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Air Freight

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Air Freight Project Abstract

This is a metric based supplier selection study for air freight and logistic services for Teradata Corporation. All outbound logistics services originate from the same point in Columbia, South Carolina where Teradata's sole supplier for manufacturing all hardware is located. This is where Flextronics assembles all data warehouse configurations and maintains ownership of warehousing spare parts from their headquarters in Columbia. Once an order is completed the product becomes Teradata property and 100% of logistic services are outsourced to a Third -Party Logistics (3PL) provider.

This study highlights the supplier selection process: identifying the vendors, requesting formal bids, evaluating bids submitted via a weighted metric process, and ultimately setting contract terms and negotiating details of the logistics process. By analyzing factors such as service, price, and capacity, we determined which freight forwarder would be most beneficial for Teradata to use. The bidding process required vendors to offer quotes for 557 orders from 2016. The orders given to the vendors all contained the same variables such as chargeable weights, service levels, and destinations of each order. To be considered for a contract, the vendors had to complete these quotes.

After analyzing the different metrics, the vendor whom Teradata has worked with since 2007 was selected. This vendor has the ability to provide the services required for all 557 shipping destinations from 2016. Also, they can deliver on the required flying documentations, customs processes, and delivery logistics that the other vendors could not match.

