

HYBRID WAREHOUSE MODEL FOR COST EFFICIENCY AND OPERATIONAL EFFECTIVENESS

A Case Study of an Animal Nutrition Company

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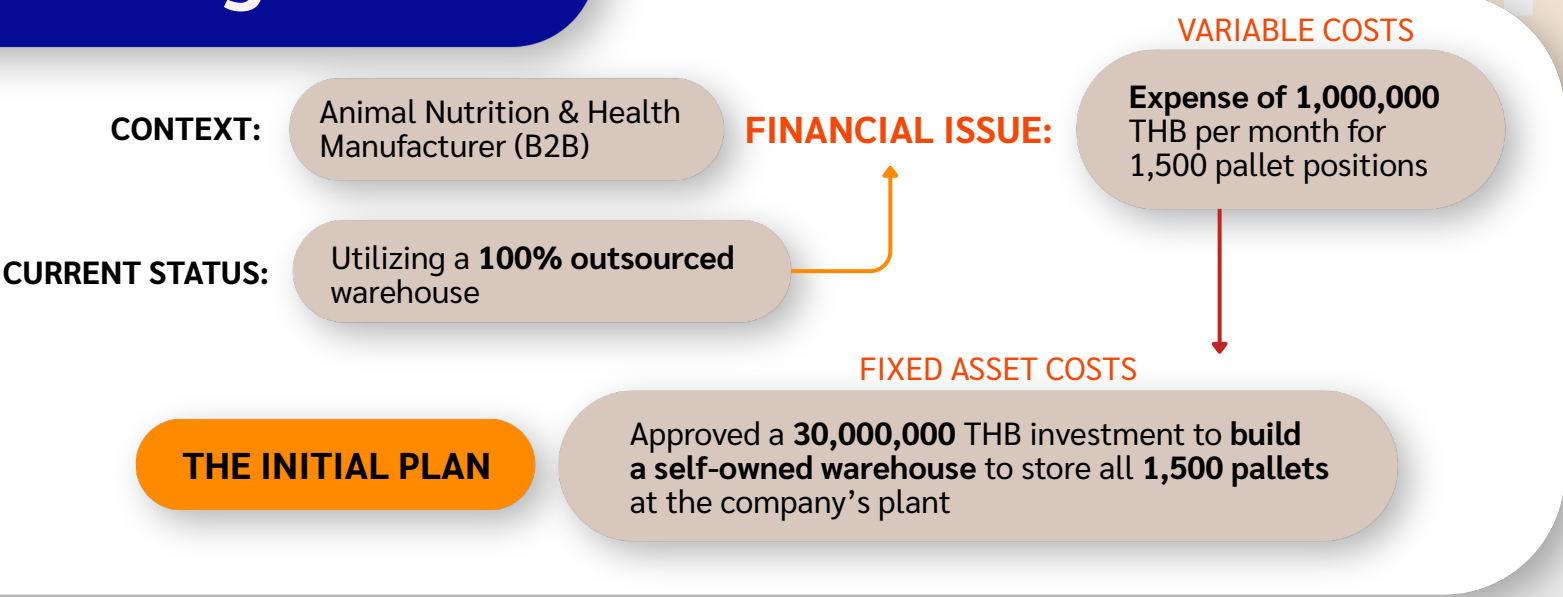
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B.B.A. International Trade and Business Logistics
International College of King Mongkut's University of Technology North Bangkok

Thesis Code: 6802

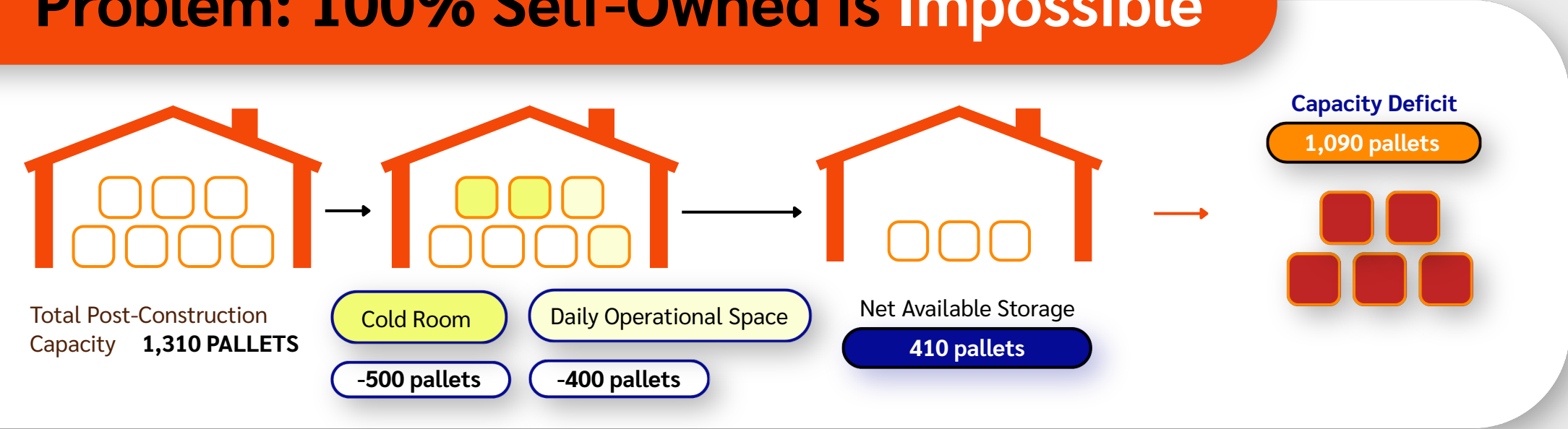
Background



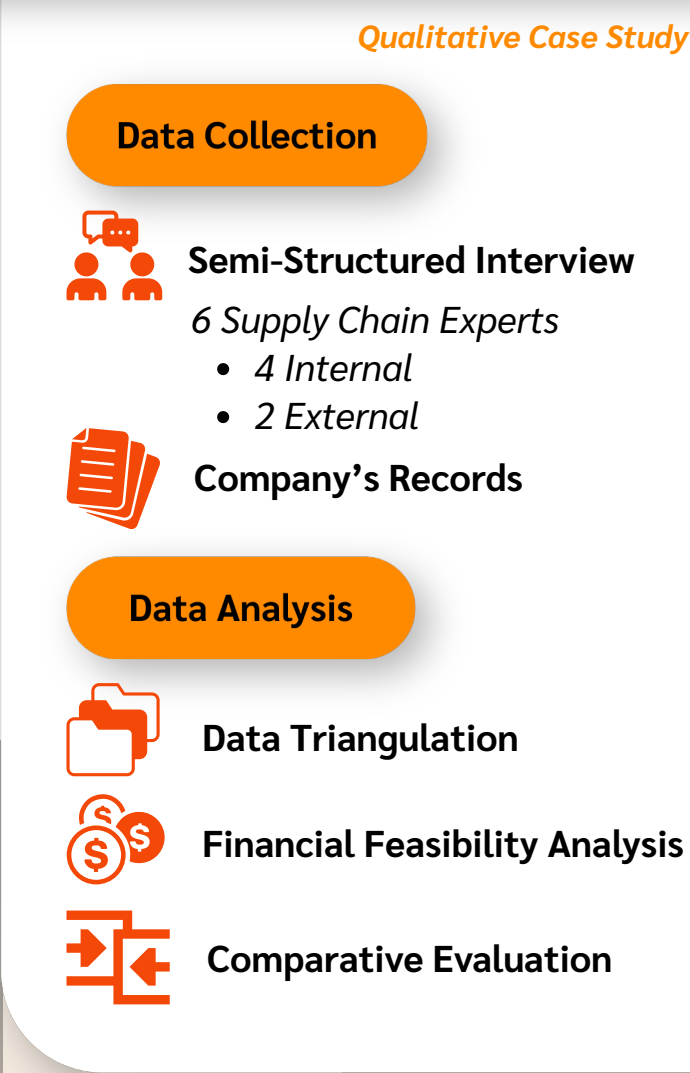
Research Objectives

- 1 Evaluate the feasibility of a hybrid warehouse model
- 2 Assess how **Direct Shipment** and **Just-In-Time** reduce inventory
(Just-In-Time: An inventory strategy where goods are received only as needed for production, minimizing storage time and holding costs.)
- 3 Evaluate **demand planning** and **cross-functional coordination** to reduce forecast errors
- 4 Compare **cost efficiency** and **operational effectiveness** with the current system

Problem: 100% Self-Owned is Impossible

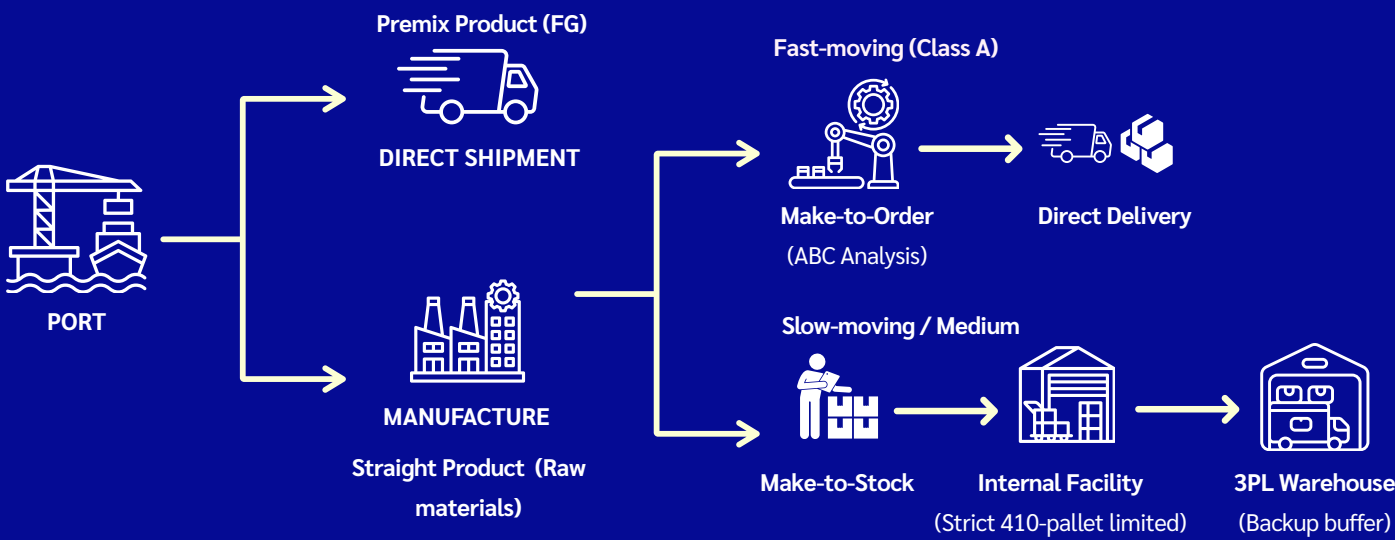


Research Method



Proposed Hybrid Warehouse Model

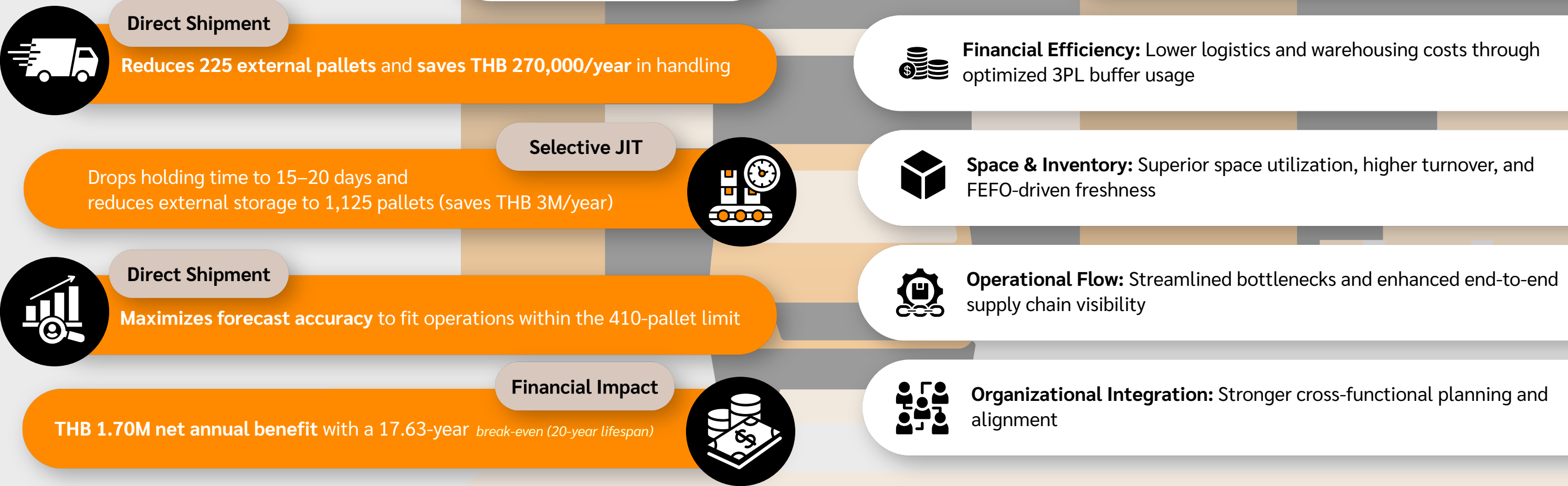
Combining a company-owned internal facility with an outsourced third-party logistics provider to balance fixed capital investment with operational flexibility



Supporting Strategies

- Direct Shipment**
Routes raw materials directly from port to production, bypassing internal storage to reduce handling costs and save pallet space
- Selective JIT**
Synchronizes deliveries with production schedules to shorten inventory holding to cut external storage costs
- Demand Planning**
Improves forecast accuracy through cross-functional coordination, preventing overstocking

Key Findings



Business Implications

of Hybrid Warehouse Model and Supporting strategies