

The study of logistic costs for textile product from India: The case study of JR PACK CO., LTD

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Abstract

Self-study about " The study of logistic costs for textile product from India: The case study of JR PACK CO., LTD." has a method of conducting studies. The information used in the study consists of secondary data from various documents and primary data obtained from the inquiry of those involved in the company. Examples include procedures and processes for importing products. By inquiring with the operator and the operation manual of the company Information on the cost of importing goods from receipts Statistical information from various departments of the company, such as cost data from the accounting department damaged product information from the quality control department, etc.

Keywords: logistic , importing product , textile product , cost , India

Objective

To study the cost structure of transporting imported fabrics, placing guidelines or defining strategies reducing the cost of importing fabrics and improve transportation efficiency to reduce losses to increase the competitiveness of the business and to develop alternative strategies to increase business performance.

Introduction

JR Pack Co.,Ltd specialized in crafting customized jumbo bag and Pre-sling for industrial use eg. rice, fertilizer, flour, cement and sugar, as well as large canvas to cover goods and wind cover canvas for vessels.

JR Pack Co., Ltd is a Thai company, it operate under the umbrella of Thai Formosa Plastic Industry Co.,Ltd. (Established since August 1st, 1988 with authorized capital of 63,971,700 THB. It located at 173, Moo 9 Malaiman Road, T. Tabluang, A. Muang, Nakhon Pathom Thailand, 73000).

JR Pack Co., Ltd established on April 10th 2007 with authorized capital of 50 million baht. JR Pack Co., Ltd place its focus on domestic market while Thai Formosa

Plastic Industry focus on international market.

In the study and research of problems and guidelines for determining business strategies. This is a presentation of various ideas, theories and research results. Related to this study with related concepts and theories the objective of this research is to search for logistics costs.

The problem of the factory at the moment is the logistics cost of importing goods higher, want to reduce the shipping cost by finding a way to import cheaper.

Cost means expenses or expenses incurred in order to obtain products and services in operation. Which payment may be cash or other assets by funding the shareholders, the shareholders as well as receiving money from the loan In order to profit as a return and the cost of accounting means the value of economic resources that are economically useful, with limited ownership, i.e. cash or work that has to be lost, can be clearly measured in monetary value. To get products or services to operate.

Production cost is an important factor in determining whether the product will be cheap or expensive because the cost of production has many components that are the main factors of the production of both materials, labor costs, various utilities therefore reducing production costs Therefore, it is very important to make the products at a lower cost or increase profits. Which has a positive effect on the competitiveness of the market.

- Material cost
- Labor costs (labor cost)
- Overhead

Cost means the cost of carrying out various activities.

Production cost means production costs in order to obtain good quality products according to the needs of customers.

Related literature

In the study and research of problems and guidelines for determining business strategies. This is a presentation of various ideas, theories and research results. Related to this study with related concepts and theories the objective of this research is to search for logistics costs in the distribution. By using cost analysis tools for the logistics costs that are not related to production, divided into 3 types of operations:

1. Administrative expenses consist of wages, system costs, support information and various communication costs.
2. Inventory costs
3. Transportation

Secondary data collection is compiled from work documentation, working within the sample company. Including interviewing executives and logistics staff workers to be summarized as activities of distribution operations allocate resources, logistics costs incurred in each activity according to the criteria for the duration of activity usage to

know the cost per unit in each activity.

Under the intense competitive conditions in the manufacturing industry, many companies have Awake and try to adjust himself to the current situation. To create an advantage Competitive Advantage by implementing strategies and methods for management Used in various organizations Supply Chain Management (Supply Chain Management) Business model management in creating cooperation in the same supply chain and manage logistic management starting from the import process. Raw materials into the production process to deliver products to customers, which is the management that every company can giving priority to applying to their organization logistics system is an important strategy of Fashion, apparel industry which is a measure of competitiveness between competitors since The introduction of raw materials to the production plant delivery to the supplier selling and consumers can meet the demand Inventory management with maximum efficiency and cost savings big problem in the system logistics of the Thai fashion industry is that entrepreneurs do not develop the logistics system of entire business but choose to develop a specific part, causing the logistics system to not be fully integrated and may result in efficiency and cost savings that are not as good as they should be cost control of the logistics system will directly affect the cost of the product and affect the competition in the world market especially with competitors that have lower product and labor costs. For this reason, Thailand must develop modern production processes and control the price of supply chain management to efficiency to create competitive advantage with the competitors in the region also must use the advantage of being a logistics center to increase the opportunity for product distribution and expand the concept of work. Wider, not only focusing on the manufacturing sector but can also increase the efficiency of work in various fields. Companies that manage the logistics system correctly will receive many benefits. Reducing activities that are not causing value or loss according to ensure the lowest cost of the organization, resulting in the company being able to compete in the current situation is related to ongoing actions and Responding between companies and competitors for market share competition dynamics are related to continuous action and retaliation in the market competition.

Research methodology

Applied research “aims at finding a solution for an immediate problem facing a society, or an industrial/business organization, whereas fundamental research is mainly concerned with generalization’s and with the formulation of a theory”. Applied research is considered to be non-systematic inquiry and it is usually launched by a company, agency or an individual in order to address a specific problem.

This research uses principles Snowball Sampling Technique. Snowball sampling (also known as chain-referral sampling) is a non-probability (non-random) sampling

method used when characteristics to be possessed by samples are rare and difficult to find.

This sampling method involves primary data sources nominating another potential primary data sources to be used in the research. In other words, snowball sampling method is based on referrals from initial subjects to generate additional subjects. Therefore, when applying this sampling method members of the sample group are recruited via chain referral.

Method

Snowball sampling can happen in a number of ways, but generally it is when a group of people recommends potential participants for a study, or directly recruits them for the study. Those participants then recommend additional participants, and so on, thus building up like a snowball rolling down a hill.

Snowball sampling, in general application, is a type of convenience sample. If you are trying to recruit people who are difficult to identify or have to meet certain criteria to participate, then snowball sampling can be used to ease data collection. Find one person who qualifies to participate, ask him or her to recommend several other people who have the knowledge/traits you are looking for, and participant list can grow from there. This use of snowballing is a type of purposive sampling.

Snowballing can be used to approximate a random sample. There are two main ways that this can happen. The first happens when the first wave of participants are given a selection criterion that helps "randomize" the sampling process. An example would be to have the person recommend potential participants who live the farthest away. After a few rounds, you get a pretty good mix. The second uses network analysis theory to calculate weights for the data so that they reflect the known census/demographic characteristics of the population being studied.

1. Company data collection, case studies
2. Interview with 10 employees in the company
3. 5 questions as follows
 - How does the company import products? And think that there are other transportation costs to reduce costs more than the current method?
 - Management Systems Does the order affect the logistics cost?
 - Does the inventory affect logistics costs?
 - Does the cost of importing products affect salaries?
 - Suggestions for reducing logistics costs
4. Conclusions and suggestions

Demographic characteristics of the respondents

Based on interviews with 10 employees of the company, the following information and suggestions are provided.

1. The factory brought him the goods by the shipping company instead of

importing itself because it was fast , and shipping can go out of the shop to get all the flexibility Receiving service Special customs clearance at every level Send documents to Causing the reduction of warehouse rental The time wasted on the cabinet and the product can be marketed first Making it a competitive advantage Reduce transportation costs by choosing to purchase from Countries that have free trade agreements with Thailand such as FTA, AFTA to reduce the import tax burden

2. Order management system affects logistics costs. If we order enough amount each time to reduce the frequency of import because if we import a lot of times, the cost of logistics is much higher because it has the most expenses as the minimum charge or minimum charge.

3. Inventory affects logistics costs because many products affect storage areas and store in warehouses.

4. The cost of importing goods does not affect salary. But if the cost is reduced, it may affect the bonus or welfare.

5. Suggestions

- Compare the total cost of all imports, such as freight, taxes, exit fees, inventory reserves, etc., compared to domestic purchases. It is unlikely that the outside will always be cheaper than domestic products.

- Will pay freight. Sometimes importers and exporters should pay more expensive freight in exchange for the exact transit time because the uncertainty will to increase the cost of many others.

Conclusion

This research uses principles Snowball Sampling Technique. Snowball sampling (also known as chain-referral sampling) is a non-probability (non-random) sampling method used when characteristics to be possessed by samples are rare and difficult to find.

From the interview of 10 employees of the company. Logistics costs are caused by factors in many ways, such as transportation methods, oil prices, security standards, etc. The company has a way to reduce costs by finding shipping companies to import products instead of importing themselves. Because the company can control the cost of easily issuing products does not escalate because there is a bid before assigning the work to do. Another way to reduce the cost of importing products is to order large quantities each time. To reduce the frequency of imports because if we import a lot of times, the cost of logistics is much higher because it has a large amount of expenses, which is the minimum

charge or minimum charge

Discussion and Recommendation

Compare the total cost of all imports, such as freight, taxes, exit fees, inventory reserves, etc., compared to domestic purchases. It is unlikely that the outside will always be cheaper than domestic products.

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