

The One-Hub System

For some manufacturers of end-products, especially SMEs, it will make perfectly good logistic and economic sense to use one EC warehouse for all markets. Advanced Micro Devices, Inc. is considering using an Irish warehouse to transport its products directly to all 12 EC countries.

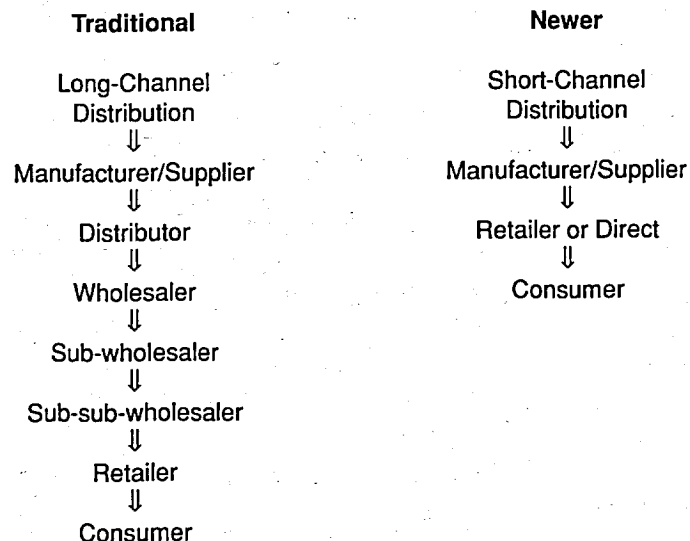
A critical factor that will permit centralized warehousing will be the harmonization of product standards and specifications. A *Made in EC* mark signifying the new capability of interstate transportation may even evolve, assuring the product free movement within the EC.

Defining Your Distribution Needs

New distribution challenges are emerging as more buyers and more destinations come into play. Here are some important issues:

- ❖ What are your shipping requirements? (size, weight of loads, destinations, frequency, speed, and special provisions, e.g., temperature, humidity control)
- ❖ How will your company choose between direct delivery or warehousing?
- ❖ How will your warehouse function? (bulk, intermediate, local)
- ❖ What will be adequate stock levels and how will you maintain them?
- ❖ What routes and types of transport are best suited to your products and market locations?
- ❖ What part of your distribution will your company handle itself and what will be contracted out to shipping firms?
- ❖ What organization and equipment will you need to support your distribution? (personnel, information-handling requirements, remote location monitoring)

Streamline Your Distribution for the EC



Source: J. W. Dudley, 1992 – *Strategies for the Single Market*, p. 302