

## Logistic Service Providers and their Correct Formation of your Selling Price

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### Abstract

*Currently, managers in all areas are involved with the development and implementation of business strategies that justify the growth and improvement of their organizations' market position. In this context, it is understood that creating alternatives and a greater capacity for adaptation through the management of logistical processes is in line with the investments resulting from the strategic plans necessary to meet the constant needs of the market. Based on the reality of the performance and performance of the provision of logistical services, an exploratory research was carried out with the application of a case study, in which it is intended to point out procedures that can be followed to calculate the costs of transporting raw materials and its freight, based on the assessment that this process is still deficient in small logistics service providers. As a result, the objective is to reinforce some concepts existing in the literature on logistics, outsourcing, logistics service providers, road transport, sales forecast, transport costs, selling price, depreciation, economic life, replacement of equipment and road freight.*

**Keywords:** Logistics providers, freight, transport costs, depreciation, selling price.

## **INTRODUCTION**

According to a survey by TCP Partners (2020), the Gross Domestic Product (GDP) of the transport sector should suffer a 7% retraction in 2020. Among the causes are the reduction of cargo handling for industry and commerce, whose activities were reduced because of the Covid-19 pandemic during the year 2020.

A survey by the National Transport Confederation (CNT, 2020) also reveals that companies in the sector have suffered a reduction in demand. For a total of 74.6% of carriers, there were negative impacts with the Covid-19 crisis, and for more than half or 57.2%, demand suffered a sharp reduction. Of the total surveyed companies, 60.7% pointed to a drop in revenue and 41.8% declared that their payment capacity was compromised.

The Union of Cargo Transport Companies of São Paulo and Region (SETCESP, 2020) recognizes that the effect of the coronavirus pandemic, for the time being, between the years 2020 and 2021, left the road cargo transportation sector, with serious lack of resources problems.

Organizations need a good management structure and a good balance between their investments and capital financing in order to maintain their operations. To maintain their profits, companies must seek efficiency and scale, except that the drastic decrease in production and consumption due to the pandemic of Covid-19 in 2020 and 2021, has caused a reduction in the cash flow of companies providing road transport services such as small logistics providers.

It can be said that financial planning is one of the reasons why so many professionals, truck owners or logistics service providers, have difficulty in managing, since it is necessary to better understand their expenses, because, if they do not have one good strategy for formation of freight prices received and management of their businesses, will have problems to keep their business, over time, in the market.

For logistics providers, there is a need to raise all expenses resulting from their service provision, in addition to a need for greater performance control over time, as a condition of extreme need to enable their growth in the market. The balance between the need to accumulate resources to pay all your daily expenses in addition, the

replacement of capital or the renewal of the truck or small fleet of used vehicles, contributes to the accumulation of operating profits and a better optimization of resources compatible with obtaining better results.

For Ballou (2006), logistics is about creating value for the company's customers and suppliers, and value for all those who have a direct interest in it. The value of logistics is expressed primarily in terms of time and place since products and services have no value unless they are in the hands of customers when (time) and where (place) they intend to consume them.

In this way, it is intended to study, through a case study, the management of resources of a small logistics service provider and its management of transportation costs through the value of the freight received, so that it is possible to generate a provision of sufficient capital to finance the replacement of the truck, right after its useful life, thus establishing a comparison of the impact on its pricing policy, which may or may not enable its performance as a service provider in the market. As an expected result, the objective is to reinforce some existing concepts in the literature on logistics, outsourcing, logistics service providers, road transport, sales forecast, transport costs, selling price, depreciation, economic life, replacement of equipment and road freight.

## **2. RESEARCH METHODOLOGY**

As methodology, an exploratory research will be used with the application of a case study, with a small autonomous logistics service provider that has been operating in the transport business since 2011, with a Scania type 113H traction truck, transporting a load of monosodium glutamate, with 22 pallets of 1,000 Kg, forming a freight with 22,770 kg in total. In this way, it is intended to point out possible ways and procedures that can be followed and evaluated for the calculation of transportation costs and composition of the freight value of a finished product for storage in an outsourced warehouse of a food company in the region of Limeira, state from São Paulo, Brazil.

According to Selltiz, Wrightsman and Cook (1987), those who seek to discover ideas and intuitions fall into the category of exploratory

studies, to acquire greater familiarity with the researched phenomenon.

For Yin (2004, p.21) the case study is “... an empirical inquiry that investigates a contemporary phenomenon within a real life context, when the boundary between the phenomenon and the context is not clearly evident and where multiple sources of evidence are used”.

Triviños (1987), on the other hand, defines the case study as a research category whose object is a unit that is deeply analyzed. In this sense, Schramm, apud Yin (2001, p. 31), adds by stating that this strategy “[...] tries to clarify a decision or a set of decisions: the reason why they were taken, how they were implemented and with what results”.

### **3. THEORETICAL FRAMEWORK**

Good logistical planning is crucial for a business to stand out from the competition. The importance of logistics is in providing the basis for a company's strategic planning. This represents a great differential for management in the business world to allow a condition of competitive improvement for small logistics providers, in the transport market.

#### **3.1 Definition of Logistics**

The meaning of Logistics comes from the Greek, "Logistikos" which means calculation and mathematical reasoning. This definition of the ancient Greeks, contributed for the North American military to use to designate the logistics as the art of transport, distribution and supply of troops in operations (POZO, 2001).

Christopher (1997) defines logistics as a process of strategically managing the acquisition, movement and storage of materials, parts and finished products, integrated information flow, through the organization and its distribution channels, in order to maximize the present profitability and future through the fulfillment of orders at low cost, adding value to the product by reducing time, financial and capital costs related to inventory management, as the main source of efficiency.

#### **3.2 Outsourcing**

The economic development model adopted in Brazil, starting in the 1950s, offers great opportunities for the growth of logistics operators.

Owning one's own means of distribution requires immobilization of resources, investments and periodic and constant maintenance. This has led companies to increasingly use third parties, that is, the use of logistics operators. Logistics operators are providers of integrated logistics services (transport, storage, storage, information) that seek to fully meet the logistical needs of their customers in an individualized way.

The globalized market demands more and more quality and efficiency when hiring logistics service providers who constantly need to reduce their operating costs and streamline their processes even more, to remain in the market enjoying their cost-effective operating results for efficiency. strategic and not merely merely for lower costs, with all management focused on the planning and strategies of integrated logistics services being extremely important.

Truck drivers appear to be responsible for distributing products from one location to another, using the road modal that is widespread in Brazil, thus ensuring the supply of the entire logistics chain. When comparing the working hours of some professions, it can be considered that truck drivers exercise a higher workload than the others, classified as salaried or self-employed (KAPRON, 2012). Autonomous truck drivers are characterized by owning their own truck, and working on their own, establishing their own working hours. They travel for days, and because they are self-employed, they do not receive the same benefits as a worker who provides services to a company, such as vacations, 13th salary, among others. Even so, this number is growing, where more and more truckers are looking for this opportunity to become autonomous or logistics providers (BIZARRO et al., 2009).

The National Land Transport Agency (ANTT, 2020) is responsible for the National Registry of Road Cargo Transporters (RNTRC), presenting data on Brazilian transport:

a) Currently in Brazil, 209,529 road freight transport companies are registered. The freelancers total 695,593 records and, among the cooperatives, the total is 422.

b) The total number of registered trucks is 2,209,440. Of these, a total of 1,343,498 trucks are from transportation companies. Most of them are mechanical horses, with 370 thousand records, and about 257 thousand are trucks with a total gross weight of 8 to 29 tons.

c) Autonomous truck drivers registered a total fleet of 836,988 trucks. The majority, about 308 thousand, are comprised of trucks with a total gross weight (PBT) between 8 and 29 tons. The mechanical horses are in second place, with 167 thousand units.

It is essential for the logistics operator to know its resources, its limitations and especially its costs and, thus, to be able to justify the investment in a structure that needs the best equipment and tools necessary for its operation to become increasingly competitive. The return on investment must be linked to your cash flow so that, while the resources come in, there is capital to cover all the operational costs and risks of the services offered.

### **3.3 Logistic Service Providers**

Logistics service provider or logistics service provider (PSL) is based on the management of logistics functions, such as transport and storage. They are external or outsourced companies that are hired to perform functions within the supply chain (ROBERSON; COPACINO, 1994).

According to Fleury (2000), logistics service providers can be divided into two groups: (i) those whose operation is based on assets, that is, focused on own investments in fixed assets, with operational strength being its greatest advantage; (ii) providers whose operation is based on information and management, centralizing and being responsible for the integration of third-party services, in which case, the effective product offered is the capacity for planning, process management, information systems and capacity analytical, which allows them to identify and implement the best solutions for each client, based on the use of third party assets.

The Brazilian market offers opportunities for the growth of logistics operators, but strategic management of integrated logistics services planning is essential and not only serving a specific transport segment. The globalized market increasingly demands better quality and efficiency and there is no place for hiring logistics service providers merely at lower costs, without the cost-benefit counterpart, indispensable for the economy, they transport the largest portion of the entire the national cargo, traveling the 1.5 million kilometers of existing road networks.

For industries and retailers, truck drivers are largely responsible for replenishing products. The lack of these professionals has severe

implications, especially for small and medium businesses. Road traffic is still very efficient, as it makes orders arrive on time. As we know, a large part of cargo transportation is done by truck drivers, especially the self-employed, which represents a good portion of our Gross Domestic Product. Therefore, it can be concluded that, if there is no transport, consequently there is no generation and distribution of wealth.

At first, it can be said that the outsourcing of logistics activities was associated with cost reduction. However, with the current competition this tends to be structured through the supply chain, giving greater focus to the relationship between the parties, and converging, increasingly, to expand the market, improve the level of service and flexibility, aiming at better meet consumer preferences.

Through the current competition in the markets, it can be said that the outsourcing of logistics activities tend to be structured in the supply chain, giving greater focus on the relationship between the parties involved, and converging, increasingly, to expand the market , improved service level and flexibility, to better meet consumer preferences.

With globalization, the growth of e-commerce and technological requirements, more and more, organizations are concentrating on their main activity. According to Dornier (2000), with the recognition that logistics is a source of competitive advantage, there has been a rapid growth and diversification in the logistics service industry. According to Lima (2003), when contracting the services of PSLs (logistics service providers), currently integrating logistics activities, conditions are created for these companies to acquire skills such as knowledge, capacity in information technology and labor -specialized workforce, which they did not have, as they previously performed a single logistical activity, which may be either transport or storage.

Thus, there is a growing trend in the outsourcing of logistics services in Brazil. This is due to the increasing level of sophistication required for the implementation of logistics programs and supply chain management, which has come to be recognized as an indispensable aspect for logistics management and its business strategies.

### **3.4 Road Transport**

The growth of the Gross Domestic Product (GDP) is also driven by the transport system, by moving national wealth, facilitating Brazilian exports and connecting producing areas to consumer markets, stimulating public and private investments in different modes, with the very incentive that development of GDP offers the expansion of transportation systems in the country, this virtuous circle is closed (CNT, 2006).

**Table 1 - Matrix of cargo transportation - annual handling**

Modal	Million (TKU)	Participation (%)
Road	485.625	61,1
Railway	164.809	20,7
Waterway	108.000	13,6
Dotoviary	33.300	4,2
Air	3.169	0,4
Total	794.903	100

\*TKU – Tons transported per useful kilometer.

Source: CNT, 2014.

Changes in the economy, increased productivity and the scope of product movement require companies to have a different attitude towards their customers. Road freight transport is no different. The recent scenario has shown profound changes and great competition, which forces companies to seek to improve their processes, both in manufacturing and in the provision of services

One of the most important indicators provided by the numbers of the National Registry of Road Cargo Transporters (ANTT, 2020) is the average age of the truck fleet in Brazil. It is known that the older the fleet, the more risks it presents to society and the greater the evidence that the sector needs fleet renewal programs. The average age of the registered fleet is 10.11 years. Among autonomous truck drivers, the average age jumps to 20.3 years.

It is observed that the resale value of trucks on the market after 2 and 3 years of purchase, tend to slow down so that the constant need for fleet renewal, does not always compensate for small logistics providers, who remain with their trucks far beyond the recommended and involving more expenses with changing parts, and even increasing your insurance. Therefore, sector managers need to pay attention to the ability to recover the capital invested in the truck fleet. Fleet switching



can bring several benefits, such as more savings and better performance.

In Brazil, due to the choice of the economic model since the 1950s, it has made road transport the most important for the whole country. Road transport management has become essential for the logistical performance of any organization, which in addition to seeking the satisfaction of its customers, needs to be constantly reviewing its costs and results and paying attention to the condition of replacement and renewal of the trucks used in its services.

Ballou (2006) emphasizes that from any point of view, economic, political, military, transport is unquestionably the most important industry in the world. According to the National Land Transport Agency (ANTT, 2020) it is estimated that road transport accounts for approximately 65% of the total cargo transported by Brazil.

The strategies of logistic functions can represent a competitive advantage, where logistics has a fundamental role, since depending on their management due to transport and material movements, it only creates value for the customer.

In Brazil, more than half of cargo transportation is done by road. Road transport is the least productive of modes in terms of load per hour of operator, and its labor cost is high. The total of highways and motorways in Brazil is approximately 1.5 million kilometers, an increase of more than 300% in two decades (MARTINS; ALT, 2006, p. 406).

It can be said that the outsourcing of road transport is almost unanimous, except in specific cases, as the best way to reduce costs, simplify the logistics process and maintain a good level of service to customers. Thus, companies are increasingly looking for ways to maximize their profit margins by reducing their costs. The reduction of costs in road transport, through an adequate methodology for calculating the cost of freight, can contribute a lot to the formation of fair prices both for the company (or only for it, in the case of its own fleet) and for the carrier (LIMA, 2003).

With this high degree of dispersion in the sector, it is common for conflicts between companies, transporters and autonomous drivers to arise in relation to the value of freight and the values involved between their cost and price structures.

In this way, we cannot fail to emphasize the need for a criterion for calculating the fixed and variable costs involved in road transport operations, to find a fair freight, which remunerates it properly and at the same time allows cost reduction and allows obtaining greater productivity and profitability.

### **3.5 Sales Forecast: Strategic Training of Freight Price**

The sales forecast is based on market research, where the quantities that the company intends to supply from the market for the next year are obtained. For this, it is necessary to understand the market potential and trends in the behavior of demand due to supply (BORGES, 1986).

It is through sales and the provision of services, as in our case study, that the conditions for the existence of the businesses that maintain the companies are created. In this way, the link between companies and consumers is essential, as it is from their products or services offered on the market that they will satisfy the exchange relations between the parties.

Every trucker, logistics service provider or fleet owner needs to know how to calculate their truck costs. This account is very important to plan financially, raising all operating expenses and having the exact notion about your real earnings, without these numbers, the autonomous truck driver can lose a lot of money, by not allocating all his costs in the elaboration of freight prices.

It can be said that this is one of the reasons why so many professionals, truck owners, have financial difficulties, by not considering the total cost spent, the amount charged for the services may not be meeting their needs. On the other hand, they also fail to understand their expenses better to manage them and, thus, maximize their available resources to enable the perpetuity of their business. Calculating costs is very important to know if there is no loss, in the end, with the amount charged on freight. By adding all the variables of the operation's expenses and the loss of equity, the truck driver or logistics service provider has greater clarity about his expenses, including the loss of value of his equity, which occurs with the depreciation of the trucks.

Know your costs better and understand the criteria that involve the growth or not of profitability. If a truck is incurring excessive

expenses on maintenance or fuel consumption, for example, it may be a good time to change the vehicle. Competition forces the company to take a series of internal measures to improve products or services. The basic measures are related to quality, quantity, price and deadline. Thus, we seek to offer products or services of the best quality, in the greatest quantity, at the best price and in the shortest time.

Every company conducts its market investigations, to check its limits according to it and to know its sales possibilities. This set of intentions and effective attitudes, when transformed into a project, is called sales forecast.

Today's managers are involved in the development and implementation of business strategies that aim to grow their companies and improve their position in the market. With globalization, it was found that companies increased their sales, purchases, investments and fundraising and these changes increased their needs to rely on strategies of economic and financial viability, to be able to prosper and obtain success, based on the application of processes efficient operating systems. In this way it is essential for every company, small, medium or large, to review its pricing policy to see if it is covering its costs and thus be aware of its real conditions to serve the market.

### **3.6 Logistic Costs with Transport**

We can consider the cost of transportation, the most important of the costs within logistics, since the company can either have them within its organization or outsource the movement of products (the one that the industry puts for sale) or goods (it is the product that arrives to the final customer), to the customer.

For costs, we must divide it in relation to its operation, that is:

1) Direct costs - Are those that are directly related to the productive function:

- Depreciation of the vehicle;
- Remuneration of capital;
- Salaries and gratuities for drivers and helpers;
- Risk coverage (insurance);
- Fuel;
- Lubrication;
- Tires;
- Licensing.

Direct costs can be subdivided into fixed and variable costs, usually considered in the road transport sector according to the distance covered. This classification cannot be understood as a general rule:

a) Fixed costs: they occur regardless of the transport vehicle's displacement. Are they:

- Depreciation;
- Remuneration of capital;
- Wages and labor obligations of the driver and helpers.

b) Variable costs: those that vary according to the distance traveled. Are they:

- Fuel;
- Lubrication;
- Maintenance;
- Tires;
- Risk coverage.

2) Indirect costs - Are those that are not directly related to the production function, such as, for example, accounting, the cost related to the personnel, administration, sales, finance, collection, etc.

In the case of the transport function, detailed studies show that around 85% of the costs are direct, while the remaining 15% are considered indirect (CASTIGLIONI. 2007).

### **3.7 Composition of the Selling Price for Freights**

Studying the formation of the selling price of companies and mainly for providers of logistics transport services, must be constant, since competition is increasing, customers are increasingly demanding and with the growing scarcity of financial resources and the high the cost of raising it, added to the lack of planning, it is possible to cooperate for the negative performance of the businesses.

The importance of disciplining the appropriation of costs must be a constant concern of the sector, as what is observed is that autonomous carriers do not carry out a constant evaluation of their costs, in addition to practicing freight values that are often not compatible to remunerate their activities (STOCK; LAMBERT, 1987).

It is very common for a company that provides road freight transport services to turn its attention to cost control within the scope of its activities, however some external expenses are not normally

considered, because they are difficult to quantify and, generally, each company seeks immediate advantages for you (NOVAES, 2004).

According to Bowersox (2001, p. 306), the appropriation of costs is a fundamental concern of the carrier; as, however, the cost structure influences the price negotiation margin, the shipper's perspective is also important.

The concept of cost presented by Leite (1997) and Martins (2003) is evidenced as the resource made available for the acquisition of a good (asset) or service that will be used in the production of other goods and services, continuing the production process.

From the moment when organizations transact their products and services, they need to decide how they will form their sales prices. The formation of the selling price is influenced by market conditions, government requirements, costs, the level of activity and the return on invested capital. The calculation of the sale price must result in a value that (SANTOS, 2005, p. 133):

- a) that brings to the company the maximization of profits;
- b) that it is possible to maintain quality and meet the needs of the market and
- c) that best take advantage of production levels.

### **3.8 Depreciation, Economic Life and Equipment Replacement**

Depreciation represents the loss of value of the assets. Loss considered as an expense or an accounting cost. As a result, it must be part of the concepts of formation of the cost of products and services, for purposes of formation of the sale price, as an instrument of recovery of the investments in the operational fixed assets (PADOVEZE, 2003).

We present the permissible useful life periods for the purpose of depreciation of the following new vehicles, acquired new, fixed by the Normative Instruction of the Federal Revenue Secretariat (IN SRF) n° 72, of 1984:

**Table 2: Depreciation rates**

Goods	Depreciation Rate	Term
Tractors	25% per year	4 years
Passenger Vehicles	20% per year	5 years
Cargo Vehicles	20% per year	5 years
Off-Highway Trucks	25% per year	4 years
Motorcycles	25% per year	4 years

Source: Federal Revenue Secretariat n° 72, 1984.

The economic life of an asset is understood to be the period of time (usually in years) in which the equivalent annual cost of owning and operating the asset is minimal. Goods, such as equipment and facilities, wear out with use, requiring more and more maintenance. Thus, it is expected that operating costs will increase over time. At the same time, its sales or market value is decreasing. After a certain moment it is no longer interesting to keep the good, it is when he reached his economic life (MARTINS; ALT, 2006).

The costs of maintaining a truck are usually high. Therefore, one of the main advantages of those who decide on a new truck is its lesser need for repairs in the short term compared to a used one. To keep the truck in order, automakers often include preventive maintenance plans in the sale of new vehicles. The main objective is to avoid wear and tear above the necessary and to minimize the problems that can occur with the constant use of the vehicle. Monitoring the functioning of parts, gears and making corrections of deformities is the most effective way to avoid future damage.

On average, fuel can account for about half of a truck's operating costs. Therefore, the ideal is to invest in modern engines, equipped with new technologies that have been reducing consumption more and more. New trucks are increasingly equipped with modern equipment, which offers more convenience and safety to the driver, but the biggest obstacle to the purchase of a new truck is the financial one.

However, with effective corporate financial planning, it is possible to plan to equip your fleet with zero-kilometer vehicles.

Bill of Law 2450/2020 offers facilities for fleet renewal for autonomous truck drivers and entrepreneurs with only one truck. The project authorizes the granting of financing, through the National Bank for Economic and Social Development (BNDES), for the purchase of trucks and implements, by autonomous drivers and individual cargo transportation companies. According to the project, which is still pending in the Chamber of Deputies in 2021, up to 99% of the total value of the truck and implement acquired will be financed, provided it is new, with interest and monetary restatement at the Selic rate, currently around 3% per year. Drivers who take out the loan will have a 12-month grace period and up to 120 months to pay. In addition to the purchase of trucks and implements, the financing may also include the purchase of tracking systems, vehicle insurance and credit life insurance.

Equipment replacement is an efficient way for the company to gain a competitive advantage over its competitors, since the replacement will only make sense if it is accompanied by a reduction in costs. Thus, the study of equipment replacement is essential for the present day, especially for the analyzed company, since it depends entirely on its trucks to provide its services.

### **3.9 Freight in Road Transport**

Freight in road transport is calculated on the weight (ton) or volume (cubic meter), but the most common in full loads is that a closed price per vehicle is stipulated. Additional fees may also be charged, such as ad valorem (fee applied to freight rates corresponding to a percentage of the value of the product), for high-value goods, expedition fee, to cover expenses with issuing documents and the cost of insurance compulsory road.

The operating costs of the vehicle are divided into fixed and variable. Generally, the fixed cost is calculated per month, as the expenses do not vary with the distance traveled, that is, it exists even with the vehicle stopped and the variable costs are incurred according to the distance traveled.

#### **4. CASE STUDY APPLICATION**

Through this case study, transportation and freight costs were raised, from a small logistics service provider or autonomous driver to a food products company for storage in an outsourced warehouse in the city of Limeira, SP, Brazil.

To reduce costs, maintain the level of service to customers and become increasingly competitive in the market, companies outsource their road transport, so that they can focus only on their main line of business and seek in the market the services necessary to complete its operational cycle.

For small logistics providers in cargo transportation, due to the high degree of dispersion in the sector, it is common for conflicts to arise regarding the value of freight, since it is generally the contracting companies that determine the freight price. This price presents the proposed and desirable value, by the contractor to determine a competitive price for its products in the market, but it is not always a value compatible with the level of requirements and needs of the carrier.

In this way, we cannot fail to emphasize the need for a criterion, as complete as possible, for calculating the fixed and variable costs involved in road transport operations, in order to find a fair freight, which remunerates it properly and at the same time allows a reduction of costs and allowing greater productivity and profitability to be obtained, both for the contractor and for the transporter.

The appropriation of costs must be a constant concern of small logistics providers. Unfortunately, what is observed is that autonomous carriers do not carry out a constant evaluation of their costs, and therefore accept the closed freight prices proposed by their contractors, believing that they will meet all their operational and investment needs that are indispensable to their permanence in the market.

We point out the main costs in road transport with tires, driver salaries, social charges, licensing, fuel, oil changes, insurance, depreciation, financing, per diem, maintenance, taxes and administrative expenses. The desired profit margin is added to determine the freight value of the shipping company.

For the logistics service provider or driver under study, values of monthly costs were raised and then, we divided them by kilometer



traveled and we found, for the purposes of strategic analysis, an average for the truck owned by the analyzed autonomous trucker, with the average value of R \$ 16.13 per kilometer, as shown in table 3.

**Table 3: Average calculation of operational freight Total**

Description	R\$/Km
Salary	1,82
Charges	1,18
License	0,0037
Fuel	2,25
Tires	0,07
Oil	0,03
Safe	0,34
Filters	0,007
Depreciation	3,03
Dialy	0,45
Capital Remuneration	0,27
Maintenance	0,68
Taxes	3,08
Adm. Expenses	0,23
Profit	2,56
<b>Total</b>	<b>16,13</b>

Source: Own elaboration.

Based on this value, the logistics service provider must calculate its sales price, considering the distance traveled by the truck in the provision of services. The selling price charged by the driver must be within this unit result of the kilometer in relation to the total distance covered so that the driver can pay all his financial obligations, obtain his profit and be able to invest his resources in renewing his truck and in business expansion. The amount received by the company from our analysis for its provision of services in relation to the calculated average value of R \$ 7.40 per kilometer, covering an average of 100 km per day represents a value of R \$ 740.00, based on calculations carried out, the correct amount would be R \$ 1,613.00 with a difference of R \$ 873.00 less, that is, each day or commuting the company receives a lesser amount than it should have received. An attempt was made to calculate the most real and close to the reality required by the competitiveness in the market, where there is not only a concern to cover operating costs, but also to create sources of investments, financed by the

enterprise itself, for and the renewal of the fleet. based on depreciation and useful life in relation to the economic life of the trucks, as the company depends entirely on them to provide its services.

## 5. FINAL CONSIDERATIONS

It can be said that today's managers are involved with the development and implementation of business strategies that aim at the growth of the company and the improvement of its position in the market.

With globalization, in general, companies have increased their sales, purchases, investments and fundraising, and these changes have increased their needs to have strategies of economic and financial viability, capable of managing cash flows and protecting them from risks that naturally arise from transactions and market variations. In a competitive market, where companies seek a strategic positioning based on cost leadership, the logistics area is of fundamental importance since companies can prosper and succeed, based on the application of simple operational processes, such as determining their operating costs and their fair freight.

As we can see, the calculations of freight per kilometer practiced by the company under analysis showed a difference lower than it should, this is explained basically by the lack of criteria that offer a formation of sources of investments for the continuity of its ventures, financed by the company itself. business and without the raising of external resources via bank loans, which would further increase the difference in value presented in our study, as the costs would be even higher and would be directly affecting the expected profit result.

This type of problem is usually evident in small logistics service providers, where there is a need to create the most complete criteria possible for cost calculations so that they can then determine the final value of their fair freight and allow the accumulation of necessary capital for every enterprise.

With the outsourcing of road transport and the growth of small logistics providers in the market, more and more efficient logistics processes are needed to maintain the good level of services to customers, maximizing profits and minimizing costs, forcing prices. of the freight practiced more and more down. In this way, small logistics

service providers are in the hands of large organizations, which achieve a reduction in their costs by reducing the prices paid to their outsourced services. This process creates increasing difficulties for small logistics providers, in addition to compromising the level of services involved, generating conflicts between the company and customers, the company and the logistics service provider and then directly affecting the productivity and profitability of the entire supply chain.

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