

Case study on intermodal transportation

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This paper aims to establish the importance of intermodal transportation with respect to global logistics. Essentially, it investigates the roles played by intermodal transportation in global logistics. For ease of understanding of its effects, the presentation begins by highlighting the meaning of intermodal transportation and global logistics. A discussion on how important it is in global logistics then follows. Besides, an illustration is presented that shows how supply chains get more complicated when firms are doing business presentation ends with a conclusion where a summary of the presentation is made.

An intermodal logistics is perceived in relation to its flawless operations of door-to-door freight transport that employs more than two types of transport. The concept is built on the notion of door-to-door transport and that more than two modes, i. e. roads, water, air, and rail modes are used a seamless operation, i. e. the use of swap bodies, intermodal containers. In essence, the goods are not handled in each and every shifting mode. Propositions are made that the strategies of intermodal freight logistics optimize the supply chain. It facilitates relationships between companies which are partners (Stölzle & Bendul, 2009). Proposers of the idea postulate that when seeking to influence the modal differentiation towards these modes, intermodal should be the perfect option. Logistics on the other hand is the general goods flow. It is the part of the supply chain that undertakes planning, implementation, and controlling effectively and efficiently the storage and flow of goods from the point of production to the where they are consumed generally to meet consumer requirements (Stölzle & Bendul, 2009).

Intermodal transportation eases handling of goods. Goods can be relatively handled easily due to the standardization of the intermodal transportation. This ensures that it can be accessed everywhere and therefore there is global logistics distribution efficiency. As well, it reduces the costs associated with additional capital investments in other modes and terminals in global markets (Stölzle & Bendul, 2009).

Intermodal transportation assures flexibility. Global logistics demands delivery and distribution of a variety of goods. With intermodal transportation, different goods, either liquid, perishable or raw materials can be easily planned, implemented, and controlled effectively and efficiently transported from the point of production to the where they are consumed generally to meet consumer requirements (Stölzle & Bendul, 2009). This boosts global logistics. For instance, the line haul movement which is an essential component of intermodal transport is a significant element of the physical execution of global logistics.

A network of intermodal transportation which is a system linked logistically with shared characteristics allows freight to be easily transferred between the modes as they move from the origin to where they are to be consumed. This facilitates global logistics in that the cargo does not necessarily need to be handled, hence some element of costs reduction and efficiency.

Supply chains get more complicated when firms decides to do business across borders as compared to when done domestically. Global trends quite often affect the across border supply chains. Basically, the management of supply chain and logistics are majorly influenced by the international social, economical as well as ecological trends. Across border supply chains are

presented with issues like demand sustainability, division of labour and the corporate responsibility. Other threats of across border supply chain concerns the safety and security of the across border transport chains. International transport chains may be secure as compared to the domestic ones.

Across border supply chain presents a challenge that revolves around the on-demand delivery of the goods. This greatly affects the structure of transporting goods as transport restructuring must be undertaken. This implies that a company must be ready to withstand more cost pressure. The operations as well are likely to be met with a challenge relating to the hosts traffic policies (Li & Chang, 2008). Across border traffic policies are likely to a greater extent influence the performance and design of the company's international supply chain networks. This is one sure way of why supply chain across border is complicated as opposed to when done domestically. Domestically, traffic policies are not major issues as there is an already established supply chain networks. Going international or global will demand faster, flexible and high quality as well as very reliable processes which the company may not be ready to meet (Stölzle & Bendul, 2009).

Supply chain across border is complicated as it makes companies experience sub-optimal sourcing. This results from the insufficient total cost data. This is not the case with domestic supply chain. Besides the optimal sourcing, the company is likely to incur high costs of overhead basically used in managing logistics functions and across border sourcing. As the company will be putting more effort to match demand and supply across the border, in the long run, loss of sale and high inventories will be realized.

Across border supply chain is faced with the harsh international transport policies as regard the development of infrastructure. For instance, the foreign economy applies different policies concerning the rails, waterway, and road infrastructures same as to the interconnection places such as ports, parks, and terminals. Basically, the management and maintenance of infrastructure and traffic across border is hell. This greatly affects the supply chain. As a matter fact, the innovations in supply chain are dependent on the host country's decisions. Challenges like time consuming policy and custom procedures and delays at the borders are likely to be realized. Effective supply chains are typified by a right mix of modes of transport as concerns distances and duration of transport. Across border supply chain may not present a company with reasonable and sustainable infrastructure networks. This implies that capacity challenges may be faced. Across border supply chain as well presents a new dimension in the infrastructure policy and regulatory policies with respect to intermodal transportation.

References

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