

A decorative graphic on the left side of the slide, consisting of a network of light blue lines and circles that resemble a circuit board or a data network. The lines are of varying thickness and connect to small circles, creating a complex, branching pattern.

# TRANSPORT IN SUPPLY CHAIN

The background is a dark blue gradient. In the corners, there are decorative white and light blue lines that resemble a circuit board or a network diagram, with small circles at the end of the lines.

# THE ROLE OF TRANSPORTATION IN SERVICE QUALITY

# SUPPLY CHAIN MANAGEMENT (SCM) CAN BE DIVIDED INTO THREE MAIN AREAS:



- To practice effective, cost efficient Logistics Management, an organization must lay the foundation for a *responsive, economical* transportation network. With a responsive, economical transportation network, an organization is able to implement major strategic changes to reduce costs and increase customer service levels with very little disruption to the overall supply chain flow.

- A *responsive* transportation network begins with end-to-end network visibility. Visibility allows the business to centralize production operations to lower-cost areas without impacting customer service levels, because any uncertainty within the network can be monitored and appropriately managed to keep inventory levels as low as possible.

The background is a dark teal gradient. In the four corners, there are decorative white line-art patterns resembling circuit boards or neural networks, with lines and small circles connecting them.

# THE EFFECTS OF TRANSPORTATION ON LOGISTICS ACTIVITIES

- An *economical* transportation network actually begins with a shift in attitude. Businesses are often trapped in the traditional view that transportation is a necessary evil – an inevitable source of cost and risk. And who can blame them? Transport is by far the largest component of the cost structure of a business' logistics. According to sector research (Chang, 1998), transport accounts for as much as 30% of the total cost of logistics operations – almost as much as Warehousing and Inventory together!

- Without well developed transportation systems, logistics could not bring its advantages into full play. Besides, a good transport system in logistics activities could provide better logistics efficiency, reduce operation cost, and promote service quality. The improvement of transportation systems needs the effort from both public and private sectors. A well-operated logistics system could increase both the competitiveness of the government and enterprises

# TRANSPORT COSTS

- Transport system is the most important economic activity among the components of business logistics systems. Around one third to two thirds of the expenses of enterprises' logistics costs are spent on transportation

- That said, while a Bloomberg survey reports that 73% of Supply Chain Managers are undergoing this shift in attitude toward transportation and identifying transportation as their key focus in 2014, the same survey also reported that the current adoption rate of transportation solutions is somehow lagging – with 46% of participants reporting current use of a solution, and another 22% reporting plans to adopt one in 2014.