



## TRANSPORT COSTING AND PRICE MANAGEMENT

### Aim

To develop human resources with professional skills to compute sustainable costing and pricing strategies for Transport and Logistics Organizations. The course also offers students Transportation Management Best Practices that result in acquisition of knowledge and skills necessary to effectively plan, manage and control all transportation activities carried out by their companies.

### Objectives

**By the end of instructional courses students should be able to:**

- i. Apply fundamental transportation costing and pricing techniques
- ii. Assess the transportation needs of their companies in terms of vehicles and equipment.
- iii. Apply essential concepts and techniques of route planning and scheduling.
- iv. Identify available systems for effective price management
- v. Explain the concept of transportation modes and transportation services
- vi. Evaluate the importance of financial management in transport organizations.

### Course Outline

#### 1.0 Transportation Definitions and Basics

- 1.1 Role of Transportation in Logistics<sup>1</sup>
- 1.2 Transportation Management Key Decisions
- 1.3 Basic Modes of Transportation and Alternatives
- 1.4 Transport Economics

#### 2.0 Budgets and Budgetary Control

- 2.1 Transportation Costing and Pricing
- 2.2 Transportation Costing and Pricing Concepts
- 2.3 Key Cost Drivers
- 2.4 Modal Rate Development
- 2.5 Activity Based Costing
- 2.6 Logistics Costing
- 2.7 Overview of Financial Management
- 2.8 Tools for Financial Analysis & Planning
- 2.9 Working Capital Management and Leverage Analysis
- 2.10 Cost of Capital, Capital Structure Theories and Dividend Decisions

## 2.11 Capital Budgeting

### 3.0 Price Management Strategies

#### 3.1 Strategic Management

#### 3.2 Functions of Management

#### 3.3 Fleet Development and Management

#### 3.4 Selection of Vehicle and Equipment

#### 3.5 Procedures for Repair and Maintenance

#### 3.6 Recruitment Selection and Management of Drivers

### 4.0 Fleet Management Replacement and Lifecycle Management

#### 4.1 Business Process Analysis –cost center and cost allocation

#### 4.2 Main Key Performance Indicators

### **Recommended Reading**

1. The Strategy and Tactics of Pricing” (4th edition), Thomas Nagle and John Hogan, Prentice Hall, 2006.
2. Managing Transport Operations, Edmund G. Gubbins
3. Transport Manager’s and Operator’s Handbook, Lowe
4. Management of Transportation, Edward D. Bardi
5. Dictionary of Transport and Logistics, David Lowe

