E- LOGISTICS MANAGEMENT

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E- LOGISTICS

E-logistic is the logistical process that governs everything related to the online marketplace.

OVERVIEW

- It is a dynamic set of communication computing and collaborative technologies that transform key logistical processes to be customer-centric by sharing data, knowledge and information with supply chain partners.

- Success in e-logistics depends on the focus selected for the online shop.

- Proper collaboration, transparent communication with customers for delivery and returns are the other key factors that determines the success of e-logistic.
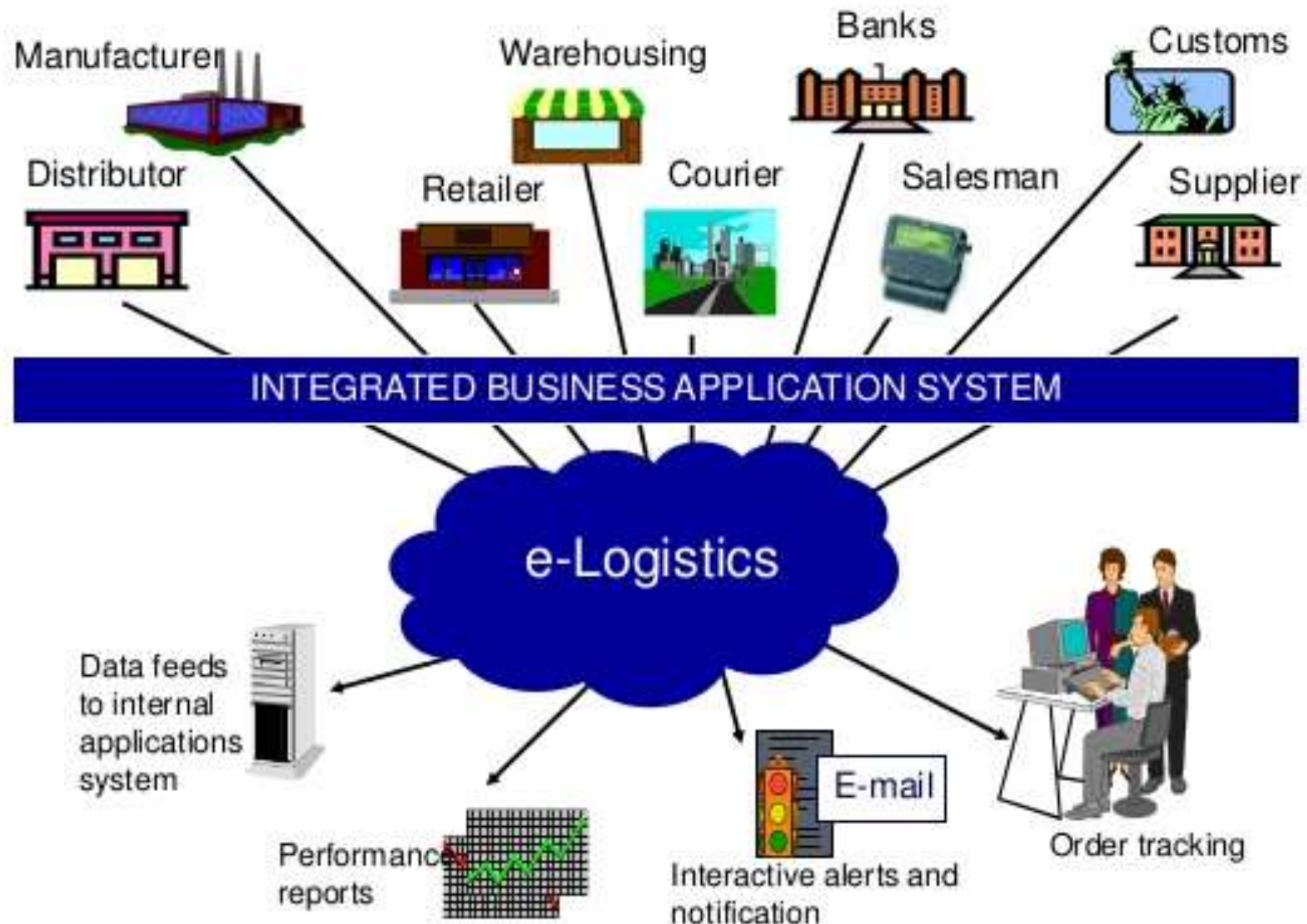
THE DIFFERENCE BETWEEN LOGISTICS AND E-LOGISTICS

➢ Logistics refers to planning, execution of transport and handling of goods.

➢ E-logistics is basically automating the logistic process.

❖ Logistics plans, implements and controls the efficient, effective flow and storage of goods, services, and related information from the point-of-origin to the point-of-consumption in order to meet customers.

❖ E-logistics can be defined as the application of Internet based technologies to traditional logistics processes.
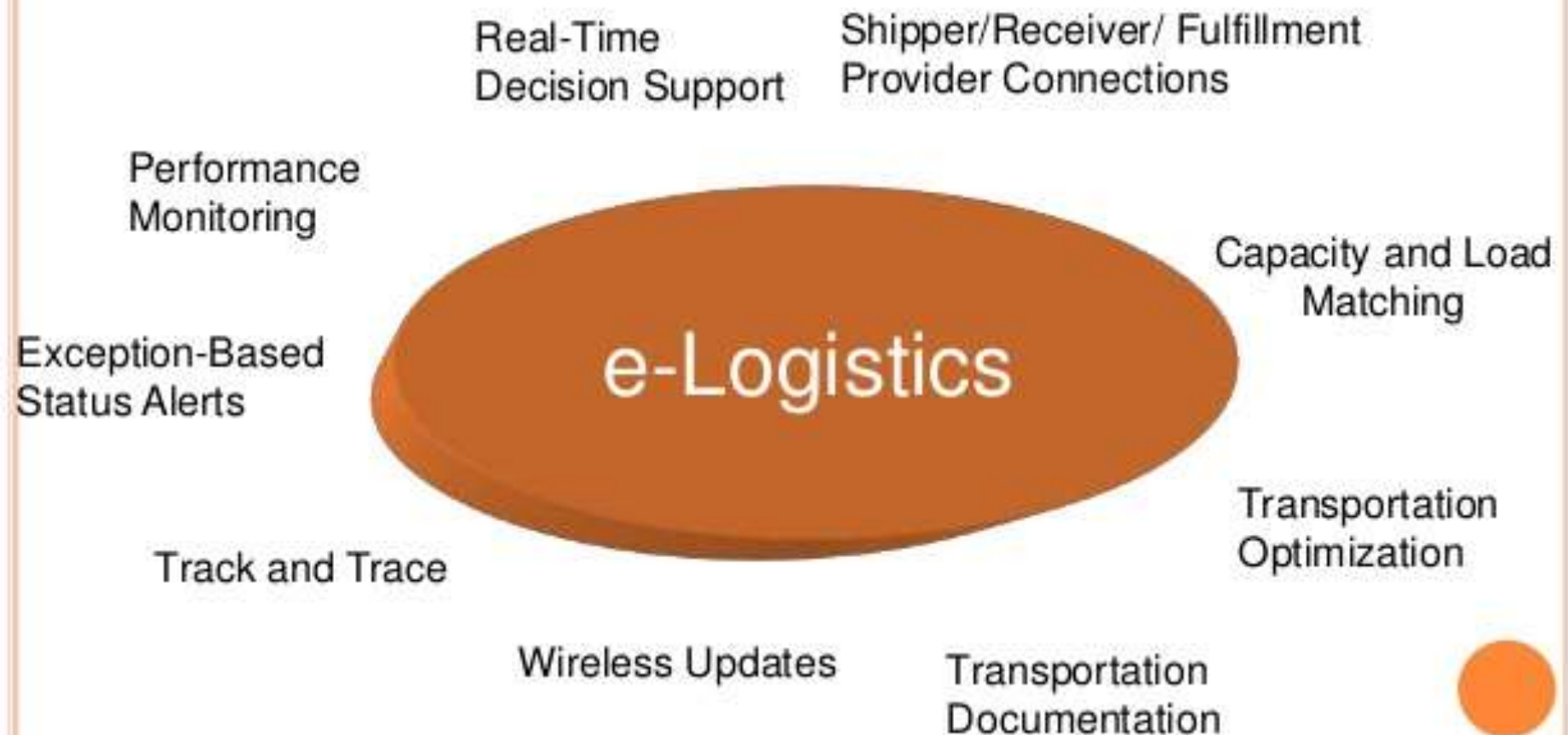
e-Logistics

Customer makes order

JD delivers to customers

JD sorts order & print receipt

JD packages goods & prints label

Merchant sends ordered goods to JD logistic center

JD warehouse receives goods

COMMUNICATION + INFORMATION INTEGRATION

Manufacturer

Warehousing

Banks

Customs

Distributor

Retailer

Courier

Salesman

Supplier

INTEGRATED BUSINESS APPLICATION SYSTEM

e-Logistics

Data feeds to internal applications system

Performance reports

Interactive alerts and notification

E-mail

Order tracking

ADVANTAGES OF E-LOGISTICS

Real-Time Decision Support

Shipper/Receiver/ Fulfillment Provider Connections

Performance Monitoring

Capacity and Load Matching

Exception-Based Status Alerts

e-Logistics

Track and Trace

Transportation Optimization

Wireless Updates

Transportation Documentation

PROCESS INVOLVED IN E-LOGISTICS:

1)Method of payment

2)Check product availability

3)Arrange shipments

4)Insurance

5) Replenishment

6)Contact with customers

7)Returns

Arrange a method of payment.

- Possible payment methods:
  - At the time of order: e-payment (e.g. PayPal), credit card
  - At the time of delivery: COD

- For electronic payments, a system of verification of payment is needed before shipping

CHECK PRODUCT AVAILABILITY

- If possible, inform customer of availability before order is placed.
- If out of stock or the product will take time to manufacture, inform customer of the delay.

ARRANGE A METHOD OF PAYMENT.

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INSURANCE

- This option needs to be available for customers since product can be lost or damaged in the shipping process.

REPLENISHMENT

- This is an overview step. It should be examining all aspects of physical inventory at a location and reordering as needed:
  - Product – product sitting on shelves or material to manufacture product
  - Non-product – shipping materials, parts for machines in process, items that are part of the shipping process (scanners, totes, carts, etc.)

CONTACT WITH CUSTOMER

- With an invisible process (back-door operations), the customer needs to be informed as much as possible.
- Most common types of communication:
  - Order confirmation
  - Payment success
  - Shipping confirmation
  - Tracking information
  - Any problems in the process

Returns

- The flow of product from customer back to the vendor is called reverse logistics.

- Possible reasons for customers to return or exchange product:
  - Damaged
  - Doesn't work
  - Don't like it
  - Wrong product/type/color

E- LOGISTICS STRUCTURE AND OPERATIONS

- Order processing
- Order execution
- Shipping
- Tracking and tracing
- Payments
- Transaction security
- Order postponement, cancellation, substitutions
- Reverse material flow

E-commerce logistics software application