

# Study on the Good Distribution Practices Organization Structure of Automobile Industries and Pharmaceutical Industries

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## ABSTRACT

**Introduction:** *The present supply networks of a corporation may be impacted if rules and laws in many countries were to undergo significant change. Logistics is a knowledge-based sector that is a component of supply chain management (SCM).*

**Aim of the study:** *the main aim of the study is to Good Distribution practices Organization Structure of Automobile Industries And Pharmaceutical Industries*

**Material and method:** *For the purpose of this research, the sample frame that will be investigated will consist of the GDP Management, Dealers, and Customers of the Automotive Industry and the Pharmaceutical Industry.*

**Conclusion:** *The primary purpose of organising this chapter is to investigate the efficacy of good distribution practises (GDP) in the pharmaceutical and automobiles industries*

## INTRODUCTION

### Overview

The performance of distribution is the primary topic of this research; thus, it will be useful to examine the distribution system that is used in Kenya. With a rise in the worldwide sharing of production, a reduction in the length of product life cycles, and an intensity of global rivalry, logistics is becoming an increasingly important strategic source of competitive advantage. The quality of logistics has taken on an increasingly important role in today's highly competitive business environment. Distribution is becoming an increasingly crucial component that may contribute to the effective implementation of an organisational plan. The present supply networks of a corporation may be impacted if rules and laws in many countries were to undergo significant change. Logistics is a knowledge-based sector that is a component of supply chain management (SCM). It includes, among other things, the acquisition of commodities, the transportation of those items, the monitoring of inventories, and the distribution of those goods. Therefore, logistics may be seen as the management of the movement of commodities, information, and other resources from the place of origin all the way to the point where the client will do their ultimate consumption of the product. It is expected that the cost of a company's logistics will account for around 2% of the company's overall revenues. It is possible to save twenty percent of this cost by implementing an effective and efficient logistics system.

### Pharmaceuticals Distribution

The distribution process's end objective is to meet the pharmacy's and hospital's needs for medication supply at all times. Several steps throughout the supply chain are involved in this process, from forecasting future needs to delivering the drugs to the hospital. Any substance or mixture of substances that is manufactured, sold, offered for sale, or represented with the intent of using it to diagnose, treat, mitigate, or prevent disease, abnormal physical state, or the symptoms thereof in man or animal; [and for use in] restoring, correcting, or modifying organic functions in man or animal; is considered by the World Health Organization to be a drug or pharmaceutical preparation (WHO). Pharmaceutical product distribution is a key link in the supply chain that involves many different parties.

### LITERATURE REVIEW

**Kumareshan, Lakshman & S.R., Saritha (2022)** However, some executives view environmental potential as a key source of revenue development in the automobile industry. The business justification behind green marketing in business has primarily been operational or technological in nature. This is due to the fact that most polluting activities have been moved to economies that are still growing. The greening of the developed world has been effective to some degree since the majority of its customers are educated and value a green environment, particularly in regard to the car sector. On the other hand, things are very different in the majority of developing countries and emerging markets.

**Mohan, Sridevi & H, Manjunath (2022)** One of the most competitive and lucrative industries in the world is the automotive sector. In this day and age, having a car has turned into an absolute must for everyone. There is a large potential market for vehicles in India; yet, there is also a significant amount of rivalry in the Indian market these days. The major purpose of this research is to compare and contrast the advertising expenditures and methods, brand positioning, market share, pricing, marketing approaches, brand value, and so on, of popular Indian vehicle brands with those of popular international manufacturers. We created a comprehensive Excel table detailing the companies' after-tax profits and market shares. Four companies, including Maruti Suzuki, TATA Motors, KIA, and MG, have been chosen to take part in this endeavour. While both Maruti Suzuki and TATA Motors were manufacturing-based Indian corporations, KIA and MG were manufacturing-based multinational firms.

**Sekhar, Mr.s & Murthy, J & Karim (2022)** An electric car is an innovative, environmentally beneficial means of transportation that reduces the amount of pollutants in the air and noise and, most significantly, helps the planet. Because India has the potential to be a large market for the use of electric vehicles, the government of India has set a goal of being the leading producer of electric vehicles by the year 2030. Nearly every automotive manufacturer in the world now has at least one electric vehicle model in production as part of their product line, and the general public's acceptance of electric vehicles is growing at a fast rate in almost every region of the world. Recently, the government of India has introduced a number of new policies intended to boost the production of electric cars, which, if successful, would undoubtedly result in an environment free of pollution. Even while it is an ambitious goal with a lengthy path to get there, it is unquestionably attainable with a well-thought-out policy approach. Steps need to be done to prevent further use of gasoline cars, and new strategies need to be launched to amplify the acceptability of electric vehicles. Both of these initiatives are necessary. This research has been carried out in order to investigate the elements that influence consumers' decision-making while purchasing electric automobiles.

**Kumar, Rajiv & Sinha, Kunal (2021)** The influence that globalisation has had on the car industry is governed by the Department of Heavy Industry (DHI), and its apex organisation is the Society of Indian Automobile Manufactures (SIAM), both of which have significant industry expertise. In the midst of a varied range of economic activities, the issue arises of how globalisation is bringing about a new unique phase in the Indian car sector. What are the ties that bind the processes of globalisation to shifts in the requirements placed on markets for technical innovation? How much money was spent in research and development by companies, and what kind

of results did they get in the automotive sector on a global scale? What role do innovation and technological advancement play in the process of industrialization and globalisation in emerging countries, particularly India? As a result, the purpose of this research study is to make an effort to throw some light on all of these concerns about the influence that globalisation has had on the car industry within the context of India. The theoretical framework of the flow of technology and information via innovation systems is the primary focus of this study. The advancement of automotive technology is focused on the networking of systems in order to find capability-enhancing technologies.

**Muthuseshan, Guruprasad (2021)** Following the most recent period of global economic contraction, the automotive sector in India has risen stronger than ever, and over the last several years, sales have consistently broken records across all market categories. In spite of the fact that the Indian sector has a lot to look forward to in terms of sustained development in both the home and the export markets, there are a few obvious obstacles and possibilities for mobility. The automotive industry has to create or acquire the technology and skills necessary to build cars that satisfy the demands of the future market in order to benefit on these possibilities and overcome the obstacles it faces. The Indian Commercial Vehicle Industry, its many trends, and the ways in which important macro variables impact its functioning are all topics that will be discussed in this article. Additionally, it provides a synopsis of the CV Industry's several subindustries.

## METHODOLOGY

### Research Methodology

When Keith Oliver, a consultant at Booz Allen Hamilton, coined the phrase "Good Distribution practises" in an interview with the Financial Times in 1982, it signalled the beginning of the term's acceptance into the general lexicon. The language was also reluctant to alter in response to the new phrase, which took its time gaining traction. During the middle of the 1990s, when a rush of articles and books were published on the topic, its popularity began to rise. It reached its peak of popularity as a management buzzword in the late 1990s, at the same time when operations managers started routinely include the term "lean" in their job descriptions.

### Sampling Procedure

For the purpose of this research, the sample frame that will be investigated will consist of the GDP Management, Dealers, and Customers of the Automotive Industry and the Pharmaceutical Industry. The sampling method for the research will be one of convenience. The purpose of convenience sampling is to collect a representative sample of easily accessible components. The material that will be gathered for the research will come from both primary and secondary sources in order to accomplish the goals of the study and test the hypotheses.

## RESULTS

### Analysis For Managers

In the research, a quick examination of the GDP system is conducted among two pharmaceutical and automobile firms located in the Mumbai and Pune region. These firms are Pharmaceutical Industries Ltd and Automobile Industries Ltd. This research will be helpful for the Pharmaceutical and Automobile industries in terms of making and managing their strategic planning inside the GDP system in order to maximise the industries' levels of productivity, efficiency, and performance. As a result, the current research on the Pharmaceutical and Automobile industries sheds light on the perspectives of employees, managers, and dealers on the GDP system that is followed by both industries.

**Table 4.1: Case Processing Summary for the Managers**

Case Processing Summary			
		N	%
Cases	Valid	50	100.0
	Excluded <sup>a</sup>	0	0.0
	Total	50	100.0
a. List wise deletion based on all variables in the procedure.			

According to one possible reading of the data shown in the table 4.1 that can be seen above, the total number of cases that were subjected to valid exams was fifty. Fifty people were involved in the case altogether. In which there was not a single instance that was overlooked or disregarded. All of the replies that were gathered from respondents and were guided by the questionnaire were filled out in a methodical manner, and individual attention was given to each of the respondents, as needed, in order to acquire appropriate and verified comments to the concerns.

**Table 4.2: Reliability Statistics for the responses of Managers**

Reliability Statistics	
Cronbach's Alpha	N of Items
89.26	27

### 1. Analysis Of Questionnaire For Managers

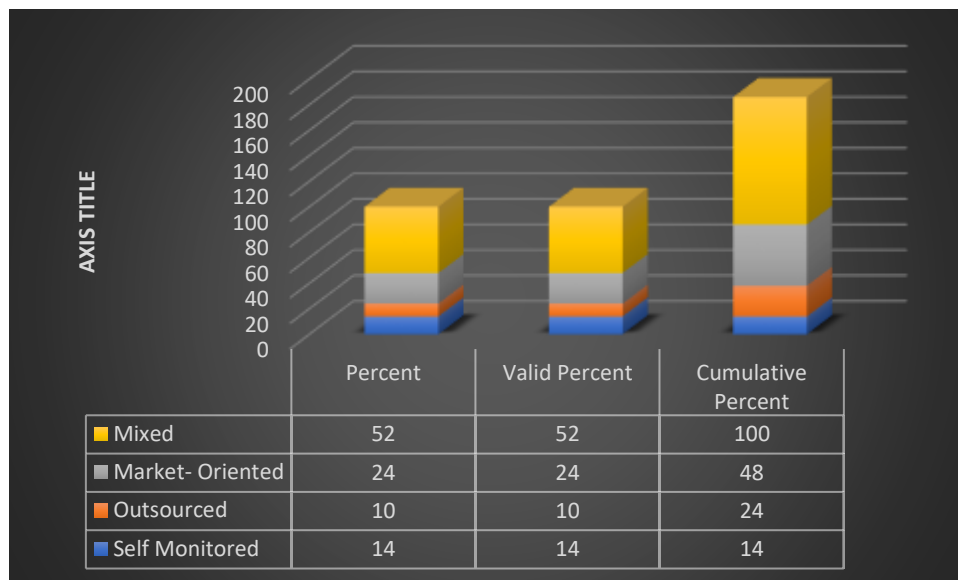
The Good Distribution Practices in Selected Pharmaceutical and Automobile Firms Questionnaire was Designed with the Purpose of Examining the Manager's Opinion Regarding Good Distribution Practices in Selected Pharmaceutical and Automobile Firms This was done in order to get the recommendations and thoughts of those who responded to the survey. The questionnaire had three sections: Part A, Part B, and Part C. Each section was labelled accordingly. Following is a condensed description of each of these components:

### 2. Analysis Of Part-B Of Questionnaire For Managers

This section discusses the type of Good Distribution practises that their company employs, the structure of the Good Distribution practises that the company employs, how they manage their warehousing facilities, whether or not they decide to open a new warehouse, and whether or not they request a ranking based on the type of transportation mode that they employ, ranging from the highest possible A rank to the lowest possible E rank for trucks, rail, their own fleet, and any other mode.

**Table 4.3: Good Distribution Practices Of Automobile Industries And Pharmaceutical Industries**

B1M					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Self Monitored	7	14.0	14.0	14.0
	Outsourced	5	10.0	10.0	24.0
	Market- Oriented	12	24.0	24.0	48.0
	Mixed	26	52.0	52.0	100.0
	Total	50	100.0	100.0	



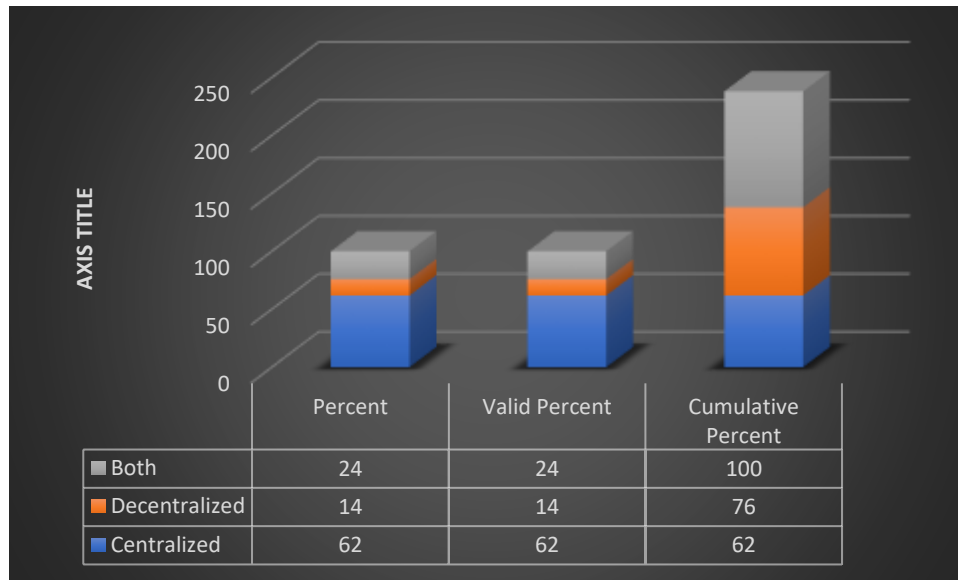
**Figure 4.1: Good Distribution Practices Of Automobile Industries And Pharmaceutical Industries**

According to Table 4.3 and Figure 4.1, the majority of respondents to the survey selected the mixed type 26 for the company's use of good distribution practises. This was followed by the market oriented type 12, which was selected by 24% of respondents. Next on the list is the self-monitored type 7, which was selected by 14% of respondents. Finally, the outsourced GDP type 5 was selected by 10% of respondents. The findings indicate that the vast majority of businesses use a hybrid form of GDP.

**Table 4.4: Good Distribution practices Organization Structure for both Pharmaceutical Industries and Automobile Industries**

B2M					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Centralized	31	62.0	62.0	62.0

<b>Decentralized</b>	7	14.0	14.0	76.0
<b>Both</b>	12	24.0	24.0	100.0
<b>Total</b>	50	100.0	100.0	

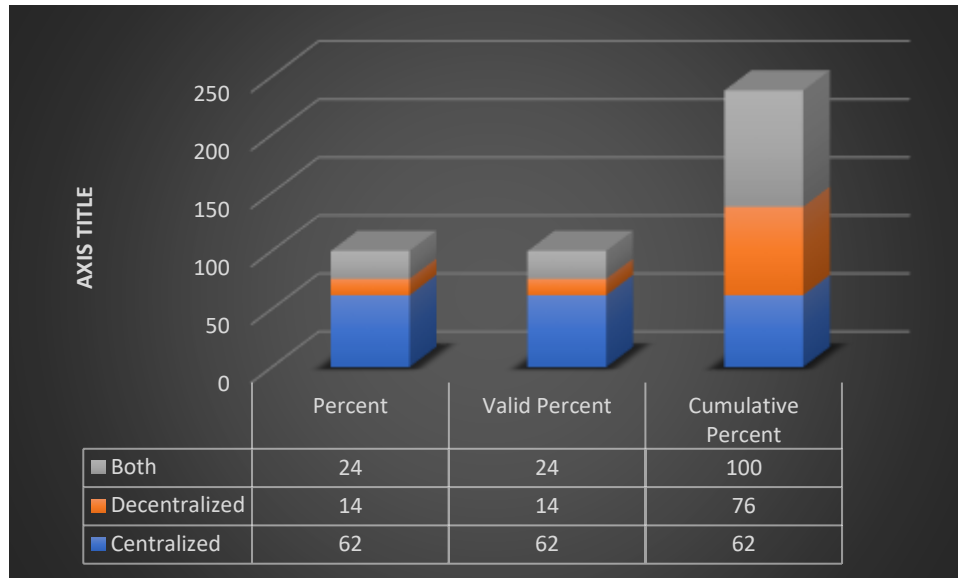


**Figure 4.2: Good Distribution practices Organization Structure of Automobile Industries And Pharmaceutical Industries**

According to Table 4.4 and picture 4.2, the frequency determination of the organisation structure for Good Distribution practises found that the majority of respondents replied with centralised 31 (62%), followed by category of both 12 (24%) and finally decentralised 7 (14%). This suggests that both the corporation and the GDP use centralised procedures.

**Table 4.5: Warehousing Facilities For Distribution Of Both Pharmaceutical Industries And Automobile Industries**

<b>B3M</b>					
		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	<b>Centralized</b>	31	62.0	62.0	62.0
	<b>Decentralized</b>	7	14.0	14.0	76.0
	<b>Both</b>	12	24.0	24.0	100.0
	<b>Total</b>	50	100.0	100.0	

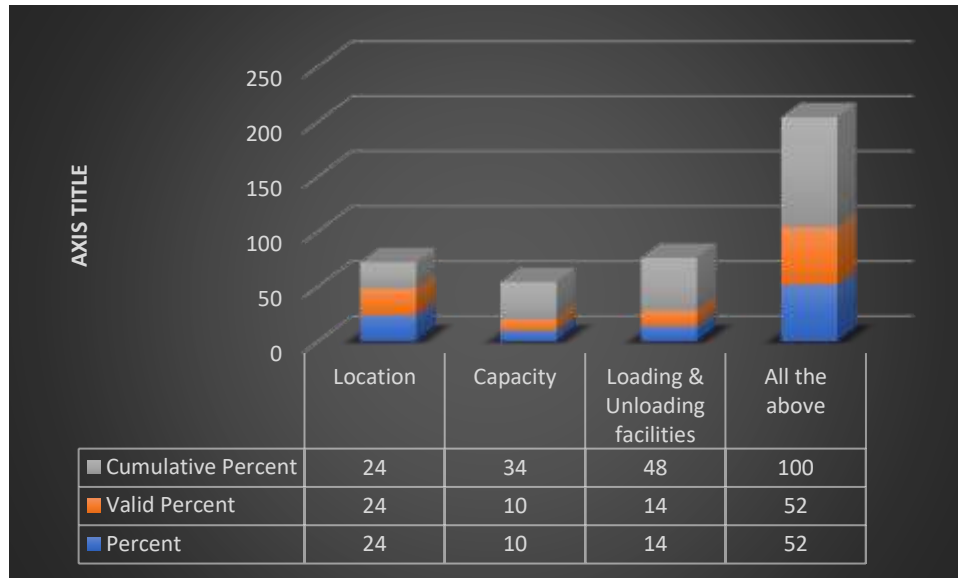


**Figure 4.3: Warehousing Facilities For Distribution Of Both Pharmaceutical Industries And Automobile Industries**

In the frequency determination of Warehousing Facilities for distribution of Pharmaceutical/Automobile structure, the majority of respondents went to a centralised structure (31; 62%), while only 7; 14% went to a decentralised structure, and 12; 24% is both. This information is based on Table 4.5 and figure 4.3. Therefore, in order to facilitate distribution of pharmaceuticals and automobiles, both of these corporations use centralised warehouse facilities.

**Table 4.6: Frequency table of establishing a New Warehouse**

B4M					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Location	12	24.0	24.0	24.0
	Capacity	5	10.0	10.0	34.0
	Loading & Unloading facilities	7	14.0	14.0	48.0
	All the above	26	52.0	52.0	100.0
	Total	50	100.0	100.0	



**Figure 4.4: Frequency graph of establishing a New Warehouse**

According to Table 4.6 and figure 4.4, the category that received the most votes for consideration when choosing a new location for a warehouse was "all of the above," which received a total of 26 (52%), followed by "loading and unloading facilities" (7%) and "capacity" (5%). The first category, "factors considered while establishing a new location for a warehouse," received a frequency of 24%. Therefore, while creating a new warehouse, a corporation takes into consideration all of the aspects mentioned above.

## CONCLUSION

The primary purpose of organising this chapter is to investigate the efficacy of good distribution practises (GDP) in the pharmaceutical and automobiles industries with specific reference to the Automobile Industries (Automobile Industries) and Pharmaceutical Industries (Pharmaceutical Industries) in Mumbai, as well as to find out how employees, dealers, and managers feel about these GDP practises. This information will be useful for analysing the operational productivity from a variety of perspectives in the future. The population from which the sample was taken consisted of fifty managers who were employed in the automotive and pharmaceutical industries in the Pune and Mumbai areas. The sample include managers from various levels and types, including both male and female. Total 50 Questionnaires were given using convenience sample approach, where researcher took care of those respondents who can systematically complete the questionnaire. Researcher offered a brief regarding the questionnaire and purpose of study so that the respondents could better give their replies for the given question under three separate parts of questionnaire.

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