

Marketing transportation homework

[Business](#), [Marketing](#)



Transportation homework Chapter 6: Procurement Q2. Procurement is synonymous with the word purchasing. The historical standard tactics of aggressive volume purchasing and price negotiation with big suppliers has changed due to material price volatility, ever increasing profit target, and risk of negotiating in global markets, force the company to look beyond only cost saving option of procurement. Previously, procurement was only a transactional process, but changing scenario has changed this function as a relational exchange process involving limited number of suppliers. Procurement is more focused on building long term relationship with the suppliers.

Q8. Supplier selection and Evaluation is a very complex process. The main factors that make it difficult are:

The different criterion involving supplier selection and evaluation can vary both in number and importance, depending on the particular situation. Sometimes, it may become difficult for a supplier to achieve both competitive pricing and high quality supply.

Modern day business practices involving different methods (like JIT) can generate new selection criteria or change in the existing selection criteria.

Q15. A global sourcing development model has the following components: planning (finding the global sourcing opportunities & challenges), specification (quantifying and qualifying current resources), evaluation (Whether the supplier is matching the selection criterion), relationship management (building mutually beneficial long term relationship in cross cultural dimensions), transportation and holding costs (tradeoff between them), implementation, and monitoring and improvement (if any).

Establishing a sourcing strategy is one of the most difficult tasks for procurement function. Hidden costs associated with procurement change the expected benefits significantly. These hidden costs must be taken into account during sourcing -

1. Increased dealing cost of foreign suppliers,
2. changes in duty and tariffs,
3. increased inventory holding cost,
4. Unexpected change in ocean freight rates can.

Chapter 14 – International Logistics

Q1. Some of the key political restraints on cross-border trade are:

1. Import Licensing: Authorization document issued by the government to the foreign organizations involve in cross border trade.
2. Tariffs: Tax imposed by the government on imported goods to raise the price of them.
3. Non Tariff Barriers: Restrictive strategy by government other than tariffs.

Example: Import Quota

4. Embargoes: Prohibition of trade between two countries.
5. Voluntary Export Restraints: Limit on the quantity of exports for a specific time period.

Q2. A countries government can be involved in international trade in the following ways:

- a. Ocean carriers and international airlines have direct relation with nation's economy, because they affect the nation's balance of payments. Countries with weak balance of payments may impose license or permit on goods transportation.

b. Government can provide subsidies on their exported goods to make them competitive in foreign market.

c. Government may support their own merchants through cargo preference rules.

Q20. Logistics Performance Index is the weighted average of six logistical dimensions of global trade:

1. Efficiency of the clearance process.
2. Trade infrastructure
3. Ease of arranging competitively priced shipments
4. Logistical competency
5. Consignment tracking and tracing capability
6. Delivery time of the shipment

LPI can be used in the following ways:

1. LPI can be analyzed for all countries according to the overall LPI scores as well as comparing scores of each of the six dimensions.
2. It can also be used to analyze a country's performance relative to its geographic region, income group and other countries.

In short, LPI measures the trade logistics efficiency of a country.

Works Cited

Murphy, Paul R and Wood, Donald; Contemporary Logistics, 10th Edition.