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ECONOMIC DEVELOPMENT

High inflation, better industrial growth will aid RBI in holding rates higher for longer, say economists



A higher inflation print, coupled with higher industrial production, will provide support to the Reserve Bank of India to keep rates higher for longer, economists said on July 12.

“The RBI will be in no hurry to ease monetary policy given the headroom from robust growth in the backdrop of near term inflation risks,” said Asana Bhardwaj, chief economist, Kotak Mahindra Bank.

Both inflation and industrial production surprised, with inflation rising above 5 percent for the first time in four months and industrial production soaring to a seven-month high of 5.9 percent in May compared to 5 percent in the previous month.

Economists contend that a lot rides on the food inflation trajectory in the coming months and even an October cut, which was earlier anticipated, hangs in balance.

While the RBI has projected inflation to come down in Q2 to less than 4 percent, the monsoon progress will determine whether this is sustainable or not. RBI expects inflation to go back to 4.5 percent in the following quarters. Any rate action can be considered only in October and will be heavily data dependent,” said Madan Satnavs, chief economist, Bank of Baroda.

India’s net direct tax collection jumps over

The Central Board of Direct Taxes (CBDT) said net direct tax collection of Rest 5.74 lakh crore includes Corporation Tax (CIT) at Rest 2.1 lakh crore.

India's net direct tax collections grew 19.54 percent to Rest 5.74 lakh crore till July 11 in the current financial year as compared to Rest 4.80 lakh crore in FY24 in the corresponding period, income tax department said.



The Central Board of Direct Taxes (CBDT) said net direct tax collection of Rest 5.74 lakh crore (as of July 11) includes Corporation Tax (CIT) at Rest 2.1 lakh crore (net of refund) and Personal Income Tax (PIT) at Rest 3.46 lakh crore and Securities Transaction Tax (STT) at Rs 16,634 crore (net of refund).

The government has issued direct tax refunds of Rs 70,902 crore till July 11 in 2024-25, which is an increase of 64.49 percent compared to Rs 43,105 crore it issued in the corresponding period in 2023-24.

The government had in the revised estimates for direct tax collection pegged the receipts for the full fiscal (April-March) at Rs 21.99 lakh crore.

Healthy tax collection is significant since it helps the government meet its fiscal deficit target for a particular year. The Centre targeted a 5.2 percent fiscal deficit target for FY25 in the interim budget

and Securities Transaction Tax (STT) at Rs 16,634 crore (net of refund).

LOGISTICS MANAGEMENT



Logistics management is the process of planning, implementing, and controlling the movement of goods, services, and information between the point of origin and the point of consumption. It involves the integration of various activities, including transportation, inventory management, warehousing, material handling, packaging, and security.

The goal of logistics management is to ensure that goods are delivered to the right place, at the right time, and in the right condition, while minimizing costs and maximizing efficiency. This involves optimizing the supply chain to achieve the best balance between customer service and cost-effectiveness.

Logistics management plays a crucial role in business operations, particularly in industries such as manufacturing, retail, and e-commerce, where timely and efficient delivery is critical for customer satisfaction and retention. It helps organizations improve their supply chain efficiency, reduce transportation and warehousing costs, and increase their overall competitiveness.



IMPORTANCE

The increasing complexity involved in the movement of goods from the point of origin to the point of consumption has made logistics management critical with regards to keeping up with changing customer needs, growing competition and evolving market dynamics. Logistics is key to utilizing, planning, implementing and controlling the flow and storage of goods and services to meet customer requirements. Efficient logistics management provides clear visibility of transportation activities involved in ensuring smooth supply chain operations. By analyzing the transportation data, companies can implement better route optimization to avoid potential disruptions and also save on operational and fuel costs.

Logistics management helps to identify cost-saving measures and keep expenses lower, thus ensuring better productivity. The last-mile is the most important element in logistics and is the key to achieving customer satisfaction. Efficient logistics management enables the implementation of reliable strategies that help provide services to meet customer demand and boost sales volume.



Rapidly growing demand for online commerce has also given rise to business models with shorter order fulfillment cycles, increasing competition, reduced margins, and the prime need for excellent customer service. In effect, these are the core drivers that have necessitated vast improvements in **Logistics Management**.

Analyzing a company's logistics function and using the correct tools and tips to optimize it, has become crucial for success.

Logistics management is defined as a set of multiple processes that facilitate the efficient movement of raw materials, goods, parcels, finished products, and freight from their point of origin through to their end-consumer.

Depending on the degree of digital adoption within an ecosystem and the stakeholders and companies within it, these processes can be manual or automated. Today's logistics management methods have rapidly adopted new-age technologies like Cloud-Tech, Internet of Things, Artificial and Predictive Intelligence, Machine Learning (etc.).

Core activities of logistics management include order fulfillment, warehousing, inventory management, packing, predicting patterns of demand and supply, and fleet and driver management, to name a few.

By deploying such powerful tools to manage the logistics function, today's businesses have become empowered – they have been able to identify new revenue streams, improve profitability, and achieve high levels of customer satisfaction.

Since logistics form the core of supply-chain management, this has created breakthrough improvements in the overall methods and operational efficiencies achieved by supply chains all over the world.

VARIOUS TYPES OF LOGISTICS MANAGEMENT

Supply-Chain Management: This type is focused on the planning, procurement, and coordination of raw materials that are required at specific locations and destinations to facilitate the production of goods and products. This also includes the warehousing, storage, and movement of materials and inventory.

Importantly, supply management needs to ascertain demand patterns so that the corresponding

supply of materials can be organized. Poorly planned or executed supply chain management will surely result in disruptions and losses along the entire supply chain.

2. Material Handling and Distribu-

tion: This relates to the movement of material and supplies from a central location e.g. a centrally located warehouse, to several other points of its requirement in an organized and timely manner wherefrom further production or distribution can continue.

As is natural with materials handling and distribution, this type of logistics involves a lot of tracking, stock-keeping, loading, and unloading of materials.

3. Production Management: This refers to the planning, execution, and monitoring of the various stages of production in a company.

It handles all the coordination required in the assembling or manufacturing process, production areas, warehouses, and factories, per the production and delivery schedules required.

Importantly, efficient production logistics enable a company to operate with capital efficiency.

4. Customer Service Management: The strategies, practices, and technologies used by firms to analyze and manage customer interactions and the data generated across the customer lifecycle process are referred to as customer service management.

Transparent communication and damage-free deliveries made on time form the cornerstone of good customer service management. In addition to building strong business relationships with all stakeholders, it ultimately results in a most critical metric i.e. customer retention.

5. Reverse Logistics Management: This is also called Returns Management, and refers to the handling of order returns.

This includes reclamation of supplies and materials from the supplier (e.g., manufacturer, agent) for products returned from the end-customer due to damage, unwanted, or unused (for a legitimate, acceptable reason).

Through standardized inspection, sorting, replacement, re-stocking, and timely decision-making with regard to returned products, companies can reduce their losses.

Top tips for efficient Logistics Management

With effective logistics management, companies ensure increased revenues, reduced errors and wasted resources, achieve optimum communication, and build strong business relationships.

Given below are some top tips for efficient logistics management.

1. Automation: By automating core logistics operations such as route planning, scheduling, roster management, task-allocation (etc.), companies not only save a significant amount of time and money, but are also able to achieve much higher levels of operational efficiency, plan better for the future, and maintain a robust, profitable operation.

2. Maintain control of on-ground operations: With logistics management, companies can maintain an integrated view of their resources, departments, and teams, and monitor their operations in real-time.

This transparent and real-time view helps in achieving optimum efficiency, minimizing disruptions, and making the best use of its resources.

3. Route-optimization: An important part of logistics management is optimizing delivery routes with the services of modern systems like last-mile software. Such advanced optimization techniques balance out numerous elements that are forever fluctuating—such as traffic, weather, empty miles, tonnage (etc.)—and come up with optimal route(s).

4. Bring inventory nearer to customers: With customers demanding faster and cheaper delivery times every day, the distances that parcels have to travel from their storage point to the final destination need to be minimized. Therefore, storage locations assume great importance.

Logistics management must identify such inventory locations that not only achieve the shortest delivery times but also minimize operational costs.

5. Minimizing carbon-footprint: It should hardly be a surprise that transportation is a leading cause of environmental damage due to its carbon emissions!

By adopting modern technologies—e.g. electric vehicles, green fuel, digital documentation, and route optimization—companies can reduce the carbon footprint of their logistics operations significantly.

6. Empowering customers: Driven by their need for ‘control’ and ‘instant gratification,’ today’s customers want to know exactly where their parcels are, want to be updated throughout the process with real-time communication about ETAs, any delays or changes (etc.).

Companies must manage their logistics operations so that they offer enough options to their customers and make it ‘customer-centric,’ especially in the last mile.

7. Mitigating operational risk: By adopting digital processes and logistics tools, companies can achieve a robust supply-chain operation. This, in turn, mitigates risk exposure by making sure best practices are established, ultimately leading to healthy margins and building customer loyalty.

8. Using a 3PL: Using third-party logistics (3PL) companies enables client companies to outsource all their fulfillment and distribution functions completely. These 3PLs are global behemoths that ensure all-around efficiency and optimize the use of resources.

Conclusion: As is evident, to achieve supply chain efficiency and maintain profitable operations, companies must leverage the use of modern technologies like **last mile delivery software** to optimize their logistics management.



MAJOR COMPONENTS OF LOGISTICS MANAGEMENT

Needless to say, Logistics Management is a complex process that deploys the use of numerous components to determine the efficient movement of cargo.

It includes an elaborate network of service providers, freight forwarders, agents, packers, and distributors, all working in tandem via different methods of transport.

The major components are:

1) Inventory management: A most crucial part of logistics management is managing inventory. This has a far-reaching impact including managing an efficient order fulfillment process, an organized warehouse operation, and optimizing the use of time and money toward improving productivity.

It also ensures that the requisite amounts of stock quantities are maintained, customer demand-supply patterns are studied, proper planning is used, and carrying costs are minimized.

2) Inbound logistics: Inbound logistics sits at the dynamic point of interaction and exchange of goods and services between suppliers and buyers. It includes the movement/transportation, receipt, and storage of goods by a firm.

A well-planned and executed inbound logistics operation helps no end to increase sales, improve production-line efficiency, reduce wastage of precious raw materials and resources, and reduce company overheads, to name a few.

3) Outbound logistics: Extending the point above, outbound logistics is the process by which companies transport their finished goods from a distribution center, or warehouse, to the customer delivery address.

There are numerous stages, including storage and warehousing, transport, distribution, and importantly, the last-mile delivery operation. It determines the success or failure of a company's customer relationship management.

4) Fleet management: Fleet management is an area that goes a long way to determining the success and profitability for logistics and distribution companies.

It is the management of fleet vehicles and drivers to transport goods in the most efficient manner, by minimizing risks involved, by balancing out all the numerous dynamic elements (e.g. traffic, weather, nature of cargo, tolls and taxes, safety protocols, driver and vehicle availability, labor costs) and aiming to increase the number of deliveries by reducing costs, improving profitability, and achieving customer satisfaction.

5) Warehouse management: Storing, and managing raw materials and goods in a warehouse, is known as warehousing. Efficient logistics management isn't possible without a sound warehouse management policy – remember that warehouse capacity and its proximity form the two most important elements in managing an efficient supply chain.

6) Order fulfilment: As the name suggests, order fulfilment is moving a product from its point of purchase to the point of final delivery to the customer. Since it is not only the final stage of the supply chain process but also the part where companies interact directly with their customers, it is a crucial part of generating, and maintaining, customer satisfaction.

7) Demand forecasting: Studying demand pattern and using it to predict future demand trends is called demand forecasting.

It is an extremely complex process that takes into account numerous ever-changing factors and is responsible for ensuring sufficient inventory at all times. It predicts future market opportunities, consumer and market trends, and how suppliers can use this to grow their businesses.

Top benefits of effective Logistics Management

An effective logistics management strategy equips businesses to predict consumer demands, provide for the supply side, and run a profitable concern. Without it, a business would not be able to stay competitive.

Let's look at the top 5 benefits:

1. Minimized operating costs: A strong logistics management program analyses historical trends and data to not only understand the business and its eco-system deeply but also to predict future demand-supply requirements. It can improve asset utilization, and business productivity, and optimize operational costs.

2. Better customer experience: An effective logistics operation makes a direct and positive impact on Customer Experience. It ensures improved transportation, minimizes disruptions (if any), makes for the smooth movement of raw material as well as finished goods, and operates as quickly and reliably as a fulfilment service is required to. This, in turn, creates a stronger brand and better company reputation.

3. Improved profitability: Logistics management provides companies with a clear view of all key areas including customer dynamics, competitive scenario, capital ROI, technological innovations, operations, supply-chain management (etc.) thus helping them to boost company profitability.

4. Optimized routing: In the end, logistics companies need to move raw materials and finished goods efficiently and safely across the supply chain, within the promised timelines and costs.

Route planning ensures route optimization by taking into consideration several variables – including weather and traffic patterns, type of cargo to be transported, the drivers and types of fleet vehicles available, reducing “empty-miles” travelled – to achieve solid order fulfilment rates. All this is geared toward meeting customer demand and achieving customer satisfaction.

5. Intermodal operations: Improved intermodal operations are environmentally friendly, safer, more reliable, and reduce costs. An intermodal operation involves the use of two modes (or, more) to move goods from manufacturer to customer. It uses specialized and standardized containers to eliminate risks connected with cargo handling and movement.

Best Practices to Address Disruptions in Logistics Management

By establishing best practices, companies can address – and hopefully, prevent completely – disruptions in logistics management thus ensuring stability, efficiency, and profitability.

- In the modern world of Ecommerce, maintaining “dark stores” that are used as order-fulfilment centres offers customers a “click-and-collect” option, for them to collect their orders at their convenience.
- epode (electronic-proof-of-delivery) and contactless payment options not only keep customers and employees safe (as we saw during the pandemic) but also reduce the time taken to complete deliveries, thus leading to customer satisfaction.
- Use crowdsourcing to optimize vehicle and staff capacity. This meets peaks and demands in demand supply, reduces fixed costs, and optimizes last-mile delivery.
- Always investigate value-added services for customers to manage costs, and offset unavoidable price hikes, resource crunches (etc.).
- The unpredictable environments under which logistics and distribution companies operate will,

unfortunately, throw up unforeseen problems. Make sure to have a contingency plan to tackle such logistics emergencies.



MANAGING GLOBAL TEAMS

To succeed in the global economy today, more and more companies are relying on a geographically dispersed workforce. They build teams that offer the best functional expertise from around the world, combined with deep, local knowledge of the most promising markets. They draw on the benefits of international diversity, bringing together people from many cultures with varied work experiences and different perspectives on strategic and organizational challenges. All this helps multinational companies compete in the current business environment.



More and more businesses are relying on a geographically diverse workforce to flourish in today's global economy. They assemble and manage a global team that combines the greatest global functional experience with in-depth, local knowledge of the most promising markets. Consequently, they benefit from international diversity by bringing together people from many cultures with a wide range of work experiences and viewpoints on strategic and organizational issues. All

of this helps multinational corporations compete in today's global economic market.

When everyone is locally working and everyone shares the same office space, it is hard enough to form a successful work group. However, when team members come from various nations and functional backgrounds and operate in separate places, communication can quickly degrade, misunderstandings can arise, and collaboration may quickly devolve into distrust. Remote employees and co-workers from various backgrounds have grown increasingly common in recent years and has only surged since the pandemic began.



This implies that managers need to manage a global team and be in charge of leading teams of people with a variety of professional as well as cultural backgrounds, locations, and work ethics. Managing a global workforce effectively needs exceptional leadership and communication abilities, as well as a keen understanding of cultural differences. Effectively communicating, motivating, and celebrating your team requires time, understanding, and effort. Great things happen when you welcome diversity and empower people throughout your global workforce.

Understanding and adopting the professional work techniques of different cultures is a necessity in order to build and manage a global team. But that is a challenging task to take on.

Corporate ethics and governance

Ethics in corporate governance refers to a set of moral principles and values that guide the behaviour of a company and its employees in conducting business. It involves promoting integrity, honesty, and fairness in all business operations, ensur-

ing compliance with legal and regulatory requirements, and fostering a culture of ethical behaviour within the organization.

Ethics plays a critical role in ensuring transparency and accountability in corporate governance. By adhering to



ethical standards, companies can promote openness and honesty in their operations, making it easier for stakeholders to trust them. Ethical behaviour also ensures that companies are accountable for their actions, and that they operate in a manner that is consistent with their stated values and principles.

For example, the 2015 Volkswagen emissions scandal was a result of unethical behaviour by the company's management. Volkswagen deliberately installed software in their diesel cars to cheat on emissions tests. This behaviour was not only illegal but also violated ethical principles of honesty and transparency. The scandal resulted in significant financial and reputational damage to the company, and highlighted the importance of ethical behaviour in corporate governance.

ETHICAL DECISION-MAKING AND ITS IMPACT ON CORPORATE GOVERNANCE:

Ethical decision-making involves considering the moral implications of business decisions and acting in a manner that aligns with ethical principles. When companies make ethical decisions, they build trust with their stakeholders, including employees, customers, and shareholders.

For example, Patagonia, a clothing company, is committed to ethical and sustainable business practices. The company sources materials from sustainable sources, supports fair labour practices, and invests in renewable energy. By making ethical decisions, Patagonia has built a loyal customer base that values the company's commitment to social and environmental responsibility.

MULTINATIONAL COMPANIES



A multinational corporation (MNC) is a company that operates in its home country, as well as in other countries around the world. It maintains a central office located in one country, which coordinates the management of all of its other offices, such as administrative branches or factories.

It isn't enough to call a company that exports its products to more than one country a multinational company. The multinational needs to maintain actual business operations in other countries and must make a foreign direct investment there.



Reasons for Being a Multinational Corporation

There are various reasons why companies want to become multinational corporations. Here are some of the most common motivations:

1. Access to lower production costs

Setting up production in other countries, especially in developing economies, usually translates to spending significantly less on production costs. Though outsourcing is a way of achieving the objective, setting up manufacturing plants in other countries may be even more cost-efficient.

Due to their large size, MNCs can take advantage of economies of scale and grow their global brand. The growth is done through strategic manufacturing/service placement, which allows the corporation to take advantage of undervalued services across the globe, more efficient and inexpensive supply chains, and advanced technological/R&D capacity.

2. Proximity to target international markets

It is beneficial to set up business in countries where the target consumer market of a company is located. Doing so helps reduce transport costs and gives multinational corporations easier access to consumer feedback and information, as well as to consumer intelligence.

International brand recognition makes the transition from different countries and their respective markets easier and decreases per capita marketing costs as the same brand vision can be applied worldwide.

3. Access to a larger talent pool

Multinational corporations are also known to hire the best talent from around the world, which allows management to provide the best technical knowledge and innovative thinking to its product or service.

4. Avoidance of tariffs

When a company produces or manufactures its products in another country where they also sell

their products, they are exempt from quotas and tariffs.

PORT MANAGEMENT



In a global context, the role of seaports as centres for trade activities contributes to strengthen the development of the multimodal transportation system by fostering the increase of cargo networks. The international transportation gives special attention to competitive factors such as ports' infrastructure, quality and spectrum services provided, ports' capacity to manage large cargo volumes in a timely manner, cost, and efficiency. Furthermore, hubs and transshipment terminals continuously improve their network to fulfil new roles in global supply chains due to the tremendous growth of containerized cargo at main transportation routes.

It is well known that logistic activities provide the link for the efficient flow of the traffic of goods and smooth the operations and handling of cargo. Ports are the main nodes in the maritime transit network. Ports are competitive if they are capable of facilitating international trade to shipping lines and providing flexible, efficient and secure services. Based in our knowledge on port management and

distribution, we can affirm that from a logistic and supply chains' integration perspective, the maritime activities that are performed at a port not only impact the port environment, but mostly influence the transportation activities beyond the port boundaries, have an effect on the manufacture facilities located in the surrounding areas and also impact the market access at the point of destination.

Today, the top world-class ports consider the capacity of intercontinental distribution as a critical factor for attracting businesses. In that regard, a network model will have a direct impact on cargo flows and supply chains, and suggested evaluations include taking into account the economic potential of the region and hinterland, the port growth provisions, revisions of transportation systems including infrastructure, analysis of modal shifts connectivity, and other system integration. In recent time, ports have extensively and structurally transformed to adjust the new economic environments. This has triggered the introduction of new concepts to understand their integration in supply chains. It leads to exploring and conducting more research and also challenges with respect to the organization of research in port economics, policy and management.

A port management analysis involves an understanding of the port conditions, including intra-port distribution, and routes and hinterland connections outside the port. We study network solutions to access and routing in order to assess most effective means to improve the efficiency in the supply chain. Moreover, our understanding of global distribution allows us to see beyond the boundaries of the port and address issues related to movement through the entire distribution system. Analysis of cargo growth trends, inbound and outbound flows,

efficiency of the transportation system, and institutional and regulatory influences are all keys to identifying opportunities for improvements to the logistics activities. Other factors, important in our consideration, are traffic congestion, integration of supply chains, information processes, and cargo security.

Business Process Modelling (BPM) has been utilized for analysing business operations and optimizing them an important part of BPM is developing and using process models of fields of activities as a basis for re-engineering, training, communication, working routine descriptions, improvement initiatives, quality control, system development, etc. Modelling business processes helps to identify fundamental aspects of existing processes that should become the basis for improvement and optimization.

CRITERIA FOR PORT COMPETITIVENESS

A key factor of international competitiveness is the efficiency of the intermodal transportation system that allow connections that increase the advantages of free trade areas and regions, and enhance the advantageous location of ports. Furthermore, as technology advanced and ships size increased, the need for large investments in port infrastructure became evident. Few ports can modify their physical, technological and organizational conditions to efficiently serve post-panama generation ships. This kind of vessels navigates through the principal international trade corridors, calling at the main world ports.

Within the global maritime and multimodal transportation network criteria, only major ports can

handle enough cargo volume to make the ship operation profitable. Faster and bigger ships benefit shippers, shipping lines, and multimodal operators because in transit inventory costs decrease, and smooth the progress of global production. The time saved due to ease of container handling and ships' increased velocity allowed lesser ships rotation time in ports. In accordance with this, larger and faster ships meant reduced fleet size and economies of scale as in

In spite of the great cost efficiency of larger container ships, their physical productivity depends on economic issues that influence cargo availability and determination of profitable minimum cargo factors. Only a high volume of cargo can satisfy the expectation of reaching scale economies. This requires a careful selection of calling ports on every single route.

The main factors for shipping lines to consider in the selection of calling ports along main routes are listed in

- a. Port Location: The geographical position of a port determines the hinterland or area of Influence of this port.
- b. Cargo volume: Allows intermodal connections at lower costs.
- c. Terminal fees: Have a decisive influence on expected profits.
- d. Handling efficiency: Reduced time means lower cost.
- e. Water depth: The possibility of larger vessels mooring at the port.

All main ports that concentrate large flows of merchandise destined to various continents and regions of the world are located at the top of this global port

network. This kind of port is called a 'hub' because of its characteristics as logistics centres of concentration, processing, consolidation and distribution of flows of merchandise and information.

This scheme implies that many ports be excluded from direct services and can only be integrated into a global network through indirect or feeder routes. This transport operation would move cargo in smaller motor vessels toward some main port node, where cargo would be transhipped bound for its final destinations. Therefore, global hubs are fed by flows from maritime and terrestrial networks, and so those types of ports are logically the best example of intermodal development and main concentration points for intercontinental distribution.

There is an impact of the efficient port management and the transportation and distribution of goods. Such effect is determinate by the international trade operations. For example, the transactions involved for goods entering or leaving the country; or when processing activities happens; when custom clearance processes take place at a Foreign Trade Zone; when multiple modes of transportation are integrated because they have attributes that complement the transportation corridors and when value-added services are provided.

Other criteria make reference to the integration of logistics. As supply chains become more complex, companies look for ways to reduce the number of links in the production or distribution chains to reduce costs. The reduction of the links can only be accomplished at when warehousing, manufacturing and distribution processes are optimized as in

Currently, there is an explosion in customer direct deliveries. Mail order companies ship many products directly from manufacturers and may eliminate intermediate warehousing. One possible distribution model has goods moving directly from a plant to a home delivery consolidation centres or cross-dock centre, and hence to residences or businesses. However, another trend appears to be rooted in inventory reduction and supply chain programs, and in the rapid growth sector of B2C, retailers are constructing large distribution centres proximate to freight hubs in high demand areas. Pull logistics model through the reduction of inventories and the elimination of safety stocks rely heavily upon carriers to perform timely replenishment of products and avoid stock-outs. Then, 3rd and 4th party logistics companies often build themselves around information systems platforms that permit greater pipeline visibility and lower transaction costs than most shippers can attain by themselves.

On the other hand, the combination of transportation modes may provide opportunities to eliminate inefficiencies at the supply chains. This happens because the diverse transportation capabilities take the form of connections to interstate highways, intermodal rail facilities, air or maritime terminals, and therefore, the provision of different modes allows business to choose the best alternative for cargo transportation. In that sense, a critical factor to evaluate is the logistic management component that seeks for the integration of supply chains. As it is known, global trade increased the demand for efficient services and the reliability of the transportation depends on the seamless distribution and maximization of transport modes. Then, the efficiency

of the freight movements is procured thanks to the supply chain network as in

A TYPICAL PORT SCENARIO

In a typical port scenario, there are two types of operations:

Operation 1

Cargo containers arrive at the port from inland sources by trucks. There are certain activities that must be completed before cargo containers are loaded onto ships. A port agent for the company arranges custom clearance, pays port taxes, prepares necessary documentation such as Bill of Lading go through custom clearance etc. And arranges cargo-loading onto ships. After these formalities and loading of cargo onto ships, ship leaves the port for another continent.

Containers arrive by ships from another continent, unload it, store, taxes paid, custom clear, loaded onto trucks and leave for inland destination.

Operation 2

1. Container arrives at the port of loading by trucks.
2. Arrange delivers paper to an agent.
3. Arrange custom clearance.
4. Arrange tax clearance.
5. After receiving clearance agent arranges documentation and bill of lading.
6. Port agent requests storage from port authorities.
7. Port authorities provide instructions for storage.

8. Agent arranges storage and instruction to driver.
9. Container unloaded and moved to storage.
10. Contractor prepares a loading plan.
11. Loading plan is sent to port agent.
12. Port agent instruct stevedores to move cargo from storage.
13. Load cargo on ships.
14. Ship is lashed and secured.
15. Ship is ready to leave the port.
16. Unbreathing-Pilot and tug boats are needed.

The above activities are depicted with a schematic network as shown in

The important activities of

Operation 3

1. Ship enters the seaport- needs pilot and tug boats.
2. Documents are received by port agent.
3. Customs clearance requested.
4. Instructions from port authorities for storage.
5. On receiving instructions for storage Agent arranges unloading of cargo by stevedores.
6. Truck driver collects documents from agents.
7. Stevedores either unloads ship and move to storage or load on to trucks.
8. Truck leaves for inland destination.

With the establishment of leading ports and regional hubs their competitiveness increased their need to modify its role in the ports' structure. This means, more and more competition has forced

them to elaborate strategies to be part at the global transportation network. This is due to the shipping lines requirements that function under a worldwide basis and so, select a port is less particular than the supply services that can be integrated in the chain as in More important factors are the transit time, quality services, and the capacity to respond to customer needs.

Thus, structural changes in the transportation system and the concepts of total logistics and intercontinental distribution are being developed and evolved. The integration of logistics and its interrelation with the maritime industry has redefined the role of ports. New patterns of cargo distribution have generated new approaches to the global transportation network. His paper describes intercontinental distribution scenario that employs multi modal transportation system. Various port activities are listed and they are depicted by schematic networks. Based on analysing the activities, problems and issues are highlighted and solutions suggested. Further research involves collecting data from the real port operations to estimate the delivery time of cargo through the network, variability of various activities and duration of ships time in ports.