



BIJUPATNAIK INSTITUTE OF Information technology & MANAGEMENT STUDIES

Flipkart



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**Biju Patnaik Institute of Information
Technology & Management Studies**

PROJECT REPORT
ON
Supply chain management by FLIPKART



BY
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UNDER THE GUIDANCE OF
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SUBMITTED TO
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DECLARATION

I hereby declare that the project entitled “Supply chain management by FLIPKART” submitted in the partial fulfilment of the course requirement for Master in business Administration during Academic session of 2020-2022 to PROF. Mr. Kamesh Chivukula in Biju Patnaik Institute of Information Technology and Management Studies is my original work and has not been copied from any other sources.

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LAUNCHPAD
Internship Program

CERTIFICATE of Internship Completion

This certificate is awarded to

Amrit Dash

for successful completion of the 45 days Launchpad Internship Program
at Flipkart's Supply Chain Facility during **Sep - Oct** 2021.

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Place : Bhubaneswar

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ABSTRACT

The e-commerce business has gained momentum in the Indian markets. The popularity among the young generation to go for e-commerce has increased over a period of time because of the wide variety of products available at a very competitive price. Flipkart, Amazon, Snap-deal, Myntra, Bewakoof and many other have come up in the market and are able to sustain the local retailers because of the wide variety that they offer in the online stores. The biggest challenge of the online stores is managing their supply at distinct location and making it available to the consumer within the committed period. All this requires a strong supply chain management system in place. The research paper deals with developing an understanding of supply chain management system of e-commerce business with special reference to Flipkart.

Executive summary

A study on “STUDY OF SUPPLY CHAIN OF FLIPKART, Haringhata RDC” Was carried out at Flipkart warehouse facility, Haringhata, West Bengal. The main objective of the research was to know the working of the warehouse and the various departments of the warehouse and its workings. The study was done as a part of Descriptive Research. The secondary data was collected from the company records and websites. A structured questionnaire was given to various employees assigned and the data were collected based on the same. The data was analyzed using percentage method and analyzed data is presented through graph chart. Valuable suggestions and recommendations are also given to the company for the better prospects

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CHAPTER - 1

INTRODUCTION

Flipkart is India's largest electronic commerce company, founded in 2007 by Sachin Bansal and Binny Bansal. It operates exclusively in India, where it is headquartered in Bangalore, Karnataka, though Flipkart is actually registered and based in Singapore. Flipkart has launched its own product range under the name "DigiFlip" with products such as tablets, USBs, and Laptop's bags. Flipkart has also launched its own range of personal healthcare and home appliances under the brand "Citron".

Legally, Flipkart is not an Indian company, since it is based in Singapore, and majority of its shareholders and investors are foreigners. In May 2014, Flipkart received \$210 million from DST Global and in July it raised \$1 billion led by existing investors Tiger Global and South Africa's media group Naspers.

Flipkart was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology of Delhi. They had been working for Amazon previously. The business was formally incorporated as a company in October 2008 as Flipkart Online Services Pvt. Ltd. During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and life style products and e-books.

The first product sold by them was the book Leaving Microsoft to Change the World, bought by VVK Chandra from Andhra Pradesh. Flipkart now employs more than 15000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery.

OBJECTIVES OF STUDY

- To know about the growth of the online businesses.
- To understand the inventory management system by online retailers.
- To understand the relation between efficient supply chain management and pricing of the product leading to increased turnover and margin.

METHODOLOGY

I started with secondary research of the internet retail industry and the major players through news articles, industry reports and databases. This helped us to get an overall idea of the working of the industry and understand its dynamics. Then I went on to do extensive secondary research on Flipkart, Hringhata, Kolkata its business model and all elements of its supply chain. Then we did primary research in the form of interviews of Mr Shini Patel, and Mr Pavan Raghuveer both managers-operations and in-charge of SCM and delivery. With their inputs on procurement, logistics, order processing, supplier management and customer support and secondary research we formulated a draft. However, we identified certain gaps and interviewed the two gentlemen again along with Ex-Flipkart employee Mr Shuchi Shukla and our batch mates who interned at Flipkart. With the second round of inputs, we were able to understand and analyze Flipkart's supply chain.

SCOPE OF STUDY

The method adopted is the case study method. The company selected is Flipkart which will help the new business man to understand the importance and development of efficient supply chain management for successful business. The case study also intends to highlight how the low inventory cost leads to low price and achieve the competitive advantage from the competitors.

LIMITATIONS OF STUDY

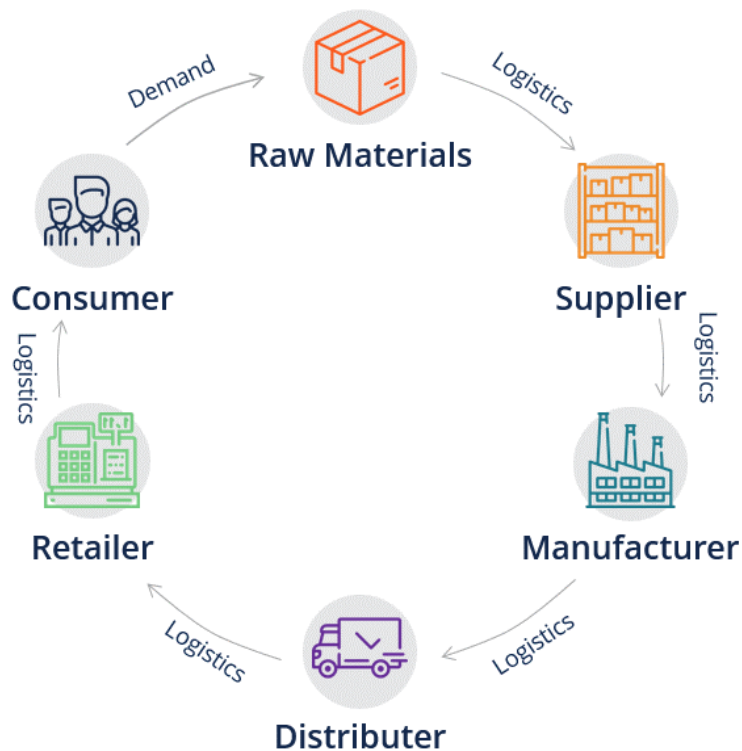
The conclusion will be based only on the research of single online store, hence the conclusion drawn cannot be generalize to all the online retailers. More over in the global competitive and dynamic market it is always necessary to identify different strategies to lead a successful business of which supply chain management system is only one factor. Researcher can identify different factors on which the sustainability and growth of the business is dependent on. It has only focus on how to make low piece of the product by using proper supply chain management which helps to cut down different intermediate cost from procurement to delivery of the products but there are many factors to whom the success of the company depends and can be achieved.

CHAPTER-2

COMPANY BACKGROUND

Flipkart was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology Delhi. They worked for Amazon.com, and left to create their new company incorporated in October 2007 as Flipkart Online Services Pvt. Ltd. The first product they sold was the book *Leaving Microsoft to Change The World* to a customer from Hyderabad.

Flipkart now employs more than 33,000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher, pay later option (Buy now and pay later) and card swipe on delivery. Flipkart recently completed the fifth edition of Big Billion Sale held between September 29 to October 04 where it is reported that they saw a business turnover of Rs. 1900 crore in gross merchandise volume.



v SUPPLY CHAIN MANAGEMNET OF FLIPKART

The company structure of Flipkart is divided into three broad categories. First is Product and Technology which is the core team of the company, second is Business Development which is related to sales and third is Operations which deals with the supply chain management of the company.

Product and Technology Team

The product and technology team is the core strength of the company. The team manage the entire process right from listing of item to search engine optimization to maintenance of website. And also send the email, pop-up app notifications to the most searched items on the app and websites.

Business Development Team

Business development team is responsible for all the activities related to sales including vendor management to pricing and discount strategy. They are also responsible for understanding the customer from their feedback that what kinds of products the need in which area by applying different strategy on pricing, services and so on.

Operations Team

Operations team deals with all the supply chain aspects of the company right from procurement and warehouse management till customer support. The team support the customers both online via telephone as well as offline via email.

Customer Support team

Flipkart has a strong focus on customer service with customer delight as the top most priority. And to fulfil it the company guarantees a 24*7 full customer support and to cater this facility it has a dedicated customer support team which offers both inbound and outbound supports.

Logistics

Logistics is one of the most important facets of any successful e-commerce venture. Flipkart ships more than 175000 items a day which makes management of the logistics a complex task for the company. Furthermore, the cost of the delivery is born by the company itself making logistics a financially complex issue also. Hence in order to successfully manage logistics. Flipkart uses its in-house logistics known as e-Kart" (EKL) and sometimes it uses express-bees for delivery of the products.

The e-commerce company created e-Kart as a separate brand to serve WS- Retail, the B2C side of Flipkart, in April 2013 and currently reaches consumers in about 3800+ pin codes in India. E-Kart currently offers services such as delivery logistics, reverse logistics and pay on delivery. It also offers customer support and technology integration for order tracking, customer notifications, reporting and analysis, billing etc. In March 2014, Flipkart began to deliver packages for its competitors, as the company's logistics arm; eKart Logistics opens services for other e-tail ventures.

While more than 90% of the Cash on delivery (COD) shipments and about 70-85% of the overall shipments are delivered by the EKL the rest of shipments are catered by 3PL service providers. Moreover, if there are more than 100 deliveries for a particular destination the company uses EKL. In case of EKL, the shipment is first transported to Mother hub and then to delivery hub and subsequently from delivery hub the last mile delivery is done using suitable mode of transport such as two-wheelers, bicycles, or on foot. The company hastie ups with more than 15 courier companies like Blue Dart, First Flight, Express-bees etc. to deliver their products and Indian post for areas where couriers do not reach. And to manage the 3PL providers efficiently the company allocates time slots to different logistics partners and they can pick up deliveries on specified time slots only.

Developing its in house logistics has helped Flipkart save commissions" worth than 2% that would have been otherwise paid to courier firms. It is also easily able to accept cash on delivery, which make up about 60 percent of its orders possible. It can also track packages more accurately. And because labor costs are relatively low in India, its delivery cost is a modest ₹40 a package.

For delivering the items the logistics service among the three is decided based on the area where the item needs to be delivered as well as product type and payment method. EKL is presently available in major tier 1 cities including metros only. The company uses India Post only in case if the shipment location is not serviced by any of the 3PL as well as EKL primarily because of the higher delivery time. Moreover, India Post orders are of prepaid nature only. The delivery time varies between 3 days to 3 weeks depending on the location and availability of the product.

For example, imported products take about 3 weeks" time to get delivered to the customers where as if product is available in local warehouse, it gets deliver within 3 days. The mode of transportation is also dependent on the location. For example, the inter-city, trans-zone deliveries are made using air cargo whereas satellite cities and others in close proximity; products are transported overnight by train or truck. For the local parts of the cities where the warehouses of the company exist products are delivered using two-wheelers, bicycles, or on foot depending upon the proximity of the place.

Reverse logistics / returns processing

The returns for Flipkart are 2.6%. It follows a 10- & 30-day return policy. This policy which is primarily aimed to build trust with the consumers, has led to many customers cheating Flipkart. For example, there have been several incidents when a customer buys a book only to read it and then return it within 30 days. Similar incidents have been observed with mobile phones as well. Flipkart, through its data management systems, has tried to identify such frauds. Return of a product to Flipkart can happen if the 3rd party cannot deliver to the address or the customer does not accept the product. Some orders are cancelled while the delivery is being processed by the courier company. Such orders are not recalled but delivered to the address and then cancelled. Customers can call the customer support and courier back the product to Flipkart. The delivery cost is borne by Flipkart.

When customer requests return of a product, there are 3 paths this request can take:

- 1. Replacement:** Flipkart returns the product to the supplier and obtains a replacement that is delivered to the customer.
- 2. Store credit:** If the customer is not satisfied with the product, he or she is given store credit of the same amount.
- 3. Actual cash-back:** Given out as cash for cash-on-delivery payment or refunded for online Payment on the original payment method.

Procurement

When Flipkart started its operations, they had employed the consignment model of procurement. In this model, the retailer (in this case Flipkart) holds the inventory owned by the supplier, and buys it from the supplier only when it is sold to the end consumer. Since the channel was new and unproven, this was the most risk-free way to operate. Later this was discontinued and inventory was purchased to ensure superior delivery times and customer satisfaction. But with foreign direct investment (FDI) favoring the marketplace model in April 2013, Flipkart changed its business model to marketplace model.

With a marketplace model, Flipkart no longer has an inventory of its own, rather buyers can deal with sellers directly and the delivery will be done by Flipkart. The model is similar to eBay India and Amazon.in At present, the entire inventory of Flipkart is being managed by WS Retail which is Flipkart's pet project. While WS Retail will continue to be one of the sellers, Flipkart has added more than 50 sellers to its list.

Procurement of items could be for:

Inventory: These items are pre-ordered based on previous sales data to stock as inventory. This category includes items with relatively low demand elasticity, fast selling items and items with relatively long shelf life. **Just in-time:** Items procured just-in-time are used to serve immediate outstanding orders. Items with low or unpredictable demand are typically procured on an order-to-order basis. Just-in-time procurement is also used for expensive items or products that have seen slow sales growth. As of now, the number of orders served from the inventory is roughly 75%, with 25% orders being served by procuring just-in-time. Procuring just-in-time is comparatively more expensive as the volumes for such orders are low, and the supplier discount offered therefore is considerably lower. However, when ordering for inventory, bulk purchase is made and hence a much better price is realized. Therefore, the company would ideally like to move to a ratio of 9:1 ratio of orders served through inventory to those procured just-in-time. As a caveat however, there is an inherent trade-off between the company's long-term objective of reducing just-in-time procurement, and its motto of "Consumer Delight".

This is because in order to maximize consumer delight, the company would have to strive to serve all types of consumer orders and provide them with the maximum possible variety of products, which would require just-in-time procurement since many products have limited demand and cannot be stored as inventory. However, operational efficiency demands rationalization of product line and choosing one's customers.

Sourcing at Flipkart is conducted at two levels:

Regional: By Regional Procurement Teams

Centre: By the Central Procurement Team

Each regional procurement team has a network of local suppliers for made-to-stock as well as on on-demand (Just in-time) procurement. They also have visibility of the stock for different SKUs with these suppliers, as last updated on the procurement team's system by these suppliers. From Flipkart's perspective:

Stock out: Defined as when the product is unavailable in the inventory (held in warehouses) as well as Flipkart's suppliers (as last updated). The central procurement team has visibility of all the regional procurement teams' views, and Therefore, can monitor the stock levels for their suppliers all over the country. The central team's focus is on bigger suppliers with a country-wide reach.

CHAPTER-3

Warehouse Management System

Flipkart has 7 major warehouses spread across the country in Mumbai, Kolkata, Delhi, Noida, Pune, Chennai and Bangalore. They have smaller regional distribution centers at over 500 locations spread across Tier I and high volume Tier II cities. In Flipkart's Warehouse Management System (WMS), there are three major segments namely, Inward Processing, Storage Management and Outward Processing. Discussed below are the some of the details regarding each of the sub-processes involved in the WMS.

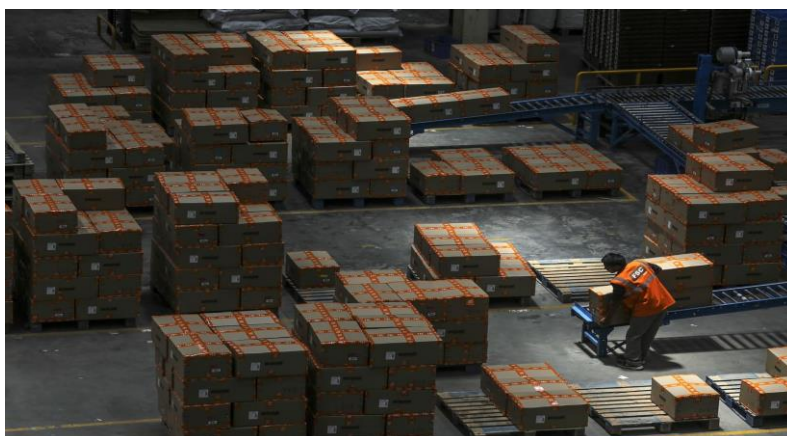
WMS is explained with help of diagram given below: -

Inward Processing

Physical in awarding: This is the area where physical delivery of goods from suppliers to the warehouse is taken.

Quality Check + Scan: As soon as the goods are received, they go through an initial quality check at this stage. After this, they are scanned to make an electronic entry to record the input of goods into the warehouse on the IT systems. This step of quality check is also undertaken at the supplier's premises depending on the contract that Flipkart has with them.

Pre-packing of products: At this stage, an initial packing of each of the products is done. This pre-packing varies according to product. For instance, a book-mark and think transparent film packing will be done for a book. Similarly, if there is a freebie attached to a product, then the two products will be packed together.



Storage Management

Put-list generation: When the input of all products is done on the IT systems, a system generated list of shelves corresponding to the products is generated to facilitate placement of products on shelves. This is called Put-list generation, which marks the place where the respective items need to be put.

Order pending check: As soon as the system gets the input of the incoming products, system checks if any of the orders for the incoming products are pending or not. If orders are pending, the respective product is sent directly to the Final Packaging Area for Outward Processing.

Physical placement on shelves: Based on the Put-list, the products are placed on the respective shelves. If the marked shelves are not empty, the product is put on an empty shelf, and the respective shelf number is updated on the Put-list.

Closing Put-list: Once the product placement is done, Put-list is updated with the actual placement information and the list is Closed.

Outward Processing

Pick-list generation: Based on the orders to be delivered for the day, a Pick-list is generated by the IT system.

Pick-up from shelves: The respective products from the Pick-list are picked up from the shelves as per the IT system entries and gathered together to move towards Final Packaging Area.

Final packaging: The picked-up products are packed in Flipkart-branded boxes. At this stage, packaging is done according to the Category of the product, e.g., electronic items are packed differently from stationery.

Placement in respective delivery hubs' bags: After the final packaging, a product is placed in a specific bag which is dedicated for that destination area delivery hub. These bags are dispatched to their respective delivery hubs on a fixed timing during the day.

Issues at the Warehouse Management level:

All the scans while conducting inward processing for each of the products are done manually. There is some scope of automation at this stage. Due to packaging litter, there emerge chances of difficulty in mobility within the warehouse. Disposal of packing material may be addressed for better streamlining and ease of mobility.

Currently, there are separate sections for separate categories in the storage area, e.g., in the Bangalore warehouse, a whole floor is dedicated to books, while the other floor is dedicated to other categories. With the increase in the number of SKUs that Flipkart is undertaking for sale, the Warehouse management system's complexity will increase and its scalability in the current form might come under question. Hence, pre-emptive efforts may be made to make sure that the systems and processes are scalable based on increasing variety and quantity of SKUs handled.

Order Processing

Flipkart uses its own ERP systems to process orders and track the details of all the transactions that need to be carried out. A typical order at Flipkart starts with the customer searching, selecting the required item and placing the order. This on an average takes around 8-10 clicks to get the order placed. The email Id & mobile number is considered to be the unique identification of a customer and all the records are maintained with reference to this Id. The payment can be made by using debit card, debit card, Net-banking or COD (Cash on Delivery). Flipkart launched its payments brand called Pay-Zippy in July 2013 to provide safe and hassle-free payment option to its customers and online merchants. It has also a new payment system i.e. pay later option.

Order Fulfilment

Customer orders are fulfilled either via Inventory or JIT procurement depending upon the availability of the products. As soon as the order is placed and approved, there is an inventory check done at the local warehouse. If the item is not found at the local warehouse, then the order goes to the nearest other warehouses. The product is then packaged and delivered to the customer.

If the item is not found in the inventory it is forwarded to the Regional Procurement Team (RPT) for JIT procurement from local vendors. If yet not possible, the order goes to the central procurement team (CPT) for the last option of procurement. After procuring from the vendor, the product is packaged and delivered to the customer via the most convenient warehouse. They have an understanding with their vendors for order tracking, reconciliation and MIS (Management Information Systems).

As and when the item is found, it is packaged then and there and shipped to the customer via either courier, Indian post or its own internal logistics arm depending upon the area where the item need to be delivered. The customer is kept updated on the status of his shipment via message, email and/or through website. An item is labelled out of stock only if it is not neither present in the warehouses nor with the vendors.

Flipkart, with its focus on customer delight, ensures an excellent after-sales service to its customers with regard to the delivery and/or addressing grievances related to any faulty or unsatisfactory products. The return of such items is done in an effective manner without any disputes. This is possible given the understanding with the vendors. For example, in case of electronics, warranty and after-sales service is largely manufacturer's responsibility.

Whenever required, Flipkart facilitates a smooth interaction between the customer and manufacturer/service center. Flipkart varies between one day guaranteed delivery and three weeks depending on location and availability of product.



Inventory Management

The inventory stocks are replenished whenever it goes below Reorder point. The company employs FIFO (First in First Out) method for its inventory management, under which for any shipment request to a particular warehouse the oldest inventory items are shipped first. This makes a lot of sense especially for the electronics items since the technology becomes obsolete very quickly. With respect to determining what items to store in the warehouse and what items to be procured from vendors, Flipkart uses Long Tail Concept, which is nothing but selling a large number of unique items with relatively small quantities. Flipkart orders such items on emergency basis and usually don't keep inventory of such items since the demand for such items is very less and thereby minimizing overall distribution and inventory costs.

Supplier Management

Flipkart has always operated on the philosophy of starting out small and then scaling up as demand grows.

It has been the same with selection of suppliers. For a new category, they generally, start of by sourcing from local suppliers and distributors. Once there is enough demand generated, they approach the larger wholesalers or manufacturers directly. This

serves two main purposes:

It helps them to get better deals from the bigger manufacturers if they can order in larger quantities frequently enough.

It avoids the channel conflict dilemma that large suppliers face when they agree to similar terms with a smaller volume online player like Flipkart as compared to an established offline distributor.

An example of this strategy is that given that Flipkart is now India's largest online retailer and they are larger than many offline stores as well.

Across product categories, Flipkart works with over 500 suppliers including several international suppliers as well. Flipkart's steady rate of growth has allowed them to get the best credit lines from their suppliers. They signed their first international supplier deal with Ingram Books in 2008 and they prefer working with them due to high level of predictability. In fact, considering that customer delight is Flipkart's primary motto, any delay in supply can lead to late deliveries to the end-customer. So Flipkart follows a grading system of its suppliers based on their fill-rate performance. Suppliers are grouped into A, B and C grades based on their past performance.

There are several other secondary considerations while placing an order with a supplier:

Price considerations – As mentioned before – credit lines and discount terms play an important part in selecting suppliers.

Quality Check contract – Depends on whether QC (Quality Check) will be done at supplier's place and then product will be shipped to Flipkart's warehouses or if the QC has to be done at Flipkart's warehouses.

Percentages of Returns Accepted – Higher the percentage of returns accepted by a supplier, the better for Flipkart.

S.W.O.T ANALYSIS OF THE COMPANY

Strength

India's largest e-commerce business
Flipkart has its own logistic
Flipkart has subsidiaries like phone Pe, 2GUD, and E-kart. Tie-ups with best brand like Xiaomi, Realme, Motorola, etc.

Weakness

Only limited area access, many sub urban and towns are not covered.
Flipkart invests in a lot of advertisements to improve and maintain its brand awareness, which is expensive.
Website failures.
Late delivery.

Opportunity

Growth in retail industries
Great opportunity to expand its business
Indian customer is attracting toward online shopping.
Mobile application

Threats

Market competition with international players like Amazon & E-Bay
Technology up gradation by competitor.

Post-Pandemic Sentiments

Just like COVID has wreaked havoc globally, it also provides **great impetus for embracing 'digital'**. As more and more consumers are being aware and switching to online consumption of services.

You might be ordering your daily essentials through these E-commerce websites.

It is a golden opportunity for Flipkart to grab on. They should extend its range of offerings focusing on consumer sentiments and insights.

Market Development

Owing to the thrust towards digital economy and retail, Flipkart should indulge in **new market development** and extend its services.

Flipkart has to move across borders of India and serve customers from neighboring geographies like South-East Asian countries. Because these countries have a high demand for online retail.

Entering into joint ventures with local players, Flipkart can look to diversify its revenue from alternate markets.

LITERATURE REVIEW

Review of related studies is essential for a well-designed research study. A summary of writings of recognized authorities and of previous research abstracts provide evidence that the researcher is familiar with what is already known and what is still unknown and untested. The survey of related studies implies reading and analyzing the researches already done and reported in dissertations, thesis, journals, abstracts, encyclopedia, yearbooks and hand books or in any other published form. Hence, we can say that review of related studies provides direction to the researcher in putting a fence around the research problem. For this research work, the researcher has reviewed the researches done in the field of environment both in India and foreign countries.

Importance of literature review:

It indicates whether the evidence already available solves the problem adequately without requiring further investigation. It avoids the replication.

It provides the sources for hypothesis. The researchers can formulate research hypothesis on the basis of available studies.

It suggests method, procedure sources of data and statistical techniques appropriate to the solution of the problem.

It helps in developing expertise and general scholarship of the investigator in the area of investigated.

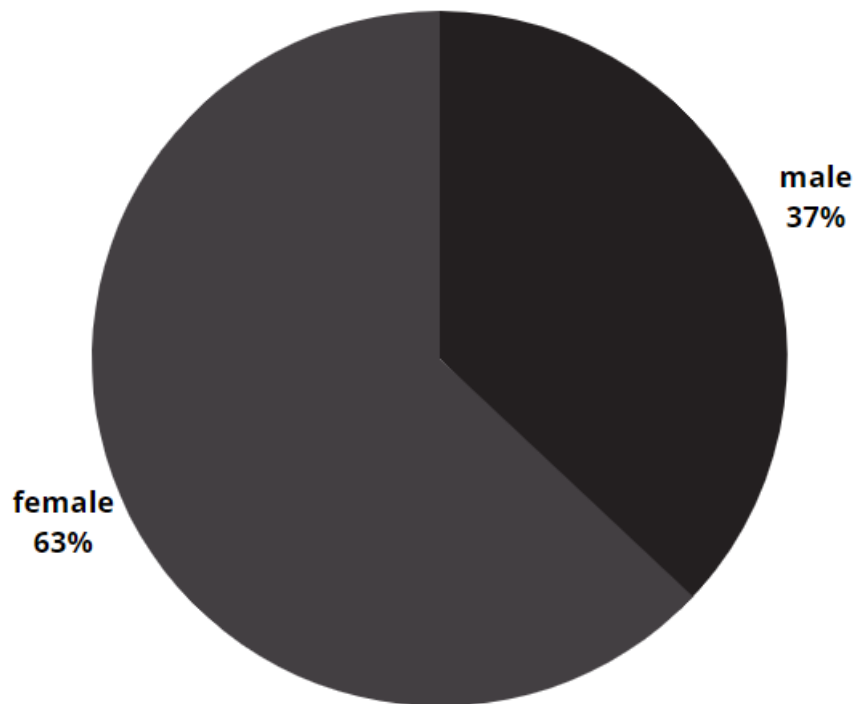
It contributes towards the accurate knowledge of the evidence or literature in one's area of activity is Good Avenue towards making oneself. Whether one is employed in an institute of higher learning or a research organization, this knowledge is an asset.

It provides some insight regarding strong points and limitations of the previous studies.

What is your gender?

INTERPRETATION: -

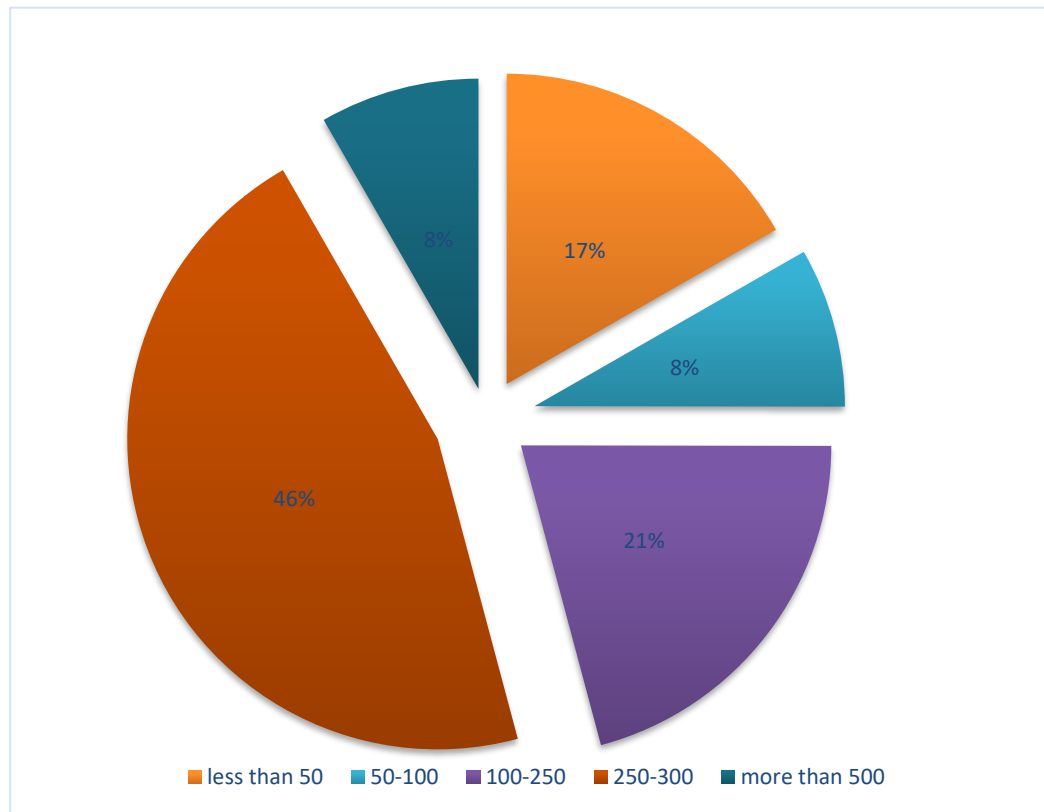
According to survey 63% male employee and 37% Female employee are working in supply chain management system.



INTERPRETATION: -

According to survey 63% male employee and 37% Female employee are working in supply chain management system.

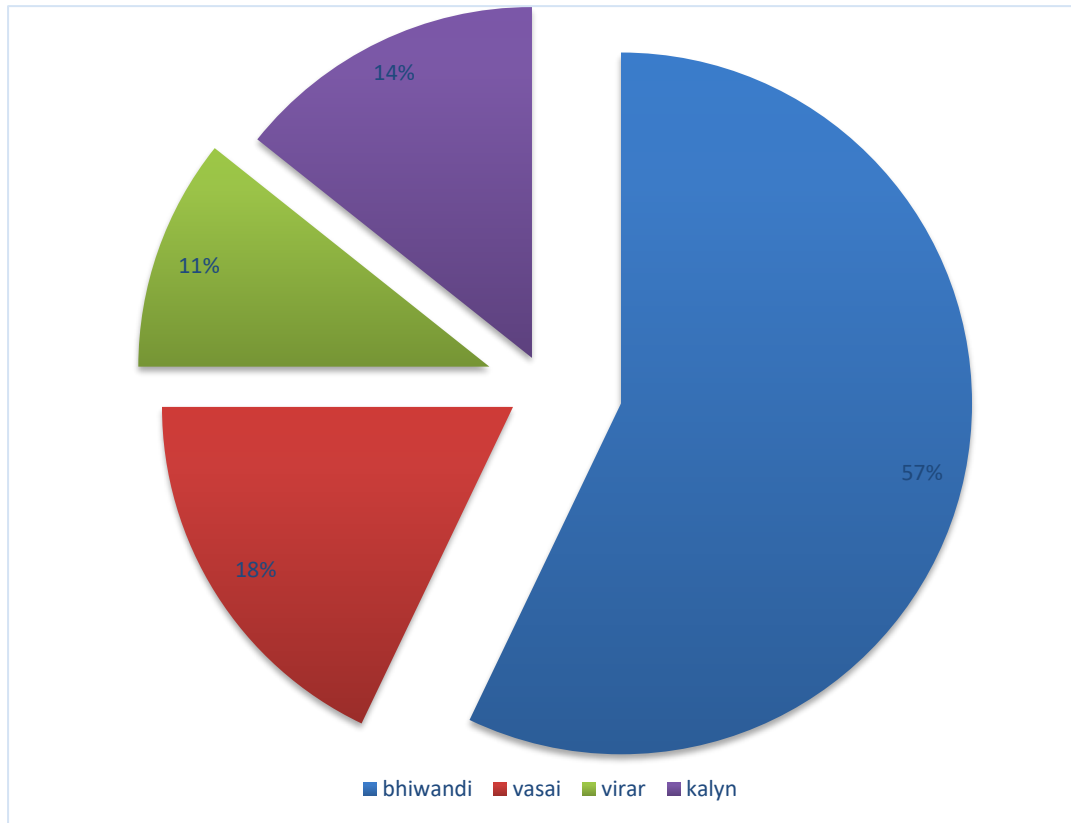
Q2. Numbers of Employees?



INTERPRETATION: -

As per the survey 45.8% of the respondents said that 250-500 employees worked in their warehouse, 20.8% said that 100-250 workers, 16.7% said that the SCM had less than 50 employees and 8.3% of the respondents said that 500 and more employees and other 8.3% of the respondents said that 50-100 workers work in SCM.

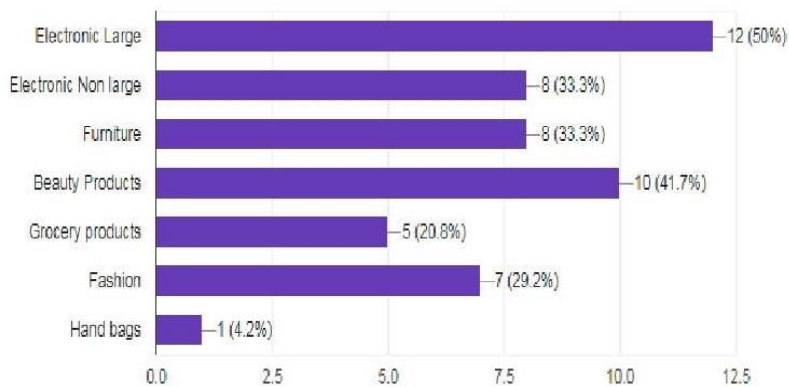
Q3. Please provide a location of warehouse?



INTERPRETATION: -

According to survey there is large number of warehouses in bhiwandi i.e. 57.1% and 17.9% warehouses located in vasai, 14.3% in kalyan and last 10.7% warehouse located in virar.

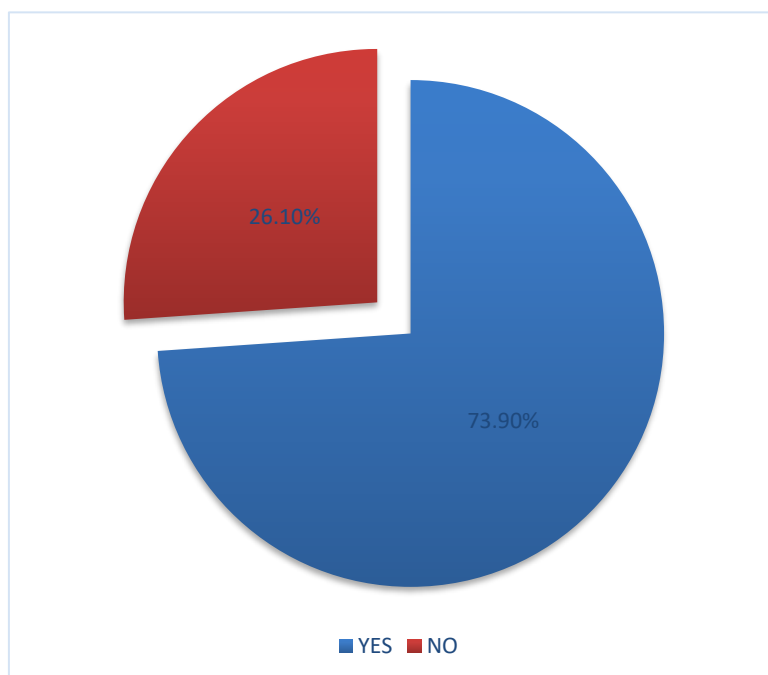
Q4. What type(s) of commodities are stored in the warehouses



INTERPRETATION: -

According to the survey 50% said that they are working in large electronic goods Flipkart warehouse, 41.7% said that they are working in beauty product, 33.3% in furniture & 33.3% in on-large electronic goods, also the 29.2% in fashion products and 20.8% said that they are working in grocery products warehouse.

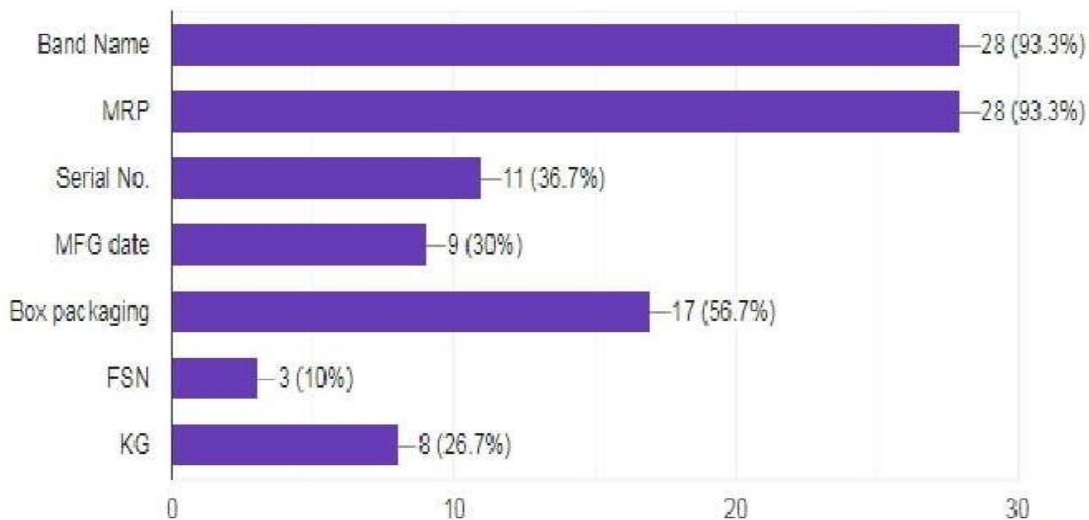
Q5. Is an outside auditor or independent counting service involved in the inventory process?



INTERPRETATION: -

According to survey 73.9% respondent said that an outside auditor involves in inventory process and 26.1% respondent said that there was not any outsider auditor involve in inventory process.

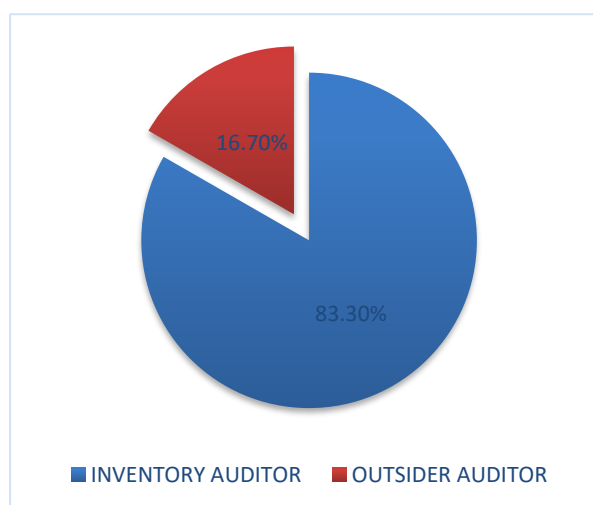
Q6 What do you check at the time of unloading the products to verify whether the correct product is received?



INTERPRETATION: -

According to survey at time of quality check brand name & MRP check compulsory check also checking box packaging, serial no., and MFG date but there was an only few of checking FSN on product.

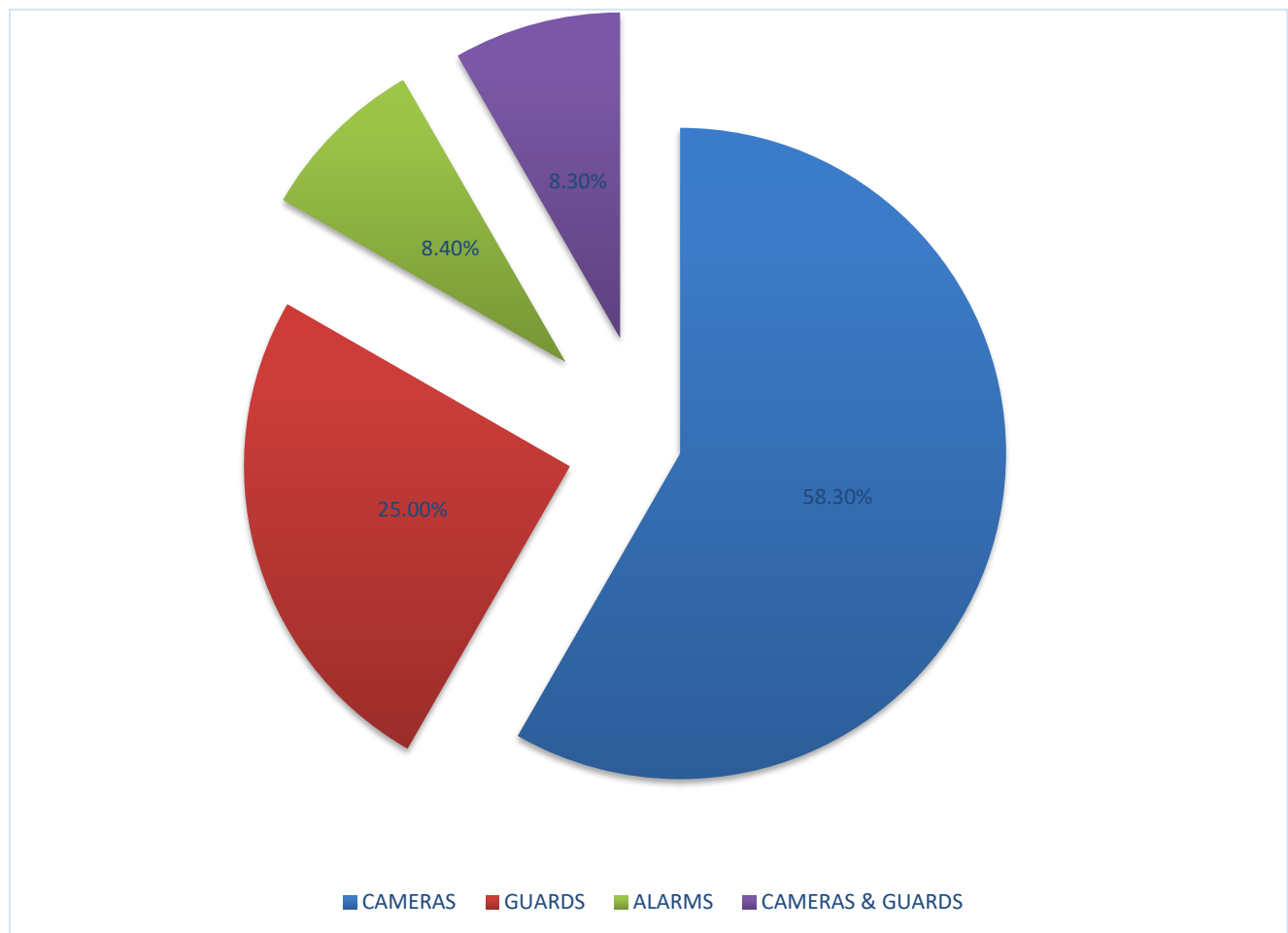
Q7. Is an outside auditor or independent counting service involved in the inventory process?



INTERPRETATION: -

According to survey 83.3% employee said that the inventory auditor involves in inventory process and 16.7 said no outsider auditor involve in inventory process.

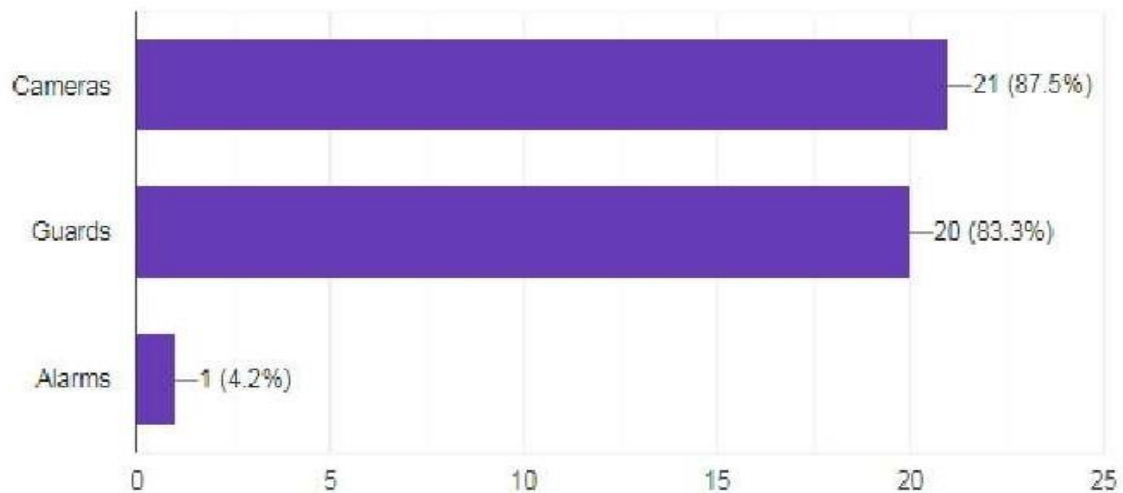
Q8. Please indicate the physical controls in place to prevent a loss?



INTERPRETATION: -

According to this chart 58.3% employee said we can control prevent of loss with the help of camera, 25% said the guard and 16.3 said that camera & security guard help to protect from theft and any other kind of loss

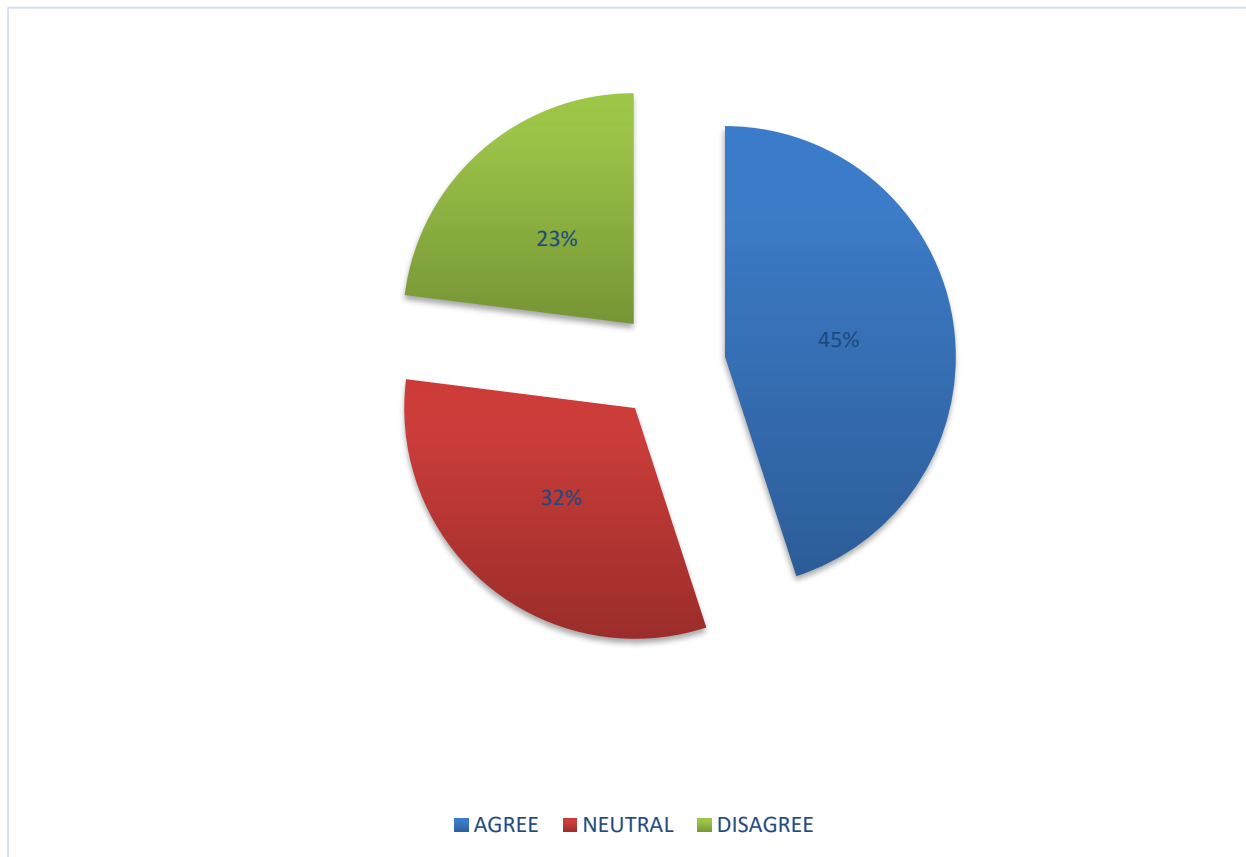
Q9. Please indicate the physical controls in place to prevent a loss?



INTERPRETATION: -

According to survey there was an 21 respondent said that the product protected in warehouse from theft with the help of camera and 20 respondent said that the product protected in warehouse from theft with the help of guard and one respondent said that the alarms are used for protection.

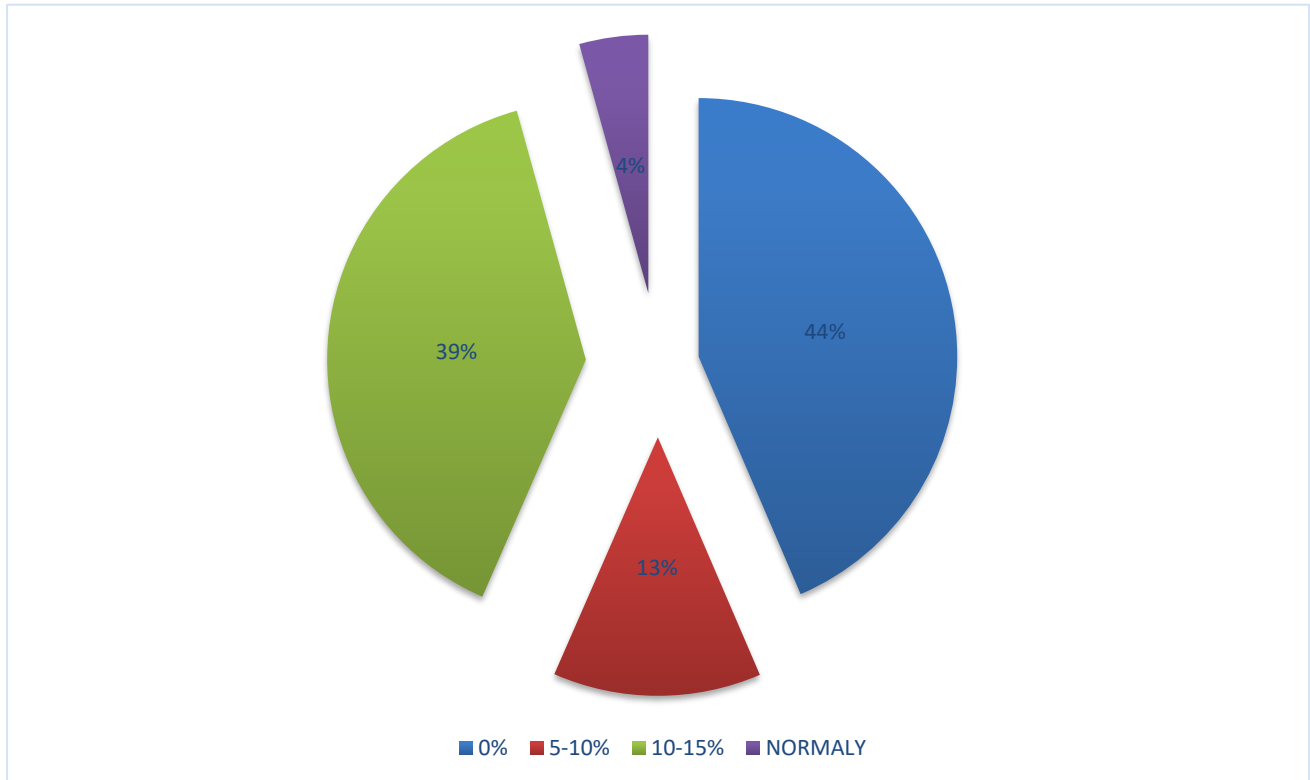
Q10 supply chain members are actively involved in standardizing supply chain practices and operations?



INTERPRETATION: -

According to survey 75% respondent said that everyone actively has involve in supply chain & 25% respondent said that not everyone actively has involved in supply chain process.

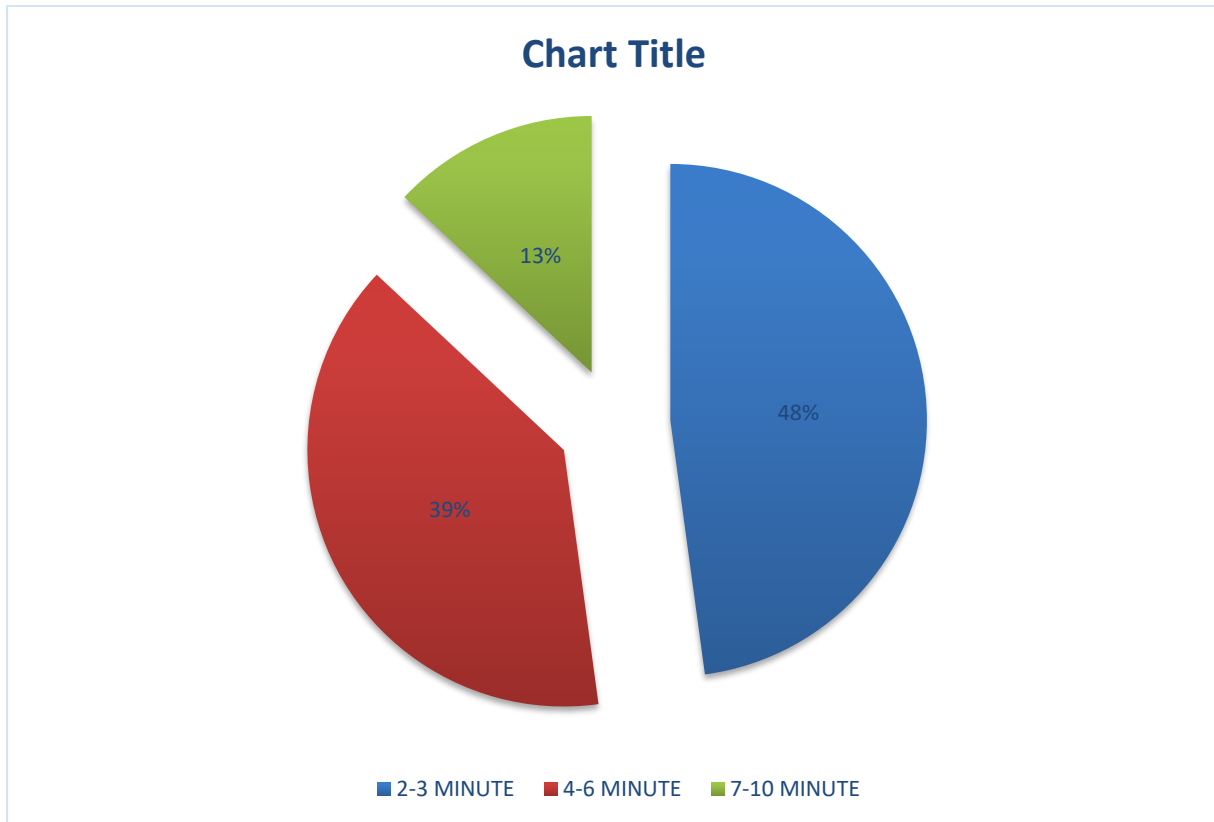
Q11.What is the percentage damage to the product at the time of unloading?



INTERPRETATION:

According to survey there was a 43.5% respondent said that ZERO % damage at time of unloading, 39.1% said that 10-15% product damage at time of unloading and 13% respondent said that there was 5-10% product damage at time of unloading only 4.3% respondent said that there was an normal damage which should be acceptable.

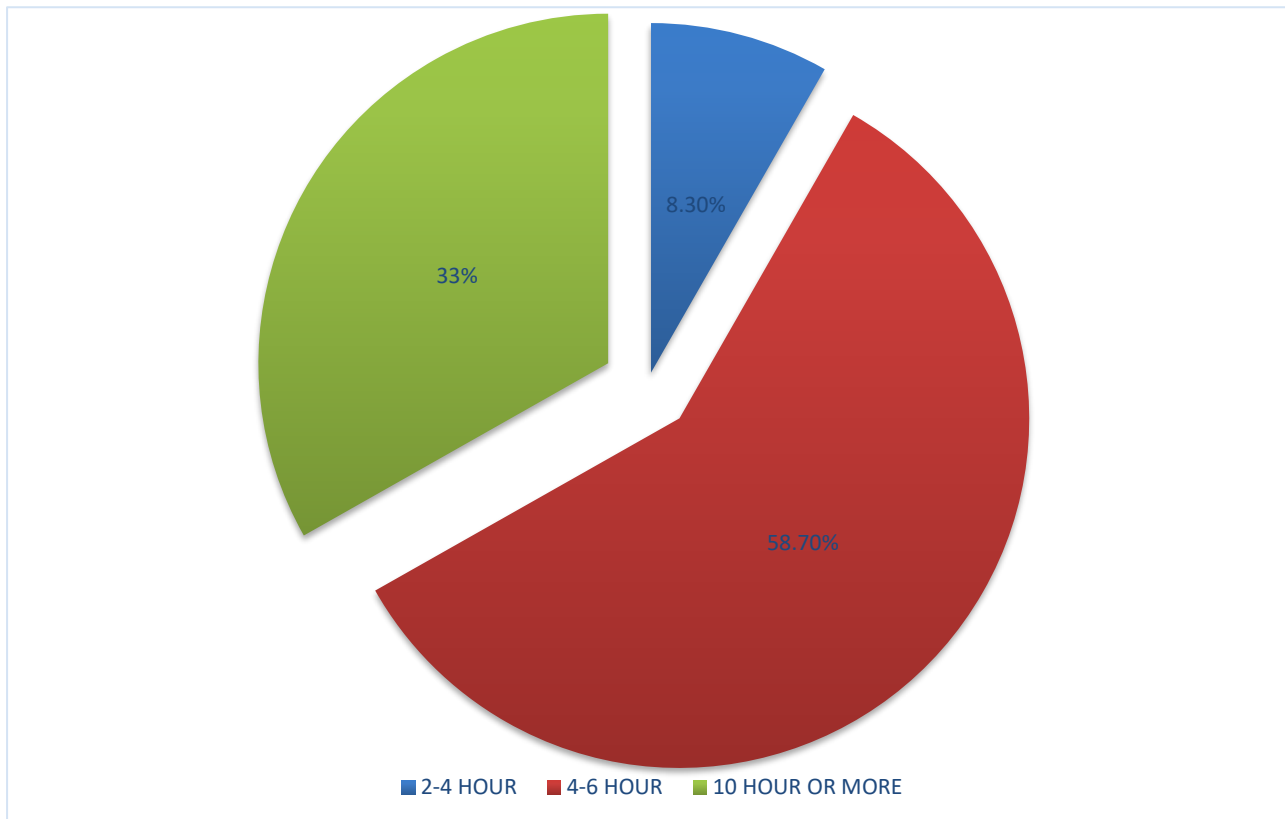
Q12. How much time picking department take to pick the single product and complete dispatch?



INTERPRETATION: -

According to survey 47.8% respondent said that he will take 2-3 minute to pick and dispatch single product, 39.1% respondent said that he will take 4-6 minute and 13% of respondent said that he will take 7-10 minute to pick and dispatch single product.

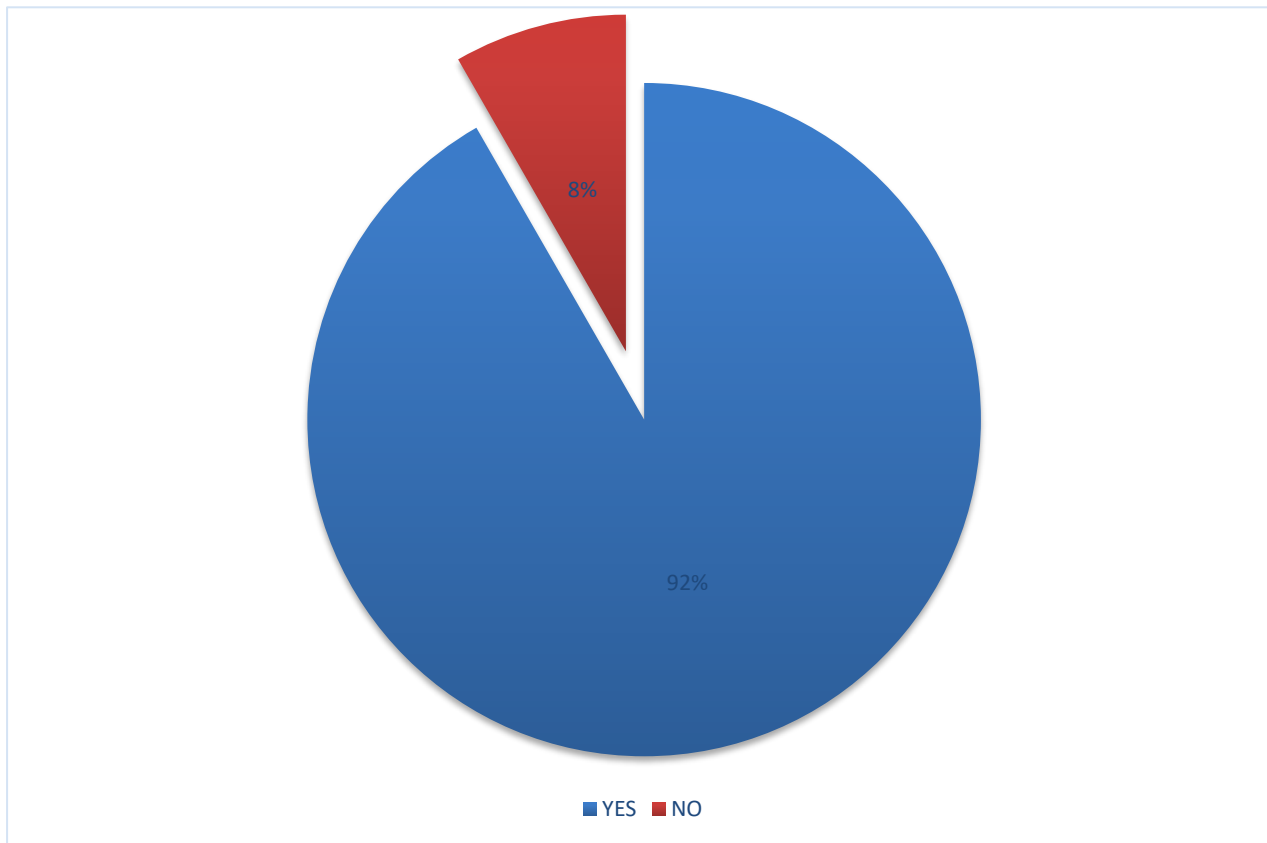
Q13. At time of outward what is the total time you get to process the total order shown on the system?



INTERPRETATION: -

According to survey 58.3% respondent said that they got total 4-6 hour to complete all order picking and dispatch process, 33.33% respondent said that they got total 10 hour and more and 8.3% said that they take 2-4 hour 6 hour to complete all order picking and dispatch process.

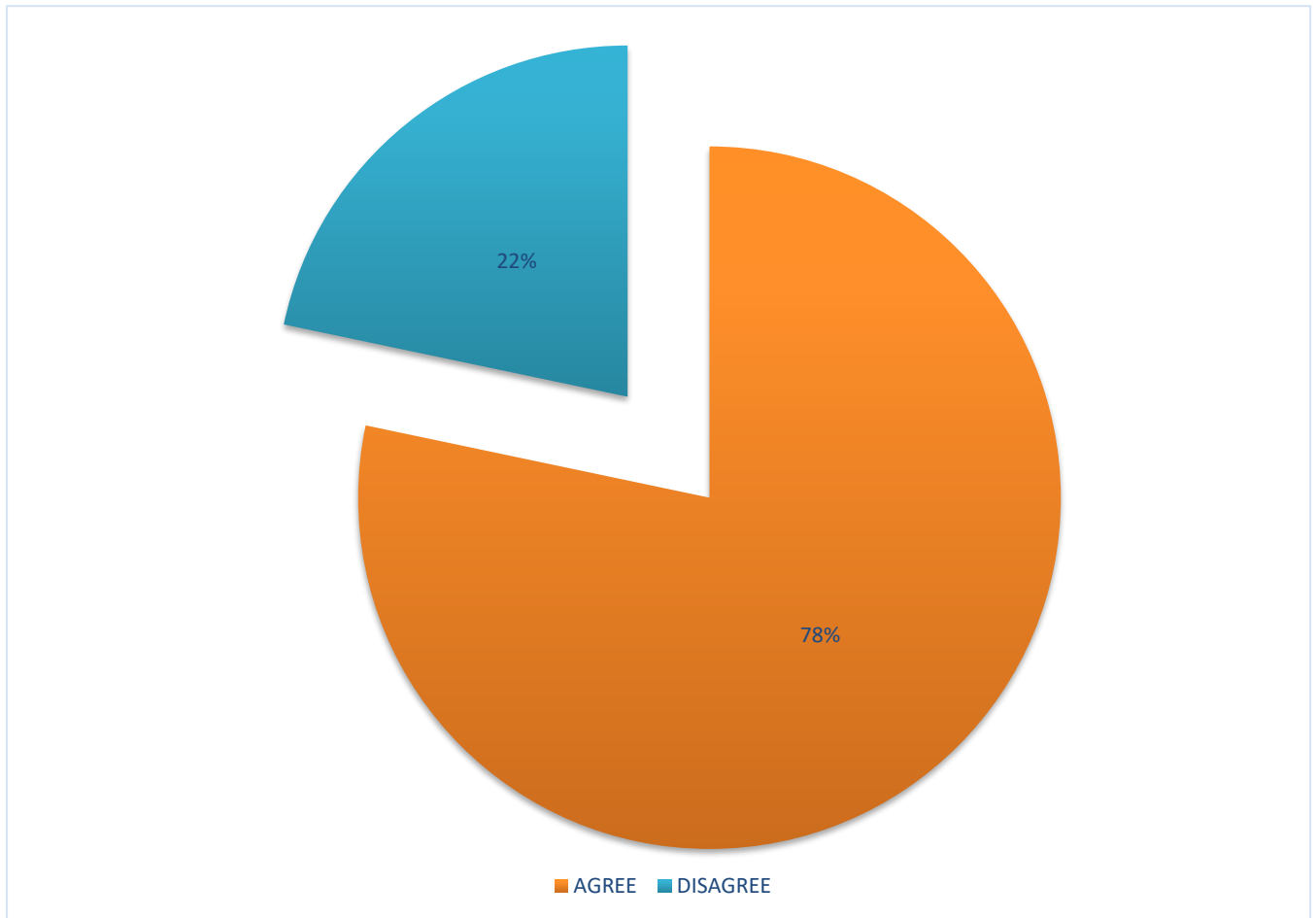
Q14. The company has an IT team that supports IT changes and updates?



INTERPRETATION: -

According to survey 91.7% respondent said they have IT support team for changes and update in software and 8.3% respondent said they do not have any IT support for changes and update.

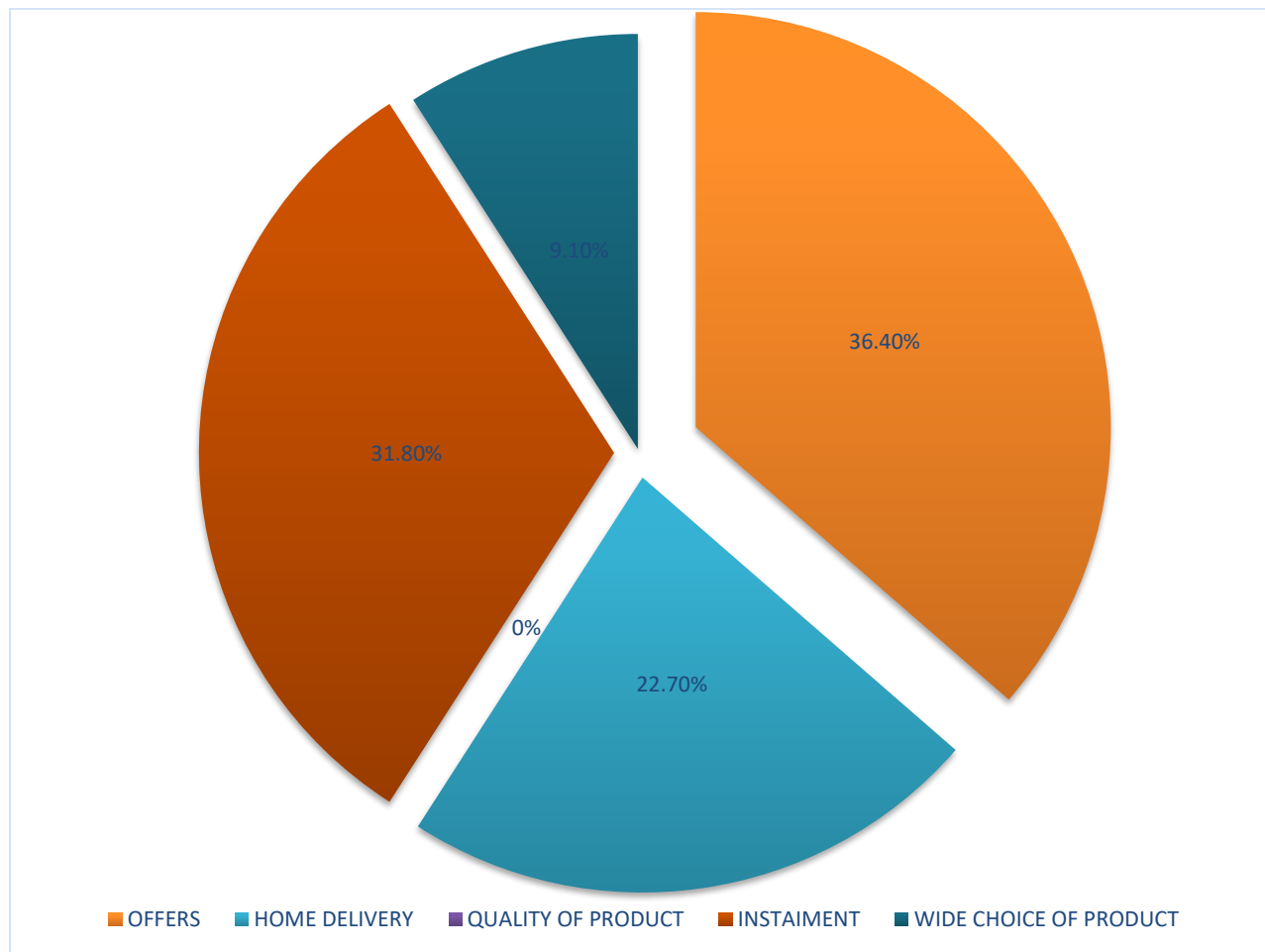
Q15. The manager shows a high commitment and support for the activities of the SC?



INTERPRETATION: -

According to survey 78.3% respondent said that their manager show a high commitment and support and 21.7% said that their manager does not show a high commitment and support inactivity of supply chain management.

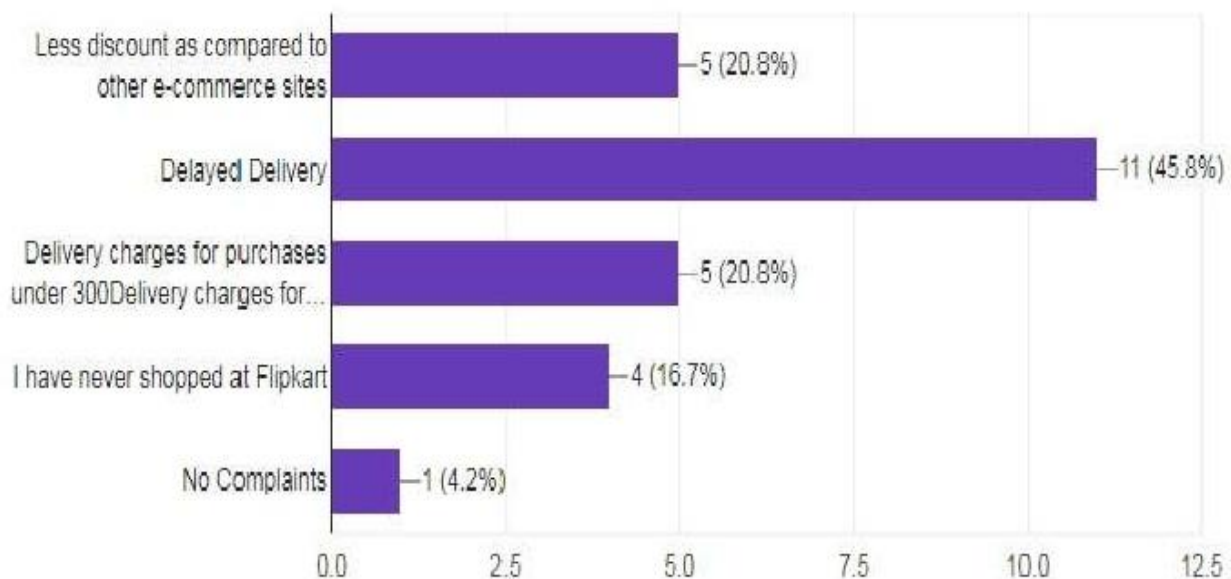
Q16. What is the reason for shopping in Flipkart?



INTERPRETATION: -

As per the survey 36.4% of respondents shop on Flipkart because of offers. 31.8% of respondents shop on Flipkart because of instillment, 22.7% of respondents shop on Flipkart because of quality of product. And 9.1% of respondents shop on Flipkart because of wide choice of product.

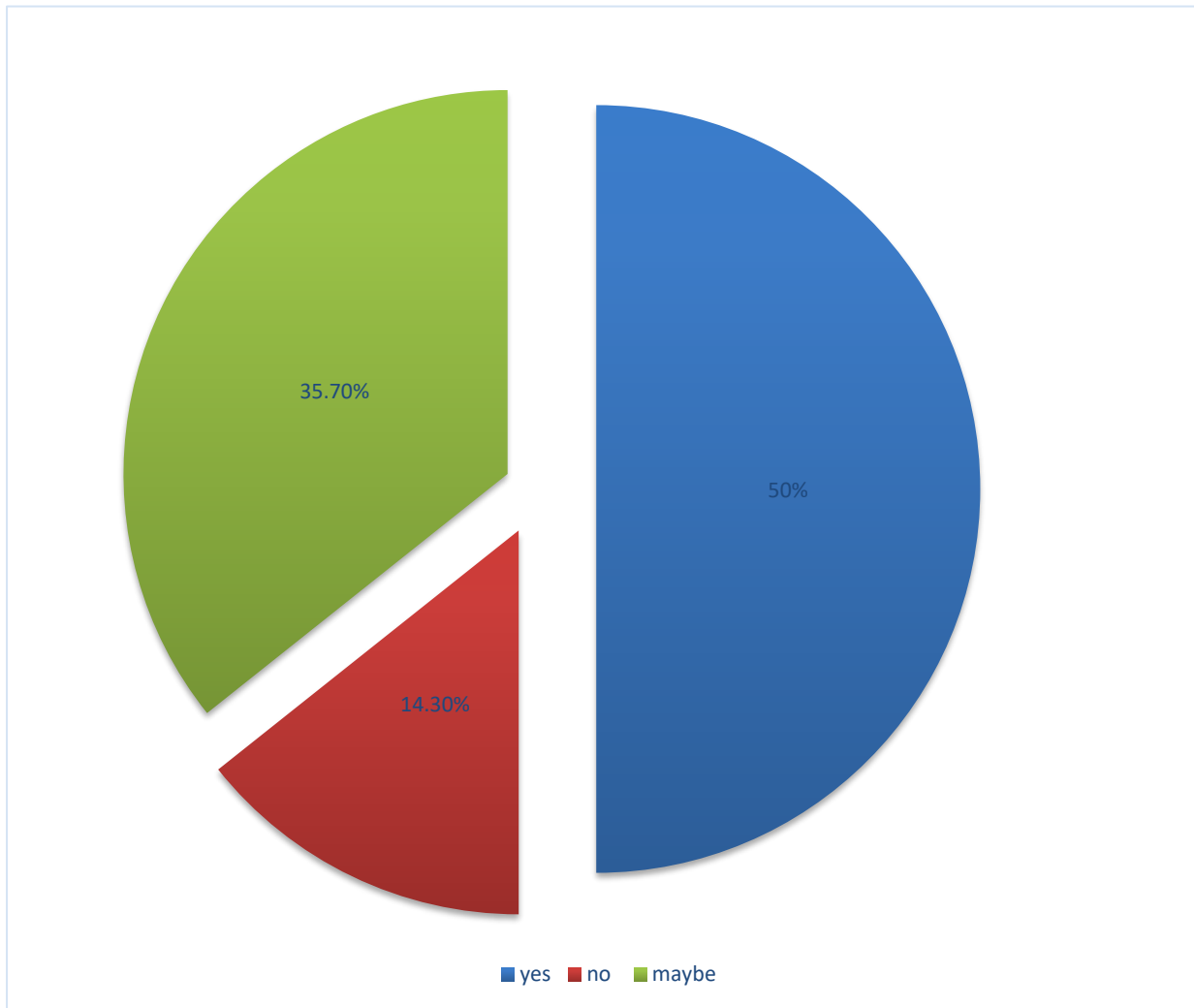
Q17. Which of the following features you do NOT like about Flipkart?



INTERPRETATION: -

As per the survey the features do not like by the customer i.e. delayed in delivery. There was 45.8% of respondent said that they got late delivery order from flipkart. 20.8% said fewer discounts as compare to other e-commerce site & delivery charges under purchase of 300 rs. 16.7% never shop on flipkart and 4.2% has no complaint.

Q18. Do you feel safe in shopping through Flipkart?



INTERPRETATION: -

As per survey 50% respondent feel safe on flipkart website for purchase, 14.3% respondent does not feel safe on flipkart website for purchase and remaining 35.7% of respondent are not sure either it is safe or not.

ISSUES AND RECOMMENDATIONS

1. A lot of manual labor is utilized in warehouses for put-listing and pick-listing. This can be addressed through high-end RFID usage – the way it is done for major logistic companies like DHL.
2. Warehouse layout needs to be looked into so that increased SKU complexity can be handled better.
3. Including seasonality in the forecasting process will help meet customer expectations better during high-rush seasons and manage inventory costs better during lean periods.
4. Periodic review of categories should be undertaken and non-performing or highly volatile categories should be dropped (or replaced with new categories).
5. Incentivize customers for using pre-payment (card or other forms of online payment) methods over CoD payment. Offer EMI options, discounts and freebies for non-CoD customers.
6. Re-visit 30-day no-questions-asked replacement guarantee across product categories. Non-fulfilment of this promise has led to a lot of bad press for Flipkart. Operationally, it also keeps customer service teams busy and leads to additional complications in the reverse logistics path. It also creates problems with supplier management as suppliers may not want to accept ad-hoc returns based on Flipchart's policies.
7. Introduce premium pricing options and pin-code based delivery-time schedules. Currently Flipkart follows same delivery SLAs pan-India.
8. In-house Payment Gateway: Currently 3rd party Payment Gateways like CC Avenues charge on a per transaction basis. As number of transactions grow and average amount per transaction reduces, in-house capability development can help reduce costs. But this requires compliance with PCI DSS standard which is an added operational complexity.
9. Market place: Market place online shopping is gaining prominence, competitors like Infinera and eBay have a lead in this domain.

CONCLUSION

In conclusion, through several interviews with industry insiders, it was evident that Flipkart is a learning organization. They do not spend a lot of time in addressing a problem till it becomes a burning issue and affects profitability significantly.

The company is extremely CEO-driven and encourages entrepreneurial thoughts. This has enabled a lot of in-house innovation and organically developed best-practices - that have now become the industry standard.

New global competitors with better best-practices are arriving in India shortly. Amazon is the biggest example of the same. Increased competition will put further pressure on margins and will need better handling of supply chain issues.

Last but not the least; Flipkart has very clearly prioritized customer delight as its chief avenue for customer acquisition and retention. This causes them to build a lot of slack into their existing systems causing higher costs at several points in the supply chain. Will this strategy ultimately succeed in the long run –is anybody's guess.

through internship, interview and through survey questionnaire, it was evident that flipkart is a learning organization. Their work process like loading, unloading quality check, inward and outward process are good. The employees are given their 100% to their work. They use multiple system to process the customer's order on time. The management of time is very well.

During survey I also targeted some of customer they have some issue regarding delivery flipkart pvt ltd are fail to delivered their product to their customer on time.

At time of internship, I have noticed that the failure of IT system would be delay in work. Every time there was an issue on website or disconnection of internet, this is the biggest reason of delaying delivery of order.

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