

IDENTIFYING KEY CAPABILITIES TO DETERMINE CORE COMPETENCE FOR OCEAN CARRIER-BASED LOGISTICS SERVICE PROVIDERS

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ABSTRACT. Facing the hyper-competitive environment in port-shipping chains, it is an important issue to discuss how to evaluate key capabilities and core competence for ocean carrier-based logistics service providers. This requires a thorough investigation to determine the strategy of gaining core competence. Hence, the main purpose of this paper is to present appraisal models for identifying key capabilities and determining core competence of logistics service providers using some concepts of decision measures and to describe the applications of the methodologies to the ocean carrier-based logistics service providers. To facilitate the concepts of identifying the key capabilities and core competence, a systematic appraisal of integrating three approaches – threshold and importance analysis (TIA) approach, matrix analysis (MA) approach, and fuzzy multi-criteria decision making (FMCDM) approach – is employed to evaluate those important factors. Also, an empirical analysis, by collaborating with four-stage questionnaires, is conducted to demonstrate the systematic appraisal process for evaluating key capabilities and core competence of logistics service providers and to illustrate the computational process of the methodologies adopted by this paper. Study results show that seven key capabilities are identified and in turns three core competences are determined for ocean carrier-based logistics service providers. These core competences are responsiveness to customer needs, safety, and value-added service. Furthermore, exploiting key capabilities effectively, strengthening potential key capabilities continuously, and improving key weaknesses diligently are important tasks for ocean carrier-based logistics service providers.

Keywords: Key capabilities, Core competence, Ocean carrier-based logistics service provider, Fuzzy MCDM

1. Introduction. In the recent decade occurring in the port-shipping chains, ocean carriers are facing the 4RC situations – rapid change, rising competition, rising complexity, and radically challenging environments – in transport on strategies and operational issues in global logistics. Moreover, the emergence of a global transport network has great impact on the business logistics. Some authors [2,3,16,17,33] have referred the risks and uncertainties are greater than before. The keen competition and many changes have arisen not only among port chains but also maritime chains focusing on landside and seaside competitions, and business logistics. These competitions are interrelated with the main market players (i.e. the ocean carriers) in the port-shipping network. In the business logistical sector, the main ocean carriers intensely emphasize upon providing integrated logistics solution service to create significantly added value for their customers.

Some incentives and strategies oriented ocean carriers are making great efforts to become global players in order to meet the various customer needs, such as providing door-to-door service, using hub and spoke system, proceeding strategic cooperation, owing