

Quality Management and Lean Thinking

Name

Institution

Date

INTRODUCTION

Customer satisfaction is a quintessential part of every business. The process of satisfying these wants includes fulfilling a given customer's order. This practice is what consists of an order fulfilling process and is cyclic in nature. In the broad spectrum, we chose the retailing sector but narrow down to ASDA the UK-based grocery giant.

ASDA is among the largest grocery retailer in the United Kingdom. The company has different range of products it offers to its customers, but our main focus would be its initial core business groceries. The research first endeavors to access its customer order fulfilling process measure the flaws and even give recommendation for improvement.

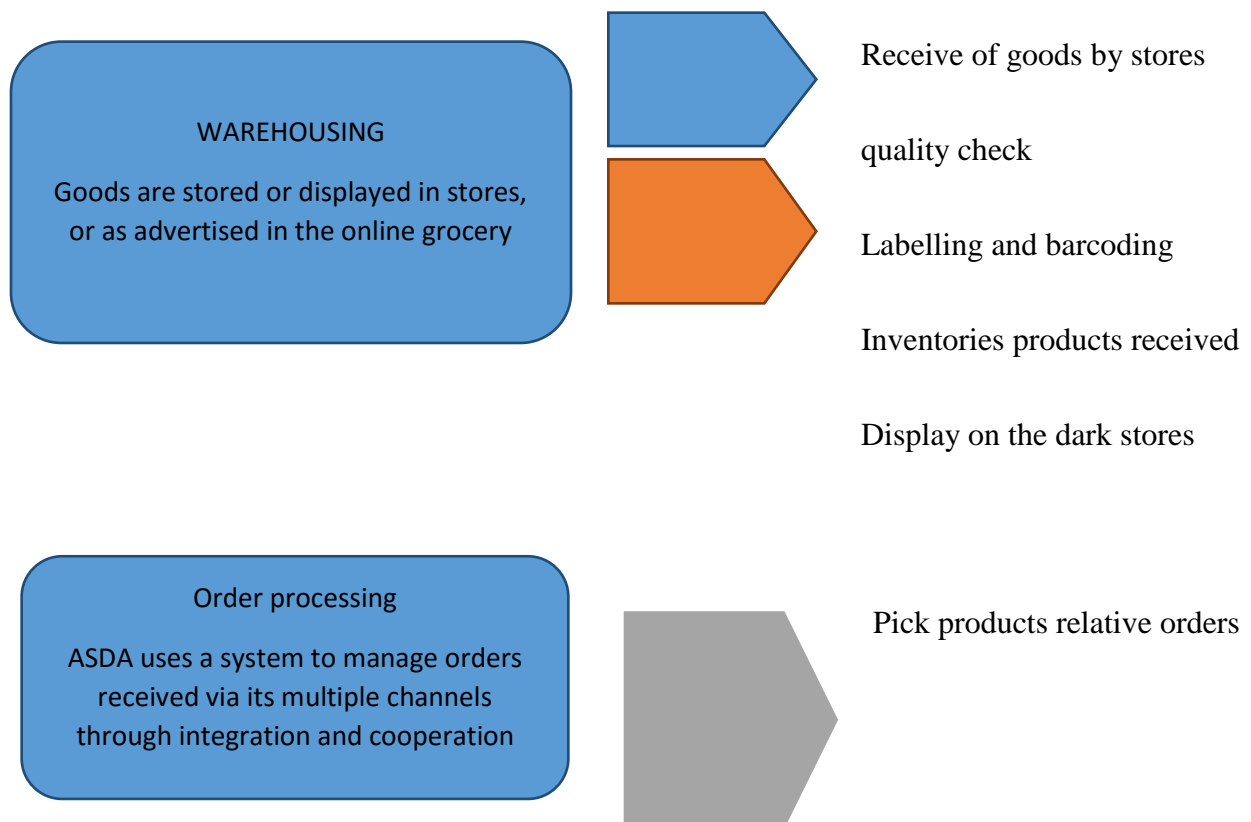
The research also entails the various quality management methods and lean practices that do exist in ASDA. This analysis will be instrumental in improving customer satisfaction and increasing revenue.

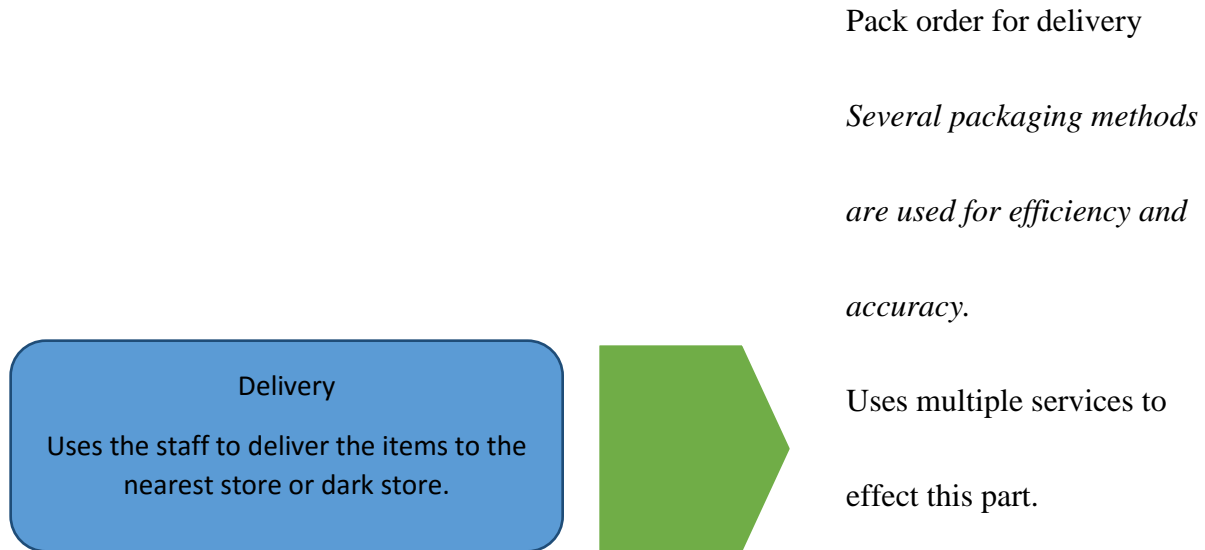
ORDER FULFILMENT PROCESS FOR ASDA

The grocery segment has become one of the most challenging sectors of the competitive retail market today. Consumers have shifted to online purchase and / home deliveries. This growing interest on online purchases has made retailers to venture into internet-based groceries stores. Almost all big retailers have been able to enter into online retailing, increasing the competition many folds. Since groceries have always been in the commodity segment, retailers have resolved to attract customers through the services they offer (Patil, 2011, p. 1). Retailers

are using order fulfillment and delivery to attract customers. The order fulfillments have remained an altered, but the retailers have come up with locations where these online grocery orders are fulfilled. These locations have been in the form of large warehouses with sophisticated carousels of conveyors and massive automation for order picking. These warehouses tend to be costly hence in other cases the stores employs pickers who jostle around in the nearest store to pick the order and deliver in time to the customer. These pickers are, however, inconvenienced during peak day, especially, weekends, when the stores are full of customers and the online orders, are blowing off the roof. To counter these ASDA came up with alternate store whose only customers are its staff (Patil, 2011, p. 1). The stores are referred to as dark stores and are always full of staff members pushing trolleys picking items from the shelves. The dark stores have made easier for orders made to be picked several hours after ordering.

From this, we can draw a tentative order fulfillment by ASDA





MAPPING OUT THE ORDER FULFILLMENT PROCESS

From the above diagram, we can see an overview of the order fulfilling process by ASDA in relation to an online order. To map out the real physical fulfilment network of the online stores on has to take into account

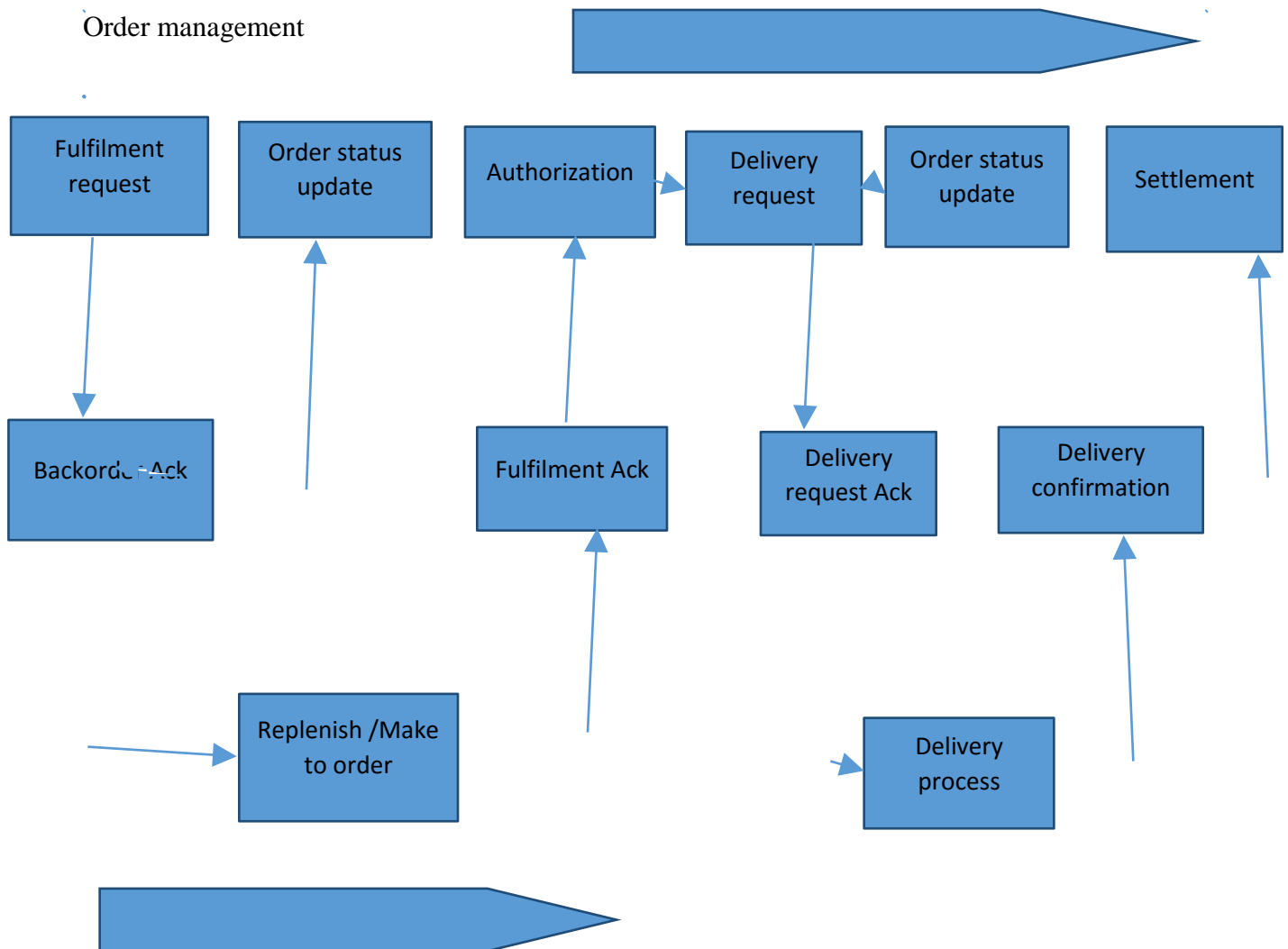
1. The customer would want to know those goods that are deliverable immediately
2. The time of delivery should be the same day or the next day but within a legible interval.

This factors would be instrumental in achieving utility in online retailing. The main elements that affect the credibility of an order fulfilling process are:

1. Order accuracy: this is the ratio of the number of error-free orders against those delivered including the number of shorts.
2. Production pick rate: the ratio of the volume of picking over the hours worked. There is need for assess productive time versus paid time.

- Order cycle times is the actual delivery date versus the customer order date (Reese & Arnold, n.d.).

Consideration of these factors can help improve productivity and efficiency and also measuring performance in relation to the internal management of the fulfilment process. Mapping out of the order fulfilment process will be instrumental in analysis of the retail operation of ASDA as it takes on other giants in online grocery retail. It will also allow for drawing of meaningful conclusions and make appropriate recommendations.



Order fulfilment

ANALYSIS OF THE ORDER FULFILLMENT MAP

From the above map we see that order management in ASDA online stores is done quickly and takes less than 2 hours, due to the real-time inventory obtained from the website. The order fulfilment process takes less than a day this is occasion by the uncertainty of the delivery or picking time. Most of the tome there are delays in the deliveries due to picking off the items from the shelves by the staff, the store might be congested with the customers and other staff members trying to fulfill other orders.

However, what ASDA needs to ensure is that their order fulfilment and management system is capable of handling this kind of business model. The order of fulfilment of online requests should be in the range of 2-3 hours. To achieve this, the order management system should implement several improvements.

1. Should be able to remit real-time inventory updates to website.
2. Real-time monitoring should be able to allow for stock replenishment and avoid out of stock of products.
3. Modification of the order picking slots should be possible when an order has been sent for picking and when it is not sent for picking.
4. Should be able to handle when customers don't turn up to collect their orders in their scheduled time slots.

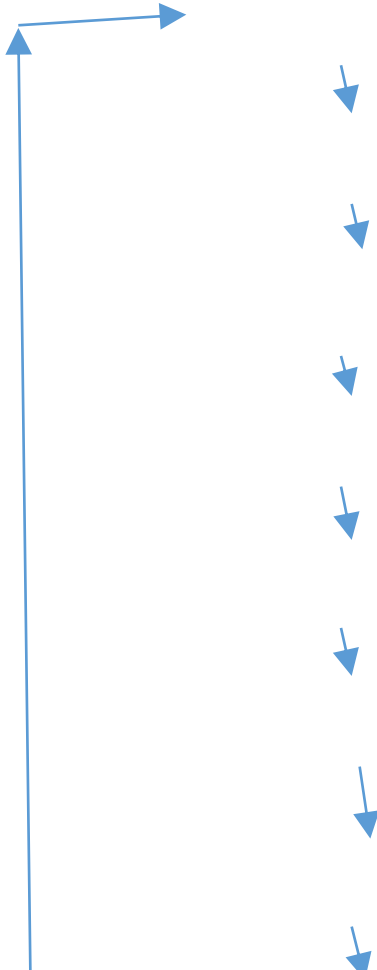
5. The system should be able to schedule and release orders for picking to the nearest dark store based on priority as set by ASDA and time of order creation.
6. Should be able to account for order modification (i.e. cancellation, addition of items e.t.c.) once the orders have been sent for picking.
7. Should be able to handle returns like allowing customers to return items to a dark store or the nearest supercenter store.

QUALITY MANAGEMENT AND LEAN THINKING THE ASDA WAY

Grocery segment is a very competitive part of the retail market. ASDA has major competitors that have also ventured into the online sphere. So as to remain ahead of the competition ASDA has adopted different quality management principles. ASDA has several guidelines that help in governing the relationship between suppliers, staff and customers so as to improve service quality and reduce wastage. Products sold at ASDA should always be safe and legal, consistently meeting the required quality standards (Fagan, 2014).

ASDA also maintain inventory of the customers complaints and return data so as to built on the flaws and improve quality. This information is the passed to the suppliers so that they can be able to analyse and identify trends which leads to relevant modifications.

FLOW DIAGRAM OF TECHNICAL PROCESS



Most retailers have positioned their operations so as they can reduce waste while creating value. The above practice is lean production strategy whose fundamental principles drive industries towards a more efficient and effective production of goods and services. In this strategy the companies reduce inventory, standardize work routines, improving processes empower employees, solicit workers ideas, proof for mistakes and applying just-in-time delivery.

ASDA has been focusing its order fulfilment process on reducing its wastage, costs and maintaining market leadership. ASDA has been focusing its energy in the following lean practices (Anvari, et al., 2011).

- Understanding customer value. ASDA has embarked on giving their online user best of the services through dark stores.
- Value stream analysis. From the analysis of the customers want they also analyze their business processes to be able to add value.

Forecast of inventory requirements

Sales transactions: forecast data

Measure stock turn

0.5 day

0.5 day

1 day

20mins

Measure: number of quality Failures

5min

Measure: cell productivity

- Flow. The retailer focuses in continuous flow rather than moving commodities in large batches.
- Pull. By establishing the dark stores ASDA has ensured no work is done unless the result is required downstream.
- Perfection. Elimination of non-value adding elements i.e wastes

Lean practices have been on the forefront in helping ASDA meet customers' online needs. But lean practices will not always apply when the customers demand is unstable and unpredictable.

References

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