



SUPPLY CHAIN TRACK

CASE STUDY

*GTM strategy for mid-mile
operations in Tamil Nadu*

Problem Statement:

With an evolving consumer behavior towards commerce in India, it has become more than relevant to establish a robust supply chain that is more reliable, efficient and resilient. In order to serve customers with their order in a few minutes, a constant and reliable supply, efficient distribution and a high level of planning towards building and replenishing inventory is necessary. Considering a wide range of assortment that includes products that can be stored and moved in ambient conditions, refrigerated conditions, the supply chain planning and execution must be perfect in various ends.

The hyperlocal wing of Flipkart wants to extend its operations in Tamil Nadu. Considering the challenges in the Quick commerce business, we are looking to set up a robust supply chain in order to fulfill maximum customer demand with minimum resources. This includes establishing a network that helps the platform maintain efficient operations, managing and planning inventory, ensuring efficient replenishment strategy.

Supply Chain arm of Quick commerce:

The quick commerce business model typically comprises distribution centers (Sourcing Hubs), and last-mile delivery stores, commonly referred to as dark stores or micro-fulfillment centers. Strategically positioned near consumers, these dark stores facilitate swift order fulfillment within 10-15 mins. Ensuring customer order delivery in 10-15 mins needs not only an agile last mile delivery system, but also a strong backend mid-mile supply chain to ensure we have the right mix of inventory at the right time.

The supply chain of Quick commerce is divided into three parts.

1. **First Mile:** This refers to the initial stage of the delivery process, where goods are delivered by the supplier to the sourcing hub / distribution center
2. **Middle Mile:** The mid mile focuses on transporting goods from the first-mile (distribution centers) to the dark stores / minutes fulfillment centers. Includes logistics & transportation between hubs, ensuring efficient movement of products.
3. **Last Mile:** Last mile is the final leg, delivering the goods from the Dark store to the customer. It's critical for timely and accurate delivery involving delivery riders.

Key Deliverables

1. Suggest a mid-mile operations strategy for Tamil Nadu. This includes designing the supply chain network and the process flow that serves the majority of the demand with optimum resources.
2. Given your space constraints, give us an inventory strategy at all the assets by classifying inventory as per your choice. Please note that an optimum inventory is essential to avoid both out of stock scenarios and wastages.
3. Based on the above classification, provide us an inventory replenishment strategy to ensure less damage/wastage at all the nodes of the supply chain. This is subjected to the space constraints and the shelf life norms of various SKUs at all the assets.

Some Guidelines:

1. Keep context of current supply chain challenges in India and compatibility of Flipkart in mind while exploring solutions.
2. Feasibility of the solution to be used even with business scaling up in future into further cities.
3. The products that are available in the platform include ambient products, chilled and frozen products and perishables.
4. Ensure the platform provides a wide assortment of products and categories.