

DISTRIBUTION OF PACKED LUBRICANT PRODUCT IN PETRONAS

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PREFACE

Physical Distribution Management has been the subject of an enormous amount of research and development in the past decade resulting in fundamental changes in total strategy, operational techniques and design of equipment and transport.

According to Peter R Attwood in his book, "Planning A Distribution System", physical distribution can cost up to 25 percent or more of the total cost of goods at the point of sale. This is indeed the main catalyst for the growing concern in physical distribution.

In the yesteryears, direct labour and production plant cost are the main areas probed in efforts to reduce cost. Now, progressive firms are directing their attention to the greater economies to be derived from well-planned and executed warehousing and distribution. Along with this move, there has emerged the need to recognize the wide implication of distribution decisions.

PETRONAS Dagangan Sdn. Bhd. in its marketing role for its parent company Petroliam Nasional Berhad, has directly accepted the challenge to sell and distribute the nation's petroleum products.

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1.0 Introduction

1.1 Brief introduction on PDSB

PETRONAS Dagangan Sdn Bhd (PDSB), a wholly owned subsidiary of PETRONAS was set up in April 1983. It is domestically responsible for the sales and distribution of bulk and packed petroleum product. However this study is confined only to the distribution of packed lubricant by road transport.

PDSB's main objectives are

- 1) To secure stable and adequate petroleum product for domestic demand with reasonable pricing.
- 2) To open up new opportunities for intensive participation of local entrepreneurs, specifically Bumiputeras in the marketing of petroleum product.