Impact Logistic Management to Reduce Costs

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Abstract : The objectives of this research were to analyze transportation route management, to identify potential cost reductions in logistic operation. In-depth interview techniques and small group discussions were utilized with 25 participants from various backgrounds in the areas of logistics. The findings of this research revealed that there were four areas that companies are able to effectively manage a logistic cost reduction: managing the space within the transportation vehicles, managing transportation personnel, managing transportation cost, and managing control of transportation. On the other hand, there were four areas that companies were unable to effectively manage a logistic cost reduction: the working process of transportation, the route planning of transportation, the service point management, and technology management. There are five areas that cost reduction is feasible: personnel management, process of working, map planning, service point planning, and technology implementation. To be able to reduce costs, the transportation companies should suggest that customers use a file system to save truck space. Also, the transportation companies need to adopt new technology to manage their information system so that packages can be reached easy, safe, and fast. Staff needs to be trained regularly to increase knowledge and skills. Teamwork is required to effectively reduce the costs.

Keywords : cost reduction, management, logistics, transportation

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