



BEST PRACTICES

A Collection of Best Practices for:

Logistics

Includes Detailed Best Practices for:

- Business Acquisition
- Order Management
- Master Data Management
- Distribution



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Order Management

Logistics

Business Acquisition

Order Management

- Order Processing
- Reverse Logistics

Master Data Management

Distribution

— — — — — *The Order Management Function is responsible for collecting, validating and submitting (many times, entering it into an Order Management or ERP system) all of the information required to accurately fulfill a customer order. For the Logistics industry, customers typically include retailers, manufacturers, etc. The Order Management function is a bridge between the Sales, Production and Distribution functions of a company. It mediates between the supply or push of production and the demand or pull of consumption. A successful customer order requires coordination between marketing, sales, pricing and quotation, inventory tracking, production, packaging and shipping groups.*

Order Management

Logistics Best Practices

Best Practice 2-A

Require Order Forms to Be Fully Completed Prior to Submission to Improve Data Accuracy

Require all fields within order submission forms (customer contact information, product or service requested, customer comments, etc.), including online forms, to be filled in by the end user (internal or external) prior to submission to ensure that all necessary information is collected from the beginning. Forms that contain missing information should not be allowed to be submitted. Instead, ensure that a message appears within online forms clearly stating why the form is unable to be submitted as well as which fields are missing information. Physical forms, on the other hand, should be handed back to be fully filled in, with information given on which fields still need to be filled.

Typical Practice (the Status Quo): Allow the Order Processing function to accept all types of submission forms (physical or online forms) from customer-facing representatives (i.e., sales, call center and customer service representatives) or the customers themselves with only the minimum amount of information needed so as to reduce any related cycle time (data collection and submission, etc.). Should any missing information be deemed necessary, representatives and/or the customers themselves should be contacted to acquire the needed information.

Benefits of this Best Practice: Submission forms (physical or online forms) must contain as much information as possible to ensure that all necessary data is accurate and available for use (especially if it concerns customer data). Furthermore, by ensuring that all necessary information is filled in before submission, the need for rework is eliminated since time will not need to be spent in obtaining the data from customers or the employees who submitted the data. Periodic reviews of the database should be performed to ensure that all data is up-to-date and error free.

 **Related KPIs:** Cycle Time: New Customer Account Setup, Data Field Standardization Rate, Cycle Time: New Vendor Account Setup

Order Management

Logistics Best Practices

Best Practice 2-B

Place Saleable Merchandise in Suitable Putaway Zones and Store Un-Saleables According to Vendor Guidelines to Streamline Return Processing Practices

Place saleable merchandise on pallets by its destination putaway zone as soon as returned products are received in order to streamline return processing. Track un-saleable merchandise with a bar-coded label and use standardized checklists to ensure that all un-saleable products are stored according to vendor guidelines. Store all returns documentation in a centralized location (typically through the organization's Intranet-based resource) to promote easy access to complete audit trails (documentation typically includes return reason, date of initial shipment, date of return, customer name, etc.) which assures legitimacy of the claim (i.e., reason for the return) while improving supplier relations.

Typical Practice (the Status Quo): Place returned merchandise, saleable or not, in any open space available before returning to higher priority duties in order to reduce return processing cycle times. Saleable merchandise can be restocked at a later time while unsaleable merchandise should be stored in a designated area in the warehouse to await being scrapped.

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