

## Distribution Workshop

The Distribution Course is primarily intended for distribution companies which maintain either several regional warehouses or carry finished goods inventories. While we presuppose that these companies manage their own production facilities, the conclusions we reach may be adopted by distribution companies which buy their products from numerous vendors.

Through extensive and interactive discussion and computer simulations the Distribution Workshop:

- Focuses on the management of distribution
- Reviews implications of demand driven environment vs. forecast environment
- Explores “push” system vs. “pull” system
- Examines issue and viewpoints of: the producer, the distributor, the customer, the transportation services, the warehouse managers, and the product itself

The goal of every profit-based organization is to make money. So our ultimate purpose is to maximize the profits of a company – for the presents as well as in the future. But this kind of environment emphasizes the inherent conflict between two management approaches:

1. Hold high levels of inventory in order to face peaks of demand and to ensure availability.
2. Hold low levels of inventory in order to cut expenses, ensure quality (freshness), and reduce returns due to shelf life, obsolescence, or engineering changes.

The usual solution is a compromise relying on a forecast to minimize the risks involved.

This course intends to change the perception that we have an unavoidable conflict in which we must compromise, and the derivative conclusion that we have to find a better forecast.