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International Logistics Inc.

Introduction

For any given organization, it is important for them to have the necessary infrastructure that helps them carry out their daily supply chain operations. However, there are various challenges that a given organization faces while carrying out the logistics operations at an international level.

The logistics providers or the service providers that carry out the logistics operations need to analyse the environment of the source and the destination (Hughes, McEwan, & Bek, 2013). They need to understand the laws and the norms of transporting the good from one location to another and follow them on a strict basis.

Further, there are several issues such as number of hours that will be operated for all the logistics operations during any given day, the infrastructure facilities of the road that will support transportation, and the freeway passages through which the goods can be transported easily and within given timeline.

The organization is also required to follow the norms of International Chamber of Commerce so as to ensure effective transportation between the two given nations. They need to follow all the norms of transportation as per the given agreement from the buyer or seller.

They need to obtain the clearance from the customs and also look after the issues of free carrier charges and insurance. There are even freight issues that need to be solved before the goods are actually transferred. Finally, before delivering the goods letter of credit should be settled completely so that the seller gets his payments, and thereby, the buyer gets his goods.

Now, consider a scenario wherein 5000 KGS basmati rice are being transported from Bareilly, India to New York in USA. This report will thereby provide in-depth discussion on the challenges and advantages of the new export country, will focus upon supply chain assessment, will then prepare the transportation plan and finally will provide recommendation to implement a given transportation plan in the best optimistic way.

Identify a new export country and describe the country's challenges and advantages

US is one of the major nations around the world. There are several nations that are carrying out their respective trading activities with US and hence, US is required to prepare the norms for the trading activities accordingly. The logistics services provider and the manufacturers that will exporting their products to US need to follow these laws and accordingly sell their products to the buyers of US.

Now, in a given scenario, to export rice from India to US. International Logistics Inc. needs to first of all obtain a clearance from the customs, since there is a customs regulation in both the importing and in the exporting country. This is the first step that the given organization should take while transporting their goods to the importing nation. There are basically two forms that need to be fulfilled for carrying out this process.

First of all looking at the challenges, we can find that, the distance between US and India is too big and hence, it will take a lot of time for transporting the goods. Hence, the costs involved will be too high, irrespective of the transportation mode. Secondly, in the international transportation the amount of risks increases a lot.

The probability of damage and destruction will increase and hence, one needs to take insurance of the entire consignment (Chouinard, Ellison, & Ridgeway, 2011). The costs of insurance will be high, but it is beneficial to take it since it will provide the risk cover to the goods that are transported. Thirdly, there are certain barriers of the US government, wherein one is required to pay the custom fees. Once the fees are paid, there will be a quality inspection of the goods, and upon approval, it will be allowed in the nation.

There are certain norms of the US government regarding trading activities at an international level, which need to be followed on a strict basis. Not following them will lead to heavy penalties and even losing of the goods. Hence, one is required to overcome all these challenges of logistics while transporting the goods to a foreign nation.

However, when we talk of advantages, the first advantage will be increase in the trade. The buyers will buy more and more products leading to direct increase in bottom-lines of the organization. Further, there are special economic zones created at the port as well as inside the cities of US that helps in lowering of the travelling and other miscellaneous costs. The security at the port is extremely secure and different technologies have been deployed for the surveillance purpose.

Hence, as compared to other nations of the world, US has the best security as far as port security is concerned. The coast guards and the personnel of the Department of the Homeland Security protect the coastal border of US to ensure safe transportation of goods in US.

Thus, any given organization needs to follow the norms, look after the freight

charges and other costs, and transport the goods on the export date that is decided through mutual consultation between the buyer and the seller.

Supply Chain Management (SCM) can be defined as a function, wherein the organization has to work for the purpose of logistics and transporting the goods and services for any given organization. There are various sub-functions involved in it, and one needs to clear each phase so as to ensure proper implementation of the entire supply chain activity.

It is like a bridge between the inputs and the outputs. Once the goods are manufactured they need to be shipped from the source location to the destination location. The major functions involved here will be logistics management, sourcing and procurement. Now, to prepare a supply chain assessment, one needs to take upon the agile approach as compared to the lean management approach for the given SCM activity (Taylor, 2012).

This approach helps to understand the market scenario in a better way, and it responds quickly to the changes in the external environment. For any given organization, the delivery of the goods will take in a better way by implementing the agile approach system. Now, to prepare the supply chain assessment, following things need to be carried out:

One will be required to estimate the amount of goods that need to be transferred.

Secondly, one needs to determine the distance between the source and the destination and accordingly select the transportation channel

Thirdly, one needs to determine the total costs of logistics in the entire operation

One needs to determine the requirement for personnel that will be travelling along with the goods

One needs to check upon the issues of letter of credit, obtaining approval from the customs, and finally fulfil the forms at the US port. It will ensure following of all the norms for a given trading activity.

In a given scenario, while transporting rice from India to US, there is a need to obtain all the approvals from the customs, fill up the necessary forms provided by the US government at the port, pay the necessary fees and then obtain an approval to unload the goods in the US. This is how the entire supply chain process will be taking place, and the organization will be required to assess upon the above parameters to ensure successful supply chain management operation to a given nation,

Develop a transportation plan that addresses how to move goods to the chosen country

The next step will be to pay the custom fees on the basis of goods that will be exported from India to US. The company also needs to take the insurance coverage so as to get the risk cover for the goods that is transported.

Once these activities are completed, the next in the plan will be to decide the transportation channel, which will be either through flight or through ship. One needs to determine the total shipment tariff, which will also include the freight charges. On the basis of costs, the medium should be selected.

Post this activity, one needs to choose the transportation date based on expected delivery data and the time needed for transit (Sydow & Frenkel, 2013).

One then needs to decide the port of US where the goods will be landed.

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Once this is done, the product should be dispatched, which upon arrival need to obtain the clearance certificate to enter into the nation. It will take time, but all the formalities and legal procedures need to be completed to ensure smooth operations in a given plan.

The organization also needs to address the issues of import quotas, local content requirement and voluntary export restraint during all these supply chain activities. They are a part of the procedures and the organization is required to follow it on a strict basis. A final evaluation should be made to monitor the performance of the entire supply chain activity, and any drawbacks found should be eliminated during the next operation.

Suggest recommendations for implementing the transportation plan

There are several recommendations for International Logistics Inc. for implementing the transportation plan. Before initializing their logistics activities they need to prepare the timeframe and note down each and every supply chain activity. They need to determine the costs, time required to be taken and resources required for the completion of that activity.

Further, they even need to search out for external resources and accordingly design their transportation plan. They even need to plan out how much amount of goods will be transported and what will be its demand in the future. It will help them to prepare the plan accordingly.

Further, the transportation plan needs to have certain elements that include - transportation mode, transportation or freight costs, time taken, expected delivery date, mutual terms and conditions, and norms of the import nation.

The respective organization needs to analyse these parameters, determine

their values and accordingly frame their transportation plan. They need to re-evaluate it considering the same parameters and thereby, refine their transportation plan (Tsao & Lu, 2012). The cost factor and the time factor seem to be playing key roles in the entire operation.

The countries that are in demand of certain goods need to be contacted on a priority basis, and the trade should be established. However, the transportation plan then can be framed on the basis of international norms and the laws of the nation regarding the trading activities.

The logistics services provider need to take into consideration different managerial plans in order to ensure smooth operating of the supply chain activities. Further, they need to even look on the issues of special tariffs, when they are dealing with nations like US or UK. They have special plans and different laws framed for such activities.

The transportation planning required a lot of efforts, and hence, the top-level management need to recruit special management personnel that will be taking care of preparing the plan. They will be required to analyse both internal and external market parameters so that they can prepare the plan accordingly.

The major parameters of cost, time and delivery should be considered so that the product reaches to the buyer on time and with the same quality (Nicita, Ognivtsev, & Shirotori, 2013). However, at the same time, the buyer needs to pay for the goods and then acknowledge the receipt.

The logistics services can install the surveillance system throughout the journey to track the goods. It will help them to know the status of the goods,

after getting dispatched. It will help in updating the information to the buyers accordingly.

Conclusion

Supply Chain Management is an effective way of dealing with the goods that are exported and imported across the nations. There are several functions involved in it, and hence, one needs to take utmost care before and after dispatching the goods. In this report, we have seen the case of exporting rice from India to US by International Logistics, Inc. The company is required to take care of all the functions and sub-functions that are involved in the process of supply chain activity.

There are various parameters discussed regarding transportation channel, transportation medium, total costs, freight charges, and the entire transportation plan. In addition, it has also discussed the issues of letter of credit, customs clearance, norms regarding approval and getting an entry into the nation, and other international laws of trading (Nicita, Ognivtsev, & Shirotori, 2013).

The given organization needs to find out how they will be moving on with their transportation plan. They need to prepare the blueprint before carrying out the actual transportation plan. It will help them in identifying the challenges and the risk factors that they need to overcome while transporting the goods from India to US. It is not necessary that every time, there will be a smooth functioning of all the activities of the supply chain. Supply Chain Management function also needs to be modified from time to time so that all the maintenance issues are also resolved. It will help the

respective organization to apply proper strategies while transporting the goods from one nation to another.

In addition, the organization needs to remain updated with the new norms and laws of supply chain management so that they can follow the same in their future operations. Finally, they can even deploy technological solutions for carrying out the entire transportation plan and all the supply chain management activities effectively and efficiently between the two nations.

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