Creativity in management of the central commercial networks

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ABSTRACT

The article addressed the issues related to the process approach, so any actions aimed at estimating the quality of the enterprise, as well as at documenting the whole company. The process approach is one of 8 principles of the quality management that involves measuring problems and solving them by improvement. The entire process is based on a logical action in order to meet customer needs. Within the central modern warehouse there has been used the modern delivery monitoring program to ensure an even distribution of the assortment line. Obviously, not everyone sees only the benefits in centralization, but also the risks. And there is really no golden mean, but there is only the best solution as such. The key benefits and risks associated with centralization and the emergence of distribution centres should be divided on the basis of those creating benefits for the manufacturer, supplier and the company of the distribution centre. The basis of each company is that of the process. The activities of the organization are considered and analyzed in the framework of the quality management system including the processes occurring in the enterprise.

Keywords: Process approach, process analysis, storage processes, magazine, management, quality

1. INTRODUCTION

Each organization, including any production enterprise, operates in the environment in which it is located; environment in the sense of a country, region, community-related mentality, etc. In the field of the quality management, the basis of any system solutions is ISO 9001: 2000 standard.
Process means any sequence of activities or events in the sequence, simultaneously or in an unstructured and mutually interacting way, guiding them intentionally or randomly to produce a particular result. Every action or set of activities in which resources are used to transform inputs into outputs, can be considered as a process. Processes can be divided into smaller elements called subprocesses.

Breakdown belongs to make the sum of the subprocesses consist of the process. Subprocesses can be divided into logically related groups of tasks otherwise called activities. It contains clear wording in relation to each requirement. This is vital because it is easy to understand the purpose of the changes that should be implemented in the enterprise. The principle of the ISO 9001: 2000 standardise to meet any requirements of the following chapters of the standard, namely: management responsibility, resource management, product realization, measurement, analysis and improvement (PN-EN ISO 9001: 2000, system zarządzania jakością, PKN, Warsaw 2000, p. 102).

Process management is a continuous verification and improvement of processes by applying amendments when the results achieved are different from those originally planned. Efficiency in process management depends on a change of orientation in the organization's organization. Moving from vertical to horizontal improves both the organization's communication as well as the information flow. Another important component of process management is the creation of a process map of the organization. It is important that it contains all key processes and those that are complementary. Please note that the concept of the process and its definition must be defined prior to the map.

With the emergence of a large number of hypermarkets throughout the country, as well as the stabilization of the Polish “hypermarkets” market, it can be now observed that the great Polish retailers began to build powerful distribution centres that have become the same central warehouses as at the first ones. They provide about 70% of all the essentials available in retail outlets of the great retailers. As a result of centralization, the inventory level in stores has been considerably reduced. In this way, significant benefits can be achieved by reducing the working capital. In fact, in most cases, it appears possible to be able to sell the merchandise and get the money back before paying the suppliers. It is believed that greater scope of the supply centralization will reduce the possibility of collusion between the store staff and drivers, resulting in issuing any false invoices and correction notices.

Each and every process that constitutes the quality management system operates in a given distribution centre to a large extent, but it does depend on the product realization process, which is directly subordinated to the manager. The quality management system is actually the organization management system, such a management method by gaining objectives. The starting points are here the needs and requirements.

2. PROCESS IN THE MAGAZINE

Two types of goods are needed to satisfy human needs: material goods and services. These goods are produced by economic entities (businesses), generally engaged in production, trade or services. Each enterprise operates in a specific environment with different interactions (Michalski K.: The process-like attitude in management of an enterprise, zeszyt nr 24 (96), Szczecin 2010).

We distinguish 4 main approaches (Tab.1).
Table 1. Main processes approach

<table>
<thead>
<tr>
<th>Name of the approach</th>
<th>Application</th>
</tr>
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<tbody>
<tr>
<td>system-resource</td>
<td>The main focus is on the outlay</td>
</tr>
<tr>
<td>process</td>
<td>Dependencies within the enterprise</td>
</tr>
<tr>
<td>targeted</td>
<td>Focus on results (results)</td>
</tr>
<tr>
<td>marketing</td>
<td>Focusing on customers</td>
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The system-resource approach focuses on the extent to which the organization can provide the resources needed. The targeted approach focuses on the extent to which the organization achieves its goals, an internal process approach that focuses on internal organizational mechanisms such as unit and organizational integration, minimizing tensions, and performing individual operations.

Logistics includes all activities through which planning, execution and spatial-temporal control of product transformation and related transformations in the quantity and types of products, the handling of these products into compliance (Brzeziński M., Organizacja i sterowanie produkcją, PLACET, Warszawa 2001, p. 12).

The process approach is also largely aimed at improving the efficiency and effectiveness of the company's operations, so that the customer's expectations are more closely and accurately met. The process itself must first of all be of high value to the customer. It is important to make a distinction when it comes to external and internal customers. The latter must be treated with special interest. Of course, all processes, in spite of their isolation, will not be implemented in complete isolation from other components of management.

By co-operating these activities, the flow of materials will be activated, combining as efficiently as possible the place of dispatch and receipt. It is a matter of logistics to ensure that the recipient receives the right product from the supplier in terms of quantity and type, at the right time and place, and that the cost of delivery is minimal (Duraj J., Podstawy ekonomiki przedsiębiorstw, PWE, Warszawa 2004).

The warehousing process includes storage operations and the handling operations performed in accordance with specified organizational and technological conditions (Lean Six Sigma Training” Green Belt, part 1). Handling operations include the flow of material goods (receipt, movement within the warehouse, dispensing) and the collection and processing of goods (picking, maintenance). Storage processes in addition to material trading also include information flow Duraj J., Podstawy ekonomiki przedsiębiorstw, PWE, 2004). In each magazine you can isolate the following stages (Tab. 2).

On the operation of the storage process the picking phase is most affected. Its effective implementation depends on the physical characteristics of repackaged goods (Davidson Frame J., Zarządzanie projektami w organizacjach, WIG-PRESS, Warszawa 2001). The most general picture of strategic space is a collection of elements of a given system, separated by the direction of influence and the type of interacting elements.
The above mentioned process groups characterizing the quality management system include:

a) the main product realization processes resulting in the manufacture of the product - these processes concern the pre-production, production and post-production spheres;
b) auxiliary processes supporting the production process;
c) resource retention processes ensuring an adequate level of quality of resources needed in the processes covered by the system;
d) purchasing processes that ensure the quality of the raw materials, products and services supplied;
e) customer-related processes that provide a reliable exchange of information between the client and the organization and the appropriate conduct of the client;
f) processes supporting systemic management, supporting the operation and quality of the quality management system;
g) management processes, setting strategic goals for the system, the way the objectives and management are being achieved, and actions to ensure continuous improvement

Table 2. Stages of the storage process

<table>
<thead>
<tr>
<th>Name of the storage process</th>
<th>Task to do</th>
</tr>
</thead>
</table>
| acceptance                   | -Documentation verification
                               | - Unloading with available handling infrastructure (forklifts, pallets)
                               | - Goods receipt and physical inspection of the shipment
                               | - Sorting the goods, sorting it according to the established work organization of the warehouse
                               | - Preparing goods for storage
                               | - delivery of the delivery to the storage |
| storage                      | - Inventory from the reception area
                               | - Location of goods in the storage area taking into account parameters such as storage conditions, storage technology, dimensions of loading units
                               | - Inventory as required
                               | Inventory maintenance and periodic inspection
                               | - Placing loads into the picking zone or release zone |
| completion                   | - Collection of cargo from the storage area
                               | - Load preparation for quick and direct access to the goods being retrieved (pallet depletion)
                               | -complete orders
<pre><code>                           | - Supervision of the task performed, checking its compliance with the order |
</code></pre>
<table>
<thead>
<tr>
<th>Packaging cargo in a way that allows the carriage of goods without risk of damage</th>
</tr>
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<tbody>
<tr>
<td>Preparation of transport units if not packed in the picking process</td>
</tr>
<tr>
<td>Verification of the specifics of the goods being issued, in accordance with the delivery of the documents, as well as in terms of completeness of the transport unit and the appropriate marking.</td>
</tr>
<tr>
<td>loading of goods on means of transport (taking into account the type of means of transport and routes)</td>
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</table>

The warehouse economy is regarded as one of the most important logistic links. Well-organized warehousing processes result in a fast flow of materials from the supplier through the production system to the end user. In order for the magazine to function effectively, it is necessary to pay attention to the basic stage of the storage process. The lowest hierarchy is the operating subsystem, which aims to achieve a certain productivity (Sitko J.: Basics of control system material in iron foundry. Archives of Foundry Engineering. Polish Academy of Sciences. Vol.11, 2011). There are two zones (Figure 1).

**Fig. 1.** Types of zones (Huber Z.: Podejście procesowe w ISO-9000, cz. II. [http://www.strefa-iso.pl/iso9000-podejcie-procesowe-cz2.html](http://www.strefa-iso.pl/iso9000-podejcie-procesowe-cz2.html))

It is important to define the nature of the process links within the process structure. The way in which the links and their nature may derive either from the consequences of certain activities arising from the technology of production or the way the service is manufactured or may relate to the relationships between processes that guarantee product realization or the consistency of the system.

The relationship between processes can be materialistic, indicating the flow of materials or information flowing between processes, showing the flow of information. In the practice of quality management systems, the primary criterion for determining the process structure of a system and the links between processes should be primarily the flow of information, which guarantees efficient and effective management, supervision and process of the processes.

Increasingly often indispensable element of process modeling is dedicated IT tools whose level of use undoubtedly depends on the size of the organization and the number of processes identified in the organization. In the case of using IT tools it is extremely important
to introduce uniform standardization of processes, i.e., unifying selected types of behaviors and actions according to the same formulas applicable to all process members. Standardization allows you to specify and design ways of performing tasks by individual contractors.

Preparing yourself for the change management process requires knowledge. The wider the spectrum, the more managers in the organization speak the same language that understands the same. This allows you to design and make changes to the system that will improve both operational and strategic effectiveness. These are the main areas of system harmony. This process must be supported by objective and interdisciplinary knowledge.

3. WAREHOUSE MANAGEMENT

Logistics is often a complex matter in any commercial or manufacturing companies. The warehouse management is not only the inventory, of what there is on the stock. Moreover, it is mostly planning activities and responding to irregularities in such a way to ensure maximum availability at minimal costs (Kompendium wiedzy o logistyce, E. Golemb ska (red.), PWN, Warszawa 2004, s. 25-30) (Fig. 2).

The right storage system is a modern solution that supports logistics processes for warehouses and logistics centers. Thanks to the well-thought-out division into variants of various stages of supported logistical processes, the system can be used in warehouses of any size and any degree of complexity of internal processes. Thanks to its simple and ergonomic user interface, the system is intuitive to use, helping to save time and money spent on other systems for advanced user training. At present, the very fashionable and popular concept is the Japanese "Kaizen", meaning continuous improvement. Kaizen is a philosophy derived from the Japanese culture and management practice. Its use is not limited to a product or service that meets specific quality requirements. According to this philosophy, quality comes down to a lifestyle - an endless process of improvement. The basic rule of this philosophy is the constant commitment and willingness to continuously improve the quality of the company and the product. Efficiency is above all to achieve what we have intended. In the case of a process approach, it will be the customer receiving a product or service from which he or she will be satisfied and expected. To do this, you must manage the production process so that the customer receives exactly what he or she wishes. It is also important to accurately identify the needs and expectations of the client, as only setting measurable goals allows you to see if our actions are effective.

Each company, regardless of profile, has a specifically organized supply chain. This chain includes contractors providing all the products and services the company needs to deliver to the customer the final goods. A sustainable supply chain is a system of related business activities that span the entire product lifecycle, enabling value creation for all stakeholders while ensuring commercial success, contributing to increased social well-being and improved environmental performance.

An effective production and distribution realization depends largely on the availability of reliable inventory warehouse data. The control functions over that inventory data, and those implemented to the information system enable to control the flow, but they also affect the size of the stock (Gierszewska G.: Analiza strategiczna przedsiębiorstwa, PWE, Warszawa 2003). The quality of the company’s integrated information system is verified in a very practical
mannerby the operating applications. One of the most complex applications of the information systems, implemented at the operational level, is such control of the material flows.

These applications integrate order processing, inventory control and localization, and warehouse scheduling (Hoek van R. I., Chong I., Epilogue: UPS Logistics - Practical Approaches to the e-Supply Chain, "International Journal of Physical Distribution & Logistics Management" 2001, Vol. 31, No. 6.). For supply chains, it is crucial to manage the main supply chain. The stock of goods can only be concentrated in one location (stock centralization), or it can be dispersed in many different places (decentralization of stock). In the situation of decentralization of the stock, there may be a case of decentralization, the number of locations is reduced, or the decentralization is deepened, the number of places of stocking is increased. Inventory management of many locations most often concerns distribution networks (Dohn K., System oceny procesu produkcyjnego w przedsiębiorstwie przemysłowym, wyd. Politechniki Śląskiej, Gliwice 2006, str. 23).

Process management is a set of continuous and systematic actions designed to plan and control the execution of a process to fully realize its purpose. This depends on the organization's orientation to the processes in it. Process management is characterized by the use of appropriate knowledge, techniques, concepts and tools to help define and visualize customer satisfaction improvements. Process management is characterized by continuous verification and streamlining of processes by applying updates and corrections to situations where the results achieved are different from those previously identified. The process concept

**Fig. 2. Effective warehouse management**
has three main sets of tools: mapping, modeling and optimization. Each of them brings a
certain set of instruments.

Their effectiveness depends on many factors, including primarily the managers who use
them. All are closely related. Process management as a system concept also touches on a
sensitive problem, which is the so-called. The law of autonomy of goals. According to its
assumptions, every organizational unit, department or division begins to achieve its own goals
after a certain time, which may differ from the aspirations of the organization as a whole. This
is happening at the execution level, not at the declaration level.

4. CONCLUSIONS

The process approach is now considered as the one of the most important orientations in
the organization and management of the modern organizational units (various types of
businesses and institutions). It places economic and customer processes (both external and
internal) at the centre of the management and employees’ attention, thus complementing the
static view of the organization with the dynamic approach ((Krzos G., Business Process
Reengineering a pożyćia konkurencyjna przedsiębiorstwa, AE, Wrocław 2006).

One of the methods of the warehouse management is a man recording of the material
flows in the warehouse through the bar codes devices – any warehouse documents are then
secondary ones.

The involvement of top management should also occur at the stage of defining the
personnel goals of individuals appointed to perform the roles. Practice shows that goals
should be defined individually and above all based on goals defined for the processes for
which the person is the Owner or Expert. Personnel goals should be the lowest level of an
organization's goal tree, whose construction consists of breaking down strategic goals for
processes (cascading to different levels of process architecture), the goals of process
participants, and the personal goals of processors and processors.

Any organization is dependent on their customers, therefore it is advised to understand
their current and future needs in order to meet customer requirements as well as to make
efforts to go beyond expectations (Durlik I., Inżynieria zarządzania. Strategia i projektowanie
systemów produkcyjnych, Wyd. Placet, Warszawa 2007). People at all levels are the essence
of the organization so their total commitment allows them to use their capacity for the good of
the organization. Improving human performance appears as the task of science and practice of
each organization and management. Teamwork may in fact result in synergy caused by, for
instance, good organization of work. The process of searching for the new technological and
organizational solutions is particularly visible in the breakthrough periods.

The creative management enables management at all levels of the merchant network
and the simultaneous management of those processes that take place within any given
organizational level. This allows the decision-makers in the company to have full control of
the entire network, from the Headquarters to every branch offices.

Interest in process management is steadily increasing. No wonder - skilful
administration not only allows managers to monitor the development of the project, but also
greatly influences the effectiveness of the activity. Is there a recipe for streamlining your
company's processes, and consequently improving the quality of your business management
and operations!
References

[5] „Lean Six Sigma Training” Green Belt, część 1

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