

The double d trucking company

[Business](#), [Company](#)



Executive Summary

The main objective of this report is to see and find solution for the Double D Trucking to remain in its top position in the customer satisfaction in the field of logistics and transportation with the presence of highly competitive companies in the market. Together with the aim of being the top in the customer satisfaction is the integration of the Double D Trucking and changing it to full service logistic provider that will enable the company to gain more profit compared to being a trucking company only. The report discusses the findings and the solutions best suited for the Double D Trucking. And this was through vertical integration and other kinds of integration, alternate logistic services, and value added services that will potentially increase the company's profit and will keep the Double D Trucking on top when it comes to customer satisfaction.

Introduction

Though the Double D Trucking had been successful over the past years and had become recognized as to never lose a customer and has been never got any complaint. As a fact, the company had been rating first in the customerloyaltysurveys. This only show that the company had been doing very well in the business field of trucking and this had been the very strength of the Double D.

However as the fast changingtechnologyhad come into play, there had been many competitors that might be a threat for the company to continue earning recognition and profits. To still manage to be on top on this business field, the company has to be innovative or be able to acquire new technology

and adopt changes that the trucking industry and logistics has facing right now. And for the customer's satisfaction and for the sake of the Double D Trucking, it is merely advisable to cope up with these technological and needs and demands changes.

As such other competitors are doing, adopting the third party logistics (3PLs) to manage the transportation and storage activities of the company to the receiver, has playing a big role in the logistics business as of this time (Prince, 2007). Air carrier divisions are also used by some other logistic companies and also providing services giving information about logistics. These changes are brought by the increasing demands of the customers. The current transportation services of the Double D Trucking is said to be non sufficient with regards to the demands of the customers. The customers are demanding or having a need for other logistic services rather than the transportation only. And thus, as the main concern of the company, to get the customers satisfaction on their trucking services, there is really a need to for the Double D Trucking to become a full service logistic provider.

With the presence of the pressure brought by the competitors, merging with some companies with others to comply the needs of each other, the introduction of new product lines, and the continuous increase in the customers needs and demands, a logistic leader can stand out satisfying these concerns (CRAIG, 1998). In order for the Double D to cope up with this so called ' new economy', the company must also provide and acquire changes in order to survive. Since the supply chain is rapidly changing, there are some key areas the company had to consider to be still on top of the customer satisfaction. Through vertical and other kinds of integration,

finding alternate logistic services and value added services, the company can regain its strength and will continue to earn recognition and better payoffs.

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Vertical Integration

The optimization of the efficiency of an organization can be attained through vertical integration. This is when the company or a single distributor had take control over the entire distribution. Vertical integration also happens when the company had realized that there was a perfect coordination between the distributive operator and the distribution chain (UCL, 1996).

There is an imperfection on the coordination that is happening in the

distribution chain. This is due to the differences of the goals of each distributive operator. But by vertical integration, the problem of differences and imperfection can be cured. A single distributive operator having control over the distribution chains, managing all the distributive functions is the key.

The supply chain, from the manufacturing, to wholesale, retail, and to the consumer involves the use of logistics services. The Double D Trucking only does regional transportation and the services are limited to transportation services only. The more profit the company may get is through providing other logistic services which can enhance the movement of the product, movement of the information needed for the transaction and other information, reduced costs and time from the supplier's door to the consumer's doors. The Double D Trucking must be vertically integrated. Vertical integration of the Double D Trucking involves the distribution from the suppliers to the customer taking control over these processes resulting in a centralized distribution and an efficient logistics. This can reduce the cost of the amount of logistics especially in the transportation and the lead time or the number of days after placing the order of the customer to the reception.

Logistic Service Improvement

Being a full logistic service provider, improvement of the services is needed. Reducing the disinterested party on the supply chain and minimizing the handlings of shipment and the strengthening of the logistic services upon domestic market while improving contact with foreign logistic service providers are some basic strategies in the improvement of the company and <https://assignbuster.com/the-double-d-trucking-company/>

the supply chains. This can be done through making considerations on the processes of the operations. Here are some ways that will help the Double D Trucking in improving their services:

- speeding transactions through the simplification of import and export licensing procedures
- entry of declarations and shipment clearance through computerization are needed
- time of movements of imports can be reduced through direct delivery to the warehouse needing it bypassing all other warehouses
- providing access to finance will enable the management to decide regarding competition with other logistic service providers
- employee development and training are vital for the company
- improvement of the competitiveness of exports and reduction of the cost of imports through changes in the procedures by simplifying current strategies or minimizing or removing constraints

Making regulations to simplify the procedure of approval of imports and exports can remove time constraints of the operations of the Double D Trucking. But the company must also ensure the safety of transactions. Computerization of the clearance will lessen the number of signature needed for the shipment can also reduce time constraints and costs. Double D can also regularize and expand performance of door-to-warehouse or door-to-port movements of goods. This will fasten the movement of goods and the clearance of inbound and outbound operations. Constructing warehouse

near the port is of big use for the Double D Trucking. This can lessen the time needed for receiving and loading cargos for shipment. The company can also provide technical assistance through the internet for customers and online transactions. Performance monitoring of the operations from the delivery and shipment to the destination are also needed for the evaluation of the procedures and to find improvements of that function. This also measures of the effectiveness of the operations and the efficiency of the resources used (Pholsena, 2005).

Double D Trucking must possess the ability to make a right number of quantities of goods (efficient supply) in the right order within the right time and at the right place (effectiveness of operations) (Gudehus, 2007).

Alternate Logistic Service

The Double D Trucking, upon transforming to full logistic service provider from being a trucking company only will probably have alternative logistic services added to the company. Here is an analytical process to evaluate the added logistic services.

- Transport operators in the distribution business and supply chain is aiming for the optimization of the capacity in order to suffice the demands of the customers but the company must also have the ability to ensure the safety of the goods and an on-time delivery (Allum, 2006).

- The changing global market of the transportation and distribution market affects the strategies to be used by the companies (also for Double D Trucking). Such driving factors for the reorganization of the company's strategies are the aim for increased efficiency and improved structure's

cost. In addition, the customers increasing demands also triggers the company to find added value services.

- Double D Trucking can choose to have a partner (a 3PL) for providing logistic services at a lower cost but must be choosey among the 3PL providers (Moeller, 2006). A wrong choice would lead to imperfection due to goal differences thus providing a logistic service that is not good. The other choice is for them to be a full logistic service, taking over to all the distributive operations which will lead to a good logistic service due to perfection of the strategy because of the presence of one goal (the company's goal).

- A warehouse system management is viable for the Double D Trucking. That is to control inventory, improve productivity through measurement and process, direct information on when to stock up, lead time information.

- Internet Logistics is also practical. A reduced time and costs would lead from a business-to-business and business-to-consumer and vice versa transactions. This made the transaction fast and easy.

- Value added a service is the key for meeting the customer's needs and demands.

Value Added Services

Value added services are services added by the company prior to the needs and demands of the customers. Some examples of these services that the Double D Trucking can use are labeling, kitting, shipment assembly, customs

clearance, processing dangerous goods shipments, and special packaging (Schnaubelt, 2004).

Double D Trucking can choose to have a warehouse management system for handling and storage functions. That is to control inventory, improve productivity through measurement and process, direct information on when to stock up, lead time information, which are all viable to the distribution. This would be a great help for the Double D Trucking to trace all operations and not to have delay on the distributions. Return logistics will also be practical to handle the return of the goods. The returns of the products are unavoidable depending on the demands of the customers. The company might have no contingencies that would be helpful for these kinds of incidents. Through reverse logistics, these problems can be handled with care and will lessen the expenses of the company hiring another firm to take over with the said problem.

Metric Table

In measuring the performance of a 3PL organization, the criterion would include the effectiveness of the services the organization provides. There are several activities related to the effectiveness and efficiency of the 3PL organization that were considered as basis. These are listed on the table together with their % of capture.

(Table from the ' Logistic Performance Measurement and the 3PL Value Proposition' (Management, 2001))

3PL organizations give opportunity to the company to lessen the operating costs of the transportation operations and logistics through the selling of

their services, with which the buyer/company would be spending much if doing on solely and also 3PL increases the revenues of the company and enhance their market value resulting into greater returns of assets and a higher return on the investment of stockholders.

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