Vskills CERTIFIED

www.vskills.com

Certified Freight Forwarder
Sample Material

1. FREIGHT PLANNING

Freight planning involves logistics planning, which includes a generalized approach to corporate strategic planning is outlined, and this is linked to a specific logistics design strategy. It involves product characteristics, the product life cycle, packaging and unit loads.

1.1. P's and R's of Fulfillment

In the quest to provide quality service and satisfy customers, world-class companies along the supply chain are guided by the Seven Rights of Fulfillment.

- ✓ The Right Product
- ✓ To the Right Customer
- ✓ At the Right Time
- ✓ At the Right Place
- ✓ In the Right Condition
- ✓ In the Right Quantity
- ✓ At the Right Cost

Logistics provide a link between two primarily functions in a manufacturing organization – Marketing & Operations and the following 5P structure helps in deciding on the fundamentals for a sustainable efficiency in the system.

- ✓ Product: The product is the physical product or service offered to the consumer. In the case of physical products, it also refers to any services or conveniences that are part of the offering. Product decisions include aspects such as function, appearance, packaging, service, warranty, etc.
- ✓ Price: Pricing decisions should take into account profit margins and the probable pricing response of competitors. Pricing includes not only the list price, but also discounts, financing, and other options such as leasing.
- ✓ Promotion: Promotion decisions are those related to communicating and selling to potential consumers. Since these costs can be large in proportion to the product price, a break-even analysis should be performed when making promotion decisions. It is useful to know the value of a customer in order to determine whether additional customers are worth the cost of acquiring them. Promotion decisions involve advertising, public relations, media types, etc.
- ✓ People: People decisions are those related to customer service. The function of people to present an appearance, an attitude, etc
- ✓ Place: Place (or placement) decisions are those associated with channels of distribution that serve as the means for getting the product to the target customers. The distribution system performs transactional, logistical, and facilitating functions. Distribution decisions include market coverage, channel member selection, logistics, and levels of service.

1.2. Change Triggers

Logistics planning has been now more in focus due to various triggers which due to changes in international business, have been felt. The factors or triggers for change and logistics planning becoming more relevant are

- ✓ a significant improvement in communications systems and information technology, including such developments as enterprise resource planning (ERP) systems, electronic point-of-sale (EPOS) systems, electronic data interchange (EDI) and of course the internet;
- ✓ increasing customer service requirements, especially where the levels of service that logistics can provide are oft en seen as the competitive edge between companies and their products;
- ✓ a shortening of product life cycles, particularly for high-technology and fashion products;
- ✓ the need for improved financial performance at a time when companies and economies are under severe pressure;
- ✓ the development of new players with new roles in channels of distribution – this includes the growth of third-party service providers and their move to offer global and pan-European operations and to develop supply partnerships;
- ✓ the never-ending pressures to reduce inventories and their associated costs – through depot rationalization and the adoption of JIT concepts;
- ✓ the need to adopt a wider supply chain perspective when planning and redesigning logistics operations.

1.3. Strategic Planning

The initial phase of a strategic study should incorporate a review of the external environment within which a company operates. This includes such factors as the economic climate, current regulations and potential regulatory changes, and any relevant technological developments. One recognized approach to reviewing and evaluating the impact of the external environment is to undertake what is PEST analysis.

The analysis of relevant internal factors is also important. A typical approach is to undertake a form of SWOT analysis (strengths, weaknesses, opportunities and threats). This type of approach provides the opportunity for a company to review its position within the market-place with respect to its products, the demand for its products, the service it offers its customers and the position of its competitors.

In addition to a company's corporate or business strategy, the other element that is crucial is the competitive strategy that the company plans to adopt. Competitive strategy has a major influence on the development of logistics strategy and in the way the physical structure of the operation may be configured. There are a number of important factors, but the key ones include the extent of globalization, the type of competitive positioning adopted and the degree to which the supply chain is an integrated one.

1.4. Central Place Theory

The process of exchanging something of value between two parties (e.g., producers and suppliers, producers and consumers, producers and distributors, or distributors and consumers) that are distant from each other often triggers transportation activities. Although this process can take place anywhere in between the respective locations of those two parties, its location can either boost or undermine transportation activities. For example, if produced goods are to be exchanged at the location (i.e., a trading area or a marketplace) further away from consumer population centers, producers will lose their consumer-drawing power due to larger spatial gaps between them and their consumers and thus transportation activities from consumers and producers will be limited.

However, if that remote location of the marketplace can offer a diverse range of product assortments due to its scale (size), it may still draw consumers from longer distances. In other words, the location and size of the trading area can dictate transportation activities. This concept can be explained by the Central Place Theory. It helps explain reasons why people gather together in cities and towns to exchange their goods, services, and ideas. Extending its theory, it can also explain why distribution centers and retail establishments are located in certain areas and how people get engaged in transportation activities to reach those specific trading areas.

From the producer's perspective, the producer will gravitate toward the trading area where he or she can find a larger number of potential consumers with higher disposable incomes. Because travel distance to such a trading area can create spatial gaps and thus increase the cost of travel, distance will also affect the producer's decision to trade his or her products and services in that trading area. From the consumer's perspective, the consumer will be drawn into the trading area where he or she can find particular products that he or she wants or has access to a wide variety of products to choose from. Despite the availability of products and services that the consumer wants, distance for shopping trips to the trading area can be an obstacle because it will increase his or her cost of travel and thus increase the total cost of a product.

1.5. Freight Logistics Strategy

There are several important issues concerning the development of a suitable logistics strategy. The first is the need to link the logistics or distribution plan directly with the corporate plan. This is best achieved by ensuring that logistics is an integral part of the corporate plan and that factors related to these functions are used as inputs in the overall planning process.

The second point concerns the extent or coverage of the logistics strategic plan. This will clearly vary from one company to another. It may well just be a 'distribution' functional plan. It is most likely that it will be necessary to incorporate elements from other functions (marketing, production, etc) to represent the fully integrated nature of logistics or the supply chain.
The third, and in many ways most important, issue is whether or not a company has a structured logistics plan at all. Many still don't, so a first and major step may be to ensure that such a plan is developed, based of course on the company's business and competitive strategic plans.

Traditionally, logistics planning and design have evolved around the structure of the logistics network, such as depot numbers and location, but it is now recognized that, as well as these physical logistics elements, there are other factors that also need to be considered. These are the design of logistics processes, logistics information systems and logistics organizational structure.

Logistics process design is concerned with ensuring that business methods are aligned and organized so that they operate across the traditional company functions and become supply-chain-oriented. Thus, they should be streamlined and should not be affected or delayed because they cross functional boundaries. A typical logistics process is order fulfillment, designed to ensure that customers' order requirements are satisfied with the minimum of time and the maximum of accuracy.

The process should be designed as a seamless operation from the receipt of the order to the delivery of the goods and not as a series of different operations that occur each time a different internal function is involved – sales department, credit control, stock control, warehouse, transport.

Other logistics processes that might be considered are information management, new product introduction, returns or spare part provision.

Logistics network design refers to the more traditional elements of logistics strategy. These include aspects related to the physical flow of the product through a company's operation, such as the manufacturing location from which a product should be sourced, the inventory that should be held, the number and location of depots, the use of stockless depots and final product delivery. One key to the determination of an appropriate physical design is the use of trade-off s between logistics components and between the different company functions.

Logistics information system design should include all of those information-related factors that are vital to support the processes and the physical structure of the operation. As well as these, however, it is important to recognize that there are also enterprise-wide information systems like ERP systems, which may have a direct influence on logistics process and network design. Typical information systems that may support logistics process and network design might be electronic point of sale (EPOS), electronic data interchange (EDI) between companies, warehouse management systems, vehicle routing and scheduling and many more.

It is the experience of many companies that an inadequate organizational structure can lead to substantial problems. These include issues such as sub-optimization whereby functions tend to concentrate on their own operation in isolation from the rest of the company, or even worse examples where different functions and their managers compete against one another and develop antagonistic attitudes, oft en styled as a 'blame culture'. These types of attitude work against the company but are also detrimental to customers and customer service.

1.6. Product Characteristics

One of the major factors to be considered when planning for logistics is, perhaps not surprisingly, the product itself.
For the logistics planner, the physical characteristics of the product and package are seen to be of great significance. This is because, in distribution and logistics, we are directly concerned with physical flow movement and storage. The physical characteristics of a product, any specific packaging requirements and the type of unit load are all-important factors in the trade-off with other elements of distribution when seeking least-cost systems at given service levels. This potential for trade-off should continually be borne in mind.

Few product characteristics impacting the development and operation of a distribution system are

Volume to weight ratio

A low ratio of volume to weight in a product (such as sheet steel, books, etc) generally means an efficient utilization of the main components of distribution. Thus, a low-volume/high-weight product will fully utilize the weight-constrained capacity of a road transport vehicle.

On opposite, a high volume to weight ratio, tends to be less efficient for distribution. Typical products include paper tissues, crisps, disposable nappies, etc. These products use up a lot of space, and are costly for both transportation and storage.

Value to weight ratio

High-value products are more able to absorb the associated distribution costs. It is oft en essential for low-value products to have an inexpensive distribution system, as otherwise the effect on the total cost of the product might make it non-viable in terms of its price in the marketplace.

It is useful to assess the value effect in terms of a weight ratio: the value to weight ratio. Low value to weight ratio products (eg ore, sand, etc) incur relatively high transport unit costs compared with high value to weight products (eg photographic equipment, computer equipment, etc).

High-risk products

The characteristics of some products present a degree of risk associated with their distribution (perishability, fragility, hazard/danger, contamination potential, and extreme value). The need to minimize this risk (sometimes a legal obligation) means that a special distribution system design must be used.

1.7. Packaging

The packaging of a product is broadly determined for product promotion and product protection, the latter being the function that is particularly pertinent to logistics. There are also some other factors that need to be considered when designing packaging for logistics purposes. In addition to product protection, packages should be easy to handle, convenient to store, readily identifiable, secure and of a shape that makes best use of space – usually cubic rather than cylindrical.

Once again, there is trade-off s that exists between these factors. These trade-offs will concern the product and the logistics operation itself. It is important to appreciate that, for those involved in logistics, the package is the product that is stored and moved and so, where possible, should be given the characteristics that help rather than hinder the logistics process. Packaging is very much a part of the total logistics function, and the design and use of packaging has implications for other functions such as production, marketing and quality control, as well as for overall logistics costs and performance.

Packaging Optimization

Various means of reducing costs and packaging optimization are

- ✓ Reduction in administrative costs by reducing the number of suppliers and vendors utilized in the shipping process. By simplifying interactions with suppliers and vendors.
- ✓ Reduction in handling costs by designing packaging such that the packing time for a given package is minimized. Employees can pack goods more quickly and efficiently, meaning less money spent on handling the product and its packaging. Using the correct packaging for the method of transport that will be utilized. For example, packaging goods for shipment via rail will differ from packaging goods for shipment via air freight. This reduces lost space in the shipment, and increases the efficiency of the transport being utilized.
- ✓ More efficiently protecting the product by considering environmental and product factors. To minimize the chance of product damage during shipping by considering both the likely environment through which the product will be shipped as well as considering the level of product protection necessary. For example, shipping fine china would require more protection than shipping plastic mugs; by adjusting the level of protection to meet the need of the product,

the approach minimizes breakage while reducing the waste that can result from utilizing too much protection for those goods that don't need it.

- ✓ Utilizing returnable packaging when possible. A significant factor in product shipping costs is the cost of the materials used to ship the product. When an end user simply discards the shipping material, the shipping business must repurchase the shipping materials for the next shipment. Emphasizing the use of returnable packaging (when feasible to do so). This reduces the amount of packaging per unit that a given business will need to purchase. Further, this will reduce environmental costs by reducing the per-unit amount of waste that is being shipped off to a landfill.

Certifications

Accounting, Banking & Finance
- Certified GST Professional
- Certified AML-KYC Compliance Officer
- Certified Business Accountant
- Certified BASEL III Professional
- Certified GAAP Accounting Standards Professional
- Certified Treasury Markets Professional

Big Data
- Certified Hadoop and Mapreduce Professional

Cloud Computing
- Certified Cloud Computing Professional

Design
- Certified Interior Designer

Digital Media
- Certified Social Media Marketing Professional
- Certified Inbound Marketing Professional
- Certified Digital Marketing Professional

Foreign Trade
- Certified Export Import (Foreign Trade) Professional

Health, Nutrition and Well Being
- Certified Fitness Instructor

Hospitality
- Certified Restaurant Team Member (Hospitality)

Human Resources
- Certified HR Compensation Manager
- Certified HR Staffing Manager
- Certified Human Resources Manager
- Certified Performance Appraisal Manager

Office Skills
- Certified Data Entry Operator
- Certified Office Administrator

Project Management
- Certified Master in Project Management
- Certified Scrum Specialist

Real Estate
- Certified Real Estate Consultant

Marketing
- Certified Marketing Manager

Quality
- Certified Six Sigma Green Belt Professional
- Certified Six Sigma Black Belt Professional
- Certified TQM Professional

Logistics & Supply Chain Management
- Certified International Logistics Professional
- Certified Logistics & SCM Professional
- Certified Supply Chain Management Professional

Legal
- Certified IPR & Legal Manager
- Certified Labour Law Analyst
- Certified Business Law Analyst
- Certified Corporate Law Analyst

Information Technology
- Certified Angular JS Professional
- Certified Basic Network Support Professional
- Certified Business Intelligence Professional
- Certified Core Java Developer
- Certified E-commerce Professional
- Certified IT Support Professional
- Certified PHP Professional
- Certified Selenium Professional

Mobile Application Development
- Certified Android Apps Developer
- Certified iPhone Apps Developer

Security
- Certified Ethical Hacking and Security Professional
- Certified Network Security Professional

Management
- Certified Corporate Governance Professional
- Certified Corporate Social Responsibility Professional
- Certified Leadership Skills Professional

Life Skills
- Certified Business Communication Specialist
- Certified Public Relations Officer

Media
- Certified Advertising Manager
- Certified Advertising Sales Professional

Sales, BPO
- Certified Sales Manager
- Certified Telesales Executive

& many more job related certifications

Contact us at:
V-Skills
011-473 44 723 or info@vskills.in
www.vskills.in