

Research on Project Construction in Hunan Kingyang Distribution

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Abstract—The positioning, construction content and business planning of Hunan Kingyang Distribution Center is studied with emphasis in this paper on the basis of general introduction of it.

Keywords—distribution center; positioning; construction content

I. INTRODUCTION

Hunan Kingyang Logistics Co., Ltd determines to establish its own distribution center at the critical stage of its development, in order to satisfy the constant increasing demand of logistics service of its customers. The problems need to be solved with emphasis in the process of project construction include project positioning, site selection, construction scale, construction content, anticipated investment and return.

II. GENERAL INTRODUCTION

A. Site Selection

The distribution headquarters is planned to be based at suitable position of the Changsha-Zhuzhou-Xiangtan city group.

The sites of transit distribution centers at various places are selected at suitable position in the regions.

B. Project Scale

One distribution headquarters and 6 regional distribution centers are planned to be constructed, so as to form a well equipped distribution network covering the whole province.

The project covers a total area of 500mus, and the total construction area is 175,000m². The distribution headquarters has an area of 200mus with the planned construction area of 70,000 m²; each regional distribution center has an area of 50mus, totaling 300mus with the planned construction area of 105,000 m².

C. Businesses

The construction of this common distribution system aims to make contributions to the exploration and accumulation of new ideas and new paths for our province to carry out business and trading activities and logistics, so as

to activate regional economy and promote the business and trading development in rural areas.

The logistics service businesses of this project include the following:

- Warehousing management. Provide warehouse site and relevant management services, including warehouse site, inventory management, loading and unloading, cargo stripping, sorting, packing, piecing together and other businesses;
- Logistics distribution. Deliver the cargo or goods to Changsha and the destinations within the province with logistics center as the base. Establish the supporting distribution network in the province. As for the operation pattern, combine the self-transport and coordinated transportation for short term; establish less-than-carload shipment and distribution system in the province for long term, with self-transport as dominance supplemented by coordinated transportation;
- Main transport. Organize to transport the cargo or goods from Changsha to various regions of China or from the regions to Changsha or a place within Hunan Province, with coordinated transportation as the main form;
- Logistics information. Provide logistics information with substantive trading content to the logistics markets in Changsha, for instance, the information about vehicles, cargo stowage, etc.
- Logistics contract management. Undertake the overall logistics outsourcing businesses, including the design, implementation and operation of logistics scheme;
- Logistics agency. This includes performing the railway transportation, inland river shipping, ocean shipping, air transport and customs inspection report, tax reimbursement as agent;
- Other Business. Other businesses relating to logistics activities.

D. Designed Operation Capacity

The warehouse construction area of this project is about 140,000 m², with the warehousing capacity of 140,000 ton

(m³) at certain time-point, and annual warehousing turnover of 3,500,000 ton.

The warehouse of distribution headquarters has a construction area of about 55,000 m², warehousing capacity of 55,000 ton (m³) at certain time-point, and annual warehousing turnover of 1400000 ton (m³).

E. Anticipated Investment and Turnover

The total investment in the distribution bases of this project is 589,330,000 yuan according to calculation, with 250,000,000 yuan for land procurement and 339,330,000 yuan for construction investment.

The annual warehousing income is 40,620,000 yuan, annual distribution income 70,000,000 yuan, annual income of loading and handling 52,500,000 yuan, and the income of value-added services, such as payment for goods, pledge of movables, warehouse receipt pledge, labeling and information platform, is 48,935,000 yuan.

III. PROJECT POSITIONING

A. Functional Positioning of Logistics Development Stages

First Stage: Gather the cargo and vehicle source with socialized logistics information platform as the core, to provide warehousing, transportation and other basic logistics services for the business and trading circulation of the whole province. With the establishment of socialized logistics information platform, the information about goods resources can be published in time, and vehicles may be organized to provide transportation service timely, which is conducive to not only the improvement of logistics efficiency and the ability to respond to customer demand, but also to the enhancement of service level and the shortening of goods seeking time. Develop the cargo transport route with high quality and open the scheduled freight train through integrating the transport demand of various commodities on the basis of guaranteeing logistics service supply capacity. Save fund for business and trading enterprises and improve warehousing management level by way of providing the service, such as leasing of specialized warehousing facilities, loading and unloading and handling equipment, which is helpful to improve satisfaction of customers of business and trading enterprises and the enterprises themselves, laying foundation for it to expand logistics outsourcing.

Second Stage: Create the logistics linkage platform for business and trading industry, participate in the supply chain of business and trading enterprises in-depth, and provide inventory management, centralized purchasing, e-commerce logistics, logistics finance and other value-added logistics serves. The central warehouse can realize integration with ERP system of suppliers based on the existing information platform through business performance and resource accumulation along with socialized trend of logistics businesses of the enterprises, so as to have the production schedule and order under control, and arrange goods ordering thereby, thus to guarantee low level of inventory while satisfying production demand. Furthermore, central warehouse can provide supporting logistics service of e-

commerce on the basis of public information platform. Enterprises can publish the finished product information in a centralized way on its official website or the public information platform of central warehouse park, so consumers can have direct access to relevant information on the Internet and realize the online shopping. Once the transaction is concluded, the cargo information will be published through the information platform immediately. Central warehouse provides the one-stop service, including purchasing, warehousing, inventory management and e-commerce logistics, to the business and trading enterprises through logistics information platform, strengthening the communication, coordination and cooperation with supplier and consumers, improving its capacity for responding market demand.

In addition, the central warehouse can provide guarantee for fund-raising from banks for enterprises or provide supervision service for the banks in view of the conditions for real-time supervision of large amount inventory of the enterprises, so that the safety of inventory assets for pledge may be guaranteed. The performance of financial business in logistics industry is beneficial to the activation of traditional warehousing business and the cultivation of new profit growth point.

Third Stage: Take initiative to expand the business and trading service functions of the park, the business and trading center of consumer goods and collecting and distributing base of living materials in Hunan. Attract the business and trading enterprises in this region to establish agencies for marketing at the central warehouse relying on the logistics service infrastructure, customer resources and carrier resource advantages accumulated in the first two stages, so as to create the business and trading logistics service with warehouse automation, loading and unloading mechanization and distribution, construct the park into a logistics harbor of daily necessities integrating display, transaction, warehousing, circulation processing, distribution, freight transport, e-commerce and financial settlement with significant influence in Hunan.

B. Hub Positioning

- Pioneer of modern logistics infrastructure system in Hunan
- Leading integrated logistics distribution group in Hunan Province
- Innovator of logistics-type commercial business characterized by high efficient supply chain
- Hunan business and trading logistics information center

Informationization is the soul and core for modern logistics development, and the inevitable choice for the improvement of logistics efficiency, the effective integration of logistics resources. To give play to the functions of the project effectively and to expand the service space, we must rely on the powerful information network and the improvement of information service function. As a result, importance should be attached to the informationization

construction, and set up the logistics information network with high information sharing and effective integration between government and enterprise, enterprise and market, enterprise and enterprise using excellent resource conditions of its own.

- Transaction center of business and trading logistics market in Hunan Province

Form the important tangible logistics transaction market in the region, speed up gathering of factors in the park and give play to the scale effect and accumulative effect in combination with the goods display and transaction, the development of e-commerce and logistics information network platform relying on the well equipped supporting logistics facilities in central warehouse, so as to establish the position of transaction center in business and trading logistics market.

- Base of logistics development and innovation

Explore the new pattern of business and trading logistics operation and the profit pattern, develop new ideas for business and trading development by performing a series of high-end logistics services, such as providing the individualized custom-made logistics service, logistics financial service, logistics network economy and the integrated logistics service design based on supply chain management, so that the significant logistics development and innovation base may be formed.

C. Positioning of Service Content and Scope

- To provide logistics service for retail goods and business and trading enterprises
- To be the collecting and distributing center of retail goods in Hunan by virtue of its good conditions for collection and distribution
- To extend to various towns in Hunan Province, improve the local business and trading quality and promote the local economic development through construction of the logistics network
- To invigorate the business and trading atmosphere further, and promote provincial economic development

Main services include:

To offer the basic and whole journey of goods warehouse service;

To provide the ability of warehousing process visualization and of integrating with relevant system of customers;

To offer the information about the status of all goods in storage;

To control the quality of all goods in storage in the distribution center and under processing;

To provide a series of warehousing and distribution value-added services etc.

IV. CONTENT OF THE COMMON DISTRIBUTION SYSTEM CONSTRUCTION

As a complete logistics system, this project includes 1 first-level central distribution warehouse, namely Changsha Common Distribution Warehouse, 13 second-level regional and municipal distribution centers, 100 third-level township distribution warehouses. With respect to the second- and third-level service centers, they should be reformed and improved by way of cooperation as much as possible according to the construction and supporting condition of existing parks in various regions and cities after sufficient investigation, so as to avoid repeat construction and to shorten the project construction cycle.

First-level: 1 distribution base at Changsha headquarters (i.e. the central warehouse): 200 mu, with a total construction area of 70,000 m², of which the storehouse occupy 55,000 m², other supporting facilities occupy about 15,000 m²

Second-level: The regional distribution center (i.e. the storehouse for sorting) functions as a transit depot. A total of 6 regional distribution centers are established all over the province, with each covering an area of 50 mus, and the total construction area is 105,000 m².

Third-level: Township storehouse (i.e. distribution storehouse), nearly 100 township warehouses are constructed with each of 500 m² and total construction area of 50,000 m², of which the storehouses cover 40,000 m², and other supporting facilities occupy about 10,000 m².

V. PLANNING OF MAIN BUSINESSES

The basic business scope of Kingyang Logistics Center includes third-party logistics, warehousing management, distribution within the province, domestic road transport, financial support, commercial agent and comprehensive trade, logistics information and real estate in logistics industry.

A. Third-Party Logistics

1. Design and consultation of supply chain logistics scheme. Provide supply chain management consultation for large and medium-sized manufacturing enterprises, commercial chain enterprises and branches, and accept their delegation to design the chain logistics scheme.

2. To be delegated by the customer to organize and implement the supply chain management scheme and other third-party logistics solution.

3. To participate in the operation and implementation of the third-party logistics scheme

B. Warehousing Management

1. Warehouse leasing. Lease the warehouse as per the area, provide corresponding facilities to the customer, and collect rent according to area.

2. Inventory management. Provide product inventory management service to the customer, including product

inventory information, product collection and distribution, and charge according to the turnover volume.

3. Loading and unloading. Unload the products entering into the warehouse; load the products delivering out of the warehouse, and charge according to the business volume.

4. Logistics processing. Sort out, encode, pack and process the products according to customer's requirements, and charge according to the business volume.

5. Warehouse supervision. Supervise the products by delegation by the third party, and charge according to the business volume and occupied area.

C. Distribution Within the Province

1. Transport the products by customer delegation to the designated place at agreed time from logistics center or the warehouse designated by customer.

2. Less-than-truck-load transport in the province. Set up special fleet of vehicles, construct the less-than-truck-load transport network covering all over the province and collect and distribute goods within the whole province when the distribution business in the province has reached certain scale.

D. Domestic Road Transport

1. Non-fixed route long-distance transport in China;

2. Fixed route long-distance cargo transport based on the condition of relevant stable business volume;

3. Main transport for significant customers based on long-term contract;

4. Domestic long-distance transportation coordination;

5. Perform the combined transportation and management of highway, railway, inland river and air transport, and act as an agent of railway transportation, inland river transport and air transport.

E. Financial Agent and Fund-raising Service

1. To act as an agent by delegation to perform settlement and payment collection for supplier of logistics center customer;

2. Movable property pledge intermediary and fund-raising guarantee based on warehousing management;

3. Fund-raising guarantees facing the small- and medium-sized enterprises.

VI. CONCLUSION

The result of this paper is an excellent suggestion for the construction of Hunan Kingyang Distribution Center. The construction and development of this project form an advantage of Hunan Kingyang Logistics Co., Ltd in regional distribution service, and boost the realization of enterprise's goal to be a symbolic logistics enterprise in the region.

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