Fluidity, Efficiency and Velocity
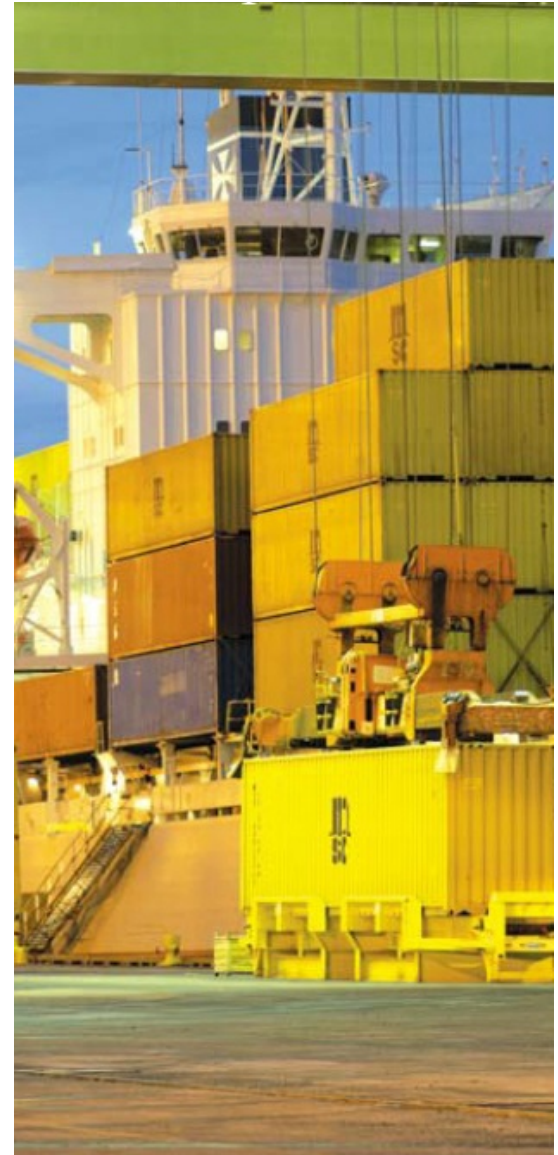
Prepared By:

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Prepared For:

Sustainable Supply Chains & Transportation Conference
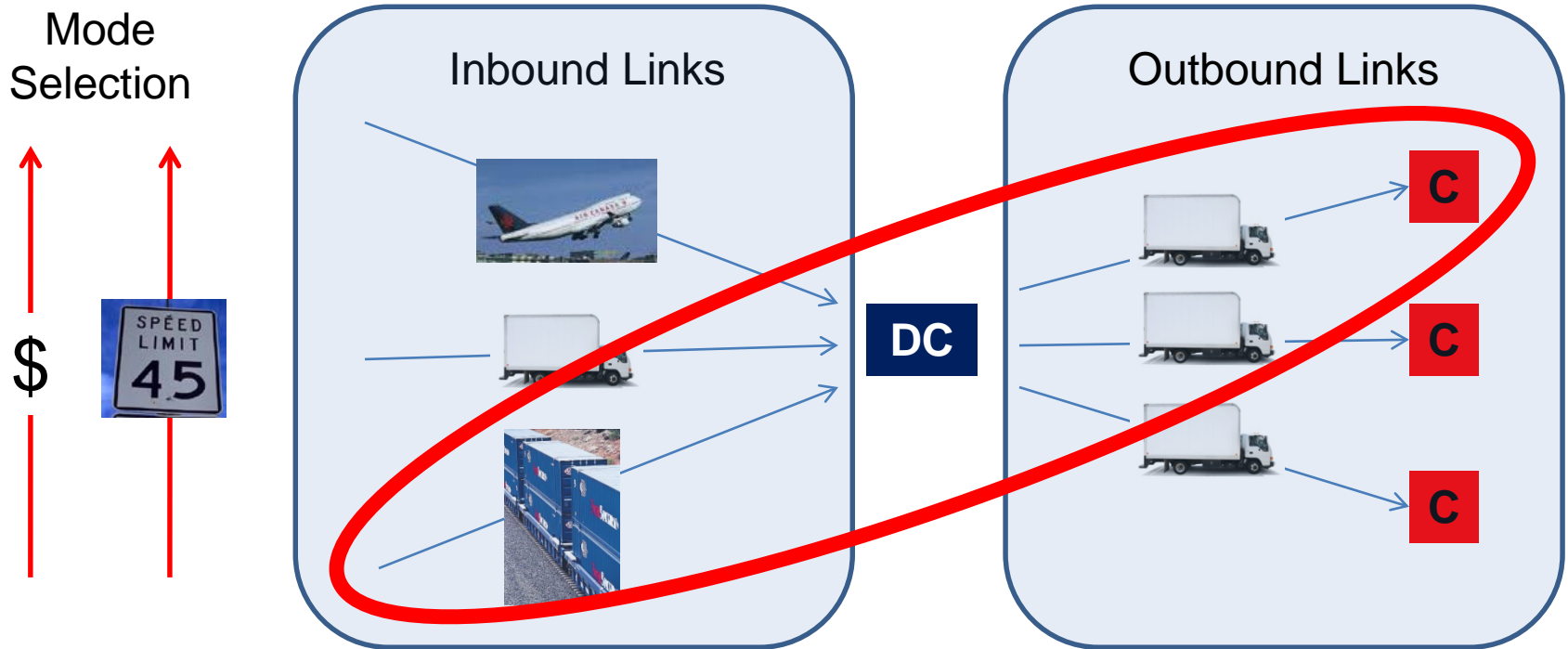
November 26 & 27, 2015

Agenda

- Network Thinking,
- Total Landed Cost,
- Local Fluidity Proxy,
- Transportation Planning.

Defining A Logistics Network

A network is a collection of links and nodes. The goal of a Logistics Network is to deliver goods to the customer.
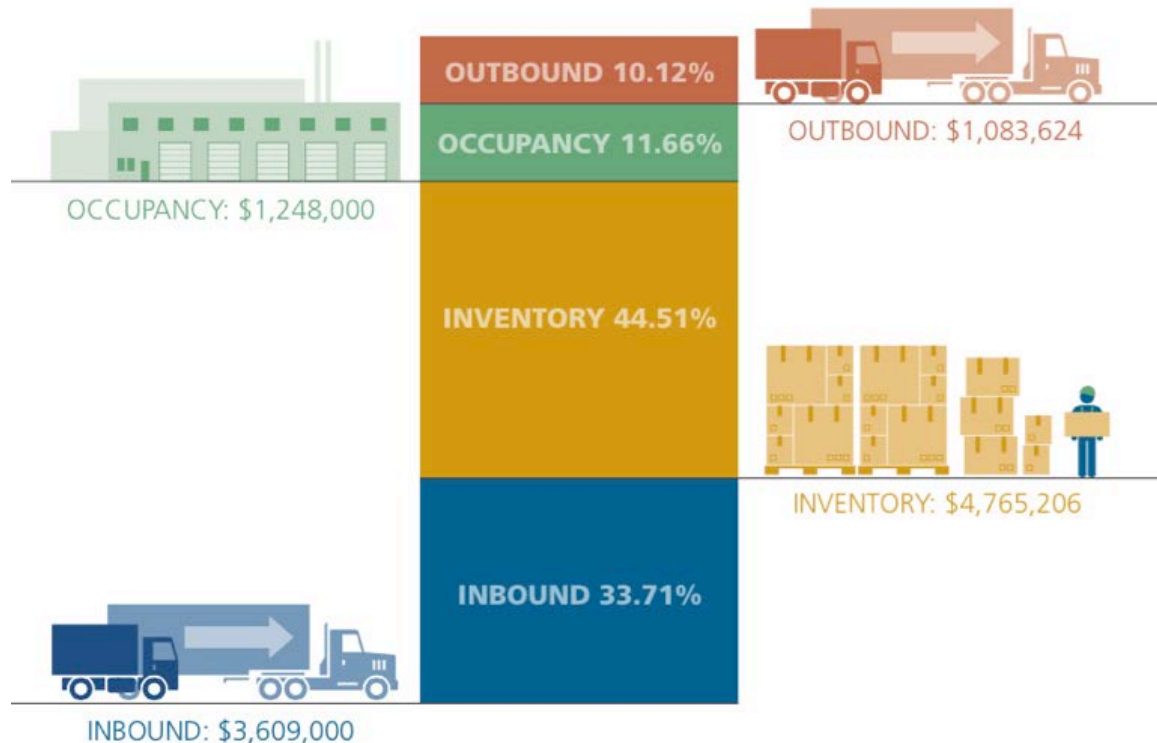
Mode Selection

Inbound Links

Outbound Links

$

DC

C

C

C

Nodes: Re-Load, IMS Terminal, Cross Dock, Distribution Center, etc.

A Key Goal of Supply Chains

Corridors and locations that reduce the total landed cost of a product are selected for use and investment.

Total Landed Cost Model

OUTBOUND 10.12%

OCCUPANCY 11.66%

OCCUPANCY: $1,248,000

OUTBOUND: $1,083,624

INVENTORY 44.51%

INVENTORY: $4,765,206

INBOUND 33.71%

INBOUND: $3,609,000

Local Transportation Fluidity Proxy

It cost more for a local drop in Vancouver and Montreal. Same in Edmonton.

TERMINAL See Note 4	LOCAL MOVES IN CAN. & U.S. FUNDS PER UNIT See Note 1	HIGHWAY MOVES/TRANSBORDER IN CAN. & U.S. FUNDS PER RUNNING MILE See Notes 2 & 3
AUBURN, ME	$305	$2.15
BRAMPTON, ON	$220	$1.90
CALGARY, AB	$170	$1.75
CHICAGO, IL	$260	$1.80
DETROIT, MI	$230	$1.70
EDMONTON, AB	$170	$1.75
HALIFAX, NS	$160	$1.75
JACKSON, MS	$205	$1.80
MEMPHIS, TN	$205	$1.70
MONCTON, NB	$160	$1.75
MONTREAL, QC	$205	$1.85
NEW ORLEANS, LA	$205	$1.80
SASKATOON, SK	$160	$1.75
VANCOUVER, BC	$205	$1.85
WINNIPEG, MB	$160	$1.75

Proxy is suggested as these rates can also reflect local wages, local insurances costs, local fuel costs, the area of a city and congestion factors.

CN, Optional Services – Intermodal Supplement 2 to CN 9100-D • Effective May 1, 2010, May 2010, ITEM 6105.

The Start of a Plan – Collaborate

- Fluidity reduction costs everyone (customer, shipper, regional competitiveness, etc.)
- City of Calgary is working on a new Goods Movement Strategy in 2016,
- Collaboration is happening regionally, with the Province, with other regions in Alberta, with industry and with west coast ports,
- Need to understand business enabled to develop good business case for infrastructure.

5 Primary Goods Movement Network