisition of Callies Metals. Our key metrics showed that 19 out of 20 trucks were loaded, indicating effective management, though a slight shortfall could impact overall efficiency. However, only 159 out of a target of 200 trucks were debriefed, suggesting potential issues influencing operational delays. 1,534 batteries were moved back to stock, reflecting more of inventory management for rotational batteries. Additionally, 312 pallets were wrapped and weighed, highlighting readiness for sales and safety precautions. Conversely, the counting of 95 stock lines revealed 12 discrepancies, raising concerns about inventory accuracy and hinting at possible mismanagement, this necessitates an investigation into 3 missing lines. This is a problem and needs to be attended to. Deliveries from Newlands comprised 50 (66%) and 26 containers received (34%), indicating strong order demand from the Arizona factory and ongoing international partnerships. Overall, while the

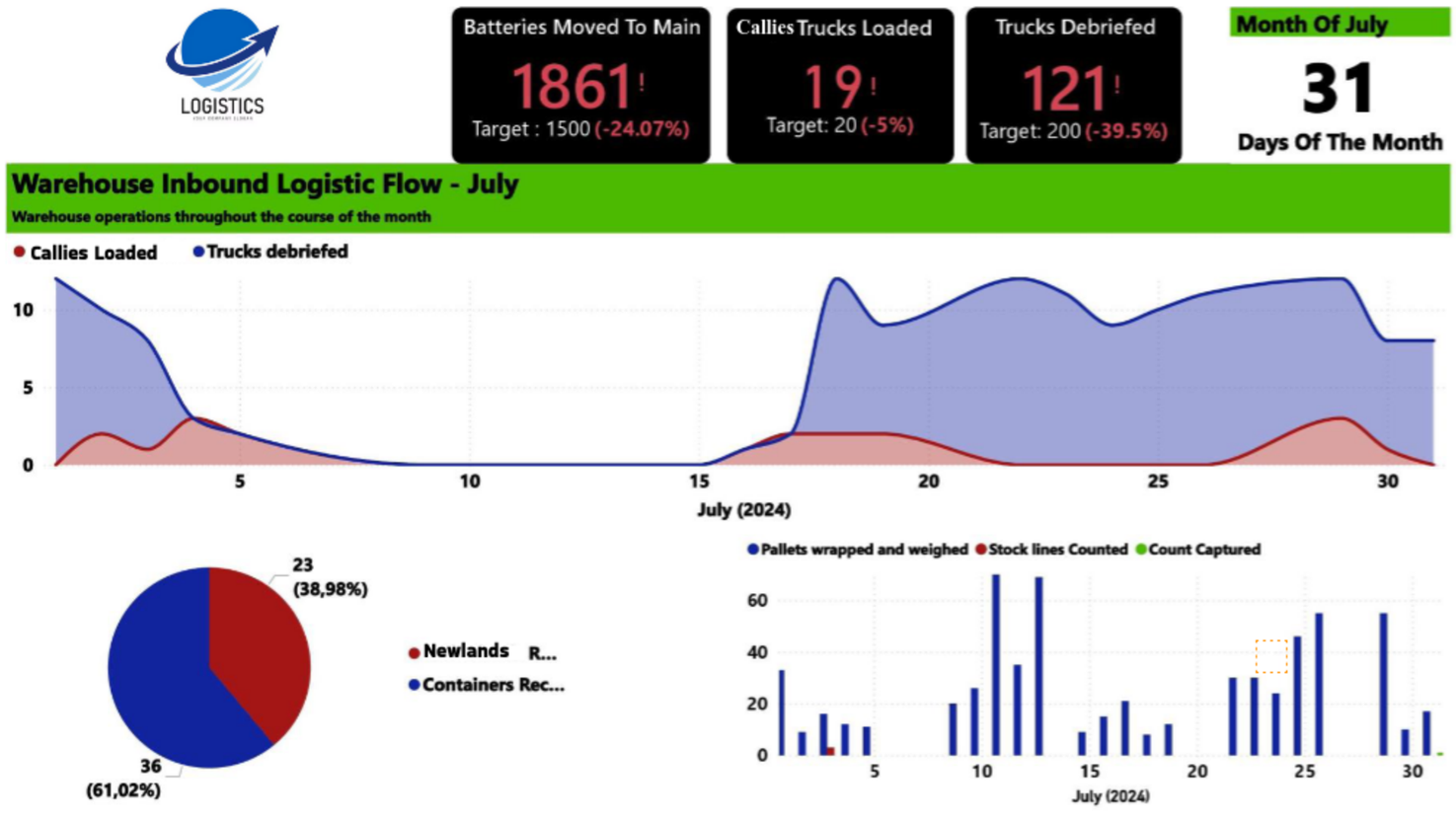
movement of batteries and pallets showcases operational strengths like organization and good management, the shortfall in debriefed trucks and high discrepancy rates signal critical areas for improvement, including ensuring all deliveries are accounted for and addressing inventory inaccuracies to optimize logistics flow, meet customer demands and maintain revenue growth for the company.

June



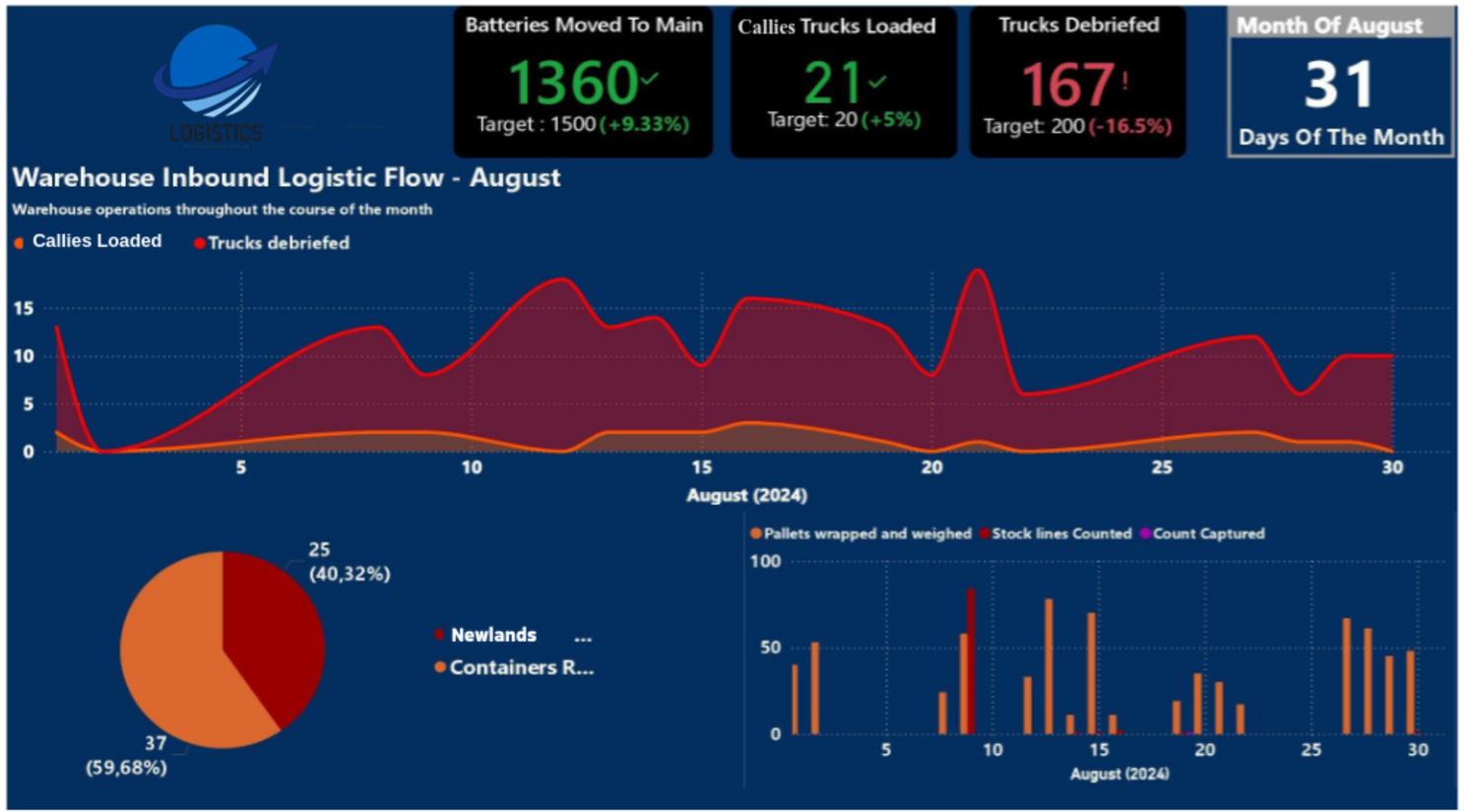
In June, Callies experienced significant improvements in inbound logistics metrics compared to May, indicating enhanced operational efficiency. The warehouse was able to produce a number of trucks loaded of 25, exceeding the target of 20, which reflects effective loading operations. Additionally, 220 trucks were debriefed against a target of 200, showcasing strong operational performance and accuracy, while the total batteries moved back to stock decreased to 1,194, signalling a need for recharging of rotational batteries. Although deliveries from Newlands and containers received saw a decline from May, new orders are anticipated, with Newlands receiving 24 containers (70.59%) and 10 containers (29.41%), demonstrating ongoing demand from the Arizona factory and international partnerships. On a positive note, 389 pallets were wrapped and weighed, indicating improved inventory handling and safety practices. All 93 stock lines counted showed 0 discrepancies, highlighting effective inventory management and trust in management. Overall, these metrics suggest significant advancements in logistics operations for Callies Metals, particularly in truck loading and debriefing targets, while also identifying the need for ongoing inventory analysis as operations expand.

July



In July, the inbound logistics performance, particularly to Callies, showed mixed results compared to previous months, 19 trucks were loaded, just below the target of 20, which is commendable & good operational efficiency. Yet only 121 trucks were debriefed against a target of 200, suggesting an issue that needs investigation. It could be potential delays in processing incoming deliveries. Additionally, 1,861 batteries were moved back to stock instead of the target of less than 1,500, reflecting a high inventory level coming in due to the need for recharging rotational batteries. On a positive note, inventory management improved significantly with 633 pallets wrapped and weighed (good management and workload pressure), an increase from June, and only 1 discrepancy (count captured) was noted in stock lines without any variance investigated, indicating high accuracy in inventory counting. Deliveries from Newlands included 23 domestic shipments (38.98%) and 36 imports - containers received (61.02%), demonstrating a balanced mix that supports inventory availability. Overall, while some metrics showed progress, the areas needing attention highlight the importance of operational efficiency in inbound logistics for sustained success.

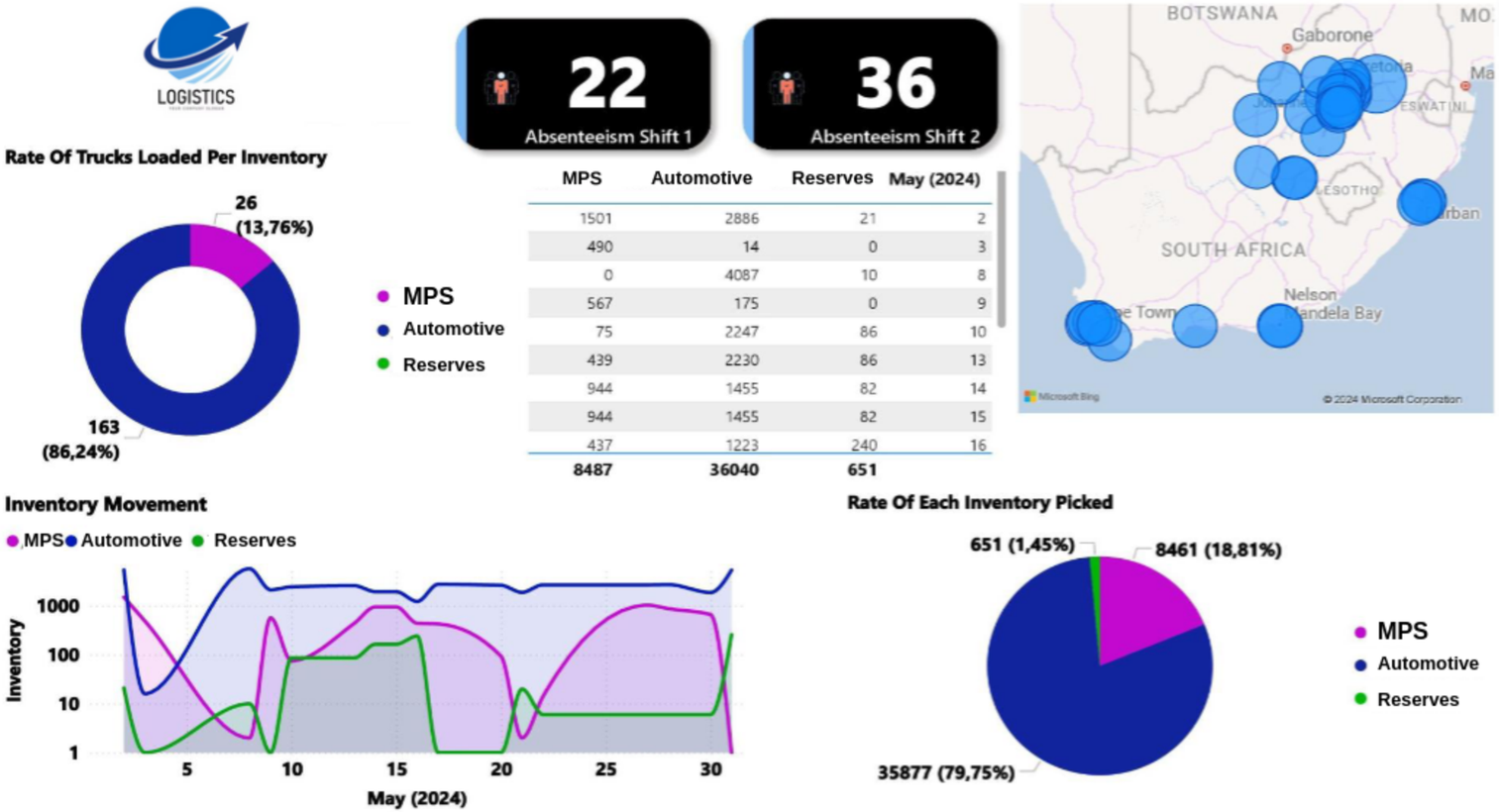
Forecast for August (Inbound)



Metric	Forecasted Value
Trucks Loaded	21
Trucks Debriefed	167
Batteries Moved to Main	~1,360
Pallets Wrapped & Weighed	~700
Stock Lines Counted	~90
Count Captured	~1
Variance Investigated	~0
Newlands from Arizona	~25 (40%)
Containers Received	~37 (60%)

MPS, Automotive & Reserves (Outbound)

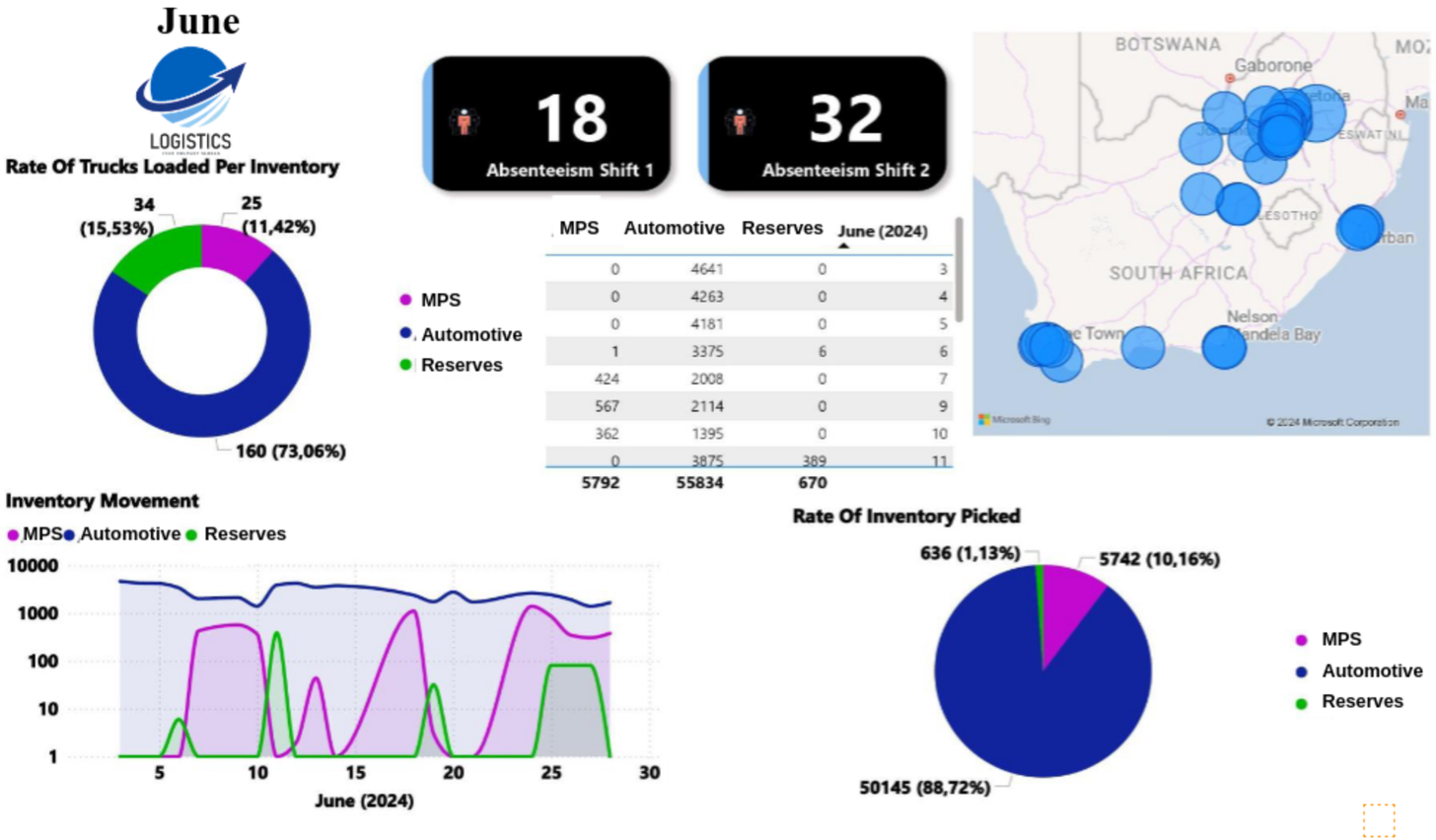
May



MPS	Automotive	Reserves	May (2024)
1501	2886	21	2
490	14	0	3
0	4087	10	8
567	175	0	9
75	2247	86	10
439	2230	86	13
944	1455	82	14
944	1455	82	15
437	1223	240	16
8487	**36040**	**651**	

In May, truck loading rates revealed that the Automotive sector led with 163 trucks (86.24%), followed by MPS with 26 trucks (13.76%), while the Reserves sector recorded no trucks loaded (0%). In terms of inventory picked, Automotive also dominated with 35,877 units (79.75%), compared to MPS's 8,461 units (18.81%) and a mere 651 units (1.45%) from Reserves. Absenteeism data indicated 22 employees absent during Shift 1 and 36 during Shift 2. These insights suggest that Automotive is crucial for revenue generation due to its high loading, demand and inventory movement, while MPS shows moderate activity but significantly lags behind Automotive; Reserves's lack of truck loading and minimal inventory movement may indicate underlying production or demand issues.

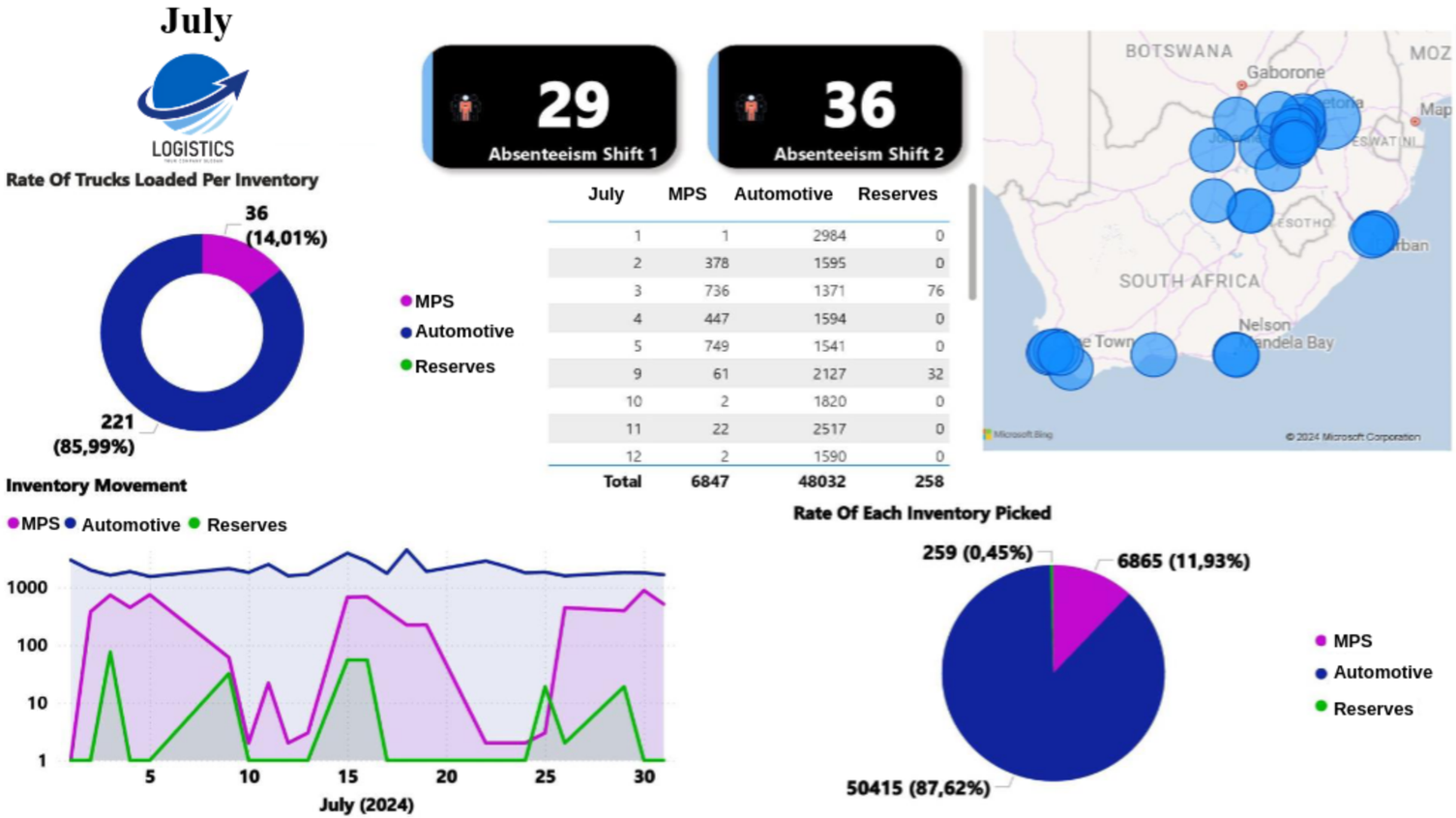
June



MPS	Automotive	Reserves	June (2024)
0	4641	0	3
0	4263	0	4
0	4181	0	5
1	3375	6	6
424	2008	0	7
567	2114	0	9
362	1395	0	10
0	3875	389	11
5792	55834	670	

In June, the analysis revealed that truck loading rates were dominated by the Automotive sector, which accounted for 160 trucks (73.06%), followed by MPS with 25 trucks (11.42%) and Reserves with 34 trucks (15.53%). In terms of inventory picked, Automotive led significantly with 50,145 units (88.72%), while Reserves picked 636 units (1.13%) and MPS picked 5,742 units (10.16%). Absenteeism was noted with 18 employees absent during Shift 1 and 32 during Shift 2. These insights further suggests that Automotive is crucial for revenue generation of the company, due to its high demand and inventory movement, while MPS shows a steady activity it, however significantly lags behind Automotive. Reserves's lack of truck loading and minimal inventory movement may indicate underlying production or demand issues

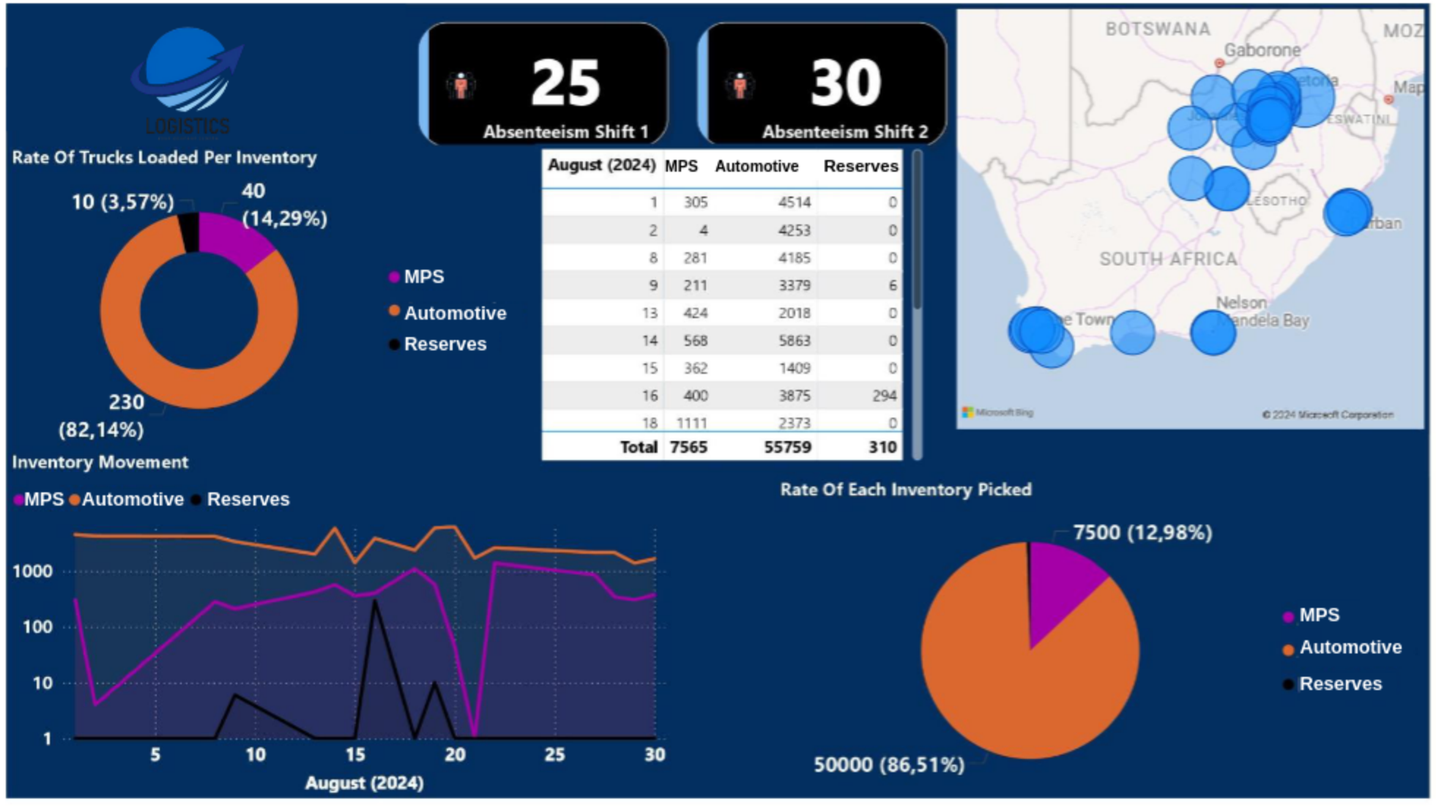
July



July	MPS	Automotive	Reserves
1	1	2984	0
2	378	1595	0
3	736	1371	76
4	447	1594	0
5	749	1541	0
9	61	2127	32
10	2	1820	0
11	22	2517	0
12	2	1590	0
Total	6847	48032	258

In July, the truck loading rates revealed that the Automotive sector led significantly with 221 trucks (85.99%), followed by MPS with 36 trucks (14.01%), while the Reserves sector reported no loading activity. In terms of inventory picked, the Automotive sector again dominated with 50,145 units (87.62%), contrasted by MPS at 6,865 units (11.93%) and Reserves at a mere 259 units (0.45%). Absenteeism was noted with 29 employees in Shift 1 and 36 in Shift 2. Insights from this data indicate that the Automotive sector has shown us that it still remains as the highest and crucial sector for the company's revenue, showing us strong consistency in both truck loading and inventory picked. The MPS sector demonstrated moderate performance but drastically lagged behind Automotive, while the Reserves sector faced ongoing challenges, evidenced by its lack of loading activity and minimal inventory movement.

Forecast for August



August (2024)	MPS	Automotive	Reserves
1	305	4514	0
2	4	4253	0
8	281	4185	0
9	211	3379	6
13	424	2018	0
14	568	5863	0
15	362	1409	0
16	400	3875	294
18	1111	2373	0
Total	7565	55759	310

Category	Description	Projected Value	Percentage
Truck Loading Rates			
MPS	Expected to increase slightly due to a focus on improving performance	40 trucks	15%
Automotive	Anticipated to remain stable or see slight growth	230 trucks	85%
Reserves	If efforts are made to address issues, a modest increase could bring it	10 trucks	5%
Inventory Picked			
Reserves	With potential improvements	300 units	0.5%
Automotive	Expected to remain strong	50,000 units	87%
MPS	Projected to show improvement	7,500 units	12.5%
Absenteeism	Anticipating a slight reduction in absenteeism due to possible engagement initiatives (moral boost)		
Shift 1	Estimated	25 employees	
Shift 2	Estimated	30 employees	

MPS, Automotive & Reserves (Inbound)

May

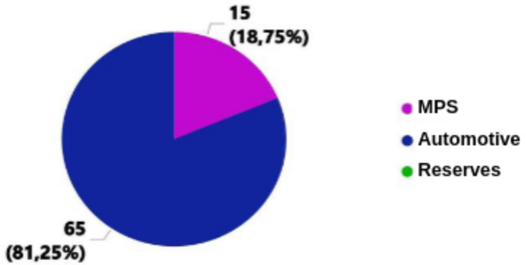
LOGISTICS

Stock lines counted

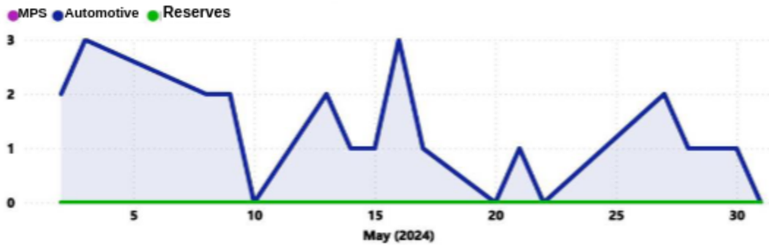
MPS	Automotive	Reserves
1	66	23

Variance Investigate
2

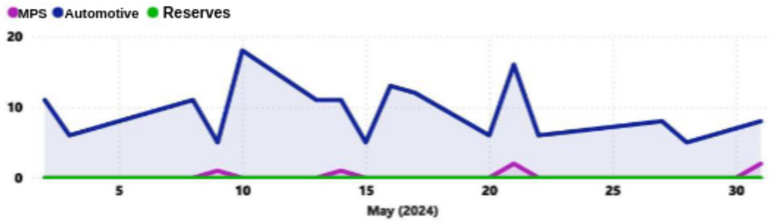
Newlands & Containers Received



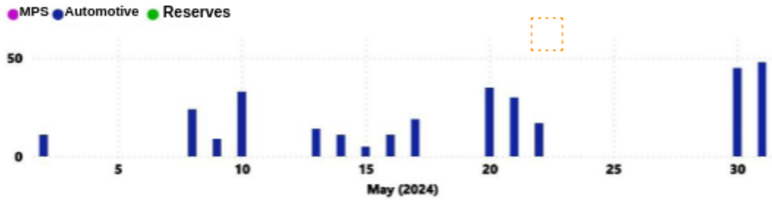
Callies Truck loaded For Each Inventoy



Trucks Debriefed For Each Inventory



Pallets wrapped & weighed



In May, the inbound analysis revealed that trucks loaded for Callies was 22 trucks for the automotive sector and debriefed a total of 159 trucks, including 6 from MPS and none from reserves. Additionally, 312 pallets were wrapped and weighed. At Newlands, a total of 80 containers were received, with 15 (18.75%) from MPS and 65 (81.25%) from the automotive sector. The stock lines counted amounted to 90, while there were 2 unresolved discrepancies investigated for variance. This needs attention.

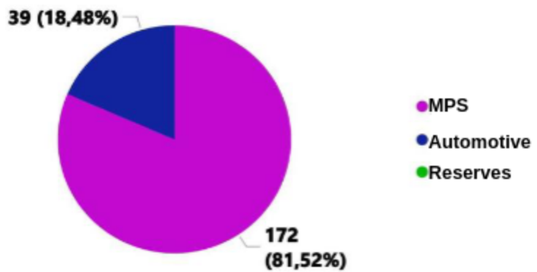
June

Stock lines counted

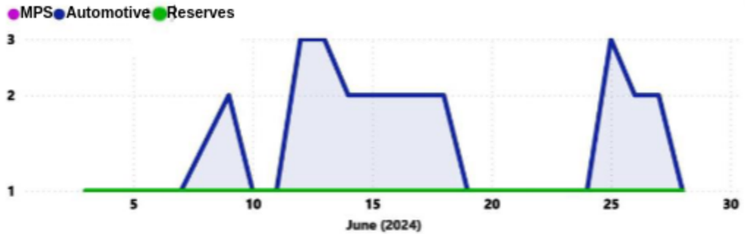
MPS	Automotive	Reserves
5	69	23

Variance Investigate
0

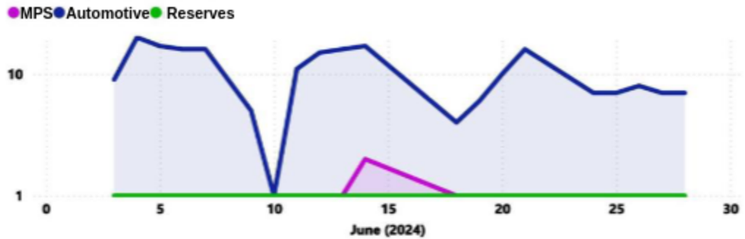
Newlands & Containers Received



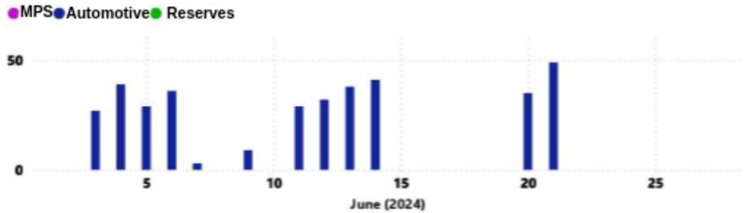
Callies Trucks Loaded For Inventory



Trucks Debriefed For Each Inventory



Pallets wrapped & weighed



In June, Callies Truck operations included loading 24 trucks for Automotive and debriefing a total of 214 trucks, comprising 207 for Automotive and 7 for MPS, with no trucks loaded for Reserves. A total of 367 pallets were wrapped and weighed. Containers received 211 containers, with 172 (81.52%) attributed to MPS and 39 (18.48%) to Automotive. Additionally, 97 stock lines were counted, and there were no discrepancies during the variance investigation.

July

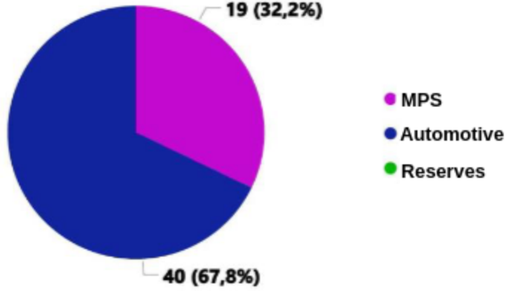
LOGISTICS

Stock lines counted

MPS	Automotive	Reserves
3	0	0

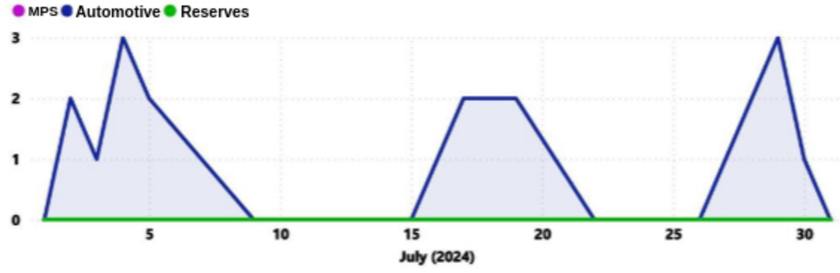
Variance Investigate
0

Newlands & Containers Received

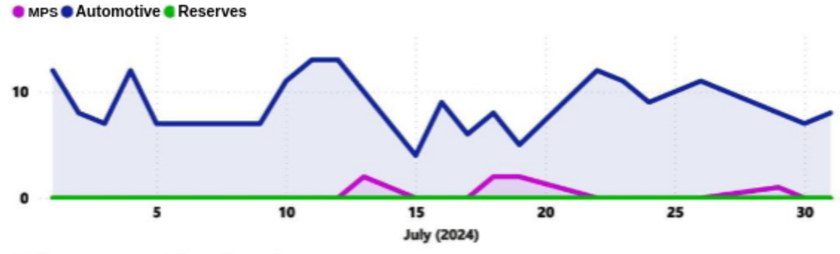


Callies

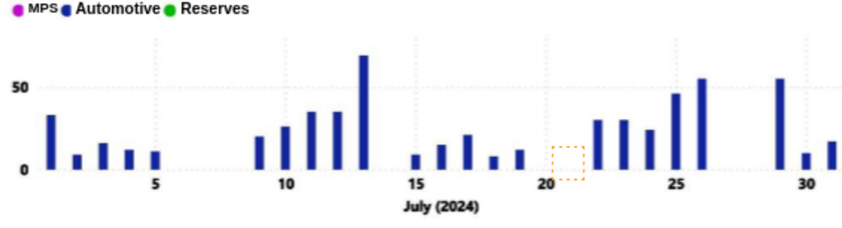
Callies Truck loaded For Each Inventoy



Trucks Debriefed For Each Inventory

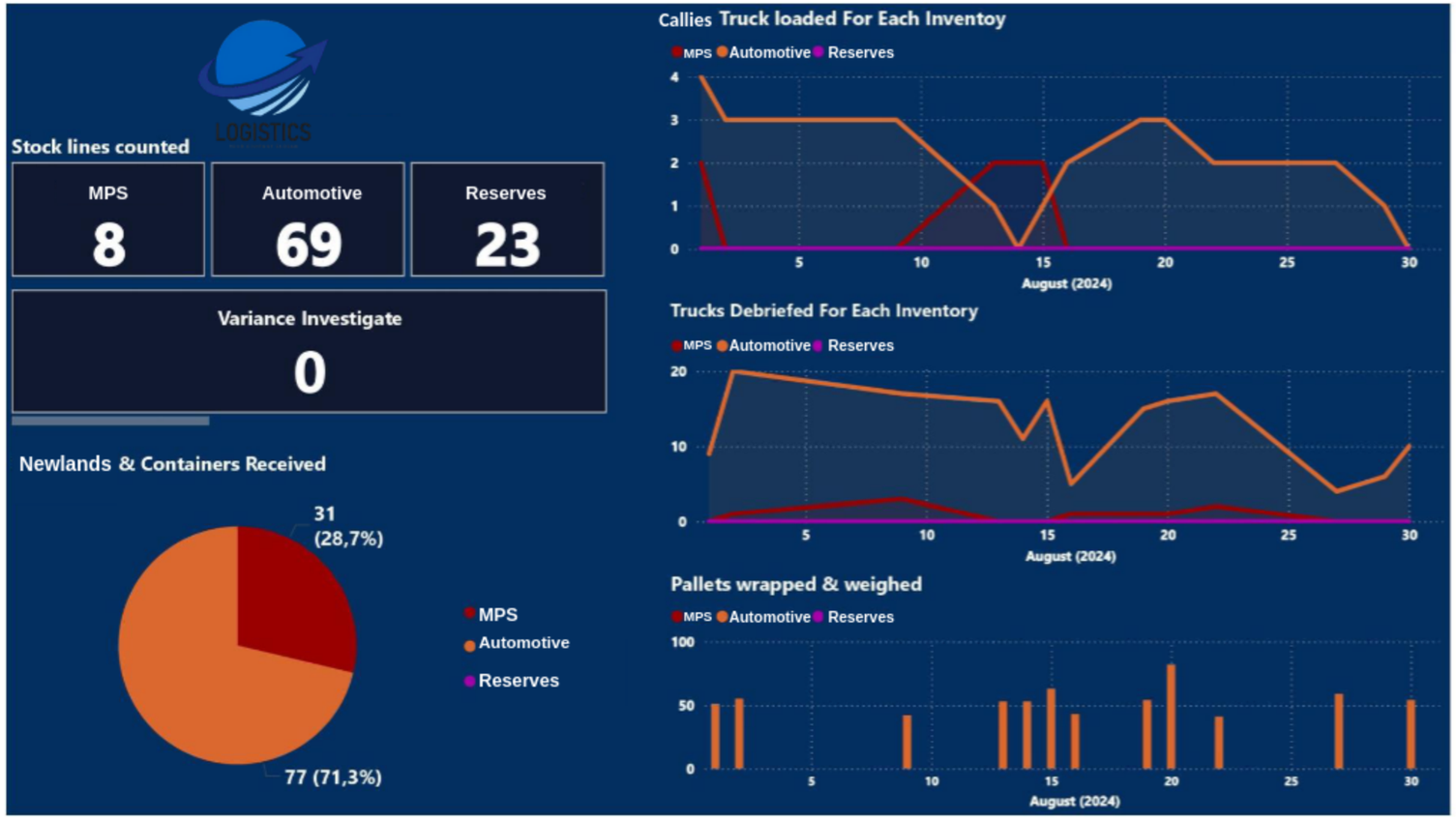


Pallets wrapped & weighed



In July, the Callies Truck operations saw a total of 19 trucks loaded for Automotive and 208 trucks debriefed, which included 7 trucks for MPS and none for Reserves. A total of 598 pallets were wrapped and weighed. Newlands received 19 containers for MPS, accounting for 32.2% of the total, while Automotive received 40 containers, representing 67.8%. Additionally, three stock lines were counted, with no discrepancies reported during the variance investigation.

Forecast for August



Category	Description	Projected Value
Callies Truck Loaded		
Automotive	Expected to increase slightly	25 trucks
MPS	Anticipating a slight increase	8 trucks
Reserves	No change expected	0 trucks
Callies Truck Debriefed		
Automotive	Projected to remain strong	220 trucks
MPS	Expected to increase	8 trucks
Reserves	No change expected	0 trucks
Pallets Wrapped & Weighed	Anticipating an increase in productivity	650 pallets
Sutherland Received	(Containers Received)	
MPS	Expected to improve	25 (30%)
Automotive	Projected to decrease slightly	60 (70%)
Stock Lines Counted	With improvements in accuracy	100
Variance Investigated	With a focus on accuracy	0 discrepancies

Recommendations

(warehouse outbound & inbound logistic flow)

1. Enhance Handling Processes:

- Investigate the causes of damage costs (R40,000 in July) and implement better handling practices across both inbound and outbound logistics.

2. Improve Inter-Branch Transfers (IBT):

- Develop strategies to stimulate demand for inter-branch transfers and ensure efficient inventory distribution.

3. Boost Export Sales:

- Analyse declining export deliveries and identify barriers. Enhance relationships with export customers and explore new markets.

4. Optimize Stock Staging Practices:

- Maintain readiness by ensuring adequate stock is staged for outbound logistics.

5. Focus on Training and Accuracy:

- Continue training staff on picking accuracy and delivery protocols to reduce errors across both logistics streams.

6. Monitor Performance Metrics Regularly:

- Implement a robust system for tracking key performance indicators (KPIs) related to both inbound and outbound logistics.

7. Engage with Customers:

- Ask feedback from customers regarding delivery satisfaction and product availability to enhance relationships and service quality.

8. Address Inventory Discrepancies:

- Initially we are not supposed to have missing stocks and having any discrepancies is not ideal. Investigate discrepancies in stock lines counted during inbound processes to mitigate issues related to theft or mismanagement.

9. Leverage Technology:

- Utilize technology such as Transportation Management Systems (TMS) for better tracking and efficiency in both inbound and outbound logistics processes.

Conclusion:

The combined analysis reveals strengths in operational performance but highlights significant challenges in inter-branch transfers and export deliveries across both inbound and outbound logistics. By focusing on the recommendations provided, Logistics Core can enhance its overall efficiency, reduce costs associated with damages and inaccuracies, and improve customer satisfaction across its supply chain operations.

Recommendations

(inventory outbound & inbound logistic flow)

Recommendations:

1. **Strengthen Automotive Operations:**
   - Leverage Performance: Continue optimizing logistics and inventory management within the Automotive sector to sustain high productivity levels and revenue generation.
   - Enhance Inbound Processes: Ensure that inbound logistics align with outbound performance to maintain efficiency across all operations.

2. **Boost MPS Sector Performance:**
   - Targeted Improvements: Investigate opportunities for growth through enhanced marketing strategies, product broadening, or operational enhancements to increase truck loading and inventory picked.
   - Increase Container Receiving Efficiency: Focus on improving the MPS's ability to receive containers consistently, especially during peak periods.

3. **Address Reserves Sector Challenges:**
   - Investigate Operational Issues: Conduct a thorough analysis of the reserves sector to identify root causes for low activity levels and implement strategies for improvement.
   - Explore Market Opportunities: Consider diversifying product offerings and finding an alternative of the reserves sector should orders continue plummeting.

4. Monitor and Manage Absenteeism:

- Implement Engagement Initiatives: Introduce employee engagement programs or flexible work arrangements to address absenteeism and ensure consistent workforce availability.

5. Optimize Inventory Management:

- Enhance Variance Investigations: Maintain the trend of resolving discrepancies promptly to ensure accurate inventory tracking and management.
- Focus on Pallet Efficiency: Continue improving pallet wrapping and weighing processes to enhance operational efficiency and as a precaution.

Conclusion:

The company is headed to the right place, however not mitigating challenges and inconsistencies will affect its growth in the long run. The combined analysis highlights a strong dependency on the Automotive sector for productivity and revenue while revealing areas for improvement in the MPS and Reserves sectors. By focusing on these recommendations, the company can enhance its overall operational performance and address existing challenges effectively.