

Executive Summary:

This document describes the entirety of the business in five pages. This paper will be one of a select few that ACME Communication equipment inc. reads initially with clarity and utmost importance. This document is designed to provide clear recommendations on the critical components concerning the quality of ACME logistical service. The concerns of the customer survey include delivery time, inventory reliability, orders, and packaging and labeling.

Robinson's Consulting firm:

Our vision at Robinson's consulting firm is to deliver value-based propositions to our customers. Robinson's consulting firm provides a wide variety of services within business but specializes in Supply Chain Management optimization. We add valuable expertise to our consumers through our top-tier services. Our values allow us to remain sustainable. Robinson's consulting firm values are integrity, and leadership, innovation. Integrity is integrated into all our processes. Being transparent with customers about our recommendations will yield the best results for our customers and brand equity. Our firm leadership emphasizes communication on all levels. Innovation is at the forefront of our firm. All consultants embody the first two core values that enable us to innovate due to the subject matter expert and candid, transparent way to ensure continuous improvement amongst our customers.

ACME's Problems:

Below is a high-level overview of the multitude of ACME logistical challenges and their impact.

- **Orders:** ACME has multiple opportunities in its order department. ACME has frequent errors in recording/filling orders, and there was no confirmation from a customer-facing standpoint. Orders keyed into the order system from the purchase orders that were telephoned or faxed in from customers. The complexity of the channels made it hard to fulfill orders.
- **Inventory Reliability:** ACME has poor response time for fulfilling orders which directly affects customer satisfaction. Furthermore, another problem within this realm is occasional errors in picking. Occasional errors caused the product return.

- **Delivery Time:** ACME has problems on a local and national level. Ultimately, this left customers like mass merchants and department stores unsure when their orders would arrive. Overall, it impacts the response time and its ability to deliver on its promises.
- **Packaging & Labeling:** Mass Merchant, ACME's customer wants them to adapt their new item identification system which is significantly costly.

Recommendations:

My top recommendation as a Senior Consultant is to start with improving Orders and Inventory Reliability because of the direct impact internally on ACME logistical services and the results ACME needs to gain a sustainable competitive advantage. My approach identified ACME logistical service's current state. Then identifying those thoughts about how to standardize some of their processes to improve the logistical service entirety through various analyses. In addition, I considered the severity of the impact of all the problems, probability, and what can be improved instantaneously. In the occurrence, I split all challenges into internal and external, people and digitalization. Specifying what type of problem and how I will diagnose the situation. Orders and Inventory Reliability diagnosed internally. Delivery Time and Packaging & Packaging externally.

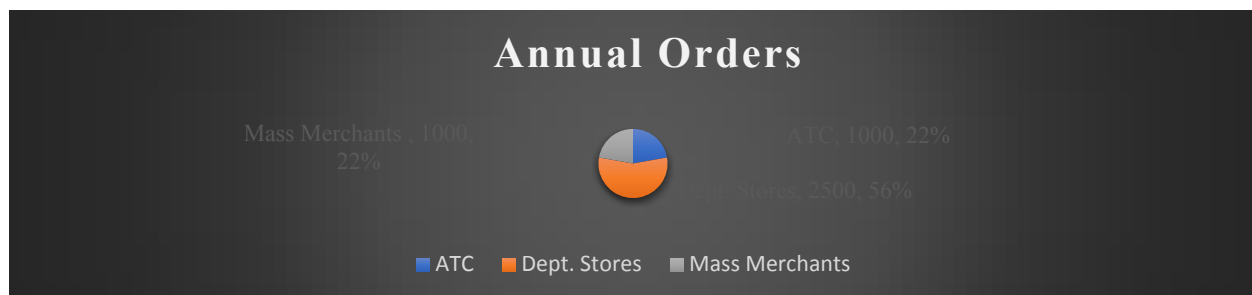
ACME Logistical Service	Orders	Inventory Reliability	Delivery Time	Packaging & Labeling
External			X	X
Internal	X	X		
People			X	X
Digitization	X	X	X	

Top Recommendations:

- Orders: Enhance ACME's order management system that integrates CRM, ERP, and other platforms tailored to ACME's needs with one centralized omnichannel.
- Inventory Reliability: Strengthen technology, ACME Forecasting & SIOP to enhance forecast accuracy and inventory positioning to ensure sufficient stock is on hand.
- Delivery Time: Invest in the transportation management system (TMS) like JDA software to diagnose local and regional problems.

- Packaging and Labeling: *Utilize the ACME item identification system because Mass Merchants are at too much risk, and the cost is unjustifiable.*

Orders: After extensive research and root cause analysis, investing in new technology infrastructure that integrates CRM, ERP, and other platforms tailored toward ACME needs will minimize the impact of the order problems. The true power of an Order Management System (OMS) comes from a multitude of channels. It allows ACME to take advantage of having all data in one consolidated channel to reduce duplication of orders. In addition, I would like to implement another feature/model in the OMS. The feature is mistake-proofing to eliminate errors. Alongside this, it allows customer visibility and real-time status upon order received, entry, receipt, and compliance order delivery confirmation.



One appealing highlight I notice is the amount channels in which the way orders are received. Customers arranged their special promotions and seldom communicated the schedules to ACME's logistics sector causing out-of-stock promotional items. On a micro-scale, standardizing into one central channel. Some benefits of this are real-time, easier to measure, saves time, reduces duplication because of uniformity, and data structures that don't align are easy to identify. Additionally, I still want to allow flexibility and agility regarding receiving orders but eliminate telephone orders due to uncertainty and risk. On another occasion, customers and sales representatives must send a digitally faxed purchase order. Moving forward with order entry, the person entering the order can scan the purchase order number that automatically generates the purchase order information. Doing this will minimize the risk of input errors significantly and increase the order-to-delivery lead time.

Inventory Reliability:

In this aspect of ACME, their backorder is above average in their industry. On a macro scale, ACME needs continuous improvement because 80% percent of ACME items in demand

came from stock on hand. The breakdown of the 80% is between cycle, safety, and pre-build inventory. Furthermore, the other 20% can be resolved with better upstream Forecasting, Sales, Inventory, and Operation Planning (SIOP). The SIOP helps ensure enough inventory is on hand in a designated location in the supply chain. This will help buffer mass merchants' extreme consciousness of logistical service. Inventory positioning is crucial and will decrease the response time and impact customer service levels tremendously. Some of the benefits are primarily financial. These advantages include forecasting accuracy, customer satisfaction, fill rate, return on assets, inventory reduction, and perfect order. There are no barriers but time restrictions. Internally you must communicate data accordingly cross-functionally.

Upon evaluating ACME's current picking methods, I strongly encourage it to move forward with wearable technology like voice picking because of accuracy and fill rate increase. Eventually, it will affect the inventory turnover. For instance, if a stakeholder inputs the input twice wrong, it can automatically go into an audit. The tradeoff of doing this will be efficiency and accuracy. It will mitigate the number of items returned to ACME. This aligns with the seven rights of supply chain and customer satisfaction when fulfilling their demand.

The potential barrier that ACME may encounter when implementing new technology changes. ACME must foster a culture where employees are open to speaking to gain buy-in for this transition to be smooth. In addition, the learning curve of using the new technology. Ultimately it requires time allocation for mentoring and training and developing standard operating procedures. When ACME apply the recommendation, it will help them leverage against their competitors. Lastly, ACME will see benefits in its key performance indicators.

Secondary Recommendations:

Delivery time and packaging and labeling recommendations require establishing and sustaining relationships with external stakeholders.

Delivery Time: ACME's average time was acceptable, but their performance slipped in terms of performing consistently. Commonalities that I noticed in both problems on a local and regional level. This means less visibility and control aligning with uncertainty & risk. The TMS allows real-time visibility and status. ACME should adopt a TMS because of benefits like dynamic

routing, artificial intelligence, and optimizing considering constraints. From a regional perspective, the TMS will optimize the carrier selection regarding capabilities and performance.

Additionally, this will enhance the reliability of the delivery performance of ACME. Potential challenges that ACME must address when implementing is cost and learning curve. To help the learning curve, the local dispatcher delivery will help due to familiarity. Also, the dispatcher can consider government regulations and new infrastructure projects. These are a few variables that can help the TMS optimize within its given constraints.

Packaging and Labeling:

ACME's core competency was packing, and they did it well. After project valuation, Mass Merchant's new item identification system (20% of sales) laser bar code scanners is not feasible because it is costly. Bypassing this investment will free up cash flows. The two primary costs I accounted for in my project analysis are the net present value and the cannibalization cost. Cannibalization cost is when an investment in a project diminishes away at the cash flows from an existing product. Concepts included are core customer segmentation, product profitability, and total cost.

- Below is a chart displaying the ACME customer they serve and their profitability. Some key highlights are the Mass Merchant's Total Logistic Cost, Sales, and Annual Orders.

Customers	ATC	Dept. Stores	Mass Merchants
Sales (\$ x 1000)	500000	300000	200000
COGS (\$ x 1000)	200000	120000	80000
Gross Profit (\$ x 1000)	\$ 300,000	\$ 180,000	\$ 120,000
Annual Orders	1000	2500	1000
Total Logistics Cost/Order	\$ 111	\$ 150	\$ 310

In conclusion, Robinson consulting firm is confident that the recommendations give ACME market superiority amongst competitors due to their capabilities. It will benefit the order management system, inventory reliability, delivery time, and packaging and labeling that your customers (ATC, Mass Merchants, Department Stores) expressed great annoyance. With some of the recommendations, once implemented, a drastic increase in customer satisfaction level and value, time reduction, gross profitability, and optimized cost based on simulation and cost analysis.