

RESEARCH PROJECT
ON
Supply Chain management and Store Operation In
Pantaloon Retail India Pvt. Ltd



FOR THE PARTIAL FULFILMENT OF THE REQUIREMENT
FOR THE AWARD OF
BACHELOR OF BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF:
PROF. ASHOK KUMAR SHARMA

SUBMITTED BY
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SCHOOL OF BUSINESS, GALGOTIAS UNIVERSITY

Certificate from Faculty Guide

This is to certify that the project report ***“Supply Chain management and Store Operation In Pantaloon Retail India Pvt. Ltd”*** has been prepared by **Mr. Rohit Singh Negi**, under my supervision and guidance. The project report is submitted towards the partial fulfillment of 3 year, full time Bachelor of Business Administration.

PROF. ASHOK KUMAR SHARMA

Name and Signature of Faculty

Date:

rewrite rules *retain values*
Pantaloon
Retail (India) Limited
a future group^v venture

DECLARATION

I, **Mr. Rohit Singh Negi**, Roll No 18SLAM1010024 student of BBA of School of Business, Galgotias University, Greater Noida, hereby declare that the project report on “***Supply Chain management and Store Operation In Pantaloon Retail India Pvt. Ltd***” is an original and authenticated work done by me.

I further declare that it has not been submitted elsewhere by any other person in any of the institutes for the award of any degree or diploma.

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ACKNOWLEDGEMENT

It is a matter of great explanation and ecstasy for me to present my research project report on the topic “*Supply Chain management and Store Operation In Pantaloon Retail India Pvt. Ltd*” I offer my sincere Gratitude to every one involves directly and indirectly for his help and guidelines throughout the project I am especially thankful to my project guide **Prof. Ashok Kumar Sharma, GU, Greater Noida**, who had given me opportunity to complete project.

My project has been influenced by number of standards and popular text books.

I express my gratitude to the respective author.

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EXECUTIVE SUMMARY

I have undertaken my internship with Supply Chain Department of Pantaloon Retail (India) limited a unit of Future Group. As supply chain as a whole is a very Big Area for cover in just 60 days so I select a sub area of supply chain that is inventory management and with the help of some company people I select a topic that is Shortage and Damages in inventory.

Today stock out is the major problem for the Retail Industry and as Indian organized retail industry is very new and India is a very diverse country different people like different things, they have different culture different preferences so the stock out problem is major issue. The second part of my problem is Damages/wastages of inventory which is more important than shortages because when any inventory is damaged then there is both financial loss either for vendor or to company and also shortage for that damaged inventory in the store.

I divided my project into two parts of one month each. In the first part of my project I visited the store warehouse of company one is of Shadhara store warehouse and the other one is that of store operation.

I try to understand their way of working, reasons of shortages and damages in the warehouse and in store operation I try to understand the way of working in store. In the second part I visited different stores of company in the Delhi and Noida region and the way of working of SCM department, I am also see what are the different reasons for the shortage and damages of merchandise at store level which is very different from warehouse.

After practically working in warehouse and I stores I realized there are some problems due to which the problems of shortages and damages occurs and I try to give some recommendation which may be helpful in getting rid from these problems. These problem and recommendations I discussed in this report.

OBJECTIVES

This internship project is only of two months so main thing before selecting any project we must consider our area of interest so that in these two months our learning is more interesting and we learn more. As my interest is in the supply chain but it is hard to cover the whole area and that is the reason I select shortage and damages of inventory in supply chain.

I try to understand the whole process of inventory management in both warehouse and in stores. My two major objectives during this entire project, one is learning and the other is to find the gaps in the way of working of the employee of supply chain department due to which these problems occurs and give some recommendation, as per my knowledge, for bridging these gaps so that system is more efficient in fulfilling customer demands with more profit.

RETAIL IN INDIA

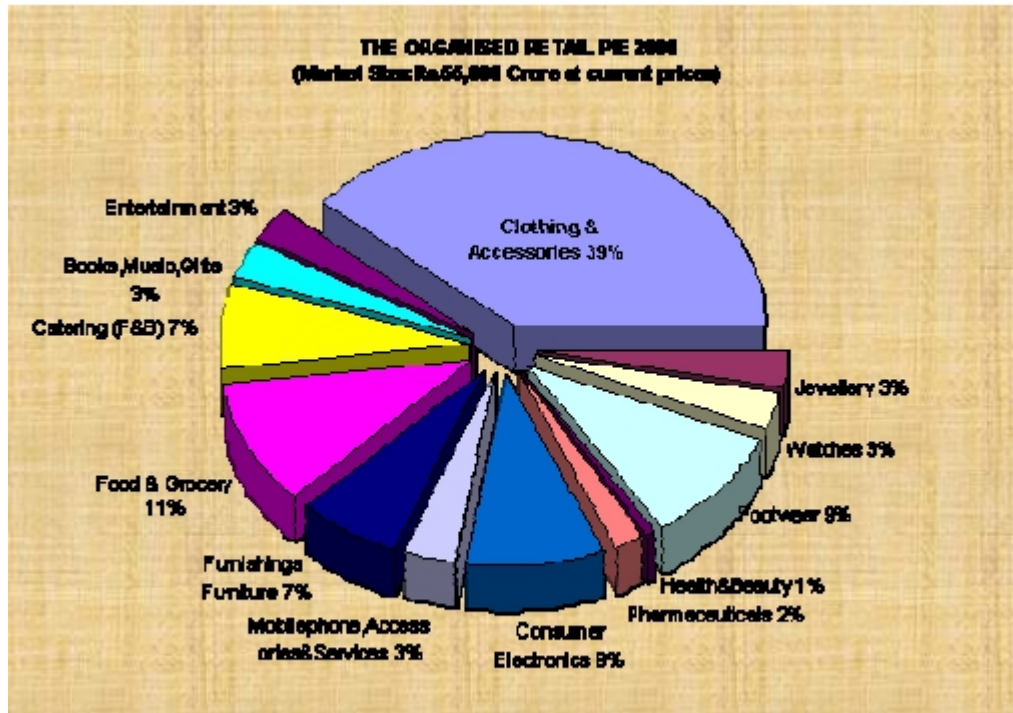


RETAIL IN INDIA

The retail sector in India is very fragmented and arranged retail within the country is at a really nascent stage. There are about 12 million stores spread across India, earning it the epithet of a “nation of shopkeepers” over 80% of those 12 million outlets are pass by small family businesses which use only household labour. Traditionally, small store (kirana) retailing has been one among the best ways to come up with self-employment, because it requires limited investment in land, capital and labour. Consequently, India has one in every of the very best retail densities within the world at 6% (12 million retail shops for about 209 million households). India’s peers, like China and Brazil, took 10-15 years to boost the share of their organized retail sectors from 5% once they began, to twenty and 38% respectively. India too is moving towards growth and maturity within the retail sector at a quick pace

Comparative Penetration of Organized Market:





Source: Indian Retail Report 2006-07

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In the modern scenario clothing and accessories accounts for 39 % the entire organized retail in India. The Food and Grocery with the market share of 11 %. Footwear Industry and Consumer electronics are on 3rd position within the percentage of organized share which reads as 9% for both market share .

INDIA RETAIL: 2006 (at current prices)



INDIA RETAIL: 2006 (at current prices)			
Retail Segments	INDIAN RETAIL MARKET 2006*		
	India Retail Value (Rs.Crore)	Organized Retail (Rs.Crore)	% Organized in 2006
Clothing, Textiles & Fashion Accessories	113,500	21,400	18.90%
Jewellery	60,200	1,680	2.80%
Watches	3,950	1,800	45.60%
Footwear	13,750	5,200	37.80%
Health & Beauty Care Services	3,800	400	10.60%
Pharmaceuticals	42,200	1,100	2.60%
Consumer Durables, Home Appliances/equipments	48,100	5,000	10.40%
Mobile handsets, Accessories & Services	21,650	1,740	8.00%
Furnishings, Utensils, Furniture-Home & Office	40,650	3,700	9.10%
Food & Grocery	743,900	5,800	0.80%
Catering Services (F & B)	57,000	3,940	6.90%
Books, Music & Gifts	13,300	1,680	12.60%
Entertainment	38,000	1,560	4.10%
TOTAL	1,200,000	55,000	4.60%

1200000

54999.6



Company profile

PANTALOON'S PROFILE

Pantaloon Retail (India) Limited, is India's leading retailer that operates multiple retail formats in both the worth and lifestyle segment of the Indian consumer market. Headquartered in Mumbai (Bombay), the corporate operates over 5 million square feet of retail space, has over 350 stores across 40 cities in India and employs over 18,000 people. The company's leading formats include Pantaloons, a sequence of fashion outlets, Big Bazaar, a uniquely Indian hypermarket chain, Food Bazaar, a supermarket chain. A subsidiary, Home Solutions Retail (India) Limited, operates Home Town, a large-format home solutions store, Collection I, selling home furniture products and E-Zone focused on catering to the buyer electronics segment. Pantaloon Retail was recently awarded the International Retailer of the Year 2007 by the US-based National Retail Federation (NRF) and also the Emerging Market Retailer of the Year 2007 at the globe Retail Congress held in Barcelona. Pantaloon Retail is that the flagship company of Future Group, a business group catering to the complete Indian consumption space.

Future Group

Future Group is India's leading business group that caters to the whole Indian consumption space. Led by Mr. Kishore Biyani, the longer term Group operates through six verticals:

- Future Retail
- Future Capital
- Future Brands
- Future Space
- Future Media
- Future Logistics.

Apart from Pantaloon Retail, the group's presence within the retail space is complemented by group companies, Indus League Clothing, which owns leading apparel brands like Sports Bar, F123, Indigo Nation, Scalars and concrete Yoga, and Brew Bar Galaxy Entertainment Limited that operates Bowling Co.

Future Capital Holdings, the group's financial arm, focuses on asset management and line of credit. It manages assets worth over \$1 billion that are being invested in developing retail land and consumer-related brands and hotels. The group has launched a bank line and financial supermarket format, Future Money and shortly plans to supply insurance products through a venture with Italian insurance major, Generali.

Future Group Manifesto

“Future” – the word which signifies achievement optimism, growth, rewards, strength, beauty and perfection. Future encourages us to explore areas yet unexplored, write rules yet unwritten; create new opportunities and new successes. To strive for a wonderful future brings to us our strength, our ability to find out, unlearn and re-learn our ability to evolve. We, in Future Group, won't look forward to the long run to unfold itself but create future scenarios within the consumer space and facilitate consumption because consumption is development. Thereby, we are going to effect socio-economic development for our customers, employees, shareholders, associates and partners.

Our customers won't just get what they have, but also get them where, how and after they need.

We will not just post satisfactory results, we'll write success stories.

We will not just operate efficiently within the Indian economy, we'll evolve it.

We will not just spot trends; we are going to set trends by marrying our understanding of the Indian consumer to their needs of tomorrow.

It is this understand that has help us succeed. And it's this that help us reach the long run. We shall keep relearning. And during this process, do exactly one thing.

Rewrite Rules. Retain Values.

Group Vision

Future Group shall deliver Everything, Everywhere, Every time for Every Indian Customer in the most profitable manner.

Group Mission

We share the vision and belief that our customers and stakeholders shall be served only by creating and executing future scenarios in the consumption space leading to economic development.

We will be the trendsetters in evolving delivery formats, creating retail reality, making consumption affordable for all customer segments – for classes and for masses. We shall infuse Indian brands with confidence and renewed ambition. We shall be efficient, cost-conscious and committed to quality in whatever we do. We shall ensure that our positive attitude, sincerity, humility and united determination shall be the driving force to make us successful.

Core Values

Indianness: self-confidence in ourselves .

Leadership: to be a leader, both in believed and business.

Respect & Humility: to respect every different and be humble in our conduct.

Introspection: leading to focused thinking.

Openness: to be open and receptive to new thoughts, knowledge and data.

Valuing and Nurturing Relationships: to create long term relationships.

Simplicity & Positivism: Simplicity and positivist in our supposed, business and Action .

Adaptability: to be flexible and adaptable, to encounter challenges.

Flow: to respect and know the universal laws of nature.

Company Journey

1987: Firm incorporated as Manse Wear Private Limited. Launch of Pantaloons trouser, India's first formal trouser brand.

1991: Introduce of BARE, the Indian jeans brand.

1992: Initial public offer (IPO) was made in may.

1994: The Pantaloon Shoppe – exclusive menswear collection in franchisee format launched across the nation. The company starts the distribution of branded garments through multi brand retail outlets across the nation-state.

1995: John Miller – Formal shirt brand launch.

1997: Pantaloons – India's family store launched in Kolkata.

2001: Big Bazaar, 'Is se sasta aur accha kahi nahin' - India's first hypermarket chain launched.

2002: Food Bazaar, the supermarket chain is launched.

2004: Central – 'Shop, Eat, Celebrate in the Heart of Our City' - India's first seamless shopping mall is launched in Bangalore.

2005: Fashion Station - the popular fashion chain is launched

2006: Future Capital Holdings, the company's financial arm launches real estate funds Kshitij and Horizon and private equity fund Indivision. Plans forays into insurance and consumer credit. Many retail formats including

Collection I, Furniture Bazaar, Shoe Factory, E-Zone, Depot and futurebazaar.com are launched across the nation. Group enters into joint venture arrangements with ETAM Group and Generally.

2007: Retail set-up Home Town is launched in Noida

Partner Companies

Home Solutions Retail (India) Ltd.

Home Solutions Retail (India) Ltd. (HSRIL) leads the groups foray in the home improvement and consumer electronics retailing segment. It caters to home management requirements and products, including furnishings and textiles, furniture, consumer electronics, home electronics and home services. It operates retail formats like Home Town, Furniture Bazaar, Collection I, E-Zone, Electronics Bazaar and Got It.

Future Capital Holdings (India) Limited

Future Capital is the financial arm of the group and is involved in asset management (both private equity and real estate funds) with plans to get into other financial services including insurance, credit and other consumer related financial services. Its associate companies are Kshitij Investment Advisory Co. Ltd., Indivision Investment Advisers Ltd., and Ambit Investment Advisory Co. Ltd.

Indus League Clothing Ltd.

The group owns a majority stake in Indus League Clothing Ltd., one of the leading apparel manufacturers and marketers in India. Some of its leading brands include Indigo Nation, Scalars, Urbana, Urban Yoga and Jealous.

Galaxy Entertainment Corporate Ltd.

The group owns a stake in Galaxy Entertainment Corporate Ltd. that operates chains like Bowling Company, Sports Bar and Brew Bar.

Awards & Recognitions

2007

National Retail Federation Awards

International Retailer for the Year 2007 – Pantaloon Retail (India) Ltd

World Retail Congress Awards

Emerging Market Retailer of the Year 2007 – Pantaloon Retail (India) Ltd

Hewitt Best Employers 2007

Best Employers in India (Rank 14th) – Pantaloon Retail (India) Ltd

PC World Indian Website Awards

Best Indian Website In The Shopping Category - Futurebazaar.com

Reader's Digest Trusted Brands Platinum Awards

Trusted Brands Platinum Award (Supermarket Category) – Big Bazaar

2006

Retail Asia Pacific Top 500 Awards

Asia Pacific Best of the Best Retailers – Pantaloon Retail (India) Ltd

Best Retailer in India – Pantaloon Retail (India) Ltd

Asia money Awards

Best Managed Company in India (Mid-cap) – Pantaloon retail (India) Ltd.

Ernst & Young Entrepreneur of the Year Award

Ernst & Young Entrepreneur of the Year (Services) – Kishore Biyani

CNBC Indian Business Leaders Awards

The First Generation Entrepreneur of the Year – Kishore Biyani

Images Retail Awards

Best Value Retail Store – Big Bazaar

Best Retail Destination – Big Bazaar

Best Food & Grocery Store – Food Bazaar

Retail Face of the Year – Kishore Biyani

Readers' Digest Awards

Platinum Trusted Brand Award - Big Bazaar

CNBC Awaaz Consumer Awards

Most Preferred Large Food & Grocery Supermarket – Big Bazaar

Reid & Taylor Awards for Retail Excellence

Retail Entrepreneur of the Year – Kishore Biyani

Line of Business

E-tailing: Futurebazaar.com.

Food: Brew Bar, Café Bollywood, Chamosa, Sports Bar, Food Bazaar.

Fashion: ALL, Big Bazaar, Central, Fashion Station, Gini & Jony, Pantaloons, Lee Cooper.

Home & Electronics: Home Town, Furniture Bazaar, Electronics Bazaar, E-zone, Collection I.

Telecom & IT: Gen M, M bazaar, M-Port.

General Merchandise: Central, Brand Factory, Fashion Station, Shoe Factory, Pantaloons.

Leisure & Entertainment: Bowling Co, F 123.

Wellness & Beauty: Health Village, Star Sitara, Tulsi, Turmeric.

Books & Music: Depot.

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Fundamentals of
Pantaloon
Retail (India) Limited
a 'future group' venture

SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

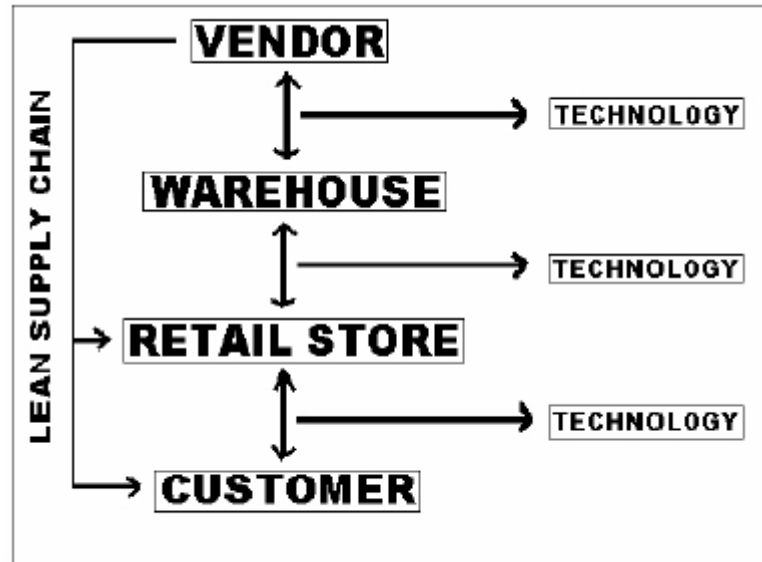
Supply Chain Management (SCM) is essentially integrating suppliers to the end consumers and emphasis the need for partnership to optimize the whole system. The basic aim of slightly SCM function is to make the organization more agile and nimble footed to respond to drastically changing consumer preferences by capturing the information of material flow at all levels of the value of chain.

Retailers today face many challenges because of greater product variety, shorter product life cycles cause's greater fluctuations in demand and calls for high receptiveness in supply chain and due to which need of shorter lead time continues. In retail transactions need be smooth, timely and accurate. When one is dealing with a complex function such as retail it is very important that we have a strong supply chain for better receptiveness and cost effectiveness.

An effective supply chain management system can provide a 360 degree response to the retailer as well as to the manufacturer about the popularity and complaints of any particular product. Provide valuable insights on inventory and guidelines on merchandise distribution. It also increases visibility of stock sales and consumer demand through the supply chain. Facilitates relationship and communication for improving relationship with supplier.

As Pantaloon Retail believes in value retailing, so it is very necessary that our supply chain is very strong because we only make money when we reduced our cost and supply chain is the only area for maximum cost decrease either it is purchase in bulk or it is better.

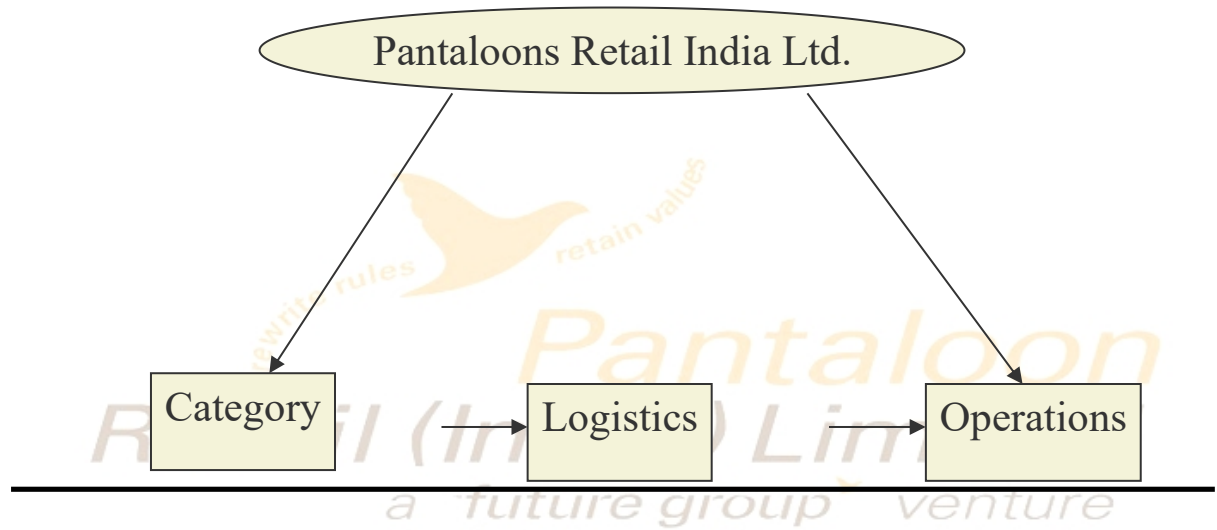
logistics we only win if we are able to reduction our cost and response time. An efficient supply chain is working something similar that it is given in the above figure:



There are 5 essential areas for the success of any retailer in the supply chain and out of these 3 are logistical functions. These are:

- Warehouse (Facility)
- Inventory Management
- Transportation
- Information Flow
- Technology

This Is The Process Of Pantaloon Retail India Ltd



Warehouse

Warehouse is the located to or from which the inventory is transported. Warehouses are the key driver of supply chain performance in terms of receptiveness and efficiency. Before deciding the location of Warehouses, we must consider the following points:

Location of our stores

Rent of the location

Format of our retailing

Now a days warehouse is treated as switching facilities rather than storage place and companies try to move stock from the warehouse ASAP to reduce the inventory handling cost, for higher inventory turnover and for shorter cycle time It is a main cost center, many customer problem are the direct result of improper warehousing management.

Major decision of warehouse is as follows:-

Warehouse layout Facilities in the warehouse, Design of building, Connectivity Ownership of the warehouse.

Warehouse performance is judged by consumer satisfaction and by lower cost of operation.

Warehousing Function

Material Storage Function, Information Handling Function, Material Handling Function.

Material storage is required to accommodate the following points:

Holding, Mixing, Break Bulk, Packing, Consolidation.

Material handling function

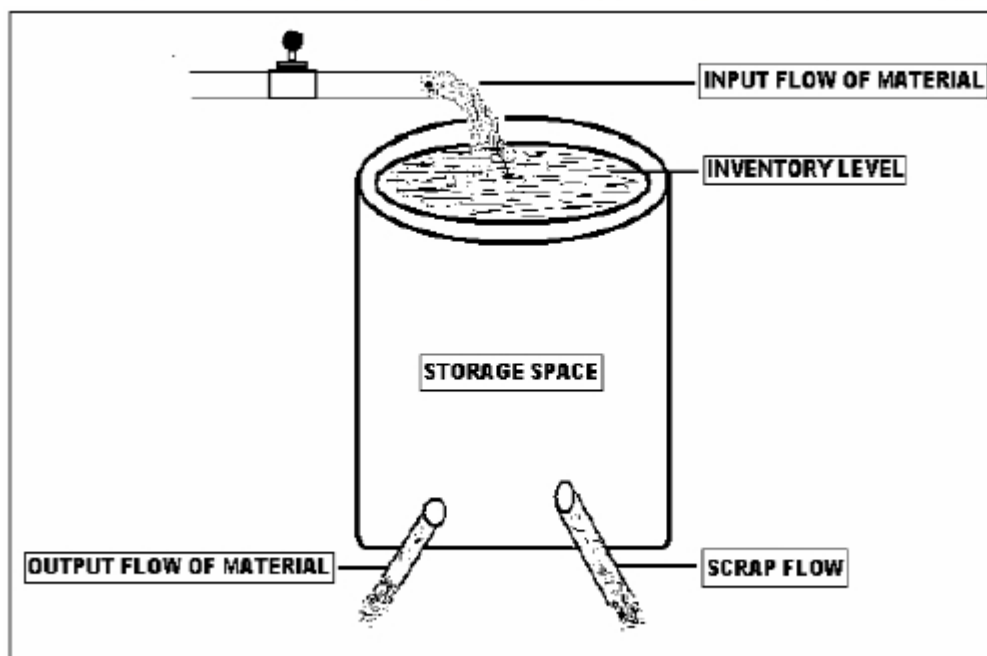
Material Movement, Loading & Unloading, Order filing.

Information handling function

1. Goods inward, Goods outward Inspection & auditing, Excess Stock , Warehouse.
2. Expenses, Transit damage and Breakage. Pantaloon try to locate its warehouses very near to the stores as we see there are many warehouses in the NCR zone like to cover Delhi stores there is a warehouse in Wazirpur, for Noida and Ghaziabad areas stores company started a new warehouse in Dadri which is very near from both the cities and for Gurgaon there is also a warehouse so company try to reduction its response time for better customer service and as Pantaloon Retail concentrate more on value retailing so it is more important that company focus on economies on scale and purchase in bulk and this requires more warehouses.
- 3 .The function of providing warehouses is outsourced to Indo Arya which is one of the best company in India in field of logistics. In some places like in case of HSRIL warehouse in Dadri Pantaloon outsource the entire logistics function to Indo Arya. Dadri warehouse of the firm is provided by Indo Arya, and it is a CWC warehouse. Connectivity is very good from this warehouse because it is located on the GT road and it takes barely 1 hour in transporting stock to the Noida and Ghaziabad stores. There is plenty of space inside the WH for parking and movement of vehicles. Warehouse divided into 3 sections of nearly 30,000 sq ft. each out of which 1 section handling the inventory of HSRIL format and hold furniture, and home development merchandise, 2nd section carrying general merchandise, and sanitary items and 3rd one is for pantaloon. In case of Wazirpur warehouse there are 3rd floors on the ground floor unloading and loading is to be done.

Inventory Management

Inventory exists in the Supply Chain Because of a Gap between Supply and Demand. Inventory is the major sources of cost in the Supply Chain. The figure given below shows how the effective inventory management is to be work. This figure shows that there must be some inventory level we must manage for efficiently fulfill the demand of consumer and we must out the inventory in time so that we are able to send the stock in stores in time and the damage stock is also out from the Warehouse so that we maintain a good inventory level.



Transportation

Transportation is defined as the physical flow of material and finished goods from point of origin to point of use to see customer need at a profit. It is basically a planning process and an information activity so an integrative process that optimizes the flow of material and supplies through the organization and its operations to the customer.

It's of critical importance to the organization how it delivers products and services to the customer's whether the product is tangible or intangible.

Effective and efficient Physical movement of the tangible product will speak of intangible services related with the product and the organization which is delivering it.

In Case of intangible product, the delivery of tangibles at the right place and right time will say close its quality. India spends nearly 12% of its GDP on logistics.

India spent approximately \$ 50 billion to move material from one use to another.

Any good transport service is that which provide:

- Reliable and consistent delivery performance,
- Freight economy,
- Minimum product damage.

Pantaloon outsourced it's transportation services to the third party which is Indo Arya. So in this situation all damages all responsibility is of transportation service. Companies must provide the required vehicle on time when Warehouse requires it.

Information Flow

Information serves as the connection between various stages of a supply chain, allowing them to coordinate and maximize total supply chain profitability. It is basically information based activity of inventory movement across the supply chain. Hence role of information system plays a vital role in delivering superior customer service This function is required to facilitate the following information needs:

- Order Registration
- Order checking & editing
- Order processing
- Coordination means to integrate the total supply chain of the company with informational needs as to time, quantity, value e.g. Lead time, rate of consumption, delivery schedule & price of the material, Transportation time & cost etc.

Flow of information is very essential to know the exact requirement of stores, to know consumers preferences, to know the inventory level in store and in warehouses.

Technology

Better flow of information is only possible with the use of latest technology and that is the reason because of which companies invest so much on new technology like RFID, ERP software etc.

Pantaloon is also understand the importance of information and technology and so company implement ERP software for making supply chain better. Pantaloons using SAP which is one of the most successful ERP. With this software sharing of information is much easier because we can see how much inventory is available in the WH and placing STO according to that.

Making STO, Pick list and GRN is also very easy and fast with the help of SAP.

Pantaloon also implements RFID in its Tarapur warehouse on some categories.

REVIEW OF LITERATURE

How many times has it happened to you that you have gone to a nearby retail shop looking for a product and there were no stocks available?

According to a study 25 per cent of the FMCG sales are lost just because the product is out-of-stock at the retail outlet. This is the biggest challenge for any retailing company - to make stocks available at the right place so that demand is not unfulfilled. With the complex nature of the Indian retail network and negligible IT systems, measuring impact on business due to such loss of sale is a tough task. The workgroup conducted field surveys over extended period of time to investigate actual stock-outs status within retail stores. The data generated provides deep insights that will facilitate root cause analysis to unearth stock-out bottlenecks. The study is facilitated through extensive use of EAN barcodes for item identification and stock measurement through point-of sale scanning.

On 'Shrinkage'

Thirty percent of shrinkage is caused by customers. Shrinkage is not only theft, it is damages and unforeseen price losses. When a slack employee forgets to change the price point and you get it for that low price - that is shrinkage. When a child opens a package or breaks something that is rendered un-sellable or at a reduced price - that is shrinkage.

Seventy per cent of the shrinkage is caused by employees. Employees hide merchandise and carry it out without paying for it. And they have greater opportunity to do so. Cashiers have to be watched very closely, for a lot of shrinkage happens under their watch. It is common for a friend to come

through their line knowing of the lower priced labels. Or they might palm something small, as a pack of gum, and scan that instead.

Management has its share of thieves, too. They aren't likely to shoplift, but they may help a friend with price-switching or returns. Or they may load a truck at the back door and tell upper-management, "What microwave ovens?" However, a lot of management theft is through paperwork. They make a bogus return and pocket the refund when no one is looking. Some can get really greedy and stupid. Take the store manager who "returned" a grandfather clock every two weeks for six months. A corporate auditor finally noticed the unusual activity of such a big-ticket item and alerted the inventory squad. They also pored over the transactions logs and noted that they were happening while the store was not open for business. He was fired and that is shrinkage.

In retail where there are almost lakh of SKU's to be handled. The problem of stock-outs has a high negative impact on the top-line as well as on the bottom line of the company. According to a survey carried out by HBR in 26 countries including India in which they try to know that what happens when consumers can not find the specific product for which they are looking for. The results of this survey are also very eye opening because according to the results of the survey when any customers visited any retail store and they are not

find the product they are looking for then :

- 9 out of every 100 customers do not purchase that item. It is happens in the case when there is no urgent requirement of that product if customer do not find that product then it does not matter too much for the customer.
- 15 out of every 100 delay purchase. When Customers do not find any product then they delay purchase till their next visit to the store.
- When you looking for any product in any specific quantity and you do not find it in that quantity then you may possibly buy that product in more or in less quantity and this happens in 19% cases according to the survey.

- In 26% cases customer buy different brand of same product like you do not get Pepsi in the store then you may also buy Coke from the store.
- Now the most harmful case for any retailer is when customers decide to buy the product from another store and this happens in 31% cases.

INWARD PROCESS IN WAREHOUSE

In warehouse when stock comes from the vendor site or from central warehouse then the following procedure is used for inward of stock in warehouse:

1. Documents check:

This is first and one of the most important steps of the in warding procedure because if any warehouse inwards the stock in warehouse without check the proper documents then it creates a big trouble for the organization. It may be possible that the stock which come in the warehouse is not belong to that warehouse or proper taxation is not done by the vendor for that stock so proper checking of documents is must. Security guard and the person responsible for stock unloading checks documents before allow the stock to enter in the WH.

If stock comes from central WH, any other WH or from any store then following documents are checked by the security staff:

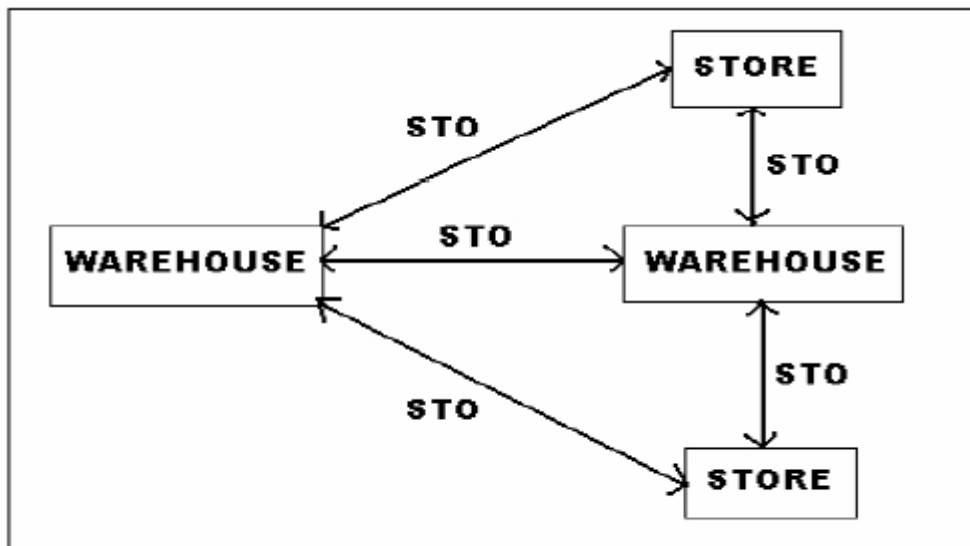
1.1 Stock Transfer Note (STN) staff checks whether this STN belong to this WH or to any other.

1.2 Transporter waybill which is different in different in different states and somewhere it is also not require this bill proves that this stock is legal and sales taxes are paid for this stock.

1.3 Gate pass which confirms that stock comes out from the store or WH with the permission of responsible person

STOCK TRANSFER ORDER (STO)

Stock Transfer Order (STO)/Stock Transfer Note (STN) are the document which is used for transfer of stock WH and stores. At the store level STO is raise by DM's of there respective department. STO is also required for the movement of stock from one warehouse to another or from one store to another. We can say that all the movement of stock within the organization is takes place with the helps STO.



STO Movement

STO Movement

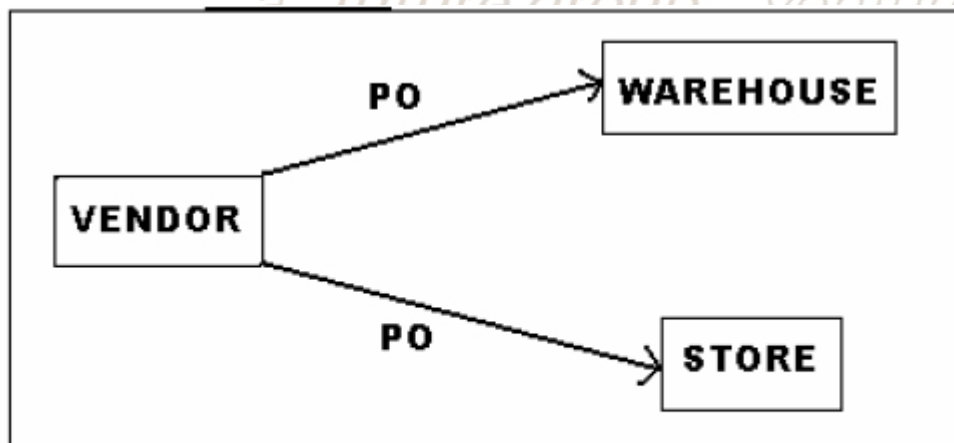
If stock comes from vendor's site then security checks the following documents:

- 1.1** Purchase Order (PO) whether this PO is for this WH or not and security also check the expiry date of PO.
- 1.2** Invoice (Bill) which specifies what qty. vendor sends and what price vendor charge from company.

1.3 Delivery challan which is the proof of payment of sales tax.

PURCHASE ORDER (P.O.)

Purchase Order(PO) which is only raise for the vendors/suppliers and this PO is only raise by the Front End Category Team from the Zonal office or from Head office and it is also raise by stores and in stores it is raised by Department Managers. PO from the store level is only raise for the local vendors and vendors deliver stock directly to the stores. When DM's of the stores raise PO then most of the time it first goes to category team and then category team pass it to the vendors. In case when category team raise the PO then it considered the requirement of the stores which is sent by the DM's to the category team and then category team make PO for vendors and decide whether stock goes to WH or directly to the stores.



PO Movement

P.O. FORMAT

<u>P.O. FORMAT</u>									
PANTALOON RETAIL(INDIA) LIMITED ADDRESS:									
Vendor:					PO No.:				
					Date:				
					Label:				
					Vendor No.:				
					Currency:				
Delivered By:					Payment Terms:				
					Last Date of Dispatch:				
					VAT/LST No.:				
					CST No.:				
					INCO Terms:				
Site Add:					VAT/LST No.:				
					CST No.:				
Article ENR	Article No.:	Article Description	MRP	Basic Cost Price	Tax %	Landing Rate	Quantity	UoM	Total Amount

Unloading and counting of cartons:

After checking the documents stock is unloaded from the vehicle under inspection of responsible person and security staff. Security counts the cartons and see that cartons are packed properly if there is any carton which is open or not in proper condition the security put remark on the documents.

1. Entry in security inward register:

After proper unloading security staff enters the details of in warding in security inward register. The format of inward register is given below:

IRN No.	IRN Date	Supplier Name	Description of goods	Inv. Qty.	Inv. No.	Inv. No.

PO No.	PO Date	LR No.	LR Date	Waybill No.	Waybill Value	Transport

2. Stock Count and Check:

After the entry of stock in the register this is the time to count the stock manually or by the help of SAP and employee also check for any damage in the stock that the WH get and if they find any difference between the quantity mentioned in invoice and the actual quantity they get or if there is any damage product, any part missing or any bar code problem then they write that information on the invoice of the vendor and pass it to the concerned person of the WH.

3. Entry into SAP:

Now after counting the stock if counting is done manually then the stock is entered in the SAP by scanning each and every product for the better visibility of stock across the supply chain. If there is any problem in bar code like it is not read by reader because of any scratch on bar code or bar code is not on the merchandise then the person try to find out its article code by matching that product with other product of same characteristics like a shirt of same color, same size and same brand has common article code and when they find any such merchandise then they enter its article code in the SAP manually and if they don't get any merchandise then they put it away and inform the vendor about this type of product.

Sap commands used to Streamline inventory

1- MB51 → This helps to generate report to know how much stock we received till date and how much GRN done.

2- MB52 → This is also to know the stock status till date and their values.

3- ZMB54 → To know Stock report.

5- ZMB51 → Stock report

6- MB0A → To inward the stock into the system which come from city warehouse against the delivery No.

7- MB01 → To inward stock from vendors directly against the Purchase Order.

8- MB1C → To inward stock which comes from vendor on performance basis (i.e. Without Purchase Order)

9- ZBARDPO → To take the text file for barcodes.

10- VL02N → Change Delivery

11- VL03N → Display Delivery

12- MB02 → Change Article document

13- MB03→ Display Article documents.

14- ME21N→ To generate Purchase Order, STO, STR, NSM STO.

15- ME22N→ Display Purchase Order, STO, STR, NSM STO.

16- ZBRDART→ To change Ean to Articles

17- MK03→ Vendor List

18- MB90→ Reprint

19- MB1B→ For defective

20- MCBA→ Stock in hand quantity

21- SU53→ To generate HTML for authorization

23- MBST→ For reversal all GRN

24- SP02→ To run command in background

25- SM37→ To run command in background

26- ZDEL→ To know stock In transit

27- MCGD- Sales Report

4. Discrepancy note is made:

After entering the material in the SAP we know the actual quantity which we get and after that a discrepancy note is made by the WH person which tells what we get and what we not get and also about the damaged items and this note is passed to vendor and zonal office also so that vendor get payment according to actual quantity. The format of discrepancy report is given below

DISCREPENCY REPORT					
PANTALOON RETAIL (INDIA) LIMITED					
SITE ADDRESS					
M/S _____					
SUB: GOODSRECEIVED SHORT/REJECTED IN YOUR LATEST SUPPLY RECEIVED THROUGH _____					
SL NO.	DATE	DOCKET/LR NO.	LR DATE	INV. NO.	INV. DATE
<p>WITH REFERENCE TO THE ABOVE MENTIONED SUBJECT WE WISH TO INFORM YOU THAT THE FOLLOWING ITEM WERE RECEIVED AGAINST YOUR LATEST SUPPLY AGAINST PO NO.</p> <p>_____</p> <p>SHORTAGE/DAMAGED BY _____</p>					
SL NO.	DESCRIPTION	NO. OF PCS.	RATE	AMOUNT	
<p>PLEASE ACKNOWLEDGE THE RECEIPT OF THIS COMMUNICATION</p> <p>THANKING YOU</p> <p>PANTALOON RETAIL (INDIA) LIMITED</p> <p>PREPARED BY _____ RECEIVED BY _____</p>					

Discrepancy Report Format

5. GRN is made:

Goods Receipt Note is the last step of the inward process this is the documents which is attached with the vendor/WH documents and it tells the actual quantity which the WH get.

PANTALOON RETAIL(INDIA) LIMITED					
Site Add:			CST No.:		
			LST/VAT No.:		
Goods Receipt					
Vendor Site:			CST No.:		
			LST/VAT No.:		
GRN No.:			Date:		
Related DC No.:			Movement Type:		
PO No.:			PO Date:		
Item Code	Description of Goods	SLoc	UoM	Purchase Price	Actual Quantity
TOTAL:					--
--					

Warehouse Storage Process



Storage is also the most important part of the warehouse because we can not store all the stock in store due very high property rents and every Sq. ft. of space is very costly in the regions where stores are located and proper storage is also essential in WH to avoid damages and for fast processing. In storage process when stock is enter in the SAP then it is moved to there respective section which are arranged according to there category or MC code.

Every item put in WH according to its type and the way it moves out from the WH like clothes are put in bins and racks for fast movement of stock as they are easy for pick when they are put in racks. For Big items like consumer durable and furniture there is no requirement of racks because they are put on the floors and if they are put in racks them it is also hard to put them in racks. At what location any item is placed is also decided because it is not good to move glass items for a large distance so they put near to out gate.

Warehouse Outward Process

1. STN is drawn from SAP:

The movement of stock from the WH to the different stores or to other WH is known as stock transfer for this purpose store/WH raise a Stock Transfer Note (STN) for WH according to the requirement of store/WH and WH person takes this STN from SAP.

2. Check availability of stock through SAP:

Before taking the printout of STN that person check that is there any other store which send the requirement of the same product if so then WH employee divide the stock between the stores according to their requirement so that no one get stock out for that material.

3. Pick list is made according to the STN:

After checking the availability of material WH person generate pick lists according to the category or according to MC code of the category like there is separate code for men's jeans and separate MC code for ladies jeans and merchandise is put in the WH according to their MC code so that it is for the employee to pick the merchandise.

<u>PICK LIST</u>								
Supplying Site					Receiving Site/Customer:			
Code:					Code:			
Name:					Name:			
Delivery No.:								
Brand	MC Desc. (MC Code)	Article Name	P_Qty.	Article Code	UoM	Ratio	T_Qty.	EAN
Total:			-					

4. Employees pick items according to the pick list:

Now the pick list is given to the employee which are responsible for pick the merchandise and they take that pick list and as they know where this particular product is placed so they go to that section and pick the items according to the article code which is write on the bar code of the product and put it on the conveyor or in a blank carton and take it to the section from which outward is done.

5. Items are scan through the SAP:

When pick stock reach to the outward system the person at the outward system enter STN No./Delivery No. and Handling unit which is L2000 for outward in the SAP and then scan each item one by one and if any item which is not belongs to that STN then a red light is blink in the bottom of SAP window and the person put that item away and tells the persons those pick the item that this is not the right product and the employee again search for right product and when all items get scanned then they pack the cartons for dispatching and put the right tag for the store and STN no. on the cartons.

6. Pre Delivery Investigation (PDI) of stock:

Before dispatching the stock to stores for some product a investigation is required to confirm that the dispatch item it in good quality and it is not damaged this process is generally for big product like furniture items, electronics items etc. In this process employee check for any defect in the

product and if there is any such problem they found in the product then WH does not dispatch it to the store.

7. Stock is packed:

When stock is put in the cartons then it is the time to pack these and packaging staff pack the cartons with the sheet of polythene so that cartons are not opened easily and sometimes there are some damaged cartons also prevented from opening during transportation by this process.

8. Documentation:

When stock is packed then the WH person does the proper documentation for hassle free movement of goods. Employee put the STN with gate pass which is very essential for outward movement of stock without which security does not allow to pass the stock outside the WH and a document is also attached for sales tax purpose which is different for different states like if stock is moved inside the UP then an OC stamp is very essential with the document or if stock is comes in UP from outside then form 31 is required without these documents movement of stock is illegal.

9. Outward Entry Register:

After seeing the required documents security person make entry into his register for the outward stock. The format of outward register is like this:

Outward No.	Date	Dispatch Location	Description of Goods	No. of Cartons	Gate Pass No.	STN No.	STN Date

STN Qty.	Transporter	LR No.	Waybill No.	Waybill Amount	Security Sign.	Remark	Time

10. Dispatch of stock:

For dispatching the material to the store the employee of the WH tell the transporter about the requirement of the vehicle in advance so that the transporter arranged the vehicle on time for dispatching the material



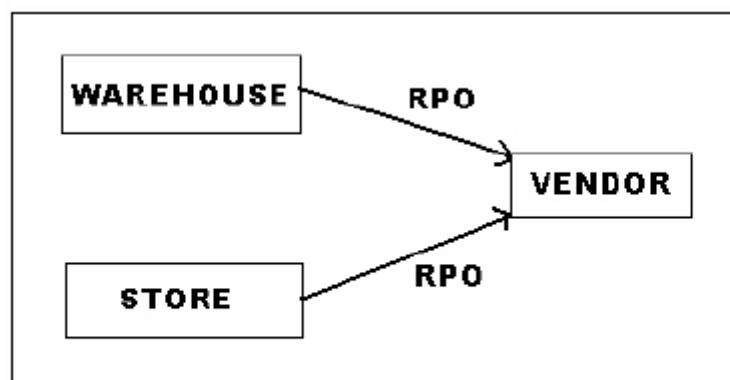
Out warding Of **Damaged/Defective Goods**

Outwarding Of Damaged/Defective Goods

In warehouse most of the times vendors does not take their damage stock back so in this case it is placed in the warehouse but there is no use to handle this damaged stock so WH send it back to the vendor and for sending it back to the vendor a reverse or outward is Purchase order (RPO) is made and stock is outward from the warehouse on the basis of this RPO.

OUTWARD/REVERSE PURCHASE ORDER (RPO)

Reverse Purchase Order/Outward Purchase Order (RPO) is the required for the movement of stock from WH to vendor or from store to vendor. RPO is required only in case of defective/damaged stock when it is required to move back to vendor. RPO is made by warehouse incharge in WH and by SCM executive in the store



Reverse Purchase Order



Inward Process in Stores

1. Documents check:

This process is same as that of WH security staff checks STN, Delivery Challan, and Gate Pass when stock comes from WH and PO, Delivery Challan and Invoice when stocks comes from supplier.

2. Unloading and counting of cartons:

This step is also same as that of Warehouse

3. Stock count and check:

This step is somewhat different from WH because in case of store the process of counting and checking of stock from any damage is very fast in comparison to WH. In store the shortage and damages that are found in write on the documents which are send to vendor at the same time after

counting and damage material is try to dispatch from store as soon as possible because of space problem.

4. Entry in security inward register:

After counting security enter the inward stock detail in security inward register for future requirement. The format of security inward register is given below:

STN No.	STN Date	Supplier Name	Description of goods	Inv. No.	Inv. Date	Qty.	Amount	PO No./Date	No. of Transporters Pkgs.

LR No./Date	Waybill No./Value	GRN Details			Discrepancy Details				Signature		Remarks
		No.	Date	Qty.	Nature	Note No.	Qty.	Amt.	Security	Receiving In charge	

5. Stock move to store warehouse:

After counting and entry in the inward register stock is moved to the warehouse of the store

6. Entry into SAP:

When stock moved to the warehouse then it is the time to enter the stock in the SAP so that it is moved to shelves because without entering the stock in

SAP it is not recognized by billing counters for that reason after entering stock into SAP it is also entered into REM which is used at cash counters. Store WH persons scan each product one by one and enter it into SAP. In case of food bazaar there are many items on which there is no bar code and the content of product bar code is not match with the food bazaar bar code so sometimes bar codes are also attached on the products in the store also and sometimes stores call the vendors and they put the bar codes on the products according to store requirement.

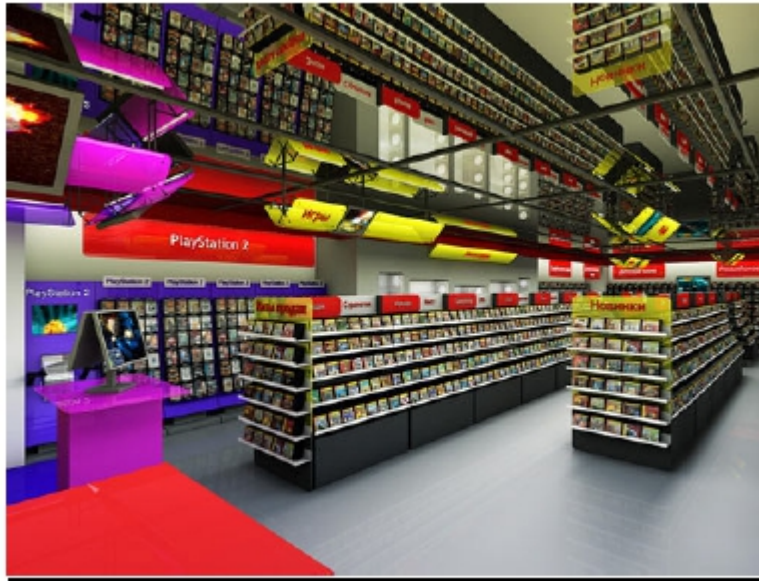
7. Discrepancy note is made:

After counting and entering stock in SAP this is the time to make a discrepancy note which tells the difference between invoice/STN and actual qty. and one copy of this discrepancy note is send to zonal office, one to vendor. The overall process of making discrepancy note is same as that of WH.

8. GRN is made:

Making GRN is also same as that of Warehouse and the documents are send to zonal office.

Storage Process in Stores



When the GRN of the stock is ready and it also scan in SAP and moved to store warehouse then it is the time to move it to the shelves as soon as possible because a store can not hold the stock for too long because of the less space availability so it is better that respective departments move there stock from WH to shelves so that more stock comes in WH. Decision of shelves replenishment is taken by Department Managers they decide on what basis stock is moved in the shelves. The employee of the respective departments checks the availability of stock in shelves daily basis and if some shelves are empty then they fill it with merchandise this is a regular process and special attention is paid on weekends because there is more risk in stores in these days. Stock movement is much faster in case of Food bazaar because most of the items are perishables and these are comes more frequently in the store and more space of warehouse is given to Food bazaar.

Outward Process in Stores

1. Get permission from DM or SM:

For moving any stock out of the store the SCM department first gets the permission from the store manager or from the department manager of the same department from which the stock is taken for out warding. DM only decides which stock is dead and when it will be sent back to warehouse or vendor. But in the case of defective items SCM executive of the store decide when this stock is out from the store.

2. Stock is packed for outward:

After get approval from the DM or SM back end department people collected the stock from warehouse and packs it properly for dispatch.

3. Outward or reverse PO is made:

When stock is packed a PO is made by SCM executive which is known as Reverse/Outward PO which is used when stock is sent back to vendor and if stock is dispatch to warehouse then only Stock Transfer Note is required.

4. Other documents are made according to requirement:

With RPO/STN other documents are also required for out warding the stock from warehouse and these is Gate Pass, OC stamp/waybill which depends on where you send the stock.

5. Security check and outward register entry:

Before allow stock to move out from the store security on the out gate check the gate pass and total of number of cartons according to the gate pass.

Outward No.	Date	Dispatch Location	Description of Goods	Gate Pass No.	Gate Pass Date	No. of Pkgs.	Inv. No.	Inv. Date	Inv. Qty.	Inv. Amt.

6. Stock transferred to warehouse or to vendor:

After security checked stock is loaded on the vehicle which is agreed by the company transporter.



SHORTAGES AND DAMAGES OF INVENTORY



SHORTAGES AND DAMAGES OF INVENTORY

Shortages and damages in inventory occur at many points in the whole supply

chain. It occurs from:

- Vendor to warehouse
- In warehouse
- From warehouse to store
- In store

At all the places they occur due to some different regions so we discuss all these in detail. I divide shortages and damages into two categories one when it occurs in warehouse and other when it occurs in store.

The fig. A which is given below is show how the stock is moves in the supply chain but the fig. B gives the movement of stock when there is some damage or shortage at the various points in the supply chain.

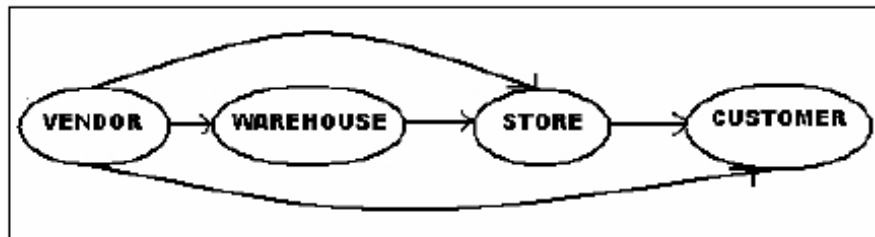


Fig. A

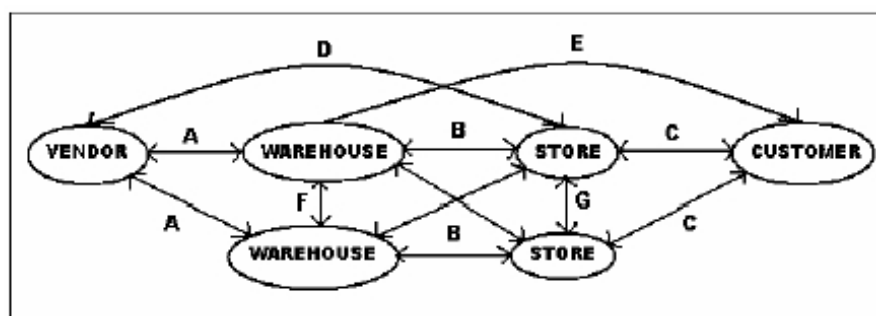


Fig. B

- 1-A: denotes the two way flow of stock from vendor to WH and WH to vendor in case of damaged/defective stock.
2. B: denotes the movement of stock from WH to store to WH stock moves from store to WH in case when some stock is not sale in the store or out of season stock or damaged/defective stock.
3. C: denotes the movement of merchandise from store to customer and customer to store when customer finds any defect in the merchandise.
4. D: denotes the movement of stock directly from vendor to store and also when store sends stock back to vendor due to some defect.

5. E: shows the movement of stock directly from WH to customer because most of the home deliveries in case of consumer durables and furniture fulfilled from WH.

6. F: is the movement of stock from one WH to another.

7. G: denotes the movement of stock from one store to another because if any merchandise is not saleable in one store then it transfers to another.



RESEARCH METHODOLOGY



RESEARCH METHODOLOGY

Research methodology is to discover answer to question through the Application of scientific procedures the main aim of research is to find out the truth which is hidden and which has not been discovered as yet. Marketing research is the careful analysis of a business situation by scientifically analyzing it and using various statistical applications to the subject of study.

Research is the process of finding a solution through the use of scientific tools and techniques. Marketing research is a methodical and purposeful study conducted to obtain solution for specific marketing problem.

As far as method is concerned, I preferred personal interview or face to face meeting to ensure accurate information and encourage frank response to questions. At the same time telephone or mail survey was not possible.

While framing the questionnaire, I tried to list a series of question, which could elicit the needed information for proposed study. Questions, which were of no particular value for the study objectives, were not included. I also tried to keep in mind the respondents' understanding capacity, ability to recall the information and his experience limits. I didn't include those

Questions in the questionnaire, which could have raised misconception and promoted non-cooperation on their part.

However in the questionnaire I used simple words, which were easy to understand, and beyond any doubt. In the same way ambiguous questions were not included and questions were arranged in a logical order.

RESESRCH INSTRUMENT

The research instruments commonly used to collect primary data are forms and mechanical instrument. Some of these are;

Questionnaire:-

Questionnaire are formal sets of questions, prepare to collect the require information .this is one of the most effective and popular technique used in survey. Questionnaire is a tool which provides right information.

Sampling:-

Proper sampling design is essential in marketing research so the sample has to be collected in such a way that it represents the entire population. My project is based on consumer awareness so I am taking sample of those people who shop regularly.

Sample unit:-

The portion of the population that researcher need to target and that represent the entire population is known as a sample unit. So I am targeting the those customers who shop regular and visit store regularly

Collecting of data:-

1. In dealing with customers it is often found that data, at hand are inadequate, and hence it became necessary to collect data that are appropriate and adequate. There are two way of collecting the appropriate data:-

By observation:

This method implies the collection of information by investigator's own observation, without interviewing the respondents'. In survey many times I observed that is what the reason to damages and shortage of goods are..

2. Personal interview:

I have also collected my data through Personal interview. I made a well structured questionnaire and asked them what the reason of damages and shortages are.

Secondary data:

Secondary data is collected from the company internal and external resources. While the internal resources include the company literature, sales report, brochures, pamphlets etc. and the external sources could be included magazines, newspaper etc.

Research type:-

My project based on supply chain and damages and shortage so I am taking interview and informative research. The main advantages of this research that I have no control over the variable. I have done my project in Pantaloons Store, Noida. Dadari warehouse and wajirpur warehouse

Sampling method:-

In my survey I have used deliberate sampling. This sampling method involves purposive or deliberate selection of a particular unit of the universe. It can also be known as convenience sampling.



Suggestions and Recommendations

FOR Shortages & Damages in Warehouse



1. Shortage against PO:

Vendor/supplier sends stock only after they received Purchase Order from category team or from the store according to the quantity that is demanded in the PO but sometimes category team or store wants that stock mentioned in PO is not seen in bulk by the vendor they instruct vendor that stock is send in 2 or 3 consignment because of the space constraints so it is easy for WH and store to hold the stock. But this is not the problem the real problem starts when WH and stores want full stock mentioned in PO but vendor does not supply complete stock. When this situation arise then there is a shortage in the WH and it is not able to fulfill the demand of the

different stores and ultimately there is a shortage in the stores and customer not find the required product in the stores.

Suggestions:

This problem is very critical and some of the possible solutions for this problem are that the management applies deduction management techniques for solving this problem. If any vendor is not able to fulfill our demands then company must deduct some amount from the bill of retailer as a penalty for not fulfilling the demand. Company selects minimum two vendors for any specific category of product so that if any vendor is not able to fulfill the demand then we may switch to another one. Company should mention clearly the terms about deduction and return in the agreement held with the vendor.

2. Shortage due to theft during transportation:

When WH get stock from supplier then the first thing that is done after documents check is counting of stock and this is most important because most of the time the actual quantity does not meet with the quantity mentioned in the invoice (bill) and there are various reasons for this difference like sometimes there is a counting mistakes during packing of stock at vendor site but the most critical problem is theft during transportation by drivers and when stock reach to the WH/stores then there is discrepancy in the stock.

As company is not responsible of this loss this is the problem of vendor and his transporter company does not borrow that loss the real loss of company is only in terms of shortage that occurs due to theft.

Suggestions:

Many times it is happen that counting of stock is not done just after unloading of stock it is done some time after so if there is a shortage in stock then it is hard to convince the vendor on this issue because vendor sends the right quantity but we don't get the qty. according to invoice so to eliminate these kinds of issues counting must be done at the same time and

a note is write on the vendor copy of bill so that vendor know that we get less quantity. Security must check at the time of unloading that cartons are in good condition and if there is any damage in cartons then security staff must note it.

3. Damages during transportation from vendor to warehouse:

We all know the condition of Indian transportation and about the worst condition of Indian roads. Roads are not only the problem drivers are also the create problems many times because they do not take their work seriously and alcohol is the major problem of Indian drivers and sometimes it is very dangerous for the stock they carry and also for many lives. If we talk about only roads then many times the stock get damaged due to bad condition of roads and it is very hard to transport breakable items like glass and crockery items and in addition to this if drivers do not drive carefully then it also increase the chances of damage.

Suggestions:

When stock comes from vendor to WH and during this journey if any stock is damaged then it is totally the liability of vendor but we must see that the stock which we get in the WH is good in condition so we must check the stock properly and if any damaged is found in the stock we send it back to the vendor as soon as possible because if we inform them late then vendor think that damages occurs in the WH. We instruct our vendors that stock is packed properly.

4. Shortage due to unavailability of finding material in Warehouse:

When stock comes in the store it first entered in the SAP and a GRN is made and after that every one in the company sees the stock level in the warehouse through SAP. Stores raise STN after see the stock level in the warehouse through SAP but there is also a problem because when WH get stock transfer order from stores then a pick list is made and employee pick stock from the warehouse according to that list. Employee pick stock

according to the article code print on the pick list they just go in the respective section and find the mentioned article code which print on the bar code attached with article but sometimes employee does not find some articles mentioned on pick list in warehouse. There are many reasons for this problem either because article is not placed at its proper location during inwarding or due to wrong entry in the SAP during inwarding and this creates shortage in stores because WH is not able to meet the demand of store.

Suggestions:

To solve this problem first we must train our employee about the method according to which we put the stock in the racks and also tell them where is the particular category is placed and try that the employee who put the merchandise in any section in the WH is responsible for picking merchandise from that section only. We must use Bin cards in the WH as they are not used in many When Article No. is properly printed on the bar code tags.

5. Damages in the Warehouse:



Warehouses are made because it is hard to for stores to carry much stock because stores are located in areas of very high property rents and every Sq. ft. of land is very costly and company try to maximize the usage of this area

and it is very hard to transfer stock from different vendors to different stores and that is the reason for develop warehouses and storage is one of the main function of WH so better storage is very essential for WH but damages are also happens in WH. When stock is unloaded from the vehicle then it is very essential to unload the stock very carefully but due to mistakes of employee sometimes stock get damaged due to poor handling. Other problem is with the storage because if the stock is not store properly in the right place then damages also occurs like if put something on glass items or if we stake the stock very high and during handling it stock may fall and it may damage. Handling stock inside the store is also a tough job if proper conveyors are not available in the WH then it is very hard to handle the stock carefully.

Suggestions:

For handling damages in the warehouse the first important thing is that company must provide proper conveyors to the WH. Other thing is that the breakable items must not be put near to the aisles like sanitary items, glass items and gift items etc and heavy items like furniture and consumer durable must put near to exit gate of WH. Proper instruction are also given on how to handle different type of stock and inform our vendors that they must print proper information about which type of stock is in any carton and in spite of writing we use signs for instruction.

: 6. Damages due to improper packaging



If we want to transfer any thing from one place to another then first and foremost thing that you require is proper packaging without which no product is safe. So while transporting goods from vendor to WH or from WH to store proper packaging is must but due to lack of knowledge about the packaging in employees there is always risk of damage. Employees in the WH does not use proper material used for packaging like thermocol, proper size of cartons and proper packed it with tape so because of this there is more risk of damage in loosely packed items

Suggestions:

I see that many of the employees do not know how to packed the stock and they take carton of any size and put the merchandise in it and in this way it is completely the wastage of cartons and stock is also not properly packed, so we must train our employee about how to pack the different type of stock so that they do not pack stock loosely and use proper type of carton this also take less space and less risk of damage.

7. Damages during transportation from warehouse to store:

We study how the damages occurs during transportation from vendor to WH in the 3 point above but those damages are very different from the damages occurs when we transport stock from WH to store because when damages occurs during vendor to WH then financially it is total loss of vendor but when stock is moved from WH to store then our transporter is responsible for that and according to terms and condition transporter pay for these

damages but many times damages occurs due to bad packaging and proper packaging is responsibility of WH employees but in some places Pantaloons outsource the work of logistics to third party Indo Arya.

Suggestions:

From getting rid of these kinds of problem proper packaging is must and driver must have a good in driving and as pantaloons transportation business is taken care by Indo Arya so it is not the problem for pantaloon and all the damages that occur during transportation Indo Arya is responsible.



8. Shortage due to wrong documentation:

We see so many causes of shortages and damages from warehouse point of view but this last reason of shortage is very different from all of the above because in this case if we make any mistake then it is complete loss of inventory loaded in a vehicle not just some item shortage or damage this is happens when our employees make any mistakes in documentation then there are chances that sales tax department seize the stock because of improper documentation. If any employee dispatch stock without waybill or OC stamp then it is against sales tax rules and it is illegal so if there is no OC stamp or waybill in the WH then employee not dispatch the stock for stores and there may be shortage of stock in stores. I see this in dare WH when

there is no OC stamp in the WH and because of this no out warding is done from the WH.

Suggestions:

Company must provide the proper documents, which are required for dispatch of stock from WH, on time and instruct the WH that no stock should be dispatch without the proper documentation.



Other Recommendations

1. In warehouse there must be clear distinction between the rows and some space is also be there for easy handling of material.
2. A first in first out format is used to move stock out from the warehouse so that old stock is not remaining in the warehouse.
3. Company instructs the vendors of Apparel category that they pack the shirts and trousers in polycovers of better quality so that they are not comes out from the cover.

4. Vendors must see that bar codes are properly attached to the product because if bar codes are not attached with product employees are not able to enter that item in SAP in most of the cases.

5. If WH employee enter any article in SAP which is without bar code by see its article code on other article of same type then he must put bar code on the product latter so that same problem does not occur in the store.

6. WH must instruct employees that they open cartons of stock properly so that is used again because most of the cartons get damaged employee do not open them properly.



Suggestions And **Recommendations**

For Shortages & Damages in Stores



Shortages & Damages in Stores

Shortages and damages of the stores is very much different from the shortage and damages of the warehouses because if there is any shortage for any merchandise then customer for which we taken so much precaution is not able to find that merchandise in the store so whatever steps we take to remove shortages from our system and we are not able in fulfilling the demand of our customer then it is the failure of our system. In case of warehouse we only know that we less quantity of that merchandise but customer does not know that and when customer come for shopping in our store and we are able to meet the demand of customer then we say that we are successful. Damages in the stores are also very different because we

can not hold the damage stock for a long period of time in our store because of the space problem and we also check the shelves of the store on the regular basis so that no damage/defective or expired date product placed in the shelves. The various reasons of store level shortages and damages are discussed in this

section:

1. Damages due to customers:

when shelves replenishment is done by store employees then many times they do not put the merchandise at the right place and due to which it is easily damage when any customer even touched with it. Many times we see that children take the merchandise from the shelf and damage it and in most of the cases children take out the food items from the shelves like soft drinks, biscuits, snacks etc. If children eat these items in the stores and the packets are not reach up to the billing counter then it is complete loss but if parents take empty packets or half filled packets to the billing counter and they pay for it then it is not a problem. In cases when any merchandise damage due to the mishandling of costumer and even then they are not ready to pay for that then it also a loss.

Suggestions:

The possible solutions for this problem are that the employees pay attention during placing merchandise in the shelves. They must see that no merchandise is put outside the shelf; no merchandise is put here and there in the store. For handling the damages occurs due to children store must take care that they put food stuffs at some height so that children do not touch easily. Proper paging is also done in stores for prevent the children from damaging the merchandise. If any merchandise damaged by customer then salesperson try to convince the customer for paying the charges for that and if customer is not ready for that then staff must not force them.

2. Shortage due to uncertainty in demand:

“Uncertainty is the mother of inventory and father of stock out”

Uncertainty is the most common reason of stock out because when store order for the stock then they consider only the normal demand but in many cases the demand get increased and the store is not capable in dealing with such situation so there is shortage like in case of big days there is shortage of many items.

Suggestions:

Department managers must consider the past demand in case of special discount days. Before placing the order DM not only consider only one week sell they must see the demand of the last season also and see the offers of the competitors in that reason.

3. Shortage due to theft (shrinkage):

Shrinkage is the most common problems for the retailers worldwide and theft is the cause of both shortage and financial loss. Theft is mostly occurs in the items which are easily comes in the pocket of customer and it of high price value like valet, sunglasses etc.

Suggestions:

For prevent the theft from the store security tags are the best options. Store must put the security tags on the product according to its requirement like soft tags, hard tags etc. and especially in case of high price products. Products like watches, sunglasses and valets must put inside the glass counters. Salesmen and security pay special attention on the customers on which they have doubts.

4. Shortage due to wrong allocation of stock by category team:

I have seen that the allocation of stock which is done by category team from the WH is not done after seeing the requirement of that store and its location category team just distribute the stock according to the availability of stock in warehouse and the price of the merchandise due to which shortages occurs.

Suggestions:

before allocating the stock to the stores category team must be concerned with the store team and allocation is done according to the requirement of stores.

Other recommendations for store level shortages and damages that I like to provide in this report are as follows:

1. Stock must be transferred to the shelves in time that is before afternoon so that customers do not feel problem.
2. If there is shortage for any item then any other stock placed in that shelf or if some merchandise is present in that shelf then we must put these items like that the shelf does not look empty.
3. Before placing any merchandise in shelves responsible person must see that the merchandise and if any offer with it is properly entered in the REM so that it do not create any problem when customer comes for billing of that item because I see in many cases that offers on the products are not entered properly in the REM and

due to which many times store is not able to provide that item to customer inspite of presence of that product in the store.

4. The damaged stock from the store must send back to vendor in time and do not store it in the store if vendor do no take it then destroy it after taking permission from the concerned person and from the vendor.

5. Non salable items like hangers for clothes, polybags etc are also used properly and if any hanger is blank then employees must take it out from the Gondola.



CONCLUSION

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After doing this project in Pantaloon Retail I understand how exactly the work is done in the supply chain but after observing many things I reach to the conclusion that there are still many gaps in the supply chain of the company and we must try our best to fulfill these gaps so that we provide better service to our customers and also reduce our operating cost because we are in value retailing so only cost cutting provides us better margins and to archive all this we have to work hard and make strong relation with our vendors, logistics service provider and with our customers.

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www.pantaloon.com



For the Management Team of Globus Store Pvt. Ltd. (NEW DELHI)

Name of the Employee :-

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Department :-

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Designation :-

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Work experience in Pantaloon :-

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Signature

This is primarily a SWOT Analysis for Pantaloon. A detailed analysis with these questions included will help.

Pantaloon Retail (India) Limited

1. Could beginners in the Retail Industry create damaging competition for Pantaloon?

A)Yes B) No

2. Is there an equally powerful force as Pantaloon in the market who can muscle into our territory?

A)Yes B) No

3. Are there other kinds of differentiators of other companies which could take away Pantaloon top position in the market?

A)Yes B) No

4. Does Pantaloon have any threats compared to the competition in a key market segment?

A)Yes B) No

5. Is the market developing in ways that favour competitors more than Pantaloon?

A)Yes B) No

6. Can Pantaloon customers maybe move away and take major sources of revenue away to a competitor?

A)Yes B) No

7. Is there a major area in market where Pantaloon lags rather than leads?

A)Yes B) No

8. Does any competitor have a stronger hold on Pantaloon biggest consumers?

A)Yes B) No

9. Is there a growing market where Pantaloon is being left behind?

A)Yes B) No

10. Are there environmental/regulatory threats?

A)Yes B) No

11. Could unsuspected challenges arrive from outside the existing industry?

A)Yes B) No

12. Is Pantaloon's market too broad for all threats to be safely covered?

A)Yes B) No

13. What are the strengths of Pantaloon?

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14. What are the differentiators (include 4Ps) ?

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15. What are the opportunities ?

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