



MITCO LIMITED

PO Manage Questionnaire

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Section 0. General

0.1. Organization

We would like to understand your organizational set-up and would therefore appreciate if you could provide following:

- a) A high-level organization chart of your company (departments)
- b) Organization charts of other functions or departments within your company that handle part(s) of the inbound supply chain
- c) Do you have any subsidiaries or trading offices abroad that are involved in logistics tasks (e.g. communication with vendors)? If so, please explain which tasks/functions are handled by them and how they interface with you. (You can use flow charts if this is easier for you).



Section 1. Volumes and modes of shipment

1.1. Corridors

a) Please advise the origins to be handled (countries)

b) Please advise destination locations (city/country)

1.2. Commodity

a) Are there multiple commodity types?

b) If so, do the logistics processes differ between the different commodities? (E.g. different document submission deadlines, CFS ratio, destination location, reporting requirements, etc.)

If different commodity types have different procedures or requirements, please ensure to specify this by each relevant question throughout this questionnaire.

1.3. Ocean freight

Please advise per corridor (= per origin/destination combination):

a) Overall number of containers per equipment type (20', 40'; 40HC, 45')

b) Number of factory loaded containers (CY/CY) per commodity and per container type

c) Number of consolidated containers (CFS/CY) per commodity and per container type

d) Weekly or monthly CFS/CFS volumes per commodity

e) Do you have any MICP (MCC) shipments? If so, please elaborate on volumes per commodity.

f) Do you have any DC-bypass shipments? If so, please specify ratio and specific destinations.

g) Please advise the average utilization per container size/type (if different per corridor, please specify).

h) Please advise average amount of order lines (PO/SKUs) per container for CY/CY, CFS/CY and CFS/CFS shipments.

i) Please advise the ocean carrier selection by corridor.



1.4. Lead time

- a) What is the average lead time for your purchase orders from the time a PO is placed with a vendor until the goods arrive at destination? (Please specify per corridor if there are significant differences).
- b) What is the average lead time for your purchase orders from the time of shipment until the goods arrive at destination DC? (Please specify per corridor if there are significant differences).
- c) Are there any variances in the lead times above? If so, how often? What is/are the reason(s)?

1.5. Airfreight

- a) How many purchase orders are air freighted per year?
- b) How much volume (CBM) is air freighted per year?
- c) How many purchase orders are changed from ocean mode to air mode per year? What are the reasons?
- d) What are your annual airfreight costs?
- e) Will Mitco be handling airfreight?

If so, please advise following per corridor:

- f) The overall number of airfreight shipments
- g) Weekly number of airfreight shipments
- h) The average CBM/KGS per airfreight consignment
- i) Average number of order lines (PO/SKUs) per shipment

1.6. Peak periods

Is your supply chain impacted by seasonal fluctuations? If so, please specify the fluctuations by month based on the shipment dates from your vendors (or the arrival time at destination).

1.7. Buying terms

- a) Under which INCOTERMS are you buying? (EXW, FOB, C&F, DDP, etc.) If different per corridor or commodity, please specify.



Section 2. Purchase Order Flow

2.1. PO dates

- a) Which dates are you working with in relation to your purchase orders? (E.g. latest shipment date, latest delivery date to consolidator facility, merchandise due date at DC, merchandise due date at store, etc.)
- b) Which date(s) is/are given to the vendor?
- c) Do you work with a ship window and if so, how is the ship window calculated (the window between earliest ship date and latest ship date)?
- d) Do you plan towards merchandise due date / in-DC date at destination?

2.2. PO structure

- a) How is your purchase order number structured? What do the individual components stand for? (e.g. combination of product category number, DC number and a unique identifier, etc.)
- b) Do your purchase order numbers have a standard length and format? (Number of characters, numerical or alphanumerical, etc.). Please specify.
- c) Is the PO structure homogeneous, or can it change?
- d) What are the minimum/average/maximum numbers of PO lines attached to one PO? (ie, how many SKUs does a PO normally contain?)

2.3. SKU structure

- a) How are your SKU numbers (article/item numbers) structured?
- b) Do your SKU numbers have a standard length and format?
- c) Is the SKU structure homogeneous, or can it change?

2.4. PO issuance

- a) How many purchase orders do you issue per year? If possible, please advise seasonal fluctuations.
- b) How much in advance are purchase orders placed? (In relation to: Earliest or latest shipment date by vendor, required arrival date at discharge port, required arrival date at DC and/or required date in store)
- c) Do you place orders via buying agents or with vendors directly? Are there exceptions to the rule?
- d) How many vendors do you work with? (per country)
- e) How are purchase orders communicated to the vendors?
- f) Which data is included in the purchase order that is transmitted to the vendor? (E.g. PO number, SKU numbers, quantity, size, color, origin, destination, sales order number, etc.)
- g) Do you ever re-use purchase order numbers? If so, please explain when and why.
- h) Can one purchase order cover multiple shipment dates? If so, do you assign a unique reference to each shipment lot?
- i) Can one purchase order cover multiple origins? Multiple destinations?



- j) In how many cases is the purchase order issued to a party in a country other than the shipment origin country? (e.g. the PO is issued to a party in the USA but the purchase order is shipped FOB China). Please specify the approximate % of purchase orders and the % of total volume.
- k) In such cases (ref point j.), is it a triangular business relationship between yourselves and your vendor?

2.5. PO revisions

- a) How often are purchase orders amended?
- b) What is usually amended and what is the reason?
- c) When does the amendment take place (compared to shipment date)?
- d) How often are purchase orders cancelled? What are usually the reasons?
- e) When does the cancellation usually take place (compared to shipment date)?
- f) How are PO amendments or cancellations communicated to the vendor?

2.6. PO monitoring

- a) When and how do you currently receive confirmation that the vendor has booked your purchase order for shipment?
- b) Is any monitoring or communication taking place from the time the PO is issued until the time the purchase order is ready for shipment? If so, who is responsible and how is it performed?
- c) Which discrepancies arise and how often do they occur? (e.g. cargo delayed, early shipment, etc.)
- d) How are discrepancies reported? By who? When?
- e) Which information do you receive? Which information do you require?
- f) Are purchase orders generally shipped on-time compared to the original date of the PO?

2.7. Vendor booking

- a) Do your vendors currently place bookings directly with the ocean/airfreight carrier or with a consolidator?
- b) Have you specified any mandatory references for a consignment that must be quoted by the vendor at time of booking? If so, which?
- c) Is any information checked by the carrier or consolidator at time of booking? If so, what is checked and how?
- d) Does the vendor use your purchase order number and SKU numbers when placing the booking? (This is relevant where buying agents are involved, ie. when the purchase order has been placed with a party other than the actual factory/vendor). If not, how do you handle this?
- e) Do you currently receive any pre-advice prior to consolidation and shipment?

If pre-advice is received:

- f) Do you receive pre-advice for all shipments? If not, please specify which shipments you do not receive pre-advice for and why.
- g) Who sends the pre-advice and who receives it?



- h) When is the pre-advice sent?
- i) What information is included in the pre-advice? How do you use this information?
- j) When and how do you reply to the pre-advice?
- k) In your view, what is the purpose of the pre-advice?
- l) If PO upload is provided to Mitco, will Mitco be authorized to approve shipments (and only send pre-advice when the booking does not match the uploaded PO information)?
- m) Which tolerance levels do you work with, i.e. when can a booking be accepted without pre-advice? (e.g. +/- 5% quantity discrepancy, shipment up to 14 days early, container utilization, etc.)

2.8. Service providers

- a) Do you pass purchase order information to any of your current service providers?

If so, please advise following ~

- b) Which information/data is passed to the service provider?
- c) In which format? (E.g. report, email, fax, EDI, B2B website, etc.)
- d) When in the SCM process is the information passed to the service provider?
- e) How are amendments and cancellations communicated to the service provider?
- f) How often do you experience that the vendor books a purchase order number which is not known to the service provider (has not been transmitted)?
- g) In such case (missing purchase order or SKU number), please outline the current flow of communication

Please advise on the below if you provide PO upload by means of electronic data interchange to your current service provider(s):

- a) By which means are the purchase orders transmitted (EDIFACT, ANSI X12, flat-file, etc.)?
- b) How often does PO transmission take place?
- c) Are PO changes transmitted by the same procedure? If not, please specify how PO amendments and cancellations are transmitted.
- d) How many days prior to the ship window of the PO, is the PO uploaded? (Please advise earliest, average and latest transmission time)

If PO upload is part of your agreement with Mitco, a separate mapping session will take place to specify the requirements.

2.9. Vendors

- a) Who maintains the relationships with your vendors?
- b) How do you communicate your general requirements (documentation, loading, payment, etc.) to your vendors? (E.g. in a handbook, in vendor workshops, in meetings, etc.)
- c) Do you share your company vision, logistics objectives or other strategic information with your vendors?



Section 3. Cargo handling at origin

3.1. Factory-loaded containers (CY/CY)

- a) Do you have a policy for factory-loaded containers? If so, please specify.

3.2. Consolidation (CFS/CY)

- a) Are there any restrictions as to which of your purchase order can be loaded into the same container?
- b) Which criteria decide which products and purchase orders can be consolidated into the same container?

3.3. LCL shipments (CFS/CFS)

- a) When do you ship products as LCL? (Less-than-container-load). What is/are the reason(s)?
- b) How often do you have LCL shipments?

3.4. Load planning

- a) Do you allow partial shipment of purchase orders? (Split on different vessels)
- b) Have you established any targeted / minimum utilization by container type? If so, please specify the target levels by container size/type.
- c) Do you have any requirements as to how the shipment is routed from origin to destination?

3.5. Special handling at source

- a) Are any value-adding services carried out at origin prior to shipment? (E.g. palletization, shrink-wrapping, labeling, bar-coding, quality check, etc.). Please specify.
- b) If so, who performs the task(s)?
- c) Please specify if the service is provided on all products or only some. If only some, please specify the criteria for which products the service applies to.

If any special handling at source is part of your agreement with Mitco, a separate mapping session will take place to detail the requirements.

3.6. Carrier allocation

- a) Which carrier(s) do you use? Please specify by corridor.
- b) How much volume is allocated to each carrier? Please specify by corridor.
- c) Who manages the carrier allocation?
- d) How does the consolidator know which carrier to book with? (Alternatively, how does the vendor know whom to book with).
- e) What is your service contract number for each carrier?



Section 4. Documentation flow

4.1. Documents

- a) Which shipping documentation does the vendor produce for you?
- b) Which shipping documentation does your current consolidator produce for you?
- c) Which shipping documentation does the carrier produce for you?
- d) Which documents is the vendor required to deliver to fulfill his Letter of Credit requirements?

4.2. Document collection & dispatch

- a) Who collects the documents at origin and arranges dispatch to destination?
- b) When do vendors submit documents? (Compared to time of cargo delivery to consolidator or vessel sailing)
- c) Which requirements, if any, have been communicated to the vendors regarding document submission? (e.g. sorting order, number of originals/copies, deadline, etc.)
- d) How well are the vendors adhering to these requirements?
- e) How are documents dispatched? (By vessel, by container, by vendor, etc.)
- f) How often does an agent or vendor submit documents in a different country than the country from which the cargo is shipped? What is/are the reason(s)?

4.3. Document receipt at destination

- a) When do you receive the documents at destination? (Compared to time of cargo arrival at discharge port).
- b) Are there any exceptions (faster or slower corridors)? If so, what is/are the reason?
- c) Do you know which documents are on their way (collected from vendor but not yet received at destination)? If so, how?
- d) Who receives the documents?
- e) Please explain how the documents are handled upon receipt. (Are they sorted, distributed to different departments, given a reference number, etc. – you can draw a flow chart if this is easier for you).
- f) Which documents are required for customs clearance at destination? Please specify required number of originals and copies for each document type.
- g) Are documents required for other purposes at destination than customs clearance? If so, please specify.
- h) Do you receive any documents or additional copies that you do not actually require?

4.4. Document verification

- a) Does any verification of documents take place at origin? If so, please specify what and by whom.
- b) Does any verification of documents take place at destination? If so, please specify what and by whom.



4.5. Late documents

- a) Do you receive any notification if documents are delayed? If so, who notifies you and how?
- b) Do you follow-up with the vendors on timely and correct document submission? If so, when and how is this performed and who performs the task?
- c) Please explain what happens if documents are submitted late by the vendor.
- d) Please explain what happens if documents arrive late at destination.
- e) Do you ever receive incomplete document sets (for a purchase order or container)? If so, how often? What is/are the reason(s)?

4.6. Measurements

- a) Do you measure & document performance? If so, please advise what and how you measure? (E.g. document timeliness, document correctness, data integrity, vendor performance, service provider performance, etc.).

If performance management is part of your agreement with Mitco, a separate mapping session will take place to specify the detailed requirements.



Section 5. Inbound Planning

5.1. Tracking

- a) How do you currently know that a purchase order has been booked for shipment?
- b) When do you know that a purchase order has been shipped?
- c) Which information do you receive? In which format?
- d) Who or where do you receive the information from?
- e) Which information do you require? When?
- f) What do you use the information for?
- g) Do you trust the information? Why / Why not?

5.2. Customs Clearance

- a) Where do you perform customs clearance?
- b) Who performs customs clearance?
- c) Do you know when goods are customs cleared? If so, how do you know?
- d) When are goods generally customs cleared? (compared to time of arrival into discharge port, time of delivery to your warehouse)
- e) Are there any exceptions?
- f) Are products ever held up in customs? If so, do you know the reason(s)? Please advise.
- g) Do you have bonded warehouse(s)?

5.3. Delivery Planning

- a) Who plans deliveries into your DC(s)?
- b) How do you plan deliveries into your DC(s)? (Feel free to flow chart if this is easier)
- c) When do you schedule deliveries? (Prior to vessel arrival, once customs clearance confirmed, when goods are needed, etc.)
- d) How often do you schedule deliveries? (Daily, weekly, etc.)
- e) Based on which criteria are deliveries planned? (What decides that a container is scheduled for delivery on a given day and time?).
- f) To whom is the delivery request/instructions being communicated?
- g) By which means are delivery instructions being communicated? (Report, telephone, email, etc.)
- h) Which information is included in the delivery request/instructions?

5.4. Delivery to DC

- a) Does/do your warehouse(s) operate with delivery windows? If so, please specify.
- b) How soon after arrival at the discharge port is a container delivered? Are there any exceptions?



- c) Which information regarding the container contents does the warehouse have at time of arrival of the container? What/who provides the information?
- d) How reliable are the deliveries? (e.g. can delivery take place on the requested date, does the container arrive at the designated time, etc.)
- e) Which delivery failures do you experience? How often do they occur and what do you think is/are the reason(s)?
- f) Who carries out the on-carriage (inland haulage) from port of discharge to your warehouse?
- g) Do your warehouse(s) have any limitations in regards to the delivery vehicles?
- h) How many import deliveries can your warehouse(s) handle per day?

5.5. Storage

- a) Do you have free time at the discharge port? If so, please specify.
- b) Do you ever exceed the free time? If so, how often? What is/are the reason(s)?
- c) Do you ever store products in locations other than your own warehouses? If so, where and how often? What is/are the reason(s)?

5.6. Information

- a) How do you know which purchase orders or containers are arriving?
- b) How do you know which containers have arrived but are not yet delivered?
- c) How do you know which containers have been delivered?

5.7. Routing and Diversions

- a) Do you know at time of PO issuance which destination a purchase order is destined for?
- b) How often does the final destination change compared to the original PO destination? What is/are the reason(s)?
- c) If the destination changes, when does this usually take place?
- d) Who communicates the change and to whom? By which means is the change communicated?

5.8. Special handling at destination

- a) Are any value-adding services carried out at destination prior to delivery? (E.g. palletization, shrink-wrapping, labeling, bar-coding, quality check, etc.). Please specify.
- b) If so, who performs the task(s)?
- c) Please specify if the service is provided on all products or only some. If only some, please specify the criteria for which products the service applies to.
- d) Are any such value-adding services carried out at the DC at time of arrival?

If any special handling at destination is part of your agreement with Mitco, a separate mapping session will take place to detail the requirements.



Section 6. Finance

The following questions relate to invoices in relation to ocean and air shipments. These could be invoices from various service providers such as consolidators, carriers, hauliers, customs house brokers, etc.

6.1. Invoicing

- a) Who do you receive invoices for logistics expenses from?
- b) For each invoice party, please advise which charges are debited to you.
- c) How often do you receive invoices? (daily, weekly, monthly, ad hoc)
- d) What is the invoicing period? (e.g. by vessel, by week of arrival, by month of arrival, month of delivery, or other?)
- e) When is the invoice issued? (Compared to time of container loading, arrival at discharge port, delivery to destination, etc.)
- f) What is the invoice unit? (e.g. an invoice per container, per PO)
- g) By which means are the invoices submitted to you? (e.g. hard-copy, email, report, etc.)
- h) Which information is provided to you in the invoice?
- i) Do you receive any additional information from the service provider in relation to the invoice(s)? If so, please specify.

6.2. Invoice processing

- a) How are invoices from service providers processed / handled internally? (Feel free to draw a flow chart if this is easier for you)
- b) Who within your organization receives the invoices?
- c) Which information is required for you to approve an invoice for payment?
- d) Where do you obtain this information?
- e) Do you ever experience inaccurate invoices? If so, which inaccuracies occur and how often?



Section 7. Information and Reporting

7.1. Communication

- a) How do you communicate with your service provider(s)? (email, telephone, meetings, etc.)
- b) Do you communicate directly with any parties at origin? If so, who?
- c) What do you communicate about with the different parties?
- d) What are your internal communication flows?

7.2. Reports

- a) Which reports do you receive? Please ensure to include all reports – large or small - you receive.

Please specify following for each report:

- b) Who receives the report?
- c) Who issues the report?
- d) How often do you receive the report?
- e) Which information / data is contained in the report? (Please be specific. We would appreciate a soft- or hardcopy example of the report, if possible).
- f) What is the purpose of the report? What do you use the report for?
- g) Do you use all the information from the current report? If not, please specify which data is not used and why.
- h) Do you require any additional information on top of what is included in the current report? If so, please specify which data and why.
- i) By which means do you receive the report? (e.g. hard-copy, email attachment, email text, presentation/meeting)
- j) Is the report systems-generated or manually prepared?
- k) Do you trust the report? Why / Why not?

7.3. Measurements / KPI's / Scorecards

- a) Do you perform any measurements, e.g. on your vendors, your service providers, your purchase orders, your deliveries, internally, operational issues, documentation and so forth? If so, please specify.
- b) Do you receive any measurements from other parties, e.g. on your vendors, your purchase orders, operational issues, documentation, your performance, and so forth? If so, please specify.

Please specify for each measurement:

- a) Who is being measured?
- b) What is measured?
- c) What is the purpose of the measurement?
- d) Why has the measurement been established?
- e) Who performs the measurement (who collects and prepares the information)?



- f) Which information is the measurement based on? Do you know where the information is obtained?
- g) How often is the measurement prepared?
- h) How is the measurement communicated to you? (e.g. in monthly report, via email, hard-copy, etc.)
- i) Has any target or standard levels been agreed upon? What are they?
- j) Do you trust the measurement? Why / Why not?
- k) Do you follow-up on the measurements? If so, how?
- l) Do you impose any penalties or bonuses based on the performance measurement?

7.4. Information

- a) Do you receive or have access to the information that you require?
- b) Are there any areas, situations or times when you would like less, more or different information than what you currently receive? If so, please specify.



Section 8. Claims

8.1. Insurance

- a) Which type of marine insurance do you hold?
- b) Against which risks do you insure your cargo? Are any risks excluded?
- c) Which value is insured?

8.2. Damage

- a) Which types of damages do you experience?

For each type of damage, please specify:

- b) Are the damages incurred at origin, in-transit, at destination or other?
- c) Which party is usually found to be responsible for the damage?
- d) What is/are the reason for the damages?
- e) Has any steps been taken to prevent re-occurrence? If so, please specify.

8.3. Claims

- a) Who is responsible for handling of claims within your organization?
- b) Please describe your process of claims handling. (You can draw a flow chart if this is easier for you).

