SUPPLY CHAIN AND INTERMODAL TRANSPORT

SUPPLY CHAIN

A Supply Chain is defined as a network of organizations that are directly linked upstream or downstream in the flow of goods, information and funds/money as they move from the source to the customer. (forward and reverse flow)

Intermodal freight transportation plays a major role in enabling organizations in a Supply Chain to respond to market changes by providing them with options.

Organizations within a supply chain use intermodal freight transportation to cooperate and assist each other in by:

- cost reduction/cost savings
- maximizing profits
- adding value.

This cooperation is achieved by collaboration which includes sharing information, risks, costs and communicating effectively.

INTERMODAL TRANSPORT

Intermodal freight transportation involves moving freight by using two or more modes of transportation. Transportation modes include truck, railroad and steamship. Although transportation by air also is possible, the method is costly.

Intermodal freight transportation positively influences our global economy by controlling the way we move our goods. Some factors need to be kept in consideration to avoid restricting the value of intermodal freight transportation.

For example: A truck moves an empty container to the shipper. The shipper loads the container with goods. The truck transports the loaded container to port.

At the port, the container is loaded onto the steamship, which is forwarded to the port of destination. The container is driven to the warehouse of the receiver shortly after being discharged at the port of destination.

Advantages

Intermodal freight transportation gives you flexibility with how you want to move your freight. Also you have the opportunity to be creative in finding the most efficient way to
move your freight. Generally, this process involves at least **two modes** of **transportation**. The more efficiently you **plan**, the more money you will **save**.

**Disadvantages**

Intermodal freight transportation may be **costly** depending on the number of modes of transportation. Some downfalls to intermodal freight transportation involve the high costs that are associated with moving freight by using several types of modes of transportation.

- Lack of **communication** (breakdown of communication can be costly and risky)
- **Idle time** of equipment will increase transportation costs.
- Equipment that moves from one location to another **empty** also **adds** to the costs.