

Truck industry perspective



**ASSIGN
BUSTER**

The author wrote this article from a truck industry perspective instead of a supply chain perspective. Low gas prices will create a greater demand for shipping channels which is an excellent opportunity for the transportation business. The trucking industry should wholly embrace this new opportunity to diversify strategically and collaborate with the shipping and railroad industries to provide freight forwarding services. Furthermore, the economy of scales will lower overall transportation cost, improved Estimated Date of Delivery (EDD) of products, and reduce carbon emissions. According to a paper written by the Lexington Institute in 2009, third party logistics is a valuable contributor in keeping America's economy moving forward, helps drive down costs by identifying and correcting inefficiencies and provides a significant resources for trucking companies (Carbone, Soifer, 2009). Since the trucking industry already has a shortage of drivers and the outlook going forward for the industry will be challenging, venturing into freight forwarding could enhance the trucking industry. In this relation, the article justifies that means that the government and the stakeholders in the trucking industry to provide incentives to the trucking industry with the view of cushioning against losses incurred during transportation. In this manner, the author seeks to improve the industry and maximize on the profits and revenue.

Cooper, M. (2014, Feb). Paying the Freight, 10-25: Retrieved from <http://consumerfed.org/reports/paying-the-freight-consumer-benefits-of-increasing-fuel-economy-for-medium-and-heavy-duty-trucks/>

This paper examines the benefits of increasing the fuel economy of medium and heavy duty trucks. The author explains how increasing the fuel economy of these vehicles will eventually save energy in the transportation

<https://assignbuster.com/truck-industry-perspective/>

sector and lead to the increase in the positive impact of the fuel efficiency on households in America. The author explains that the largest contributors to commercial energy consumption are medium and heavy duty trucks and that consumers ultimately pay the costs in the price of goods and services they buy. The author surmised that the trucking industry understands the benefits of reducing transportation costs because they are also researching ways to reduce the tremendous impact of fuel expenditures. The author explained that fuel cost is larger than driver pay, greater than owning and paying insurance, and is the most significant component of the pass-through costs to consumers. In the paper, the author provided various charts predicting the large percentages of fuel reduction (10-20%) with as little as \$10, 000. 00 to 20, 000. 00 investments, and a reduction (40-50%) with investments of \$40, 000. 00-\$50, 000. 00. The author supported his stance by proving numerous charts from prominent industry leaders showing how technology would cut fuel consumption dramatically over the next ten years. Additionally, the author estimated that cost of the technology would be recouped in lower fuel cost for the industry, and lower prices for products and service for end users.

The author wrote this paper vaguely explaining and referencing studies to support his opinion. While I do agree that technologies in this industry would save costs for all stakeholders, the startup cost for most small and medium size trucking companies will be too expensive. The author should have conducted more research on government incentives for fuel-efficient commercial trucks to help support his idea. Additionally, he could have presented real world data in the shipping and railway industries to help support his opinion. The suggestion of the author is based on a superficial

analysis without the use of credible statistics that could help in understanding the factors related to the regulation of costs of transportation. It is evident that there is need to regulate the cost of transportations, however, using shallow analysis would result to additional problems that would affect the trucking industry in a negative manner. It is therefore advisable to take holistic analysis of the factors related to transportation before suggesting any changes in the cost of transportation in the trucking industry.

Douglas, M. (2014, Oct). Intermodal: Too Much of a Good Thing: Retrieved from <http://www.inboundlogistics.com/cms/article/intermodal-too-much-of-a-good-thing/>

This article examines whether intermodal transportation is too much of a good thing for the freight industry. The author introduces his point of view by clearly stating that intermodal transportation is a big deal that is steadily getting bigger. According to the author, his opinion is supported by the Association of American Railroads (AAR) published report indicating that the industry had year-over-year gains for 56 months in a row. The author agrees that intermodal transportation has gained a reliable reputation as an economical option; however, the strategy poses serious challenges due to an increase in containers from various transportation industries. The author cites problems such as congestion in seaports and surrounding highways, a shortage of locomotives and crews on freight locomotive, ongoing truck driver shortages, and a major shift in the market for shipping as a serious intermodal capacity crunch. The author surmised the challenges would be daunting as shippers embrace intermodal transportation, therefore, shippers

<https://assignbuster.com/truck-industry-perspective/>

should continue to pursue strategies to keep this method of moving cargo efficient and cost-effective.

The author provides enough statistical data for evaluating whether intermodal transportation benefits outweighs its drawbacks. I completely agree with his assessment, because it is reinforced with relevant data from various transportation industries. The author's closing statement echoes my sentiment about pursuing strategies to be competitive. Although there will be challenges ahead for intermodal transportation, proper strategic planning should help mitigate risk in the industry.

Douglas, M. (2013, Oct). Intermodal Efficiencies: Retrieved from <http://www.inboundlogistics.com/cms/article/intermodal-efficiencies/>

This article explains that shippers can save money by shipping freight long distances via the railroad instead of by over-the-road (OTR) trucking. The author describes the many advantages of shipping freight via the railroad such as lower cost, consistent access to capacity, reliable service, and increased security. The author even explained that unlike trucks, trains could travel 450 miles on one gallon of fuel, and how railroads have been assisting the trucking industry with intermodal freight transport. The author suggests that shipping companies should not solely rely on any one means of shipping, but should look into the advantages and disadvantages of each mode of shipment. In concluding the article, the author articulates that the trucking and railroad industries have been rivals for decades, but intermodal transportation has made them important partners. Additionally, the author

indicates that shippers should take advantage and use the best of both modes to gain maximum efficiencies and to help mitigate risk.

The author provides enough statistical data to demonstrate that railroad transportation can enhance intermodal transportation. I completely agree with the author's assessment especially when he explained that trains could travel 450 miles on one gallon of fuel. Additionally, he supported his point of view with data from various transportation industries. Additionally, the author's closing statement echoes my sentiment concerning proper strategic planning to mitigate risk. In order to ensure that there is holistic development in the transportation systems, there is need to put as much effort in the railroad development as in the development of the trucking industry. The author's perspective is to ensure that there is diversity in the transportation system to ensure that every sector helps in the growth and development of the economies. Additionally, the author helps the society diverts the attention to what the society and specifically the stakeholders in the trucking industry overlooks; strategic planning. The author highlights that poor or lack of strategic planning is the causal agent of the challenges in the trucking industry proving the need of the government and stakeholders in the relevant sectors to improve on the same.

References

Kraus, E. (2016, " n. d."). Trucking Industry Trend #3: Increased Cost.

Retrieved from <http://www.dbsquareinc.com/trucking-industry-trends-for-2016/>

Douglas, M. (2013, Oct). Intermodal Efficiencies: Retrieved from <http://www.inboundlogistics.com/cms/article/intermodal-efficiencies/>

Douglas, M. (2014, Oct). Intermodal: Too Much of a Good Thing: Retrieved from <http://www.inboundlogistics.com/cms/article/intermodal-too-much-of-a-good-thing/>

Foxx, A. (2014, December 8) Why We Care About Truck Driver Fatigue: Retrieved from <https://www.transportation.gov/fastlane/why-we-care-about-truck-driver-fatigue/>

Shultz, J. D. (2015, October 1). Trucking Regulations: Caught in a Web. Logistics Management (Highlands Ranch, CO), 54(10), 26.

Cooper, M. (2014, Feb). Paying the Freight, 10-25: Retrieved from <http://consumerfed.org/reports/paying-the-freight-consumer-benefits-of-increasing-fuel-economy-for-medium-and-heavy-duty-trucks/>