

LOGISTICS AND TRANSPORTATION

You are manager at Grimaldi Line in charge of a Roll-on / Roll-off line connecting France to Italy: your service is reliable, faster and cheaper than road service.

You offer 3 rotations weekly from Toulon port at 9 pm to arrive next day at 11.30 am at Civitavecchia, Roma port.

RoRo ships have an average capacity of 130 trailers per trip. Transit time is roughly 14 hours by sea to compare with some 20 hours by road.

Grimaldi line releases following price conditions:

Prices from Quay to Quay Toulon / CIVITAVECCHIA in EUROS		
Vehicle	Empty	Loaded
Trailer or truck / van less than 7 meters	170	220
Trailer or truck from 7.10 à to meters	190	240
Trailer or truck from 9.10 to 14 meters	300	350
Trailer and truck from 14,10 to 18 meters	470	520
Extra cost truck if less than 14,10 m total length	100	100
Accommodation for drivers and 2 meals: 50		

Working budget is estimated for the first year: 16 million € and the company get for its clients an authorization for a maximum weight of 44 t at 150 kms maximum distance for Toulon port.

Your tasks / Questions

1. Considering this information, build up a forecast planning for 52 weeks a year and identify an average number of vehicles per journey taking into account that trailer / truck 14.10 to 18 m is most used.
Is the link possibly profitable? Is subsidies support needed, please argue.
- 2- We point out that time saving is 14 hours instead of 20 hours, however in terms of cost, charges for a trailer/truck of 40/44 tons is for a road carrier about 1.25 € / km. Road distance Toulon / Roma is roughly 900 kms.
- 3- List other points to be considered from your logistics / transportation knowledge.