

**ASSESSING THE ELEMENTS IN A DISTRIBUTION
MODEL:
A CASE STUDY OF A DAIRY PRODUCER**

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Degree of Master of Business Administration Specialized in Supply Chain
Management

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DECLARATION

I declare that this is my own work and this thesis/dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Name of the supervisor: Dr. Harishani Liyanage

Signature of the supervisor:

Date: 25/7/2023

ABSTRACT

High competition in the FMCG industry makes it critical to have a responsive distribution system. This case study-based research analysis less addresses demand dynamics, risk exposures, warehouse utilization, and sales returns at different supply chain actors' levels. It evaluates the dynamics of above variables with varying structures of distribution, which is less addressed in the literature.

The General Trade operation of the ABC plc is the leading distribution channel, which typically receives 75% -80% of the total company's revenue. Before August 2017, the company had a similar experience to the typical sales distributor model. They have operated in a pure consignment agent model from then until today. The study compares the two eras in several areas and seeks to find the best suite operations for the business.

The study uses case study methodology to deeply address the dynamics of the ABC plc's demand, risk, and reverse logistics. The data interpretations in this study were made using qualitative and quantitative data analysis techniques. The study analyzes demand dynamics, risk exposures, warehouse utilization, and sales returns at different levels of the supply chain. The study concludes by advising that the firm be upgraded to a hybrid model that offers benefits over the current consignment agent approach. It is preferable to choose a blend of both methods to boost the company's efficiency while also addressing its current distribution issues.

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LIST OF ABBREVIATIONS

Abbreviation	Description
CA	Consignment Agents
DD	Direct Dealers
DIFOT	Delivery-In Full-On-Time
FMCG	Fast Moving Consumer Goods
GT	General Trade
KPI	Key Performance Indicator
MT	Modern Trade
ROI	Return on Investment
SKU	Stock Keeping Units
SOP	Standard Operating Procedures
3PL	Third Party Logistics
FS	Food Services
OBL	Outbound Logistics
FG	Finish Goods
ASM	Area Sales Manager
COD	Cash on Delivery
JV	Joint Venture
NZ	New Zealand
3PL	Third Party Logistics
VMI	Vendor Management Inventory
EDI	Electronic Data Interchange
ECR	Efficient Consumer Response
WH	Warehouse
ERP	Enterprise Resource Planning
MCCs	Milk Collection Centres
CS	Customer Service
CS&L	Customer Service & Logistics
DA	Delegated Authority
SM	Sales Manager
MN	Million
NP	Newspage System
BG	Bank Guarantee
SO	Sales Officer
REP	Representative
IT	Information Technology
MEMO	Memorandum