ABSTRACT

The Rural Electrification Board (REB) is a semi-autonomous government organization constituted under a government ordinance in 1977. It is primarily responsible for implementing countrywide rural electrification program to bring power to those living outside the main cities, the rural poor through Rural Electric Societies (Palli Biddyut Samity - PBS) on the principle of co-operative. REB implements the programs of distributing power in rural areas by conventional electric grid system and renewable energy resources and to do this it constructs power distribution lines, sub-stations, install solar power plants and SHSs. Therefore, 90% of REBs total expenditure is spent for the procurement of equipments and materials required for construction and maintenance.

These materials need to be stored, managed and re-distributed as per requirement very efficiently and effectively where the warehouse function can play a vital role to add value to the supply chain. Primarily, these materials are stored in three central warehouses of REB. As a not for profit organization, the focus for REB is increasingly on reducing the operating cost to ‘Delighting the Customer’. Stockholding policy (or physical storage & distribution) and warehouse management has a crucial role to in helping to deliver this objective.

Warehouses are usually large plain buildings used for commercial purposes for storage of goods and are commonly used by exporters, importers, wholesalers, manufacturers etc. Warehouses are crucial components of most modern supply chains and are likely to be involved in various stages of the sourcing, production and distribution of goods, from the handling of raw materials and work-in-progress through to finished products. As the dispatch point serving the next customer in the chain, they are critical to the provision of high customer service levels.

Warehouse management is concerned with ensuring that all the activities involved in warehousing are carried out efficiently and effectively by seeking to eliminate waste from activities that add cost to the supply chain, while maximizing those areas that add value. Every organization, regardless of size, has developed and implemented its own management concepts in order for it to run smoothly and accomplish the vision, goals and objectives it has set forth. In the context of warehousing, the basic functions of management could be broadly broken down into four major areas which allow for it to handle the strategic, tactical and operational decisions for the organization. The four functions or types of activities of warehouse management are: planning, organizing, leading and controlling.

This study is designed to explore the overall picture of warehouse management practice in REB and help identify the scope of improvements. To reach the said objectives, the study intends to use qualitative research model which was mainly based on primary data and some secondary sources were also used. In this regard, for primary data collection the study mainly used a combination of Key Informant Interviews (KIIs) and observation research methodologies. The combination of the stated methods is used for this study to take advantages of their respective strengths and overcome the limitations of others. Then secondary sources (includes books, articles, literary works, etc.) were also used to support the conclusion and recommendations made.

The study found that, every year billions are spent for the procurement of equipment and materials required for construction and maintenance which are then stored in the central warehouses of REB and later distributed to other stores and project sites according to the requirements. But the warehouse management of REB has no specific long term vision and goals.
In addition, existing performance of Warehouse Management is not that much satisfactory in terms of efficiency and effectiveness in comparison with the present standards of similar industry. Therefore, based on the response of the respondents’, observation and literature review problems are identified and conclusions are drawn. REB has not traditionally seen warehouse function as ‘profit centre’ rather considered as ‘cost centre’. Hence, efficient and effective warehouse management has crucial roles to play for the organization and it can act as a profit centre for the organization. Warehouse Management provides maximum profitability with the minimum investment through ordering cost and carrying of materials. It provides service and controls function of the flow of materials entering and distributed at a company.

The study recommends some possible improvement in the key areas of REB warehouse management such as organization and management, warehouse and warehouse premises management strategy, security, health and safety, use of ICT, disposal of goods, annual procurement plan and training of personnel’s. I believe that, if REB considers and implements those recommendations in warehouse management then existing performance of warehouse management at Central Warehouse, Dhaka would certainly improve which in turn can be implemented throughout REB to improve its overall performance regarding warehouse management.

In today’s world warehouse management is considered as an indivisible part of all business. If effectively and efficiently organized and managed the REB warehouses could deliver safe custody of materials, clear monitoring and accountability, distribution of the right goods at the right time whenever required in the right condition to all user departments, maximum profitability with the minimum investment through ordering cost and carrying of materials. It provides service and controls function of the flow of materials entering and distributed at a company. In general, this study is expected to be helpful for the policy makers of REB to improve the existing performance of the REB Warehouse Management.