

Value Chain Analysis

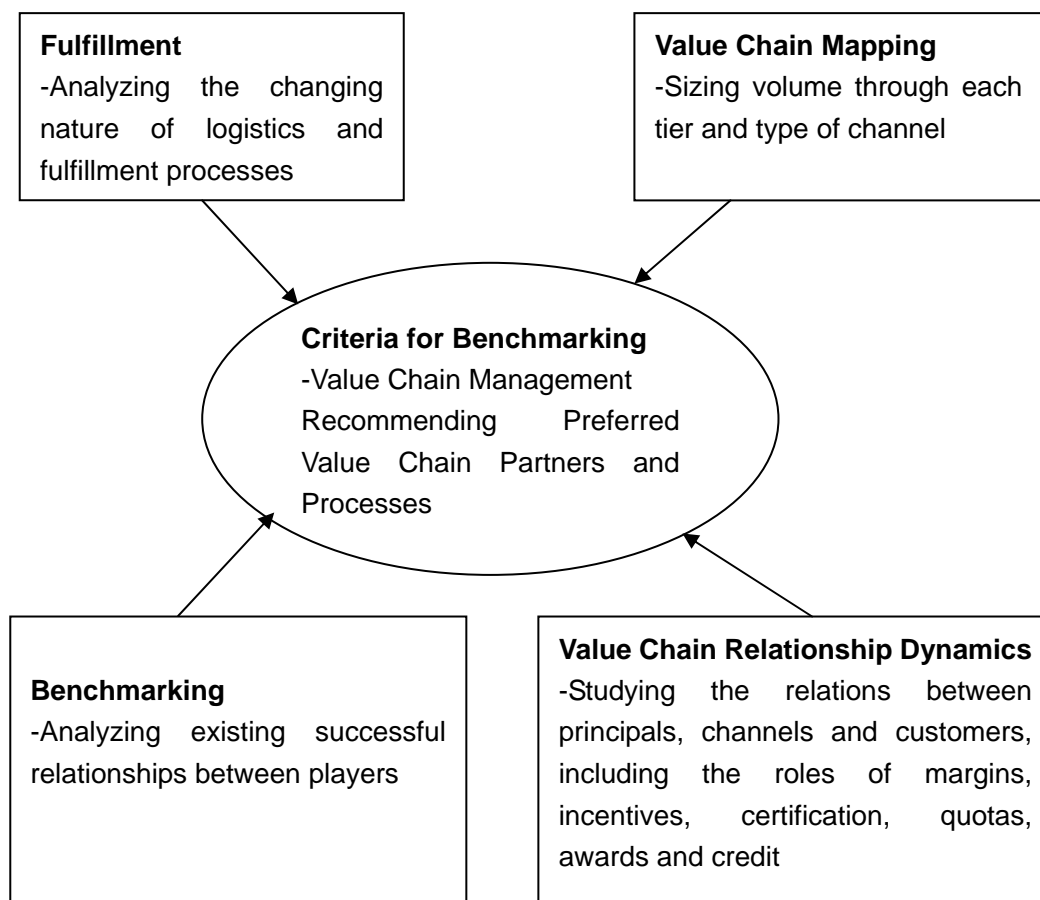
CASE STUDY: Distribution & Logistics Strategic Planning Study

Client: A leading digital TV company

Project Objective:

To understand China's transportation and logistic infrastructure and to identify the best locations for client's new national and regional distribution centers (DC) in China

Methodology: View Methodology Diagram



A systemic approach and extensive research were deployed to identify the best DC

locations for the client as shown in the methodology diagram. This involved the following approaches:

- Conduct interviews with logistics service providers and industry experts to obtain up-to-date information on the most common logistics hub locations and Supply Chain Management (SCM) practices in China
- Interview client executives to understand their current shipment patterns, frequency, volume and key shipment destinations
- Conduct interviews with China government officers, resource persons and experts in relevant local government organizations and industry associations to obtain official data
- Conduct extensive secondary research using Chinese official statistics, published industry reports, trade journals, news and internet media, government publications, private databases and other relevant resources

ResearchInChina's report addressed the following:

- Graphical representation of 4 major inland river networks, all railway networks and major air network connectivity in China
- Charts and maps of the top 10 largest seaports, airports, railway hubs and river ports with the corresponding container volume (TEU/year)
- Comprehensive data on the average shipment lead-times and recommendation of the best transportation mode (the shortest lead-time)
- Advantages-disadvantages analysis of each transportation mode
- Short-listing candidate locations for DC locations and comparing the cost factors (warehouse rentals, salary, freight charges) and non-cost factors (delivery, lead-time, logistics infrastructure, manpower availability) for each of the short-listed locations
- Recommending the optimal locations for national DC as well as regional DCs
- Scenario analysis of the potential business and legal implications from restructuring the client's distribution arrangements