

## EXECUTIVE SUMMARY

In today's world, competition is not between individual companies but between efficient supply chains. Therefore, most companies are outsourcing their logistics operations to professional third-party logistics service providers to gain the competitive edge and focus on their core business activities. Unilever Sri Lanka has done the same by outsourcing their end-to-end logistics operation from raw material warehousing to finished goods distribution to Hayleys Advantis 3PL Plus. In this context, the overall project objective of this report is to increase the storage capacity of Unilever Sri Lanka finished goods supply chain managed by Hayleys Advantis 3PL Plus. In order to achieve the project objective successfully, the project team is compromised with key stakeholders from both companies while Hayleys Advantis 3PL Plus members take the leadership.

Hayleys Advantis 3PL Plus is one of the leading third-party logistics service providers in Sri Lanka who offers multiple services such as Warehouse Management, Transport Management, Value Added Services, Production Line Management, Physical Stock Verification and Logistics Consultancy. Unilever Sri Lanka is the biggest client of Hayleys Advantis 3PL Plus who now has faced a greater difficulty with low storage capacity in their finished goods warehouses due to year on year business growth and predominantly Unilever acquisition of Viva and Horlick brands. As the third-party service provider, now Hayleys Advantis 3PL Plus management team has to find an immediate solution for this problem without increasing the logistics cost of Unilever Sri Lanka to ensure the value of strategic partnership over 17 years. Therefore, the project team has conducted a cause and effect analysis and the main problem of low storage capacity has been divided into sub problems as warehouses processes, warehouse infrastructure and equipment utilization.

Based on the above identified sub problems, a theoretical framework has developed to study the theoretical background of the problem with the help of available literature. According to the literature review; capacity forecasting, obsolete stocks, warehouse management system, warehouse layout, inventory profiles, workload balance and transport management system are key areas that need to be optimized in order to find solutions to warehouse storage capacity problem. Furthermore, techniques such as SWOT analysis, cause and effects analysis, five why analysis, interviews, process mapping, layout optimization and benefit-cost analysis can be used to resolve the identified problems.

Then six solutions were developed to achieve the desired project objective of, to increase the minimum free storage capacity of Unilever Sri Lanka finished goods supply chain from 0 Pallet Positions to 750 Pallet Positions. These solutions are to introduce a new process to modern trade stock allocation, develop an excel tool to plan daily replenishment volumes, establish a new KPI for obsolete stock management, install new racks, rearrange cargo zone capacities and develop an excel tool to workload balancing. With these solutions, Unilever Sri Lanka can get a positive benefit against their implementation costs, enabling them to achieve desired project outputs and outcomes.

Finally, the discussion of the identified components show the relationship between identified literature and project components. This displays the actual scenarios of the available literature to get a practical understanding. Furthermore, this enables to understand the importance of continuous monitoring mechanisms, management skills, technical knowhow and most importantly management commitment for successfully implementation of the proposed solutions.