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Unit III

Role of Transportation

Programme Educational Objectives

- *Our program will create graduates who:*
 - *1. Will be recognized as a creative and an enterprising team leader.*
 - *2. Will be a flexible, adaptable and an ethical individual.*
 - *3. Will have a holistic approach to problem solving in the dynamic business environment.*

Logistics and Supply Chain Management

Course Outcomes

- CO1-Given a business situation containing the data (material and information flow) from supplier to manufacturer to the retailer, the student manager will be able to identify and explain the best Supply Chain strategy from the five supply chain strategies.
- CO2-Given a particular type of product, its manufacturer and customer, the student manager will be able to select, construct and explain the appropriate distribution network design type.
- CO3-Supplier is not able to deliver the products to the manufacturer because of one of the reasons (such as exchange rates, reliability of transportation channels, transfer price, political stability, and natural calamity). Student manager will be able to explain different types of uncertainties its solutions.

- CO4-Student manager will be able to explain all the modes of transportation and for given a situation, would be able to identify the appropriate mode of transportation.
- CO5-Student manager will be able to explain the role of technology in intermodal freight transportation and enlist and explain various technological tools, for intermodal freight security.

Importance of Transportation

- Because of its intensive use of infrastructures, the transport sector is an important component of the economy and a common tool used for development.
- This is even more so in a global economy where economic opportunities have been increasingly related to the mobility of people, goods and information.

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- When transport systems are efficient, they provide **economic and social opportunities and benefits** that result in positive multipliers effects such as better accessibility to markets, employment and additional investments.
- When transport systems are deficient in terms of capacity or reliability, they can have an economic cost such as **reduced or missed opportunities and lower quality of life.**

Transportation Impacts

- **Direct impacts.** The outcome of improved capacity and efficiency where transport provides employment, added value, larger markets as well as time and costs improvements. The overall demand of an economy is increasing.

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- **Indirect impacts.** The outcome of improved accessibility and economies of scale. Indirect value-added and jobs are the result of local purchases by companies directly dependent upon transport activity.
- Transport activities are responsible for a wide range of indirect value-added and employment effects, through the linkages of transport with other economic sectors (e.g. office supply firms, equipment and parts suppliers, maintenance and repair services, insurance companies, consulting and other business services).

core (the physical characteristics of transportation), operational and geographical dimensions

- **Core.** The most fundamental impacts of transportation relate to the physical capacity to convey passengers and goods and the associated costs to support this mobility. This involves the setting of routes enabling new or existing interactions between economic entities.

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- **Operational.** Improvement in the time performance, notably in terms of reliability, as well as reduced loss or damage. This implies a better utilization level of existing transportation assets benefiting its users as passengers and freight are conveyed more rapidly and with less delays.

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- **Geographical.** Access to a wider market base where economies of scale in production, distribution and consumption can be improved. Increases in productivity from the access to a larger and more diverse base of inputs (raw materials, parts, energy or labor) and broader markets for diverse outputs (intermediate and finished goods).
 - Another important geographical impacts concerns the influence of transport on the location of activities.

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- Article: The top five ways transportation impacts economic development



Thank You