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REDESIGNING THE MANAGEMENT LOGISTICS PROCESS IN THE BRANCHES REGARDING THE DISTRIBUTION OF PETROLEUM PRODUCTS

Keywords

Logistic process

Re-engineering

Petroleum

JEL classification

M11

Abstract

The paper deals with the issue of logistic management redesigning the distribution branch of petroleum products. It highlights the policy and quality objectives and also the logistics key process in terms of the purpose as well as the activities included within each process. The main lines of actions show that the top management branches direct the overall activity distribution of petroleum products to meet the needs of its customers and other stakeholders through continuous improvement of efficiency, effectiveness of the management system quality and its processes.

INTRODUCTION

The current Quality Management System is based on the principles of modern logistics, being developed and implemented accordingly. Therefore, we will present the policy and quality objectives and the logistics key processes in terms of the purpose and the activities included within each process as well as the responsibilities and authorities involved as well as the development sheets of each process.

The top management branches direct the overall activity distribution of petroleum products to meet the needs of its customers and other stakeholders through continuous improvement of efficiency, effectiveness of the management system quality and its processes.

LINES OF ACTION

The main lines of action needed to achieve general - customer satisfaction - are: Promoting the "importance of being aware" in meeting customer requirements and legal and regulatory requirements is one of the goals. Ensuring that the continuous improvement is the main objective of the branch , that the processes and the continuous improvement of QMS is the driving force for the overall performance of the branch

Identifying the processes leading to achieve the services / products that provide added value to the branch is very important.

Establishing and implementing the criteria and methods needed to ensure that both the operation and control of these processes are effective.

Setting specific goals that lead to a better performance of the branch.

Ensuring quality in the branch and planning processes in order to achieve effective QMS quality objectives and requirements for quality of service / product provided.

Ensuring functional structure and adequate resources to achieve the objectives set.

Ensuring the effectiveness and efficiency of monitoring and measuring the process capability of the branches performance and the customer satisfaction.

Regular and systematic analysis of the data and information on the adequacy of policy and quality objectives SMC efficacy, conformity of products / services and customer satisfaction requirements.

Establish and implement actions to continuously improve the effectiveness of the QMS, processes developed to increase customer satisfaction.

THE MAIN OBJECTIVES

Table 1 illustrates the main objectives of the management program, the performance indicators and their measurement mode as well as their responsibilities towards achieving these goals:

Table 1. Quality Management Program

| TARGET SET | ASSOCIATED PERFORMANCE INDICATORS | METHOD OF MEASUREMENT | DEPARTMENT AND RESPONSIBLE POSITION |
|--|-----------------------------------|-----------------------|-------------------------------------|
| A. General Objectives | | | |
| <i>Promoting awareness of the importance of the branch in meeting customer requirements and legal and regulatory requirements.</i> | <i>Efficacy and planning SMC</i> | Management review. | <i>DS and RM</i> |
| <i>Ensure that continuous improvement is the main branch processes and continuously improve the performance of SMC is the driving force leading to the</i> | <i>Efficacy and planning SMC</i> | Management review. | <i>DS and RM</i> |

| | | | |
|---|----------------------------------|---|--|
| <i>overall performance of the branch.</i> | | | |
| <i>Identification of processes to achieve the products / services that provide added value to branch.</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| <i>Establish and implement criteria and methods needed to ensure that both the operation and control of these processes are effective.</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| <i>Setting specific goals lead to better performance of the branch.</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| <i>Ensuring quality in the branch and planning processes in order to achieve effective QMS quality objectives and requirements for the quality of products / services provided.</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| <i>Ensuring functional structure and adequate resources to achieve the objectives set and the efficient functioning SMC processes and continuous improvement.</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| <i>Ensuring the effectiveness and efficiency of monitoring and measuring process capability, performance and customer satisfaction branch</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| <i>Regular and systematic analysis of efficacy data SMC compliance products / services with customer requirements</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| <i>Establish and implement continuous improvement actions QMS processes and customer satisfaction conducted</i> | <i>Efficacy and planning SMC</i> | Management review | <i>DS and RM</i> |
| B. Specific Objectives | | | |
| <i>MS implementation and certification at PECO Timis</i> | <i>Date Limit 30.09.2004</i> | Certification audit completion and receipt of the certificate | <i>MC Branch Manager Coordination Department</i> |
| <i>Making a budgetary</i> | <i>0.5% revenue growth</i> | | <i>Economic Director Chief Financial service</i> |

| | | | |
|--|--|--|---|
| <i>exercise performance</i> | <i>0.5% decrease in expenses</i> | Tracking and reporting of budget | <i>Head Office Accountant. BVC compartments assigned</i> |
| The optimal investment objectives | <i>Compliance deadlines Framing the general estimate No decrease by 4%. receptions and phases rejected</i> | Front and commissioning Checking for currency billing Achieving monthly and annual completion of BVC | <i>Head of Technical Services Mechanical Energy, Metrology</i> |
| Achieving an efficient management of human resources | <i>Increasing competence through training and improvement of min. 20% of staff Increasing the effectiveness of training (min 90% - level min. Satisfactory)</i> | Internal Audits Management review Regular analysis data | <i>Head of Human Resources Department Head</i> |
| Systematic analysis and effective SMC by leading | <i>Timeliness analysis Decrease of 7% of non-compliance streamlining communication Achieving goals t.s. to 100%</i> | Management review | <i>Management Representative Coordinator Compartment. MC</i> |
| Maintaining infrastructure performance through effective maintenance and upgrading works | <i>Achieving the average time of operation provided by the manufacturer No decrease of 7%. complaints which do not answered Analysis and elimination of the causes of lack of response</i> | Tracking and Maintenance reception | <i>Head of Technical Services Mechanical Energy</i> |
| Customer focus, rhythmic and timely supply of complementary products according to customer requirements and product standards | <i>No reduction of 10%. of non-compliance Timeliness of supply Min. 10% revenue from product sales. complementary Decreased slow moving inventories</i> | Reception of products Regular analysis Monitoring meet | <i>Head of Commercial Chief distribution station Head of department / managers Chief Marketing Office Magaziner</i> |
| Providing necessary materials, utilities, etc.. | <i>Decrease the number of incomplete orders Decrease unrated suppliers Decrease the number of inappropriate products Decrease by 3% stocks</i> | Regular analysis Internal audit | <i>Chief Marketing Office Public Relations supply transport Warehouseman central repository</i> |

| | | | |
|--|---|--|---|
| | <i>of slow moving</i> | | |
| Optimizing information flow | <i>20% increase in the number of successful interventions</i> | Checking the ongoing appropriateness of hardware and software requirements SMC | <i>Office computing</i> |
| Keeping conformity stored products according to customer requirements and product standards | <i>No decrease of 10%. of contamination Reaching lev. 95% of compliant products shipped from warehouse No decrease of 30%. complaints</i> | Verification and registration of petroleum products stored | <i>Head of department / managers Warehouseman oil</i> |
| Achieving safe and timely freight | <i>10% reduction in road events Making 95% of stroke during planned</i> | Regular Analysis | <i>Chief Marketing Office Public Relations Supply Transport</i> |
| Achieving compliance measures and monitoring products available for | <i>Achieving a 95% DMM functional</i> | Internal Audit | <i>Metrology</i> |
| Achieving an optimal communication with customers to increase customer satisfaction | <i>Shortening the time for submission of response to requests 95% of applications achievable resolution Optimizing communication by increasing 5% electronic reporting system</i> | Check registry suggestions, complaints using questionnaires | <i>Chief Marketing Office Public Relations Supply Transport</i> |

TERMINOLOGY AND ABBREVIATIONS

The terms used in MC and defining their content complies with quality standards (EN ISO 9000:2001) and other reference documents. For a better understanding we specifically retained following definitions:

Quality - the extent to which a set of inherent characteristics fulfills requirements.

Requirement - need or expectation that is stated, generally implied or obligatory.

Product - the result of a process.

Customer satisfaction - The customers perception of the extent to which the customer requirements are met.

Quality management system - management system which directs and controls an organization in terms of quality.

Quality Policy - intentions and guidelines of an organization related to quality as formally expressed by the management at the highest level.

Continuous improvement - repeated activity to increase the ability to fulfill the requirements.

Organization - A group of people and facilities with a range of determined responsibilities, authorities and relationships .

Client – An organization or an individual that receives a product.

Process - a set of interrelated or interacting activities which transforms inputs into outputs.

Procedure - specified way to carry out an activity or a process.

Traceability - the ability to trace the history, application or location.

Compliance - fulfillment of a requirement.

Non-compliance - failure of a requirement.

Preventive action - action to eliminate the cause of a potential nonconformity or other undesirable potential situation.

Corrective action - action to eliminate the cause of a detected nonconformity or other undesirable potential situation.

Quality Manual - a document that describes the quality management system of an organization.

Audit - a systematic, independent and documented process for obtaining audit evidence and evaluate them objectively to determine the extent to which the audit criteria are fulfilled.

Audit criteria - a set of policies, procedures or requirements used as a reference.

Audit Evidence - Records, statements of fact or other information that is relevant to the audit criteria and that is verifiable.

Knowledge - demonstrated ability to apply knowledge and skills.

Measurement process - set of operations having the object of determining the value of a quantity.

Efficiency - the relationship between the result achieved and the resources used.

Effectiveness - the extent to which planned activities are realized and planned results are obtained.

Compartment - generic name for entities in the organizational structure.

Abbreviations are as follows:

QMS - Quality Management System

MC - Quality Manual

RM - Management Representative at the highest level

DS - Branch Manager

BRML - Regional Office for Legal Metrology

DMM - measuring and monitoring devices

ROF - Organisation rules

BVC - Budget of Incomes and Expenses

IL - Work Instructions

PS - System Procedures

PP - Process Procedure

OP - Operational Procedures

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