

Lectures on Defensive Management

Lecture #5: Documentation flow: from quotation to confirmation of order, error tracking and correction

Objective:

- . Revision of the information flow structure in a trading office environment
- . Demonstration of errors
- . Planning technique in error trapping and error avoidance.

Outcome:

- . Capable to minimize problems in documentary activities.

Introduction of documentation flow in trading office

1. Revision of an information flow network

1.1 What is information?

Information is a piece of data which carries meaning. It is the vital link of communication in the office as well as in the factory.

1.2 An information flow network

Starting from the process of product development to the final delivery of goods to the consumers, all the related information flows from one stage to another, and from one department to another. The routes of such information flow constitute a network. Here is an example:

Product Development: Initial design sketches will take the following flow path:

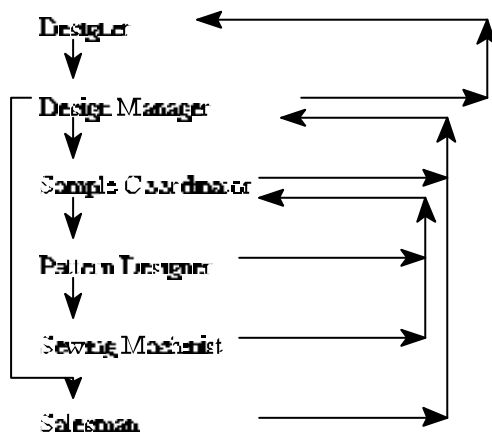


Figure 1.
Flow of design sketch during the Product Development Stage

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2. A general documentation flow network in a trading company/wholesaler
 - 2.1 Product Development stage
 - *initial design sketches with construction details [designer]*
 - sample production documents [design manager/sample coordinator]
 - pre-sale documents [salesman]
 - evaluation documents [design manager/sample coordinator/salesman]
 - 2.2 Sourcing stage
 - *an initial plan of production [buyer]*
 - *sample production documents [sourcing manager]*
 - initial quotation [factory manager]
 - evaluation of salesman samples [buyer/salesman]
 - revision of the initial plan of production [buyer]
 - 2.3 Placement of production
 - *order information (includes: contract and product specification, etc.)*
 - scheduling report [merchandiser]
 - *order of raw material [merchandiser]*
 - *booking of factory capacity [merchandiser]*
 - scheduling of inspection [merchandiser]
 - *financial documents related to L/C [finance department]*
 - 2.4 Production
 - evaluation of shipment samples [merchandiser/buyer]
 - in-line inspection reports [merchandiser]
 - *production status reports [merchandiser]*
 - *final inspection reports [merchandiser]*
 - 2.5 Delivery
 - shipping documents [shipping department]
 - visas (quota)
 - declaration of country of origin
 - export/import declaration
 - *L/C related documents [finance dept./shipping dept./merchandising dept.]*
 - 2.6 Claim
 - *record of communication [merchandiser/buyer]*
 - documents related to an arbitrator [arbitrator]
 - law suit [lawyer/attorney]
3. Common mistakes
Refer to the items in italic.

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4. Prevention
- use of integrated computer software for record
 - . features: history of updates (with reason and authorization)
 - checking of unintentional typos
 - check sum monitor
 - etc.

 - periodic checking/updating of status reports
 - confirmation (in black and white) of changes/request/confirmation
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