

The report of transportation

Business



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The report of transportation case study Executive summary This is the case study about the selection of the motor carrier, that is , as a transportation manager of multinational company , Mr.

you, have to make decision which motor carrier is suitable to their requirements and demand. First, at the beginning of the report, we analysis the current situation of the 4 carriers based on the navigation, form the navigation, we compare the four carriers in SO&D, schedule reliability, claim processing and special service. As a result, we find that SQ has the best performance during the fast few years.

However, even the SQ has the better performance, to provide the service we expect, high-level requirements should be established. In the part 2, we have listed our criteria.

It Is not hard to find that SQ and other carrier candidates still have much to improve. Finally we make a new evaluation and selection system to choose the proper and efficient carriers. At this point, we must make sure that carrier selection is not base upon incestuous thinking that is, in particular, thinking that the carrier market consists only of carriers we have done business with before.

From the manager respective, we make out 8 dimensions which contribute the most in carrier selection. In the basis of dimensions, the process includes scoring, classification negotiating and Interviewing.

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? Background Shanghai Sheehan communications Equipment Co. Ltd. Was established in 1989, the Sweden-owned enterprise. The total investment was 3. Mm. The SYS Company had been a leader in communication equipment manufacturing industry since it had developed a new and efficient production line technique.

This innovation gave SYS Company a competitive advantage in the industry and made its products highly demand. In addition, SYS Company manufactured a wide of telecommunications equipment, and they were sold to domestic and overseas multinational. In this case, MR.. You Junk the planning and controlling manager of Shanghai Sheehan Communications Equipment will make a decision about the carrier selection according to the investigation report on LET services offered by four motor carriers. Four company comparisons We take these four companies' reliability into consideration.

For a company roving transportation services, giving the right people at the right time with the right goods can not be separated. When we loot at Zip's, their drivers often couldn't find the location of the customers, or their dispatchers even didn't know where the customer was located. And the receivers never knew when a shipment would arrive. It is really intolerable in transportation services. Rarely schedule reliability can they offer the company and the customers at all. Almost no value can be added in the time section.

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Then, to TFH, what the company did best is its solid reputation for liability in maintaining their schedules. They can keep to their promising time mostly, and customers can believe they will order on time. If other things be almost the same, be more time reliable is the most attractive superiority. Also, we can see, in this respect, TTS survives between ZIT and TFH. TTS were much more reliable than SF, but not as good as TFH. It is the medium.

And in their history, there was only one time the shipments were delayed for some reason, qualified in schedule reliability. Last, we concern on SQ.

While SQ did almost every other thing excellent, the most defects were their speed. They could achieve the requirements of consistency, but they were the slowest of the four carriers in regard to shipment transit time, and there had been no noticeable improvement. What's more, their slowness had caused an occasional problem with materials availability in the plants of our customers.

We may be can not bare such kind of low speed in some respects. While usual services sometimes can not meet special demands, we should consider whether the four companies can supply tracing capability.

Their entire service attitudes were good. In the past information, SF had no advantages in special services. On the contrary, TFH and was good at this.

They are good choices in this aspect. TV's tracing had been excellent on the occasions we had needed it. We always could receive information regarding shipment status. TTS, however, they were willing to trace, but they seemed

to just go through the motions while they were generally good on delivery. Ass's tracing and expediting was good.

They could tell us exactly where the shipment was, but then their biggest problem troubled, that they couldn't move it as fast as the customers required. Loss and damage record Loss and damage plays an important role in transportation. As we all know, even if we delivered our commodities always in time, if the commodities arrived were damaged and the other ones were lost during the transportation, what would our customers feel and how would they sell their products? Do you think that they should pay us? Or, could you say that our company's delivery services are good? Of course not.

So we can see the importance of these criteria. When we make a decision about the carrier selection, we have to prefer the ones who have less loss and damage. The loss record least loss record.

It did an excellent work in the past. Its reliability is much better than TFH and TTS. Both of the two companies have a few cartons lost. The TV's shortages caused our customers to shut down a few times. The SQ Company only had one short shipment over the five months. It did almost as well as the SF in the loss record.

The damage record. We know that SF only had one damage experience.

In particular, it was very apologetic and took responsibility for the problem immediately. I think no company do better than SF in this aspect. Because even the SQ also was very little damage, its after-sales service is not as good as SF In conclusion, the SF did a little better than the SQ, and SQ did better

than TFH and -RSI. Claim processing We think that these criteria can be regarded as the company's after-sales service.

After our customers received their commodities, they would form an image of our company: is our delivery service dependable, reliable, accessible, etc.

If they found that the cargos we delivered were damaged or lost, they would have the right to complain against our service. In this situation, we should deal with these claim problems cautiously, because if we couldn't satisfied our customers, we would insensate and even lose them in the future trade. We can see that SF and SQ did extremely well in this processing. SF pay enough attention to its customer's claim.

SQ was excellent in the several claim cases. So it had a good reputation for fast and reasonable claims processing.

In comparison, TFH and TTS did worst in these criteria. TFH would pass the buck to our company, it's incredible. It is bound to lose its customers.

TTS was even worse, it was very hard-nosed, and sometimes was unpaid. Both of the two companies should try their best to improve claim processing to attract more customers. Decision: Having analyzed the information of this case, our group select the SQ Logistics Co. Ltd. (SQ) as the carrier. We have the following reasons.

First, it has less loss and damage record, especially in the last 90 days.

Second, it has an excellent claims processing, which makes its customers feel satisfied. Third, its tracing and expediting is good. Although its slowness

had caused an occasional problem with materials availability in the plants of our customers, we think this problem can be solved if the customers ask for service earlier. In short, we choose SQ.

Service standard As a multinational company, we actually have our own standards and expectation on our motor carriers. To perform as a qualified carrier, they should not put focus on our own standard as followed on four dimensions already existed.

Loss and damage record/SO&D (over, short and damage): As a carrier, they should have the responsibility of protecting the cargoes properly and cautiously, with the purpose of making sure the cargoes not damaged, lost from lading on the ship to unload at the port of discharge. For our SYS Company as example , our products are sorts of steeled products which needs high production attendance, so low SO&D record is required. For instance, for our special products we require the carrier must pay attention to the humidity of the cabin, because wet air will corrupt our steeled products.

During the transit time, carrier must carry out the ventilation and exchange of ballast water from time to time fixedly to make sure the wet air on the normal range so as to guarantee the quality of the products.

Otherwise, the carrier should adopt a suitable and specialized method to deal with the cargoes to avoid damaging during the removal, convey and handling of the cargoes. Schedule Reliability: A carrier, with a solid reputation for reliability in maintaining their schedules will be popular. We think Reliability calls for three criteria. One is time.

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The carrier must guarantee the cargoes reaches to customer on time to meet the customer's satisfaction. The second is the right location.

If the drivers often couldn't find the location of the customers, or their dispatchers didn't know where the customer was located. Such kind of situation will make the customer irritated. The mistake of time and location will decrease our customer's satisfaction, will damage the image of our many built up in our customers mind. From then on, customer will no longer trust us and will be suspicion of our service quality. The last is the speed.

The slowness can't be excused.

Such will delay the delivery time, decrease the efficiency and increase the cost. However, our main purpose is to reduce cost so as to increase the space of grow of the revenue. Hence, our company requires the carrier have the sense of delivering the cargoes on the right time, the right place and high speed. Claims Processing: May be some people think that claims processing is not a very important factor even mom one neglect it, but our SYS company has a high name recognition. We should definitely be clear about that accident is existing and inevitable.

During the transit time, when some cargoes are damaged or lost artificially or by irresistible, if the carrier deals with the customer over the claims processing properly, it might damage the relationship between the customer and our company.

The most awful thing is that it will influence our company's reputation. Meanwhile, the customer will be lost and will damage our profits. On the

other hand, claims processing is another kind of after-sales service, if they can handle the problem promptly, it will do good to our image as well.

Special Service: our company such as tracing and expediting.

Therefore they could tell us exactly where the shipment is to improve our cargos security. Otherwise, providing a discount will be better.

New selection and evaluation system With over 130, 000 domestic motor carriers to choose from, to select the proper motor carrier, there must be a valid selection and model. We have found that establishing a “ new system” for effective and efficient carrier selection and routing achieve the best ROI in the shortest time and have the added advantage of long term benefit. The evaluation process Steps Firstly, In order to select the proper motor carrier, there must be a valid selection and model.

To evaluate the value of each carrier, there must be a template that considers appreciate and understand corporate philosophy, which based on items listed as followed: 1 cost 2 efficiency 3 information feedback (information flow) 4 delivery performance 5 reliability 6 facilities 7 claiming process 8 special services [pick] steps Then, from 8 dimensions has been given, it is a good idea to have a standard scoring heed that will allow to asses the carriers on terms, subjectively and objectively. That is, assign values to each of transportation requirements. Tepee 3 The carrier response should then be collated and a short list created.

With the abundance of responses you should be able to establish response levels. That is, first, second and third tier carriers. The carriers within these levels should be maintained for current and subsequent use. Step 4 Once the <https://assignbuster.com/the-report-of-transportation/>

profile is completed, bids should be issued to all of the carriers identified in the first three tiers. Consistent with the term of the agreements and based upon deed, bid requests should be issued at six (6) month intervals or other frequencies as may be dictated by special circumstances.

The entire bid process should be handled via EDI and a corresponding program should be created to both issue and process the bids. Step 5 with all candidates being evaluated using standards such as carrier representation and access to senior management. The evaluation dimensions In the steps, we have listed 8 dimensions that is the most significant to the carrier service. Cost For SYS company, the cost for transport is a part of the total cost, we think which is he most important factor when consider which carrier to be selected, and it affects the price and the profit the company sale his products to their customers.

And the cost is not only the transport cost, but also the inventory and the warehousing cost.

Also, MR.. You needs to consider other functional department, in which way the transportation or the supply chain can satisfy them best. Another important factor is Say's customers' attitudes to the transport companies. SYS company surely needs to select the transport company which can provide his customers best service and make best impression in customers' mind. Efficiency It is not only the how fast, but also the overall transit time.

If the transit time is short, it can help Say's customers to reduce the inventory level, in that way, the customers will be more satisfied with the SYS Company. When consider about the speed, don't forget about the cost

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the transport will take. Because the faster speed maybe reduce the higher fuel cost as well as the transport cost. Information feedback The carrier must have the perfect information platform to deliver the information about the process of transportation in order to strengthen the control of the rodents. Therefore, this kind of information must be clear enough to show the situation of the commodity.

This information system can play an important role in the transportation to lower the cost as possible as you can.

On the basis of this system, SYS Company can respond to the delivery of the goods more quickly and effectively. They can do proper reaction in time in view of the sudden incident such as the damage of the cargo, mistakes of the documents and so on. So, efficient information feedback is one of the most important parts in the information system, it must be the arterial when SYS company considers choosing the carrier.

Delivery performance The supply chain must be smooth when the commodity is transported between the supplier and buyer. So the specialized skill is very important in the course of business. SYS Company tries to find a reliable carrier to support its transportation of the products.

A good carrier can be good at delivering their goods more quickly and dealing with the business smoothly to the distributors. The criteria should also include the ability of solving the problem when they are facing the accidents. In this ease, SYS can be more confident when they are doing the business.

When talking about the speed, we also need to consider the reliability. It is about the consistency of delivery. We need the delivery be consistent, which can help SYS customers keep a relative low level of inventory.

Also the reliability requests the commodities in good condition when it is during the movement, and has no or low level of loss and damage. MR.. You can use detail information the company has to evaluate which carrier's loss and damage record and schedule reliability dose the best. The facility request of Capability and Capacity

The capability is about the ability to handle different types of products & service demands.

We know that the SYS Company manufactured a series of products, and it needs a high capability of transport which can transport several kinds of products one time. The capacity is about the amount of freight handled. The SYS company are desire for a lowest cost of transportation to make the customers best satisfied. And big capacity has some scale of economy and can reduce the cost. So we need the facilities not only can carry different kind of product one time, but also can carry in large amount to have some economic scale.