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SCMT309 - Pappu  
G16  
QOTW #04  
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Question of the Week #04: You have been asked to develop a method to measure your transportation carrier performance. Identify 5 key elements of performance and explain how you would measure each element?

Five key elements that can help measure my transportation carrier performance are: accessibility, transit time, reliability, security, and cost.

Accessibility considers the mode of transportation's ability to reach origin and destination facilities and provide service over the specified route in question. Depending on mode of transportation accessibility is important in knowing what can be accessed where and what is the most efficient way of doing so. Next is transit time, is the total elapsed time that it takes to move goods from the point of origin to the destination; this includes time for pickup activities, terminal handling, line-haul movement, and customer delivery. Transit time is often impacted by the speed of the mode and the ability of the mode to handle pickup and delivery responsibilities.

Following these two performance measurement techniques, there is reliability. Reliability is more important of an issue than speed as it impacts their ability to plan supply chain activities; it refers to the consistency of the transit time provided by a transportation mode. It makes it easier the forecast inventory needs, schedule production, and determine safety stock levels; reliability is measured by statistical

variation in transit time. In addition, product safety also known as security is equally important in measuring performance. Safety is critical to the achievement of customer service, cost control, and supply chain effectiveness. From a safety standpoint goods must arrive at the destination in the same manner/condition they were in when tendered for shipment at the origin, also safety is often pursued by protective packaging. Finally, cost, given the varying capabilities and cost of each mode of transportation it is not quick and easy to choose the mode of transportation. It must be effective and high performing. The total supply chain cost and service quality of moving, storing, and fulfilling demand for a product must be considered in the modal selection decision. There is a desirability to combine modes of transportation to increase performance and efficiency. You choose your method of transportation based on these five elements being measured the proper way depending on consumers, geographic location, and as well as proper planning and strategy.