

8.7: Distribution Management

Distribution management refers to the process of overseeing the movement of goods from supplier or manufacturer to point of sale. Distribution management is an important part of the business cycle for distributors and wholesalers. The profit margins of businesses depend on how quickly they can turn over their goods. The more they sell, the more they earn, which means a better future for the business. Having a successful distribution management system is also important for businesses to remain competitive and to keep customers satisfied.

Distribution involves diverse functions such as customer service, shipping, warehousing, inventory control, private trucking-fleet operations, packaging, receiving, materials handling, along with plant, warehouse, store location planning, and the integration of information.

The goal is to achieve ultimate efficiency in delivering raw materials and parts, both partially and completely finished products to the right place and time in the proper condition.¹

The combination of distribution and transportation is **logistics**. The most important factor in any logistics is quickly delivering product in perfect condition. [Read here](#) how Amazon has used its supply chain management to fuel its rise to the top.

Crossdocking

A broad definition of **crossdocking** is the transfer of goods and materials from an inbound carrier to an outbound carrier without the products actually entering the warehouse or being put away into storage. Thus, the products “cross the docks” from the receiving dock area to the shipping dock area. It can provide significant inventory savings, and the cost of holding inventory and the costs of handling the inventory are reduced. Crossdocking helps to provide excellent customer service by speeding up customer deliveries.²

References

1. Kenton, W. (2019). Distribution Management. Retrieved on November 4, 2019, from <https://www.investopedia.com/terms/d...management.asp> ↵
2. Kulwiec, R. (2004). Crossdocking as a Supply Chain Strategy. Retrieved on November 4, 2019, from <https://www.ame.org/sites/default/fi...ossdocking.pdf> ↵

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