

Example of case study on what conditions supply chain strategies of ports

[Business](#), [Strategy](#)



What Conditions Supply Chain Strategies of Ports?

Concept

Jacobs and Hall (2007) argue that the strategic supply chain preferences of a port authority become accustomed to the territorial, institutional structure wherein the main actors in a port operate. According to Jacobs & Hall (2007), port actors endeavor to insert themselves into supply chains because they get a chance to attain several resources including technology, knowledge and skills. The two authors, also, argue that such actors can incorporate activities in the supply chains, so as to, lessen general transaction costs and offer more competent services. In addition, Jacobs & Hall (2007) explain that these actors obtain dominance, which is the capability to extort value from logistics actions on a constant basis. Lastly, Jacobs & Hall (2007) explains how Dubai was able to maximize its strategic position regarding the growing container traffic amid west and east through building the most recent port facilities, in the area, and introducing a stylish package of investment inducements for foreign investments.

Scope Analysis

Jacobs & Hall (2007) makes use of the port of Dubai to enable us understand the progression of global production networks (GPNs) and approaches for organizations that are embedded territorially to advance their part in these GPNs. By building the most recent port facilities, in the area, in addition to introducing a stylish package of investment inducements for foreign investments, Dubai was able to maximize its strategic position regarding the growing container traffic amid west and east. Dubai attracted many top

suppliers and manufacturers to the port and, consequently, Dubai became, wholly, included in their global supply chains.

Depth Analysis

Main port clients should select ports depending on the quality and reliability, as opposed to competence and location benefits. Choice of ports, for shippers, relies more on the general network competence and ports become selected depending on speed, and more lucrative access to the markets where shippers rival for profit. Shippers perceive the supreme value of rivaling as part of an incorporated supply chain the chance to decrease susceptibility to competition through offering the port corresponding capabilities and resources required to participate more efficiently, in the marketplace. Fundamentally, integration of supply chain may enable some organizations to participate successfully, in the market, devoid of having all the crucial resources required, at first.

Implications

After reviewing this article, I learnt several lessons. First, ports belonged to maritime transport chain, since time immemorial. Hence, their complete incorporation in supply chains is a current trend because, in the past, ports were regarded as weak links in the chain. Second, prior chains were disorganized, disordered and incompetent. Third, private firms, in the chain, together with ports were focused on internal gains rather than market gains. They sought to exploit profits through being run as stand-alone units. Fourth, shippers concentrated on reducing transport cost to stay viable. Hence, the choice of land transport service providers, ports and shipping lines, for most

shippers, was a key logistics concern, since these factors of the transport chain were alleged as drastically corroding value produced. Lastly, the main force of competition was cost, and less significance was laid on the quality of the service offered. These factors seem to have derailed the development of an adequate supply chain in ports.

Conclusion

In conclusion, Jacobs and Hall approach of port choice modeling seems to be outmoded because the model is selfish. Examining the goals of insertion we understand that the approach allows the actors to benefit from technology, knowledge and skills, as well as, lessening general transaction costs. It is true that a shipper may choose a port, although, in the present business environment wherein ports rival as components of supply chain, the model used by shippers relies on choosing a port as a thing in a logistics parcel. This is gathered and presented to the shippers through the supply chain integrators that are currently becoming the, main overriding, elements in organization-organization operations to cause movements of freight to different places.

Jacobs, W. & Hall, P. V. (2007). What conditions supply chain strategies of ports? The case of Dubai. *GeoJournal*, 68, 327-342.