



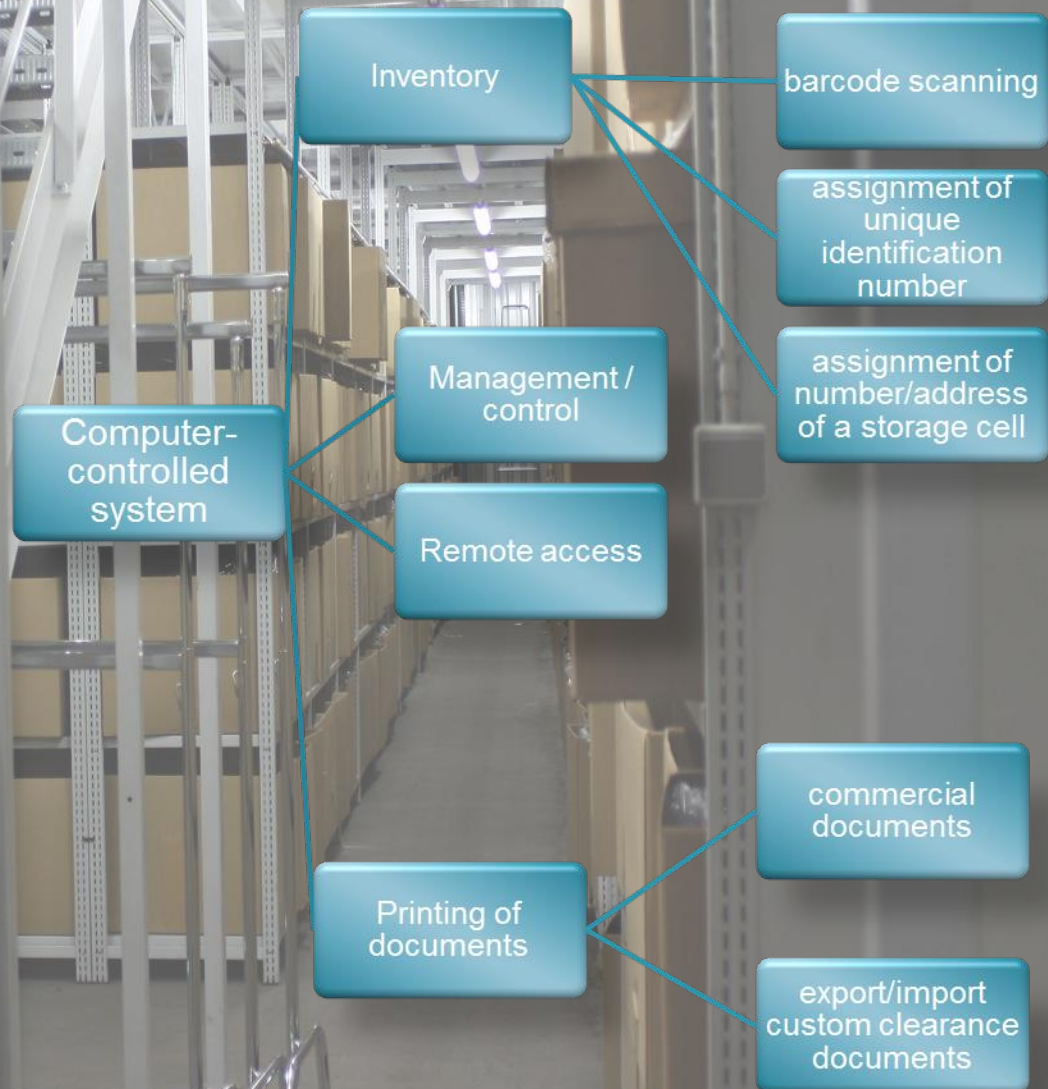
# Electronic computer-controlled system of goods inventory

International Logistics & Customs Warehouses



# Introduction

- ▶ Our system was developed on the basis of “1C Business (logistics and warehouse stock-taking)” software solution in order to optimize (automate) warehouse management intended to stock-taking of piece goods, taking into consideration European and Russian specifics.
- ▶ The present software solution utilizes all advantages of the new software platform. That allows managing intensive warehouses real-time, connecting big number of radio terminals and portable scanning devices. The customer in its turn receives the remote access to warehouse server. Owing to that the customer is able to form an order online as well as to check the balance stock and to analyze goods' flow. Web-application “Remote warehouse” ensures close online cooperation between the customer and the warehouse without losing any time synchronizing their actions. “Remote warehouse” is brought into action in close contact with the customer in several phases.



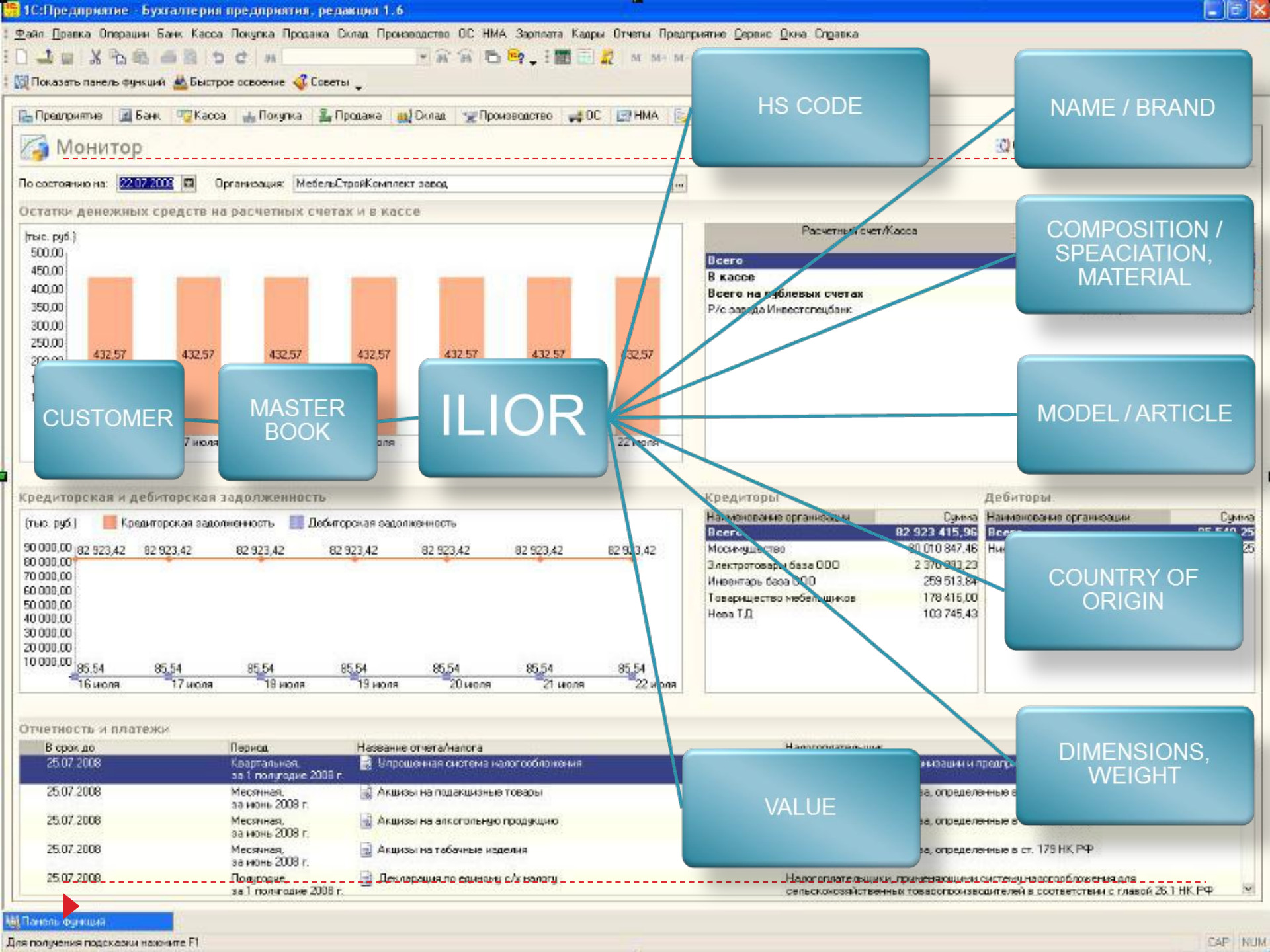


# FIRST PHASE

- ▶ Within the first phase the customer submits complete specification / electronic catalogue (master book) for the goods. IT stuff of our company enters the specification in the warehouse program database. This is the first and rather significant phase. The arrangement of further stock-taking at the warehouse will depend on this first phase. Our specialists together with the customer customize client database for receipt, sorting and loading of the goods. The program allows realizing the process in Russian, English and Latvian languages. In the future this will considerably simplify drawing up of European and Russian commercial and customs documentation for the goods.

- ▶ The above mentioned documentation will contain all necessary information for settlement of customs formalities and accomplishment of commercial transaction: customs code of the goods, description, composition/material, article, country of origin, dimensions, weight, cost and other important information. After all data is entered in the database the first phase is completed and the second phase (processing of goods) begins.





# SECOND PHASE

- ▶ Upon receipt of the goods, the primary packing of the goods is unsealed (under written consent of the customer) and piece-by-piece receipt of the goods is carried out. Each unit is scanned by its barcode. Each unit is assigned with unique identification number and a storage cell. The goods of the same article may be placed in the same storage bin. Therefore, each storage bin will contain the goods with identical articles only. This, in the future, will allow more efficient carrying out of stock-taking / inventorying and collection of units of goods to be loaded to the customer. After entire consignment of goods is received the customer receives electronic notification. After that the customer is able to check and make certain of availability of the goods at the warehouse as well as to print out any document containing the information about the stated goods using “remote access” option.







WAREHOUSE

RECEPTION /  
ACCEPTANCE

barcode scanning

assignment of unique  
identification number

assignment of  
number/address of a  
storage cell

physical layout of goods  
at warehouse

Electronic notification

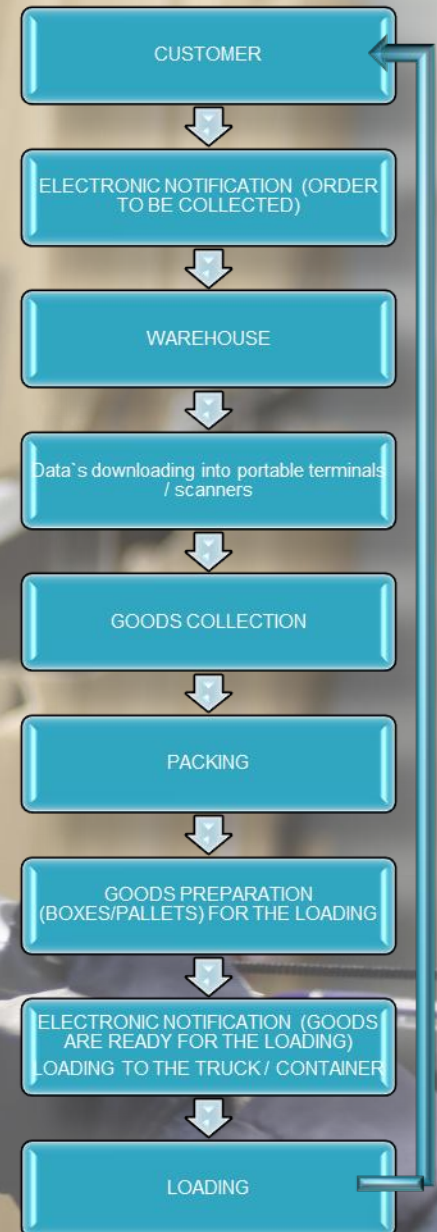
access to detailed  
cargo/goods  
information

management/  
inventory possibility



## ▶ THIRD PHASE

- ▶ The customer makes an order for shipment electronically directly at the warehouse server. The warehouse receives electronic notification on the order. The order is being checked and downloaded into portable terminals / scanners. Warehouse staff gathers the order by putting marked and scanned units in the cartons. The cartons may be packed in various manners (in accordance with customer's wishes): on the basis of its articles / models or on the basis of customers / consumers. That means that the cartons may contain units with the same article or it may contain units with different articles collected for the same end consumer. The cartons are marked in accordance with customer's needs. This leaves out the necessity to sort the goods in the future and allows carrying out direct delivery of the goods to the end consumer of the customer. Each carton is sealed with self-adhesive tape and marked with the label containing a barcode and current number. The cartons ready for shipping are weighed and stacked onto pallets as per customer instructions.
- ▶ The customer receives electronic notification on goods' readiness for shipment. The message contains information on the quantity of CLL, weight and marking. The customer has an opportunity to print out any shipment related document in order to settle export and customs procedures within the territory of the European Union. The customer is able to print out the same set of documents intended for settlement of import customs procedures in Russian Federation and the end consumers.
- ▶ Hence the customer receives completely sorted goods, which are ready to be shipped to the end consumer i.e. the store, the warehouse, the facility or any other place. This approach allows the customer to cut out expenses connected to running of sorting warehouse at the point of destination or else to avoid sorting expenses to be paid to the shippers of goods. Objectively this approach helps the customer to save his money and time





# Conclusion.

- ▶ Finally we would like to make a point of the following aspects. First aspect, which we have already mentioned, is cooperation with our sorting warehouse that allows the customer to cut out expenses connected to running of sorting warehouse at the point of dispatch of the goods or at the point of destination. It is a known fact that expenses connected to running of sorting warehouse and, respectively, warehouse services pricing is considerably lower in Latvia than such in Europe or Russian Federation. Hence this approach allows the customer to significantly reduce his overhead expenses. Another important aspect is financial planning and management of realization of goods. The fact is that entering the country (here Russian Federation) the customer is obliged to pay taxes and custom duties necessary for import of particular groups of goods in the country. In case the goods are not sold entirely and are further stored at customer's or contract partner's warehouse, the assets of the customer are freezed in the form of paid taxes and duties until the goods are realized in full. In case the customer leaves the goods at our warehouse in Latvia, he is able to command his finances freely as the goods stored at the customs warehouse in Latvia do not require payment of any taxes or duties. Further the customer may proceed with realization of goods, which will arrive within few days after dispatch from our warehouse thus concentrating his attention on realization of goods rather than on its logistics.





Thank you for your attention!