

Cost analysis of renting and owning trailers in Rhenus Hauser Limited

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(Problematika nákladů při pronájmu a osobním vlastnictví kamionů ve společnosti Rhenus Hauser s. r. o.)

Zásady pro vypracování:

- 1. Read literature to a given topic.**
(Prostudujte zadanou literaturu k danému tématu.)
- 2. Analyse cost efficiency between the ownership and the renting of the trailers.**
(Analyzujte současný stav ve společnosti Rhenus Hauser Limited z hlediska pronájmu a osobního vlastnictví kamionů.)
- 3. Interpret the results of cost analysis.**
(Vyhodnoťte výsledky analýzy.)
- 4. Present the final analysis based on cost effectiveness for Rhenus Hauser Limited.**
(Vyslovte doporučení s ohledem na výši nákladů pro společnost Rhenus Hauser Limited.)

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Forma zpracování bakalářské práce: **tištěná**

Seznam odborné literatury:

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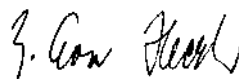
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ABSTRACT

This thesis concentrates on the cost analysis of owning or renting trailers in the company Rhenus Hauser Limited. The main body of this thesis illustrates comparing of costs of the UK haulier, European haulier and Eastern European haulier. The analysis focuses on the restrictions on driving in different countries, comparing the costs of owning the trailers or renting them, advantages and disadvantages of both owning and renting the trailers by the Rhenus Hauser Limited.

The main goal of this thesis is to decide what is better for Rhenus Hauser Limited – either owning or renting vehicles and, in case of owning or renting, which country is economically most convenient for Rhenus Hauser Limited.

Keywords: trailer, owning trailers, renting trailers, costs, UK haulier, Europe haulier, Eastern Europe haulier, drivers instruction, advantages and disadvantages of owning and renting trailers.

ABSTRAKT

Tato bakalářská práce se zabývá problematikou nákladu při pronájmu a osobním vlastnictví dopravních prostředků ve společnosti Rhenus Hauser, s. r. o. Hlavním účelem této práce je porovnání nákladů u dopravce z Velké Británie, z Evropy a z východní Evropy. Analýza se zaměřuje na omezení řidičů v různých zemích, porovnání nákladů při pronájmu a osobním vlastnictví kamionů. Dále popisují výhody a nevýhody osobního vlastnictví a pronájmu dopravních prostředků. Na závěr uvádím návrh, která země by byla ekonomicky nejvýhodnější pro společnost Rhenus Hauser, s. r. o.

Klíčová slova: kamion, osobní vlastnictví kamionů, pronájem kamionů, náklady, dopravce ve Velké Británie, dopravce z Evropy, dopravce z východní Evropy, omezení řidičů, výhody a nevýhody osobního vlastnictví a pronájmů kamionů.

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Finally I would like to say thank you to Mr. George Stone who provided me the contacts, to main director Mr. Gary Cater who help me with some important information for my thesis, I can not forget to say thank you to everybody in the export department – Mrs. Vicky Delaney, Mr. Keiron Palmer and Mr. Tony Crowther.

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INTRODUCTION

The global economy has given businesses broader access than ever before to markets all over the world. Goods are sold in more countries, in larger quantities, and in greater variety. But as the volume and complexity of international sales increase, so do possibilities for misunderstandings and costly disputes when sales contracts are not adequately drafted. Incoterms, the official ICC for the interpretation of trade terms, facilitate the conduct of International trade.

Having heard about a chance of working in a foreign company, I immediately wanted to work there. After passing my interview successfully, I could start working. For three months I worked in one of the Rhenus Hauser's offices in Bristol. I worked there only with Ms. Vivienne Wooll, who was my manager in Bristol. I helped Vivienne with almost everything, which means creating export and import files, communications with customers, actively using my knowledge of Incoterms.

After three months the Bristol's offices were closed and Vivienne and I had to move to Cannock. In Cannock I started to work specifically for one department, the export department. I worked in the collective of six people. I had to learn more information on export. At the beginning I helped the others with creating paperwork for export, creating export files, booking collections, printing certificates of shipment, communication with customers and again I could actively use my knowledge of Incoterms from school. Later I got more work and more responsibility as well.

When Rhenus Hauser Ltd. was a small company, they could not choose if they want to own or rent their trailers because they did not have enough money for buying their own trailers. And they had to rent trailers to operate with goods.

But after the merger of Rhenus AG and IHG, when Rhenus AG obtained 100% ownership of IHG, a big company has created and they can choose if they want to buy or rent trailers.

In my thesis I would like to find out and compare what is better for Rhenus Hauser Ltd. and which is more commercially viable.

During my work in the Export department I could notice that sometimes it is a big problem to find a free trailer for a shipment, especially in the Export department. It is because the trailers are sometimes in a short supply and varies for different countries.

In this thesis I will give you some examples of countries where there is a lack of trailers during the specific time.

Because of the lack of trailers I got an idea to compare the costs of buying and owning artic trailers across Europe. Specifically I would like to analyse a haulier in the UK, Belgium and Poland. In one part of my thesis I will also be writing about all the different rules, all charges that occur during running vehicles across Europe. I know that Rhenus Hauser Ltd. rents the trailers from different hauliers now. Therefore the main purpose of my thesis is - what would be better for Rhenus Hauser Ltd.

I. THEORY PART

1 INTERNATIONAL TRADE

International trade is process of exchanging goods or services between two or more countries, involving the use of two or more currencies. Overall, it produces a more efficient employment of the productive forces of the world. There are two basic elements why is international trade good for countries.

Firstly, it is carried out among two or more nations. Thus when trade is executed beyond national frontiers, it invariably is subject to political, social, economic and environmental policies introduced by nations from time to time. The second factor is the use of different currencies with their inherent exchange rate differentials: the terms of trade or balance of trade. This produces a favourable result in some countries but unfavourable to others.

There are numerous reasons why nations trade with another; and there are differences in taste, preferences and consumption patterns to be satisfied. Production costs differ by country and this is influenced by labour costs, technology, volume of production, transportation and products costs. Lack of mobility is a major factor.

But most important of all is question - do countries gain or lose from opening up their boundaries to international trade?

International trade can disadvantage some countries. For example, it lowers the standard of living in a poor country as the specialized industries, such as those with high technology, may not generate enough jobs and unemployment results. International trade transmits slumps and booms between countries, and this is particularly serious in economic terms when a slump hits a poor country with limited resources.

Finally, it is appropriate to examine the relationship between *the balance of trade and terms of trade*.

The Balance of trade is the relationship between the total volume of exports and imports of a country for a certain period of time.

The terms of trade are defined as the quantity of domestic goods that must be given up to get a nit of imported goods. They refer to the opportunity cost of obtaining goods through international trade rather than producing them directly. [7]

1.1 The export and the import

The import means that countries buy more goods and services from foreign countries than they sell and the export means that countries sell more goods and services from foreign countries than they buy.

What is an export/import business? What organizational methods do traders use?

If you own or work a manufacturer of an exportable product, that company can organize its own export department. But today many manufactures outsource their export function to import/export companies.

An independent import / export business is an individual or company that acts as an individual or company that acts as an international middleman. That is, it sells foreign-made products (import), sells domestic products (home country) in other countries (export), or does both. You see, every manufacturer not already exporting can be a potential client for you; all over the world there are many businesses that do not export. According to the U. S. A. Department of Commerce, less than 10 percent of all American manufactures currently sell their products overseas.

Whether you run your business from your home or as an expansion of an existing domestic manufacturing firm, whether you work at it full or part time, and an import / export business often requires little capital investment for start-up. Of course, the venture can grow into a giant business with billions of dollars in annual sales. An import/export business also offers great opportunity to travel and enjoy the prestige of working with clients all over the world.

Where do Importers and Exporters trade?

The opportunity of conduct import / export is everywhere, because international markets have become much more interdependent. Trade conditions among nations have changed. Today, conditions among nations have changed. Today, conditions favour importing and exporting from all countries.

Realistically, international trade involves both importing and exporting, not one at the exclusion of the other. Once trade begins, opportunities spring out of nowhere. A person who successfully starts importing very soon learns of exporting opportunities and vice versa. In any case, a whole lot of money can be made. [1]

1.2 International road haulage freight rates

Freight is the reward payable to the carrier for the carriage and arrival of goods in a mercantile or recognized condition ready to be delivered to the merchant.

The rates charged to the international road freight forwarder to convey the vehicle / trailer on the vehicular ferry are based on the trailer / vehicles length, and whether it is empty or loaded, accompanied or unaccompanied. Additional charges are raised for excessive width and / or height. Special rates usually exist for declared valuable cargoes. Rebates are given to hauliers / agents who originate substantial quantities of traffic annually to an operator for a particular route / service. These rates are exclusive of Customs clearance charges etc. Keen competition exists amongst operators particularly on rates and fringe benefits, namely free cabin / meals for drivers, together with free passage for drivers. An increasing number of large and indeed medium sized exporters now undertake their own international distribution by road. It has many advantages particularly if the cargo flow can be balanced in each direction.

The shipper using the international road freight forwarders service – much of which is groupage traffic – the actual rate is based on the cubic measurement of weight of the cargo, whichever produces the greater revenue? This is related to the commodity classification, and origin and destination of the cargo. The cargo three cubic metres equal one tonne. [1]

2 DANGEROUS CARGO

2.1 Information about dangerous cargo

Dangerous goods have been defined as those substances classified in any Acts, rules or by-laws or having any similar properties or hazards. The legislation applicable to all British-registered tonnage or other vessels loading in British ports are contained in the Merchant Shipping (Dangerous Goods and Marine Pollutants) Regulation 1990.

The requirements of the Merchant Shipping (Dangerous Goods and Marine Pollutants) Regulations reflect the International Maritime Dangerous Goods Code (IMDG), produced by the International Maritime Organization (IMO). The code has been adopted by 50 countries, representing 85 % of world tonnage.

It is estimated that more than 50 % of the cargoes transported by sea today can be regarded as dangerous, hazardous and/or harmful (marine pollutants) under the IMO classification, designation or identification criteria. The cargoes concerned include products which are transported in bulk such as solid or liquid chemicals and other materials, gases and products for and of the oil refinery industry. Between 10 % and 15 % of the cargoes transported in packaged form, including ship borne barges on barge-carrying ships, freight containers, bulk packaging, portable tanks, tank-containers, vehicles, intermediate bulk containers, unit loads and other cargo transport units, fall under these criteria.

Volume **Annex I** also contains the alphabetical General Index of dangerous substances, materials and articles, and marine pollutants. This index is followed by the *Numerical Index* (the table of UN numbers) and a list of definitions, including commonly used abbreviations.

2.2 Revised Annex I to the IMDG Code

Revised Annex I to the IMDG Code contains recommendations on the packing of dangerous goods, and on the construction and testing of packaging. The recommendations take into account the mandatory requirements on packing set forth in regulation three of Chapter VII of the 1974 SOLAS Convention, capable of withstanding the ordinary risks of handling and carriage by sea and lays down other specifications.

The principle of dividing dangerous goods is into three packaging groups according to the degree of danger they present:

- packaging group I goods presenting great danger
- packaging group II goods presenting medium danger
- packaging group III goods presenting minor danger

This is reflected in the recommendations of Annex I and has an impact on the detailed provisions for the construction and performance testing of types of standard receptacles, packaging and packages ready for shipment. [1]

3 MOT

Every vehicle in the UK needs to be tested each year to ensure that it complies with roadworthiness standards. If you have a vehicle that is more than three years old, it will need a MOT test (Motoring owning test) each year to ensure that it meets at least the minimum road safety and environmental standards.

3.1 When do you need to MOT your vehicle?

- The first test is required once a vehicle is three years old. (There are different rules if you use it as a taxi).
- When your vehicle is tested, the MOT looks at some important items to see if it meets the legal requirements.
- You should be aware that the MOT certificate is not a guarantee of the general mechanical condition of a vehicle.
- If a vehicle is registered with no prior use on the road, the MOT will be required three years after the date of registration. For example, a vehicle registered "from new" on 25th April 2000 will require its MOT no later than 25th April 2003.
- If a vehicle is used prior to registration, as it would be the case with the import, the MOT will be required three years from the end of the year of manufacture. For example a vehicle manufactured at any time in 2000 will require an MOT no later than 31st December 2003. [13]

4 ELECTRONIC TOLL COLLECTION

4.1 What is electronic toll collection

Electronic toll collection (ETC), an adaptation of military “identification friend or foe” technology, aims to eliminate the delay on toll roads. It is a technological implementation of a road pricing concept. It determines whether the cars passing are enrolled in the program, alerts enforces for those that are not, and debits electronically the accounts of registered cars without their stopping, or even opening a window of ETC was first introduced in 1987 in Alesund, Norway.

In some urban settings, automated gates are in use in electronic-toll lanes, with 5 mph (8 km/h) legal limits on speed (and 2 to 3 times that as practical limits even with practice and extreme concentration); in other settings, 20 mph (35 km/h) legal limits are not uncommon. However, in other areas such as Dallas, Texas, the Garden State Parkway in New Jersey, and in Florida, cars do go through electronic lanes at full speed.

Enforcement is accomplished by a combination of a camera which takes a picture of the car and a radio frequency keyed computer which searches for a driver window/bumper mounted transponder to verify and collect payment. The system sends a notice and finds the cars that pass though without having an active account or paying a toll.

Electronic toll collection systems rely on four major components, namely Automated Vehicle Identification, Automated Vehicle Classification, Transaction Processing and Violation Enforcement.

4.2 Tolls collection system in Europe

4.2.1 Germany, Italy, Austria, France and Czech Republic

- Austria – Videomaut for motorways and expressways in Austria subject to special tolls
- Austria – GO-MAUT for the national Autobahn network in Austria
- Germany – LKW-MAUT for trucks on Autobahns, Germany

- Italy – TELEPASS system on Autos trade motorways in Italy
- France – Télépéage system on French motorways
- Czech Republic – primed for trucks on highways – major roads intended for travel by the public between important destinations

4.2.2 United Kingdom and Ireland

- Ireland – Eazy Pass system is used on national toll roads in Ireland
- United Kingdom – DART-tag for the Dartford Crossing
- United Kingdom – London congestion charge in London
- United Kingdom – Fast tag Mersey tunnels: Queensway Tunnel and Kingsway Tunnel
- United Kingdom – M6 Toll (motorway in the English midlands)
- United Kingdom – Severn tag for the Severn Bridge and Second Severn Crossing

4.2.3 Nordic Nations

- Norway – Autopass (It allows collecting road tolls automatically from cars)
- For the Oresund Bridge (The bridge which would symbolize a common cultural identity of the region, the people becoming 'Oresund citizens') and Great Belt bridges in Denmark / Sweden
- Sweden – Stockholm congestion tax in Stockholm

4.2.4 Rest of Europe

- Portugal – Via Verde (all tolls)
- Turkey
- Slovenia – ABC system – provides the users of Slovenian motorways with a fast, up to-date, and cash-free form of toll payments without stopping
- Spain – they used system called Telepeaje [11]

5 COSTS

In economics, business, and accounting a **cost** is the value of inputs that have been used up to produce something and hence are not available for use anymore. In business, the cost may be one of acquisition, in which case the amount of money expended to acquire it is counted as cost. In this case, money is the input that is gone in order to acquire the thing. This acquisition cost may be the sum of the cost of production as incurred by the original producer, and further costs of transaction as incurred by the acquirer over and above the price paid to the producer. Usually, the price also includes a mark-up for profit over the cost of production.

5.1 Types of costs

5.1.1 Accounting and opportunity costs

Historical costs or *accounting costs* represent the total amount of money (or the monetary value of goods) spent. It is the amount denoted on invoices and recorded in bookkeeping records.

Opportunity cost, also referred to as *economic cost* is the value of the best alternative that was not chosen in order to pursue the current endeavour, i.e. what could have been accomplished with the resources expended in the undertaking. It represents opportunities forgone.

If a person has a job offer that pays \$ 25 for an hour's work, and instead choose to take a nap, then the accounting cost of the nap is zero, the person did not hand over any money in order to nap. However, the opportunity cost is the \$ 25 that could have been earned working.

In theoretical economics, cost used without qualification often means opportunity cost.

5.1.2 Private, social, external and psychic costs

When a transaction takes place, it typically involves both private costs and external costs. **Private costs** are the costs that the buyer of a good or service pays the seller. This can also be described as the costs internal to the firm's production function.

External costs (also called externalities), in contrast, the costs that people other than the buyer are forced to pay as a result of the transaction. The bearers of such costs can be either particular individuals or society at large. Note that external costs are often both non-monetary and problematic to quantify for comparison with monetary values. They include things like pollution; things that society will likely have to pay for in some way or at some time in the future, but these are not included in transaction prices.

Social costs are the sum of private costs and external costs.

For example, the purchase price of a car reflects the *private cost* experienced by the manufacturer. The air pollution created in the production of the car however, is an *external cost*. Because the manufacturer does not pay for these costs, and does not include them in the price of the car, they are said to be external to the market pricing mechanism. The air pollution from driving the car is also an externality. The driver does not pay for the environmental damage caused by using the car.

A psychic cost is a subset of social costs that specifically represent the costs of added stress in losses to quality of life.

5.1.3 Fixed and variable costs

Fixed costs are *expenses* whose total does not change in proportion to the activity of a business, *within the relevant time period or scale of production*. For example, the retailer must pay rent and utility bills irrespective of sales volumes. Fixed costs include, but are not limited to, overheads (rent, insurance, and such) and can include direct costs such as payroll (particularly salaries). Capital assets will generally be considered as a part of fixed costs, but treated differently. Unit fixed costs decline with volume, following a rectangular hyperbola as the inverse of the volume of production.

Variable costs by contrast change in relation to the activity of a business such as sales or production volume. In the example of the retailer, variable costs may primarily be composed of inventory (goods purchased for sale), and the cost of goods is therefore almost entirely variable. In manufacturing, direct material costs are an example of a variable cost.

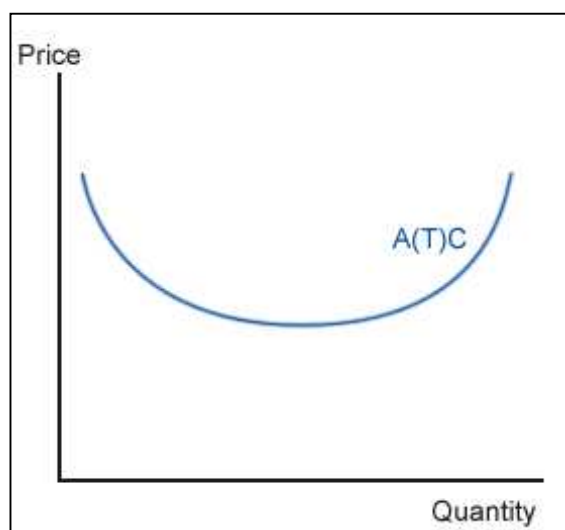
Along with variable costs, fixed costs make up one of the two components of **total cost**. In the most simple production function, total costs are equal to fixed costs plus variable costs.

In microeconomics and business, the difference between fixed costs and variable costs (and the related terms *average cost* and *marginal cost*) is crucial, as each will influence production decisions for profit maximization differently. In the simplest cases, fixed costs do not affect production decisions, because they cannot be changed, and management will choose to produce if the sales prices rise above the cost of each additional unit (marginal cost). [14]

5.2 Types of curves

5.2.1 The average total cost curve

The average total cost curve is constructed to capture the relation between average total cost and the level of output, *ceteris paribus*. A productively efficient firm organizes its factors of production in such a way that the average cost of production is at lowest point. In capacity where it has enjoyed all the possible benefits of specialization and no further opportunities for increasing returns exist. This is at the minimum point in the diagram on the right.



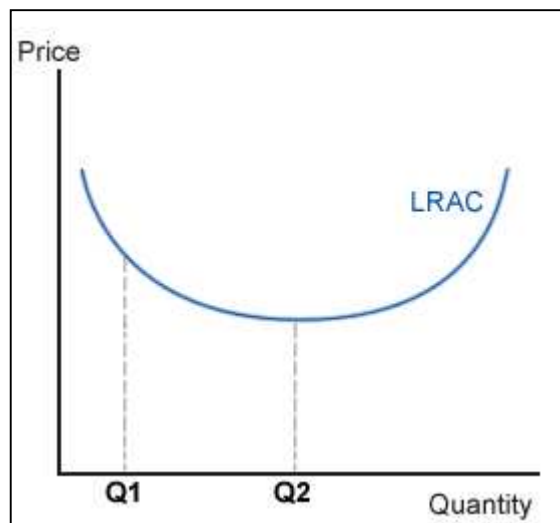
Graph 1 The average total cost curve [authored by Ivana Váchová]

5.2.2 The long-run average cost curve

The long-run average cost curve depicts *per unit* cost of producing a good or service in the long run when all inputs are variable. The curve is created as an envelope of an infinite number of short-run average total cost curves.

The *envelope* is based on the point of each short-run A(T)C curve that provides the lowest possible average cost for each quantity of output. The LRAC curve is U-shaped, reflecting economies of scale when negatively-sloped and diseconomies of scale when positively sloped.

In the long run, when all factors of production can be changed, the scale of the enterprise can be increased. In this case productive efficiency occurs at the optimum scale of output where all the possible economies of scale have been enjoyed and the firm is not large enough to experience diseconomies of scale. This is at output level Q2 in the diagram.

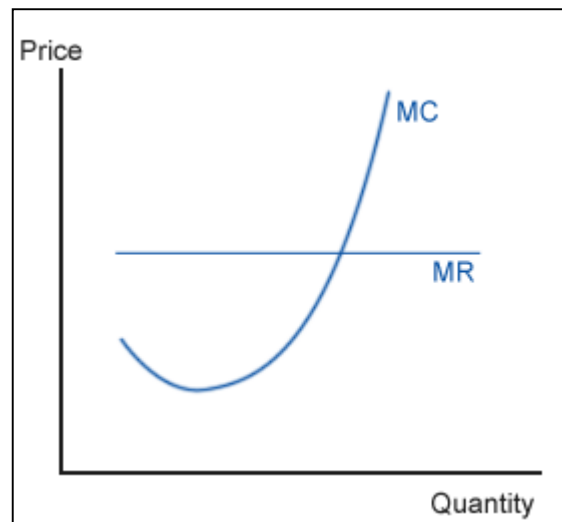


Graph 2 The long run average cost curve
[authored by Ivana Váchová]

5.2.3 The marginal cost curve

The marginal costs are those that graphically represents the relation between marginal costs incurred by a firm in the short-run product of a good or service and the quantity of output produced. This curve is constructed to capture the relation between marginal cost and the level of output, holding other variables, like technology and resource prices, constant. The marginal cost curve is U-shaped. Marginal cost is relatively high at small

quantities of output, then as production increases, declines, reaches a minimum value, then rises. This shape of the marginal cost curve is directly attributable to increasing, then decreasing marginal returns.

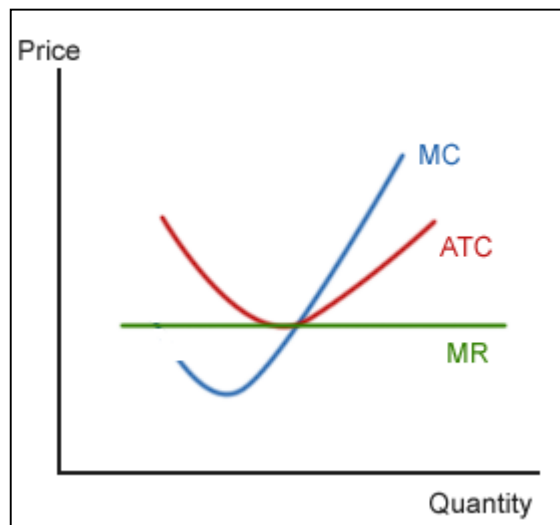


Graph 3 The marginal cost curve

[authored by Ivana Váchová]

5.2.4 Combination of cost curves

You can combine cost curves to provide information about firms. In this diagram for example, we are assuming that the firm is in a perfectly competitive market. The marginal cost curve will cut the average cost curve at its lowest point. In a perfectly competitive market a firm's profit maximizing price would be above the price at which the average cost curve cuts the marginal cost curve. If the marginal revenue is above the average total cost price, the firm can achieve an economic profit. [14]



Graph 4 Combination of cost curves

[authored by Ivana Váchová]

5.3 Cost analysis

In business, a cost analyst creates reports that management uses for decision making and control. These internal reports stay within the company. In addition, companies use these reports to shape decision making.

Due to a more competitive environment caused by technology shifts and the “flat world concept”, companies look to analyse their costs and shape them going forward. In the regard, they turn to their cost analysts to help determine:

- Cost for each product unit
- Methods for allocating complex processes to units to create exact unit costs
- Matching costs to customers to evaluate customer profitability
- Process improvement methods
- Performance evaluation
- Strategic and tactical planning for new products or services

The cost analyst requires a strong background in cost accounting methods. In addition, this analyst needs to understand the company’s business with the ability to communicate complex findings using an understandable manner. [14]

II. PRACTICAL PART

6 INTRODUCTION OF COMPANY

6.1 History of Rhenus Hauser Ltd.

With nearly 70 years of proven performance firstly by conventional sea freight then train ferry and now by two-way, driver-accompanied services, a commitment to results has established Rhenus Hauser Ltd. as a major operator, direct to overland markets. Rhenus Hauser Ltd. has an enviable reputation for fast, flexible, frequent, friendly service.



Pic. 1 The logo of Hauser Ltd [Authored by Hauser]

It seems difficult to imagine that the nationwide group of companies operating today with sixteen countries for nine thousand clients was the result of the hard work and the expertise of Mrs. Paul Hauser.

In 1935 he decided to start his own freight company P Hauser & Co. He was starting business in his room of his house in Timperley, assisted, part time, by his wife Mrs. Helen.

Hauser introduced the first export train ferry groupage services to the continent from North of England, leaving Trafford Park on 24th December 1946. Soon, P Hauser & Co began to secure lucrative business for the bulk movement of chemicals to and from the European mainland.

The Company acquired its own rail depot at Ardwick East Goods Station in Manchester. In 1952 the company became P Hauser Ltd. and for the next 15 years its train ferry groupage services enjoyed continued success and were expanded to serve destinations in Europe, Belgium, West Germany, Eastern and Southern Europe and the Middle East.

In 1985, to encourage regional development, to each operational division was given the status Limited Company, these being 100 % subsidiaries of Hauser Ltd.

Expansion continued, new premises being opened in Sheffield, in South Yorkshire, Romford in Essex and Cannock in Staffordshire in the remaining years of the eighties. More building was done in Bradford in the nineties and in 1995 Hauser Forwarding Ltd.

came to Trafford Park, bringing all operational and warehousing staff together to concentrate on freight forwarding and logistics contracts.

6.2 International Haman Group - IHG



Pic. 2 The logo of IHG

[authored by IHG]

In 2005 Rhenus Hauser Ltd. has made the decision regarding the merger with IHG Logistics in Hilden in Germany and become part of IHG Logistics Network (International Haman group). IHG acquires a 70 % shareholding in the British logistics company Hauser Limited. The main reason why Rhenus Hauser Ltd. incorporated with IHG Logistics was increasing movement towards Global Player strategies among logistics companies.

Chart 1 Key figure of IHG Logistics [authored by IHG Logistics]

Employees	3,850
Consignments p. a.	5,100,000
Tons p. a.	4,300,000
Cubic metre warehousing space	342,000 m ²
Trucks per day	2,300
Branch offices	89
Agents world – wide	137
Turnover	€ 860 million

6.3 Rhenus Logistics AG & CO

In spite of IHG`s excellent financial standing, it would have been difficult and risky to achieve the necessary growth rate on our own. That is why in 27th April 2006 IHG Logistics become part of the Rhenus family I mean Rhenus Logistics AG & CO, 59439 Holzwickede in Germany. Rhenus AG become sole shareholder of IHG Logistics and operates as an independent business unit.



Pic. 3 The logo of Rhenus

*Logistics [authored by
Rhenus Logistics]*

This merger is a historic step for the two sides. Now they have succeeded in uniting two efficient companies with proven standards of quality and a good performance in the marketplace as a provider of full services. The take-over gives Rhenus Logistics a European network for land transport, extends its world-wide freight services, and adds warehousing sites across the continent. This makes Rhenus Logistics a provider of integrated logistics services in Europe.

Rhenus AG took over IHG logistics with immediate effect. The newly formed company employs 11,000 staff members, owns 200 international Logistics sites and generates an annual turnover of € 2.3 billion.

The acquisition will help their clients to go better through an extension of our existing services. Rhenus AG has now become an integrated international logistics service provider and they introduce to customer their extended portfolio of services.

In the new structure, IHG Logistics now has the capability to provide a broader range of logistics services in Europe. This will allow IHG Logistics to continue its successful growth because together IHG Logistics and Rhenus AG are seeking to develop and implement additional innovative logistics solutions that will further benefit their customers.

In 1st January 2007 Hauser Limited has started to use the name Rhenus Hauser Limited.

6.4 The basic information from Accounts department

- Rhenus Hauser Ltd. charges in system of double-entry accounting
- the initial capital of Rhenus Hauser Ltd. is £ 172,001

- Rhenus Hauser Ltd. pays number of taxes: the main ones being Corporation Tax, VAT (Value Added Tax) and PAYE (Pay as you earn). As well as Import duties, National Insurance, Class 1a and Vehicle road tax
- Rhenus Hauser Ltd. also has leases for buildings, company cars, fork lift trucks and various pieces of office equipment

7 OFFICES AND SERVICES OF HAUSER LTD

7.1 Main offices in Great Britain

There are nine offices of Rhenus Hauser Ltd. in Great Britain. There are offices in Manchester, Cannock, Bradford, Glasgow, Sheffield, Newton Aycliffe (North East), Hull, Leighton Buzzard, Basildon.

RHENUS HAUSER LTD MANCHESTER

It is Head office of Rhenus Hauser Ltd. Main functions of Rhenus Hauser Ltd. Manchester are IT, Accounts, Corporate Affairs. There are 35 employees and transit warehouse is 2,000 m².

RHENUS HAUSER LTD CANNOCK

There are 33 employees and transit warehouse is 2,000 m².

RHENUS HAUSER LTD BRADFORD

There are 36 employees and transit warehouse is 2,000 m².

RHENUS HAUSER LTD GLASGOW

Was opened in 1995 and there are sales and booking office.

RHENUS HAUSER LTD BASILDON

There are 10 employees and the main functions are distribution and warehousing.

RHENUS HAUSER LTD LEIGHTON BUZZARD

It was opened in November 2003 and the main functions are distribution and warehousing.

RHENUS HAUSER LTD SHEFFIELD

It was opened in 1989. The main services are sales and booking office.

RHENUS HAUSER LTD NEWTON AYCLIFFE

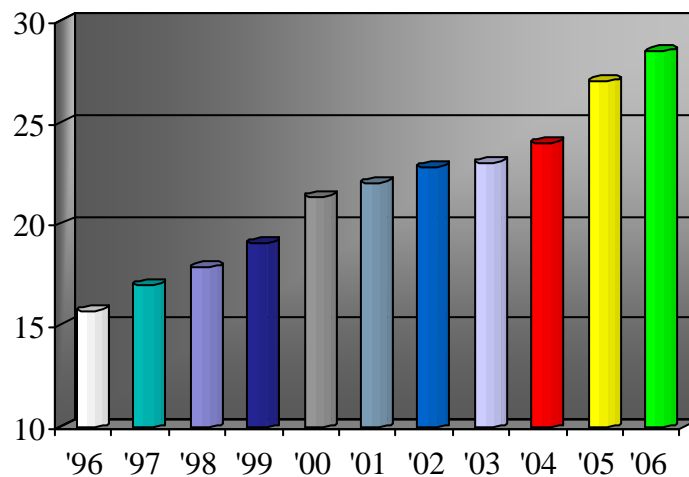
It was opened in 1993. The main services are sales and booking office as well as in Sheffield.

RHENUS HAUSER LTD HULL

It was opened in November 2004. The main services are sales and booking office.

Rhenus Hauser Ltd. is a major international organisation with a turnover in excess of £ 24 million. Rhenus Hauser Ltd. employs 140 people in 10 strategically-placed locations throughout England and Scotland. Because they deliver around 150,000 consignments per year for 9,000 clients in over 20 European countries, they know what is involved in getting your goods to the right condition. Rhenus Hauser Ltd. has met and managed the majority of possible problems successfully, several times over.

Sales £'millions



Graph 5 Sales in millions in £ [authored by Hauser]

7.2 Services of Rhenus Hauser Ltd.

For both the private and government contracts, Rhenus Hauser Ltd. combines the reassuringly traditional with the impressively modern personal services; build effective relationships with customers for booking, queries, chasing deliveries and other issues. All people are accessible, from a clerk to the Directors and Chairman; they are being complemented by a dedicated computer system to co-ordinate deliveries of all consignments. In addition, all Rhenus Hauser's offices have ISO 9001: 2000 accreditation.

One of the real secrets of Rhenus Hauser's success is in the dependable, strategic partnerships they have secured over the years. They work with an extensive network of some of the most respected names in the industry.

Service is key in all Rhenus Hauser Ltd. does, and their success is based on people. Rhenus Hauser's experienced management and workforce, together with best-in-field overseas partners and they are team-focused towards providing excellent value.

The main services of Rhenus Hauser Ltd. are:

- European export, import and groupage
- Express service
- Special delivery
- Hazardous cargo
- Warehousing

European export, import, groupage services

Rhenus Hauser Ltd. specialises in providing groupage, part-load, full-load, two-way, door-to-door, driver-accompanied trailers from and to the UK. The integrated partner network makes sure your consignments get through. They offer also excellent negotiating power in purchasing from ferry / shuttle companies, hauliers and others, ensuring their rates remain competitive and their quality of service exceptional.

Express service

With their high service frequency, daily departures and regular night loading, Rhenus Hauser Ltd. can often arrange Express services for clients with particularly urgent needs.

Special delivery

Over the many years Rhenus Hauser Ltd. has developed a unique capability for customised cargo solutions for example: abnormal loads, or time sensitive deliveries and collections or other problems.

Hazardous cargo

For many years Rhenus Hauser Ltd. has provided a specialist service for the international shipment of liquid chemicals, oxidising agents, flammable

and compressed gases, poisons, powders and granules, both packed in bulk – in fact, the majority of Hazardous cargo classifications.

Warehousing

Freight handling is a particular speciality of Rhenus Hauser Ltd. Our depots offer a complete consolidation, break-bulk and distribution service for containers and TIR trailers.

Purpose to built warehouses and the latest freight handling equipment ensure ideal conditions for long-term and short-term storage, picking & packing, container / trailer loading and offloading.

7.3 Departures days of Rhenus Hauser Ltd.

Chart 2 Schedules of Services 2007 Export and Import [authored by Hauser Ltd.]

AUSTRIA	Departure days	Transit time
Salzburg	Tuesday / Friday	2-4 days
Vienna	Tuesday / Friday	2-4 days
Wels	Tuesday / Friday	2-4 days

CZECH / SLOVAKIA POLAND / HUNGARY CROATIA / SLOVENIA	Departure days	Transit time
Prague	Tuesday / Friday	3-4 days
Bratislava	Tuesday / Friday	3-4 days
Poznan / Warsaw	Tuesday / Friday	3-4 days
Budapest	Tuesday / Friday	3-4 days
Zagreb	Tuesday / Friday	3-4 days
Ljubljana	Tuesday / Friday	3-4 days

BELGIUM / HOLLAND	Departure days	Transit time
Oostende / Venlo	Tuesday / Wednesday / Friday	1-2 days

continue

FRANCE	Departure days	Transit time
Lille	Tuesday / Friday	2-3 days
Paris	Tuesday / Friday	2-3 days
Rouen	Tuesday / Friday	2-3 days
Lyon	Tuesday / Friday	2-3 days
Strasbourg	Tuesday / Friday	2-3 days
Nantes	Tuesday / Friday	2-3 days

GERMANY	Departure days	Transit time
Berlin	Tuesday / Friday	3-4 days
Dresden	Tuesday / Friday	3-4 days
Hilden	Tuesday / Wednesday / Friday	2-3 days
Unna	Tuesday / Friday	2-3 days
Hamburg	Tuesday / Friday	2-3 days
Heidenheim	Tuesday / Friday	2-3 days
Leipzig	Tuesday / Wednesday / Friday	2-3 days
Munich	Tuesday / Friday	3-4 days
Nurnburg	Tuesday / Friday	3-4 days
Wittlich	Tuesday / Friday	2-3 days
Stuttgart	Tuesday / Wednesday / Friday	2-3 days
Frankfurt	Tuesday / Friday	2-3 days
Freiburg	Tuesday / Friday	2-3 days

IRELAND	Departure days	Transit time
Dublin	Tuesday / Thursday / Friday	1-2 days

ITALY	Departure days	Transit time
Milan	Daily	2-4 days
Turin	Tuesday / Thursday / Friday	2-4 days
Vicenza	Tuesday / Thursday / Friday	2-4 days

Rome	Friday	3-5 days
Naples	Friday	3-5 days

SWITZERLAND	Departure days	Transit time
Basel	Tuesday / Friday	2-3 days
Zurich	Tuesday / Friday	2-3 days

TURKEY	Departure days	Transit days
Istanbul	Tuesday / Wednesday / Friday	6-7 days
Ankara	Tuesday / Wednesday / Friday	8-9 days
Bursa	Tuesday / Wednesday / Friday	8-9 days
Izmir	Tuesday / Wednesday / Friday	8-9 days

SPAIN	Departure days	Transit time
Barcelona	Tuesday / Friday	2-3 days
Madrid	Tuesday / Friday	2-3 days
Valencia	Tuesday / Friday	2-3 days
Irun	Tuesday / Friday	2-3 days

BALTIC STATES	Departure days	Transit time
Riga	Tuesday / Friday	5-6 days
Vilnius	Tuesday / Friday	5-6 days
Tallinn	Tuesday / Friday	5-6 days

RUSSIA / CIS STATES	Departure days	Transit time
Moscow	On demand	7-12 days
Minsk	On demand	7-12 days
Kiev	On demand	7-12 days
St. Petersburg	On demand	7-12 days

Note: CIS – Commonwealth of Independent States

Commonwealth of Independent States (CIS) was created in December 1991. In the adopted Declaration the participants of the Commonwealth declared their interaction on the basis of sovereign equality.

At present the CIS unites: Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and Ukraine.

In September 1993 the Heads of the CIS States signed an Agreement on the creation of Economic Union to form common economic space grounded on free movement of goods, services, work force, capital; to elaborate coordinated monetary, tax, price, customs, external economic policy; to bring together methods of regulating economic activity. They wanted create conditions for the development of direct production relations.

8 DRIVING RESTRICTIONS

8.1 Driving restriction in different counties

8.1.1 Spain

As everybody knows there is a fruit production during the summer. When the fruit is out of season, there are fewer trailers in Great Britain to load, and those there are in high demand. During the September 2006 there were over 200 loads in UK awaiting trailers. If no loads come from Spain, then obviously there are fewer trailers in UK to re-load back to Spain.

8.1.2 Italy

In the month of August every summer Italy's entire infrastructure ceases, due to national holidays, because many companies close for holidays for 3 weeks. This of course means there are no Italian hauliers shipping to UK, but also means there are not as many loads.

8.1.3 France

France is the same as Italy in August every summer. France, however, has many national bank holidays and has shorter working hours; it is now about 38 hours a week. Whenever there is a holiday, there are driving bans for trucks on French main national routes, mostly motorways.

This prohibits lorries driving at certain times, normally from 10:00 until 22:00 hrs and affects other countries as Spain and Italy, for many lorries have to transit these countries in order to travel to and from the UK. Of course, if they cannot travel, this delays them and leads to a shortage of vehicles.

In France there are driving restrictions on Sundays in any case, and as an example, it was a bank holiday in France on Saturday 11th November 2006 (Remembrance day) when vehicles could not drive from 10:00 hrs on Saturday all the way through to 22:00 hrs on Sunday evening, which caused a lack of trailers on Monday.

8.1.4 Germany

Germany has the same problems with holidays, Sundays and summer time, and there are driving restrictions as well. The traffic ban applying to the entire road network on Sundays and public holidays is between 22:00 hrs and midnight. In addition to the traffic ban on Sundays which is valid all the year round, there are restrictions on heavy lorry traffic on all Saturdays between 1st July and 31st August.

8.1.5 Czech Republic

There are restrictions for trucks with weight above 7.5 ton, on Sundays (during the whole year) and Saturdays from 1st July to 31st August. Also there is a ban to driving from 7:00 to 13:00 hrs and Friday from 17:00 to 21:00 hrs, from 1st July to 31st August, on the main roads and the first-class roads.

8.2 Shortages of trailers

Generally the shortage of trailers on the continent is caused by holidays but also by the lack of loads from the UK to the EU. There is an imbalance of loads from EU countries, especially France, Spain, Italy and Germany. Sometimes for each load from the UK there are two waiting trailers to return.

Industrial actions, for example people on strike, French companies, seamen, farmers and so on, have an obvious effect as well. These often block French ports and the trailers cannot go through, which leads to the shortage.

9 MAUT IN GERMANY

Everybody knows from the theory part what the road tax is. Now I will give you some examples of the road tax in Germany.

The road tax in Germany is called MAUT. MAUT is a governmental tax for trucks based on the distance driven in kilometres, number of axles and the emission category of the truck. Now I will try to explain you how we pay MAUT in reality.

There are two different ways of paying MAUT. The first example will be a shipment which is going to Germany and the second example will be a shipment going to the Czech Republic, transiting Germany.

For my explanation we use an insert number one. I will give you an example of a shipment which is 450 kilos and is going to 40003 Hilden in Germany.

The insert number one shows that Germany is divided into seven zones and each zone is divided according to its postcode in Germany. The postcode in our example is 40003, which means the first zone. We have to find the right weight in the chart and then calculate the value. In our example we will have to pay £ 1.50.

The second example will be the same shipment going to the Czech Republic. For this example we will use the insert number two. The insert number two shows the distance to the frontier Aachen (in Germany), then costs in Euro and costs in GBP (pound) and GBP per 100 kilos. It means if we have the shipment of 400 kilos going to the Czech Republic, we will have to pay £ 1.40 for MAUT in Germany.

10 COST ANALYSIS

10.1 Europe and Eastern Europe

First of all I would like to mention which countries belong to Europe and Eastern Europe according to Rhenus Hauser Ltd.

Europe – Germany, France, Luxemburg, Belgium, the Netherlands, Spain, Great Britain

Eastern Europe – Czech Republic, Poland, Austria

In my thesis I have chosen R. J. Hudson Transport Ltd. from Great Britain, Intertransport Van Himst from Belgium and Batim Transport for Poland.

Rhenus Hauser Ltd. is using **different type of hauliers** for international transport and for domestic transport from various part of Europe. There are some examples:

International transport

- Intertransport – Van Himst from Belgium
- Batim Transport from Poland
- R. J. Hudson from UK
- Willi Betz from Germany
- Tirex from Slovakia
- Intercargo Hungary from Hungary

Domestic transport

- Palletways UK
- Robinsons UK
- ANC UK
- 24/7 Currier UK
- Straight-line one UK

10.2 Situation in Rhenus Hauser Ltd.

Before I start the costs analysis, I would like to say a word about the present situation in Rhenus Hauser Ltd. Rhenus Hauser Ltd. rents the trailers from the UK, Eastern European or European hauliers. The haulier gives Rhenus Hauser Ltd. a price containing all costs for owning, maintaining and running the trailers – depending on the price; Rhenus Hauser Ltd. can choose which haulier is the most suitable for shipping the goods. Rhenus Hauser Ltd. also concentrates on what is best for shipping the goods to be delivered without damage.

In the first part of my costs analysis I would like you to imagine Rhenus Hauser Ltd. having their trailers. That is why I have chosen three hauliers. One is from Great Britain; its name is R. J. Hudson Transport Ltd. If Rhenus Hauser Ltd. owned their own trailers, they would pay the same costs as the UK haulier.

I have chosen the other hauliers because I wanted to compare the costs of hauliers in two other different countries. The name of the second haulier is Intertransport Van Himst from Belgium and Batim Transport from Poland.

In the second part of my costs analysis there will be figures demonstrating how much Rhenus Hauser Ltd. is paying now for renting trailers from the UK hauliers, Polish hauliers and Belgian hauliers.

10.3 Basic information about companies

10.3.1 Batim Transport



Pic. 4 Example of Batim trailers [authored by Batim Transport]

Batim ® Transport is a Polish company, which was established in 1995. This company offers road transport services to an ever expanding number of European and former Soviet Republics markets.

Our personnel are committed to ensure the safety of our client's consignments, route tracking and prompt delivery – **full professional service.**

Batim transport was awarded the “Service and Excellence Award, 2002” for the best transport services provided world-wide to the Gillette Group.

The company's Scania trucks are fully compliant with – and exceed – EU standards on pollution, safety and operation. Their trailers are 13.60 meters in length, with 24 ton load capacity and are air-cushioned. All vehicles are equipped with mobile phones and GPS satellite navigation systems.

Batim units are compliant for the carriage of hazardous material. All loads are insured to a value of € 500,000.

Batim transports operations include service to and between the following countries Spain, France, Italy, Greece, Great Britain, Italy, Germany, Belgium, the Netherlands, Russia, the Ukraine, Belarus, Lithuania, Latvia, Estonia, the Czech Republic, Slovakia, Hungary.

Currently Batim dispatch over 350 trailers each week to and between these destinations.

10.3.2 R. J. Hudson Transport Limited

R. J. Hudson Transport was established in 1979 as a family business. In October 2001 R. J. Hudson Transport became a limited company. The main director of this company is Mr. Roy Hudson.

Over the years Mr. Roy Hudson has supplied a reliable service and formed strong working relationship with many satisfied companies in Europe and in the UK, but he knows that there still must be a lot of maintenance to do this in these days of big competitions.

R. J. Hudson presently operates with heavy goods vehicles, Euro liner trailers and 8x4 bulk tippers vehicles in Europe and in the UK.

All vehicles are equipped with cab phones, diesel filling and breakdown facilities, carry fire extinguishing equipments, hazardous aid equipments, for example the first aid kits including eye wash, band aid and so on. Also the vehicles are equipped with steel toe capped boots, hard hats, high visible florescent jackets, protective eye glasses, and environmental spill kit in event of any spillages. All vehicles are covered with full goods in the transit insurance.

Mr. Roy Hudson recently appointed a health and safety surveyor to inspect his operating centre and prepare a risk reduction report.

All recommendations arising from the inspection were documented, outlining responsibilities, commitments and arrangements for health and safety. Actions required for a safe place of work and safe way of working. Of course, this information on legislation was obtainable to all employees.

10.3.3 Intertransport – Van Himst

Company Van Himst was established by Mr. Paul Van Himst in the 1950. After his death his son Mr. Guido took over the business. The trailers originally have the registration PVH (Paul Van Himst) and then have been changed to GVH (Guido Van Himst) as they are today to reflect the initials of the owners.

The name Intertransport became the name of the business when Mr. Guido died and Mrs. Rita, his wife, took over the business and chose not to retain the family name of Van Himst. This happened in 1990.

The company has always been a private haulage company working for a small number of selected clients, such as Rhenus Hauser Ltd. The company has always been a family concern. Intertransport is owned by Mrs. Rita De Longe, who now owns 100 % of Intertransport.

Intertransport has always operated with new equipments, very often with Scania trucks and Volvo tractor units and new design 13 m² sided trailers. Previously it also operated with fridges on a chemical contract for Rhenus Hauser Ltd. where the products need to be kept chilled in the summer and warmed in the winter.

The services reflect the client's wishes but mainly being to or from the UK, Germany and also Switzerland. Due to the location of Intertransport the services also reflect on the Belgian, Dutch and German borders, just outside Antwerp.

The main services of Intertransport are mostly the goods transfer from the UK to Hamburg or to Stuttgart or to Munich in Germany and to Basle in Switzerland. They also operate for other companies in Belgium (not for Hauser), from Belgium to Spain.

Intertransport has always had a high level of services reflecting in higher than normal market prices. They have also trained their drivers to transport dangerous goods.

The company had 35 trailers with around 50 staff including drivers, mechanics and office staff during the time of 1980 and 1990. Today there are around 15 people made up of 10 drivers, two mechanics and three office staff.

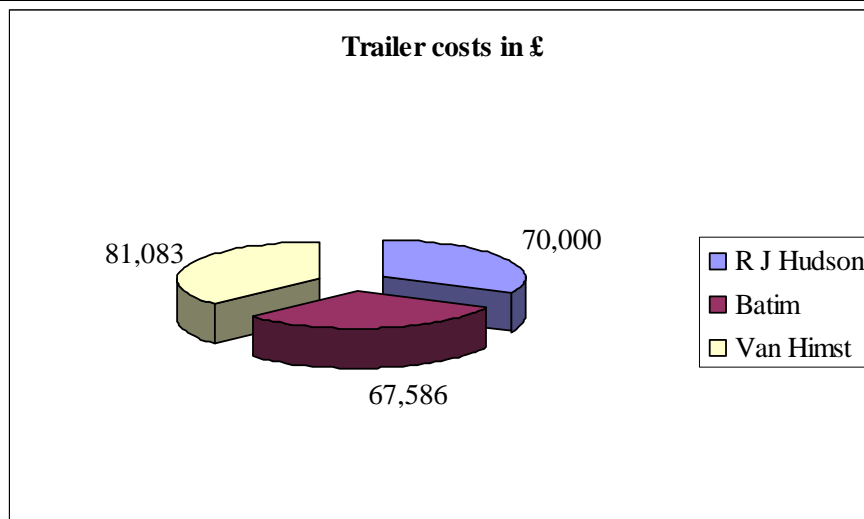
10.4 Cost analysis

10.4.1 Cost analysis of owning the trailer

Trailer costs – means how much you have to pay when you want to buy a trailer (vehicle). In average the company owns a trailer for approximately 10 years and at the end of its service life is written off.

Chart 3 Trailer costs [authored by Ivana Váchová]

	R. J. Hudson	Batim	Van Himst
Trailer costs in £	22,000	15,172	19,014
Truck costs in £	48,000	52,413	62,068
TOTAL COSTS in £	70,000	67,586	81,083



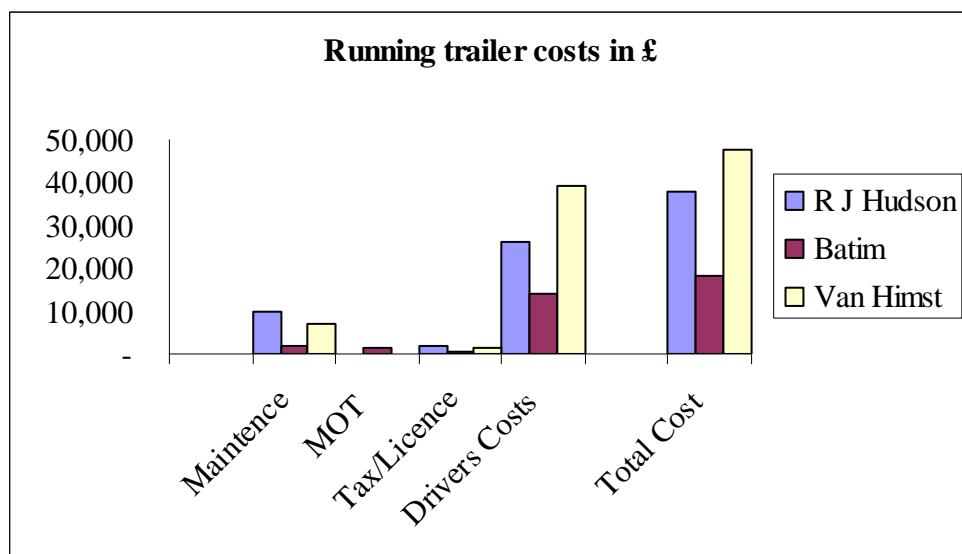
Graph 6 Trailer costs [authored by Ivana Váchová]

Running costs – every company which owns a trailer has to pay MOT, tax, licence and have an operating licence. The trailer also needs maintenance every year and, of course, somebody to drive the trailer.

Sometimes companies have to pay *special costs*, for example Hazardous training for drivers – this training is required when a company has requirements for transporting hazardous goods and their driver needs a special training in carrying hazardous goods. The companies need special testing of their trailers for transporting hazardous goods as well. The other costs are MAUT in Germany, road toll in different countries and so on.

Chart 4 Running costs [authored by Ivana Váchová]

Per Year	R. J. Hudson	Batim	Van Himst
Maintenance in £	9,600	2,068	6,896
MOT in £	110	125	120
Tax / Licence in £	2,000	689	1,275
Drivers Costs in £	26,000	14,068	39,310
TOTAL COSTS in £	37,710	16,950	47,601



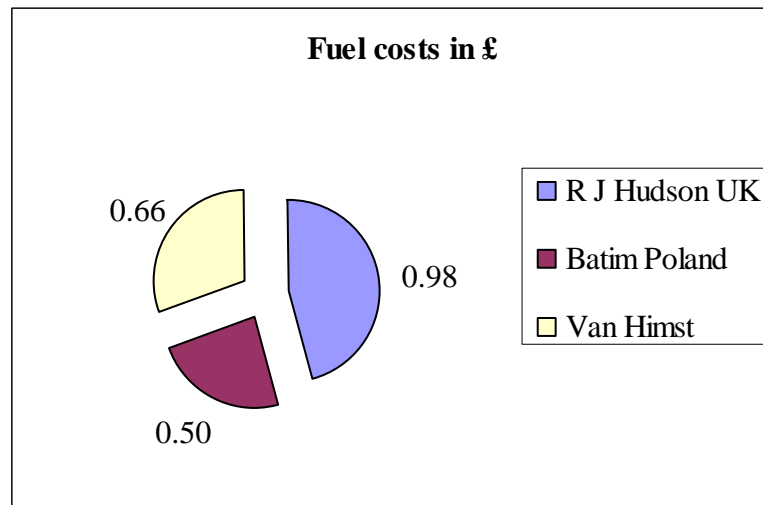
Graph 7 Running costs [authored by Ivana Váchová]

Fuel costs – it is obvious that when you own a trailer you have to pay for diesel. We can see different countries have a different price of diesel.

For my costs analysis it is also important to know that, on average, you can get 0.33 litres per 1 kilometre. This information will be very important in my last part of the costs analysis to get the total costs of diesel per week.

Chart 5 Fuel costs [authored by Ivana Váchová]

Per Litre	R. J. Hudson	Batim	Van Himst
PRICE in £	0.98	0.50	0.66



Graph 8 Fuel costs [authored by Ivana Váchová]

10.4.2 Summary of owning the trailer

The first part of the costs analysis shows how expensive it is to own a trailer and how much Rhenus Hauser Ltd. would have to pay if Rhenus Hauser Ltd. decided to own their own trailer because, as we know, Rhenus Hauser Ltd. would pay the same price as R. J. Hudson from Great Britain.

10.4.3 Comparison of owning and renting the trailer

For fixing the cost unit I have mostly taken account the cost standard of each haulier in the direct costs and for indirect costs I have taken account the expense budget of each haulier.

The indirect costs are allocated by costing method called Division Costing.

Division costing is computed by:

$$\text{Total costs} / \text{plan of volume achievement} \quad (1)$$

And now I will describe how much the direct and indirect costs are put into practice. I have based our costs comparison on 49 weeks per year. I have deducted two weeks during Christmas and one week at Easter.

I know how much Rhenus Hauser Ltd. pays for renting from different companies per week, so I have to cost the trailer owning costs per week.

Chart of owning the trailer per week

Purchase costs– I am considering the total costs of a trailer divided by 10 years (as we know, the service life of a trailer is 10 years) and this sum is divided by 49 weeks, this gives us the purchase costs per week.

Running costs – The calculation is very similar. I take the total running costs of owning trailers per year and divide by 49 weeks and finally I get the sum of running costs per week.

Fuel costs – For the calculation of fuel costs I need to know two points. The first point is how many kilometres there is on *a round trip trailer*. The round trip means how many kilometres it is from Great Britain, Cannock to Germany Stuttgart and back for R. J. Hudson, making the round trip to Germany. Then I need to know how many kilometres it is from Great Britain, Cannock to Poland, Warsaw and back for Batim, making the round trip to Poland and finally I need to know how many kilometres it is from Great Britain, Cannock to Germany, Munich and back for Van Himst, making the round trip to Germany.

So for R. J. Hudson it is 2,300 kilometres, for Batim it is 3,644 kilometres, and for Van Himst it is 2,360 kilometres.

And the second point is the trailer's fuel consumption in litres per kilometre, which I have already mentioned above; it is 0.33 litres per kilometre.

Having known these two points, I have multiplied the number of kilometres by 0.33 l/km. The number obtained is then divided by fuel costs per litre; the price of petrol is different in each county, as we know.

Total costs – finally add the three different costs and we get Total costs of trailer owning per week.

Chart 6 Total costs of owning the trailer [authored by Ivana Váchová]

Per Week	R. J. Hudson	Batim	Van Himst
Purchase Costs in £	142	137	165
Running Costs in £	769	368	971
Fuel Costs in £	743	601	521
TOTAL COSTS in £	1,654	1,106	1,657

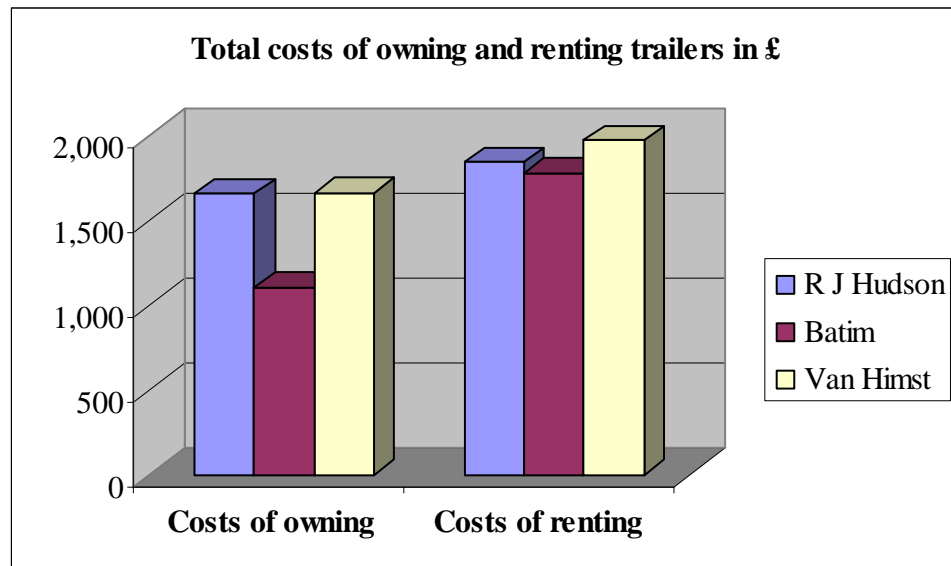
Chart of renting trailer per week

This chart shows the cost of renting trailer with the three different hauliers.

Chart 7 Total costs of renting the trailer [authored by Ivana Váchová]

Per Week	R. J. Hudson	Batim	Van Himst
Round trip in £	1,585	1,525	1,713
Ferry costs in £	256	256	256
TOTAL COSTS in £	1,841	1,781	1,969

10.4.4 Summary of comparison of owning and renting the trailer



Graph 9 Total costs of owning and renting the trailer [authored by Ivana Váchová]

As we can see from my last chart which shows the result what is better for Rhenus Hauser Ltd., the result is evident. For Rhenus Hauser Ltd. it would be better to own the trailer.

BUT...This view is just about figures of direct and indirect costs Rhenus Hauser Ltd. has to pay. If Rhenus Hauser Ltd. owns a trailer, there are other factors to consider. Now the current hauliers give to Rhenus Hauser Ltd. one price which includes all costs of owning the trailer and there are no other costs. If Rhenus Hauser Ltd. decides to own their own trailers, they would have to pay all taxes, employ drivers and pay their wages. Rhenus Hauser Ltd. would also have to create a special department to operate these

trailers. They would have to pay for maintenance of the trailers and MOT as well and so on.

Rhenus Hauser Ltd. would also have to train their drivers on hazardous goods and own special trailers for hazardous transport. I have analysed all the figures Rhenus Hauser Ltd. would have to pay, all the costs and I can say that it **will be more expensive for them than renting a trailer.**

Not considering the money, the main reason why renting the trailers is better for Rhenus Hauser Ltd., is the responsibility. Rhenus Hauser Ltd. need not have any responsibility for trucks, trailers and drivers. They just rent the trailers from other companies to transport their goods.

One more thing I would like to say. As for the finances, it would be better for Rhenus Hauser Ltd. to buy their own trailers but considering the whole commercial picture brings an absolutely different conclusion.

CONCLUSION

The main purpose of my thesis was to decide what is better for Rhenus Hauser Ltd. – either renting or owning the trailers.

The subject I have chosen, in relation to working for a freight forwarder, is to compare the costs of buying and owning trailers across Europe. I have analysed three hauliers – in Great Britain, Belgium and Poland. In one part of my thesis I have also mentioned all the different rules and additional charges occurring in running vehicles across Europe.

I had always thought that the main lack of trailers was during the summer time but **there is a shortage of trailers during the winter time as well.** Within one night half of Europe was covered with snow and trailers were delayed or even did not arrive in the UK. This meant there had been no trailers for the goods in the export department. It was a very difficult situation.

The main part of my thesis is the costs analysis. I tried to choose suitable hauliers for an objective costs analysis. Initially I wrote a fax to each haulier. In this fax there were questions regarding important information I was interested in and the purpose of writing my thesis. After sending the fax to each haulier and waited for their answer. Obtaining their replies, I collected the information and then started the costs analysis.

Finishing the first part of my costs analysis I can say that **the lowest costs come from Batim from Poland.**

The result of my thesis, answering what is better for Rhenus Hauser Ltd, is included in my second part of the costs analysis. After the costs calculation I have found out that having own vehicles would be better for Rhenus Hauser Ltd. I cannot, however, fully agree with this conclusion as we have to see to all circumstances connected with a trailer ownership. In case of just renting a vehicle, Rhenus Hauser pay one price and the main responsibility for the vehicles and costs is on the haulier's side **so it is much easier and finally more cost effective than owning the trailers by Rhenus Hauser Ltd.**

While writing my work, I have found some **recommendations and solutions** for improvement. They are for example:

- I might suggest the company considering **the possibility of buying their own trailers.**
- Rhenus Hauser Ltd. should **start thinking of carrying out their costs analysis** concerning their trailer ownership.
- I suggest **a more frequent use of services of Batim from Poland** for transporting goods because, as we can see, Batim is the cheapest of the analysed hauliers.
- Finally I think there should be **better communication** between people working on the export department.

RESUME

Cílem mé bakalářské práce bylo rozhodnout, co je lepší pro společnost Rhenus Hauser, s. r. o. – zda pronajímat kamiony nebo je mít v osobním vlastnictví.

V teoretické části jsem popsala základní body, které jsem použila v praktické části a v analýze nákladů.

V praktické části jsem představila historii společnosti Rhenus Hauser, s. r. o., místa, kde se nachází jejich pobočky a jejich hlavní služby, které poskytují zákazníkům. Další důležitý bod, související s praktickou částí, je omezení řidičů v různých zemích, která způsobují zpoždění a nedostatek kamionů.

Proto, abych mohla zjistit, co je pro společnost výhodnější, potřebovala jsem znát dva základní údaje. Za prvé, kolik platí Rhenus Hauser, s. r. o. Svým dopravcům, pokud si od nich kamiony pronajímá a za druhé, kolik by Rhenus Hauser, s. r. o. platil, pokud by měl kamiony v osobním vlastnictví.

Pro zjednodušení posuzování nákladů jsem si vybrala **tři dopravce**, které Rhenus Hauser, s. r. o. využívá k přepravě zboží. První dopravce je z Evropy, přesněji řečeno z Belgie, jmenuje se **Intertransport – Van Himst**. Další dopravce je z východní Evropy, z Polska, jmenuje se **Batim**. Třetí dopravce, které ho jsem si vybrala pro svou analýzu, je z Velké Británie a jmenuje se **R. J. Hudson**. Hlavní důvod, proč jeden z dopravců pochází z Velké Británie je, abychom si snadněji představili, kolik by Rhenus Hauser, s. r. o. platil, kdyby své kamióny měl v osobním vlastnictví.

Po zvolení tří dopravců jsem si vypsala základní body, které jsem potřebovala znát pro svou analýzu. Poté jsem napsala fax, který jsem poslala jednotlivým dopravcům s prosbou o poskytnutí daných údajů. Během doby, co jsem čekala na jejich odpovědi, jsem zjišťovala, kolik Rhenus Hauser, s. r. o. platí těmto třem dopravcům za pronájem jejich kamionů.

Po získání potřebných údajů o jednotlivých nákladech jsem se mohla pustit do hlavní části své bakalářské práce – analýzy nákladů.

Analýzu nákladů jsem rozdělila na **dvě hlavní části**. V první části jsem se zaměřila na to, aby si můj čtenář dokázal představit, kolik by Rhenus Hauser, s. r. o. platil,

kdyby měl své kamiony v osobním vlastnictví a jaké mají náklady dopravci v ostatních zemích. První část nám také ukázala, že **nejnižší náklady má dopravce Batim z Polska.**

Ve druhé části jsem se zaměřila na vyhodnocení výše nákladů při osobním vlastnictví kamionů a při pronájmu kamionů. Jelikož výši nákladů pro osobní vlastnictví kamionů jsem znala roční, a Rhenus Hauser, s. r. o. si pronajímá kamiony každý týden, musela jsem roční náklady přepočítat na týdenní.

Na konec své analýzy jsem vyhodnotila náklady a dospěla k závěru, že by pro Rhenus Hauser, s. r. o. bylo lepší kamiony vlastnit. Ale pokud se na to podíváme z globálního hlediska, zjistíme, že pokud by Rhenus Hauser, s. r. o. měl kamiony v osobním vlastnictví, **potřeboval by k tomu zřídit další speciální oddělení** – musel by zaměstnat nové pracovníky, řidiče a zařídit mnoho dalších podstatných věcí spojených s vlastnictvím kamionů, **z čehož vyplývá – platit za další přímé a nepřímé náklady.** Pokud opomeneme peníze, je tady samozřejmě zodpovědnost, kterou by tímto Rhenus Hauser, s. r. o. získal.

Po dokončení mé bakalářské práce navrhuji tato **doporučení:**

- Navrhuji společnosti **zvážit možnost nákupu vlastních kamionů.**
- Společnost by měla **investovat počáteční kapitál** na zřízení nového oddělení, zaměstnat další pracovníky a nakoupit vlastní kamiony, s tím souvisí zjištění skutečných nákladů a **provedení analýzy na celý tento provoz.**
- Co nejvíce **využívat nejlevnějšího dopravce, kterým je Batim z Polska.**
- **Lepší komunikace** mezi lidmi pracujícími v exportním oddělení.

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LIST OF USED SYMBOLS AND ABBREVIATIONS

UK	The United Kingdom
IHG	International Haman Group
AG	Aktiengesellschaft
IMDG	International Maritime Dangerous Goods Code
IMO	International Maritime Organization
ETC	Electronic toll Collection
Ltd.	Limited
& CO	And Company
CIS	Commonwealth of Independent States
HRS	Hours
Stg	Sterling
GBP	Pound
ICC	INCOTERMS
UN	Numerical Index
DART	Dartford
i.e.	For example
\$	Dollar
€	Euro
A(T)C	The average total cost curve
LRAC	The long run average cost curve
MC	Marginal cost
MR	Marginal returns
Q	Quantity
U-shaped	Ve tvaru U

p.a.	Per annum
VAT	Value Added Tax
PAYE	Pay as you earn
MOT	Motoring owning test
TIR	Transport International Routier
PVH	Paul Van Himst
GVH	Guido Van Himst
IT	Information technology

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Appendix 2 Hauser Group German MAUT Tariff – £ stg

Hauser Transit MAUT



Kilometre Distances to Border
 Assumed Chargeable weight on trailer of 15,000kg
 Assumed Exchange rate of £1 = €1.44

		Border	Kms to depot	€ Cost @ € 0.124	£stg equivalent	£ per 100kg
Poland	Frankfurt a.b. Oder	Aachen	695	86.18	59.85	0.40
Baltics	Frankfurt a.b. Oder	Aachen	695	86.18	59.85	0.40
Czech Rep	Cheb	Aachen	590	73.16	50.81	0.34
Slovakia	Cheb	Aachen	590	73.16	50.81	0.34
Austria	Salzburg	Aachen	785	97.34	67.60	0.45
Hungary	Passau	Aachen	700	86.80	60.28	0.40
Slovenia/Ex Yugo	Salzburg	Aachen	785	97.34	67.60	0.45
Italy 25, 3*, 40, 41 44, 46, 47, 48	Nr Innsbruck	Aachen	720	89.28	62.00	0.41

Transit Maut	
£ / 100kg	£ Max
0.40	72.00
0.40	72.00
0.35	63.00
0.35	63.00
0.45	81.00
0.40	72.00
0.45	81.00
0.42	75.60

Turkey

The charge is based upon the Unkar Maut surcharge

Kgs	Min	-1000kg	-3000kg	-5000kg	-10,000kg	-15,000kg	-20,000kg	Max / full
£	4.34	1.08	0.87	0.72	0.62	0.54	0.48	86.81

Hauser Group German MAUT Tariff - £ stg



Weight Kg from	Weight Kg to	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
1	50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
51	100	1.50	1.50	1.50	1.50	1.50	1.50	1.50
101	200	1.50	1.50	1.50	1.50	1.50	1.50	1.50
201	300	1.50	1.50	1.50	1.50	1.50	1.65	1.65
301	400	1.50	1.50	1.50	1.50	1.65	1.82	2.01
401	500	1.50	1.50	1.65	1.65	2.08	2.32	2.57
501	600	1.65	1.65	1.94	1.86	2.54	2.84	3.15
601	700	1.65	1.93	2.29	2.20	3.00	3.36	3.72
701	800	1.65	2.22	2.64	2.54	3.47	3.87	4.29
801	900	1.65	2.52	2.99	2.87	3.93	4.39	4.86
901	1,000	1.65	2.82	3.34	3.21	4.39	4.91	5.43
1,001	1,250	1.95	3.33	3.95	3.81	5.19	5.81	6.42
1,251	1,500	2.38	4.08	4.84	4.64	6.35	7.11	7.87
1,501	2,000	3.01	5.18	6.15	5.91	8.07	9.03	10.00
2,001	2,500	3.87	6.66	7.90	7.59	10.37	11.61	12.85
2,501	3,000	4.73	8.14	9.66	9.27	12.68	14.19	15.71
3,001	4,000	5.88	10.12	12.00	11.52	15.76	17.64	19.52
4,001	5,000	7.57	13.01	15.43	14.82	20.26	22.68	25.10
5,001	6,000	9.25	15.90	18.86	18.11	24.77	27.72	30.68
6,001	7,000	10.92	18.78	22.27	21.40	29.26	32.76	36.25
7,001	8,000	12.60	21.67	25.70	24.69	33.77	37.80	41.83
8,001	9,000	13.98	23.65	28.22	27.68	37.36	41.93	46.49
9,001	10,000	15.05	24.73	29.83	30.37	40.04	45.15	50.26
10,001	11,000	15.75	25.20	30.71	32.29	41.74	47.25	52.76
11,001	12,000	16.80	26.25	32.29	34.91	44.36	50.40	56.44
12,001	13,000	17.85	27.30	33.86	37.54	46.99	53.55	60.11
13,001	14,000	18.90	28.35	35.44	40.16	49.61	56.70	63.79
14,001	15,000	19.95	29.40	37.01	42.79	52.24	59.85	67.46
15,001	MAX	20.09	29.40	37.08	43.26	52.53	60.26	67.98

Valid from 10.1.2006
 cbm/bm as per customer tariff
 Charge in £stg per shipment

- Zone 1 40 41 42 44 45 46 47 50 51 52 53 58 66
- Zone 2 30 31 32 33 35 37 48 49 54 57 59 60 61 63 64 65 67 68 69
- Zone 3 26 29 34 36 38 55 56 97
- Zone 4 20 21 22 23 24 70 71 72 73 74 75 78
- Zone 5 19 25 27 28 39 77 78 79 89 90 91 92
- Zone 6 07 08 09 10 11 12 13 14 15 16 18 80 81 82 83 85 86 87 88 93 98
- Zone 7 01 02 03 04 06 17 84 94 95 96 99