

Workflow: Logistics

Toolkit 5.2

Inbound Logistics

target audience

Packhouse managers.

what it is

Inbound logistics deals with all materials, fresh produce, packaging, chemicals etc. coming into the packhouse. The key components of inbound logistics have already been covered in [Toolkit 2.4 – Supply Planning](#), but this toolkit will briefly focus specifically on key logistics success factors.

why it is important

Inbound logistics determines, to a great degree, how well planned and efficient your operational packhouse process will be, from the efficient scheduling of when fruit arrives from the orchards, to having the right type and amount of packaging material (cartons, labels, pallets), so that your packing process (from receiving to dispatch) can proceed optimally with limited delay, bottlenecks, interruptions, and waste.

Inbound logistics are also subject to risks which you may not always control directly, e.g., external risks such as unreliable materials suppliers and a compromised inbound supply chain. Therefore, planning and anticipation are key.

Well managed inbound logistics is a function of an integrated plan as discussed in the “Demand and Supply” workstream. Therefore, inbound logistics is not only the efficient management of what comes into the packhouse but also must be aligned with what will be processed and delivered (what and when).

success factors

The critical success factors are:

- **Part of an integrated plan and process** – Inbound logistics is aligned with:
 - Forecast (demand plan) of the orchards and their harvesting schedule.
 - Operations plan of the packhouse, both in terms of capacity and schedule, e.g., enough bins to ensure efficient turnover.
 - De-greening requirements, especially in terms of capacity.

- The demand plan, i.e., what product must be delivered and when.
- **Excellent procurement processes** – Procurement includes several areas that directly feed into your inbound logistics, all of which require planning, anticipation, and the management/mitigation of risk.
 - Materials – chemicals, packaging, pallets etc
 - Capital expenditure – you may have or need to undertake larger improvement projects, such a new drenching equipment or expanded de-greening facilities.
 - Services – you may need to contract outsourced services, such as hiring carton making equipment.
 - Maintenance and repairs – you may need to procure parts to ensure that the packhouse machinery is ready, such as conveyor belts, bearings, etc
- **Scheduling** – Your ability to schedule (plan) and work according to the schedule (manage the process) are key success factors. Measurement is key to this factor, and you should be able to answer the following questions without hesitation:
 - Do I know what my targets and KPIs (as per my planned schedule) are?
 - Do I know on an ongoing, at least daily, basis whether my inbound logistics are on target?
 - Do I have a reliable process of short interval control so that I can adapt my schedule in a controlled way, as well as inform the other stakeholders that are dependent on my schedule as quickly as possible?
- **Inventory management** – [Toolkit 5.3 – Warehouse and Stock Management](#) deals with this in greater detail, but inventory management, especially for mission critical items such as cartons, is a key success factor.
- **Warehouse management** – [Toolkit 5.3 – Warehouse and Stock Management](#) deals with this in greater detail, but your warehouse, management of storage, 5S (neatness and organisation), flow and process management, labelling and tracking system etc, all start with your incoming logistics.
- **The ability to manage risk** – Changes in your inbound logistics act like a domino affecting all the downstream plans and processes. Your ability to anticipate and adapt to changes will determine how well you manage and mitigate risk.
- **5 S (site cleanliness, discipline, and neatness)** – [Toolkit 3.7 – 5S \(Organised Work Environment\)](#), deals with this in detail, and it also applies to your inbound logistics. Is your inbound transport organised? Are the incoming bins well managed and clean? Are cartons well stacked and stored? Are you able to maintain and organised, clean work environment even when the packhouse is working under severe pressure?
- **Communication and management information best practice** – Communication is not a “soft” skill. In your context it is a vital competence which knows, in detail, how your inbound logistics are performing against plan and shares accurate management information and feedback with the rest of the packhouse team. This success factor links with the first in this list, i.e., integrated planning, but if your plans and KPIs are not aligned, and you are working with disparate data and systems, communication becomes very difficult.

execution steps

See success factors above.

assessment questions

Please Note: There is no minimum / maximum number of questions you can add.

1.	Is your inbound logistics plan clearly informed by an integrated marketing, operations and supply plan?
2.	Does your procurement system work well in support of your inbound logistics?
3.	Do you schedule your incoming logistics well, and track your performance against KPIs?
4.	Is your receiving system, space, warehouse, carton storage, neat and organised, and the process effective and efficient?
5.	Are you confident that your warehousing, storage, and inventory management of incoming goods meets professional standards?
6.	Are you able to adapt to changes in the incoming logistics plan and process?
7.	Do you have an efficient and accurate management information and data system that speaks to the rest of the organisation?