

Supplier Delivery Distribution Model

The characteristics of supplier delivery distribution model are:

- This model is the lightest in terms of warehousing infrastructure and transport management as suppliers organise everything.
- It is difficult to control operationally as each supplier makes deliveries to each EDP. Information on when EDP can expect supplies becomes very hard to provide to EDP.
- Even if a supplier makes multiple drops to various EDP's, in pure transport terms this will be expensive when total transport movements are taken into account. This cost will be added to the cost of supplies.
- There is no control point organised by your organisation to verify quality of supplies. It is mere chance if an EDP counterpart receives poor quality. Quality inspection must take place at supplier premises.
- The image above shows the complex routing between suppliers and EDP's. There are only four of each in this example. This model becomes untenable for complex distributions.
- This model is recommended for situations where there are a small range of goods, going to a small number of EDP's in a country office with a light logistics management footprint.
- Many of these issues can be circumvented by appointing one supplier to provide all the supplies (or reduce the number of suppliers), but this may be an issue in operations where the supply base would not be capable enough to respond, in which case middlemen will be used.