

Fed ex corporation is a cargo, airline, printing, and courier company essay

[Business](#)



i. Introduction: Logistics is the science that deals to manage and control the flow of goods, energy, information, products, services, and people from the source of production to the market place. Without the support of logistics, it is not possible to accomplish the task of marketing and manufacturing. Logistic support is the integration of information, transportation, inventory, ware housing, material handling, and packaging. The operating responsibility of the logistics includes geographical reposition of the raw materials, work in process, and finished inventories based upon the requirement at the lowest possible cost. (Cooper, M.

C., and L. M.

Ellram. 1993)A. Background of the two companies Fed Ex and DHL: Fed EX: Fed Ex Corporation is a cargo, airline, printing, and courier company.

The company offers overnight courier, ground, heavy freight, and document copying and logistics services. The honorably discharged US marine Fred Smith in Little Rock, Arkansas, originally founded the company in 1971. In April 1973, the official operations of the company began at Memphis Tennessee, by utilizing the network of 14 Dassault Falcon 20s that connected 25 US cities. The company, the first cargo airline used only jet aircrafts for its services. There was a great expansion of the company when there was deregulation in the cargo airline sector.

Fed Ex has several operating units. The Fed Ex supply chain services provides logistic services, which includes critical inventory logistics, transportation management services, fulfillment services, and other services.

DHL: Founded in 1969 by Adrian Dalsey, Larry Hillblom, and Robert Lynn, DHL is a Duetsche post company.

The company provides international shipping of documents and freight and the contract logistics. The global headquarters are located in Bonn, Germany and London, UK. The American headquarters are located at Plantation, Florida, and the Asian head quarters are located at Singapore. Among the three divisions of the DHL, the DHL logistics is sub divided into DHL global forwarding, DHL excel supply chain and DHL freight. B. Stage of the international development: Fed Ex: The company uses hub spoke distribution paradigm in the airfreight, which made the company to become the world leader in its field. The company's Memphis hub operates most of the US over night freight.

The Canadian hub operates from the Toronto International Pearson Airport. The upcoming new Asian-Pacific super hub in Guangzhou Baiyun International Airport in South China the intention to develop this super hub in china is to help the demand for the increasing levels of service. DHL: The company began as a courier service in Sanfransico and Honolulu, and expanded its operations to Pacific and Europe. The Company is famous for its ability to offer worldwide services for freight, package, and shipping to areas such as Iraq and Burma. DHL is as German company, embargoes of the US cannot affect the services of the company to Cuba or North Korea.

The company has won the contract worth 1. 6 pound to run the NHS supply chain; through this, the company provides logistics services to products that support 600 Hospitals over England. ii. Transportation and Operations

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Management: The corporate strategy linked to the strategic decisions in a supply chain that guide supply chain policies from a design perspective. The efforts of these decisions will effectively manage the product flow in the strategically planned supply chain. The decision on transportation or distribution comes under the category of strategic decisions. Transportation is more than thirty percent of the logistic costs, and operating efficiently makes good economic sense. Shipment sizes, routing and scheduling of the equipment are the key in effective management of the firm's transport strategy.

Operations management is concerned with the production of goods and services. The responsibility for the efficient and effective business operations lies with the operations management. (Arntzen, B. C. et.

al, 2005)A. Equipment scheduling: Fed Ex own and operates its own fleet of cargo planes that has a clear leg up on DHL, that has to buy the cargo space in the passenger planes, and thus vulnerable to capacity crunches.

Companies are rebuilding inventories to fill the supply gaps and buying new equipment and machinery to meet the new demand. Fed Ex and DHL are rebuilding their inventories for efficiency in their services. B. Load planning: To improve the service and reduce the costs of the shippers, there is a need to create efficient transportation plans like load planning and optimization.

The transport management system has optimization capabilities, which select a best option for a shipment based on the present criteria like cost, transit time, and overall mode. Fed Ex and DHL uses a longer planning horizon, which allows orders that can be evaluated for combination with

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others. This allows from parcel to less than a truckload. C. RoutingThe superior shipment visibility throughout the organization is paramount to a responsive customer centric company. Both Fed Ex and DHL are incorporating real time updates from their carriers, into their own systems, giving visibility throughout their organizations. This makes shipment efficient. D.

Movement: Basic functions of the operation such as movement and control are superior in Fed Ex when compared to DHL. With DHL, aging and non-integrated applications running on disparate platforms, which impeded the information, exchange and affected the quality and visibility of the data.

ERP/SCIS: All the data and processes in an organization are integrated by theEnterprise Resource planning or ERP system. To achieve the integration, the ERP system uses the multiple components of computer software and hardware. Most ERP systems use the unified database to store the data for various system modules.

Radio frequency identification is an automatic identification method that relies on storing and remotely retrieving data using the services called the RFID tags or transponders. To improve the efficiency of inventory tracking and management, there is a significant thrust to useRFID in the supply chain management of the enterprises. Fed Ex and DHL use RFID in its ERP systems, and the “ TAG fit” service provides with the fitting of the RFID transponders to goods on an order specific basis. iii. Strategic storage

operations: An organization has to satisfy local or global customers and the physical storage and distribution has fundamental importance. A short and

customer oriented supply chain has a significant advantage over competition.

Innovative solutions for storage are required, as the sensitive goods require special security. It is important to prevent the risk to the goods. The Fed Ex and have the strategic logistic services that would prevent the risk to the goods. iv. Summary and conclusions: Supply chain management has associated costs like for acquiring materials, maintaining inventory, processing orders, delivering to customers, managing transportation and information throughout the process. Fed Ex and DHL are the leaders in providing these services to the customers. Fed Ex connects customers, businesses, and communities around the globe as safely and efficiently as possible.

DHL handles 40% of the shipment of the world, and offers a variety of services. With its equipment and network, Fed Ex is a leg up DHL.

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