1.1

* In a nutshell, common carriers are the “no frills” kind of transportation service provider meaning that the services they offer are basic and accessible for all types of shippers as these have previously been agreed upon.
* This homogenized and basic structure of their services allows them more flexibility in scheduling and planning of routes between destinations.
* In our case an example of such a carrier would generally be freight companies or trucking companies which our suppliers would be predominately using for road transit and an internet service provider or phone company which we would use to communicate with said suppliers.

1.2

* As the name suggests these carriers are a more formal type of carrier in that specific contracts that contain agreed upon details such as routes, rates and scheduling are drawn up.
* Since brokers typically arrange these agreements for a fee, unlike common carriers the rates will vary for the specific type of cargo and services which may be high or low depending on those specifics in the contract.
* These carriers typically include well established 3PL providers in that field such as Imperial Logistics for transportation.

1.3

* Unlike common and contract carriers that provide services to shippers under different specifics, private carriers only transport their own cargo be it they are selling, producing and/or buying the cargo in question.
* Occasionally they will lease their services and equipment should it be advantageous for them to do so. As another added advantage regulations do not apply to them which means they have more flexibility than their counterparts.
* There is an array of companies that have core functions in certain industries therefore have their own fleets such as Coca-Cola or SAB (South African Breweries) which they will lease trucks from.

1.4

* With the chemicals being a raw material in the manufacturing of a product the conformance to specifications is severely important because should it not then the repercussions will be severe for the firm hence a Trading company would be the logical choice.
* Conformance to specifications is just one of the benefits of using this intermediary another being the availability of the material due to the large volumes which will likely be purchased resulting in cost-savings reductions.
* Obviously reducing lead-times is high on any firm’s priority list and such is possible due to these agencies having multiple warehouses across the globe to get the products to customers as quickly as possible and not at the expense of quality.

1.5

* Having performance indicators that we can use to track the supplier’s performance such as but not limited to price, quantity, delivery, quality, etc. are all typical examples of performance indicators.
* Innovation through technology and methods used will show the supplier’s ability to evolve in the ever-changing and competitive world of logistics.
* A financially healthy supplier is a competitive supplier meaning that a supplier with good financial statements is more likely to be able to carry out requirements and potentially exceed them.
* By taking these into consideration a comparison can be made between the suppliers the firm currently has in its employ and can therefore be used as a rough guideline in determining a solid formal evaluation approach.
* This data can be archived, collated, and integrated for similar evaluations in the future to determine the right kind of supplier for the right kind of job at the right time.