

# Logistic service providers

# Role of LSP in International trade

# Who is intermediary



# Global logistics intermediaries

# Freight forwarders

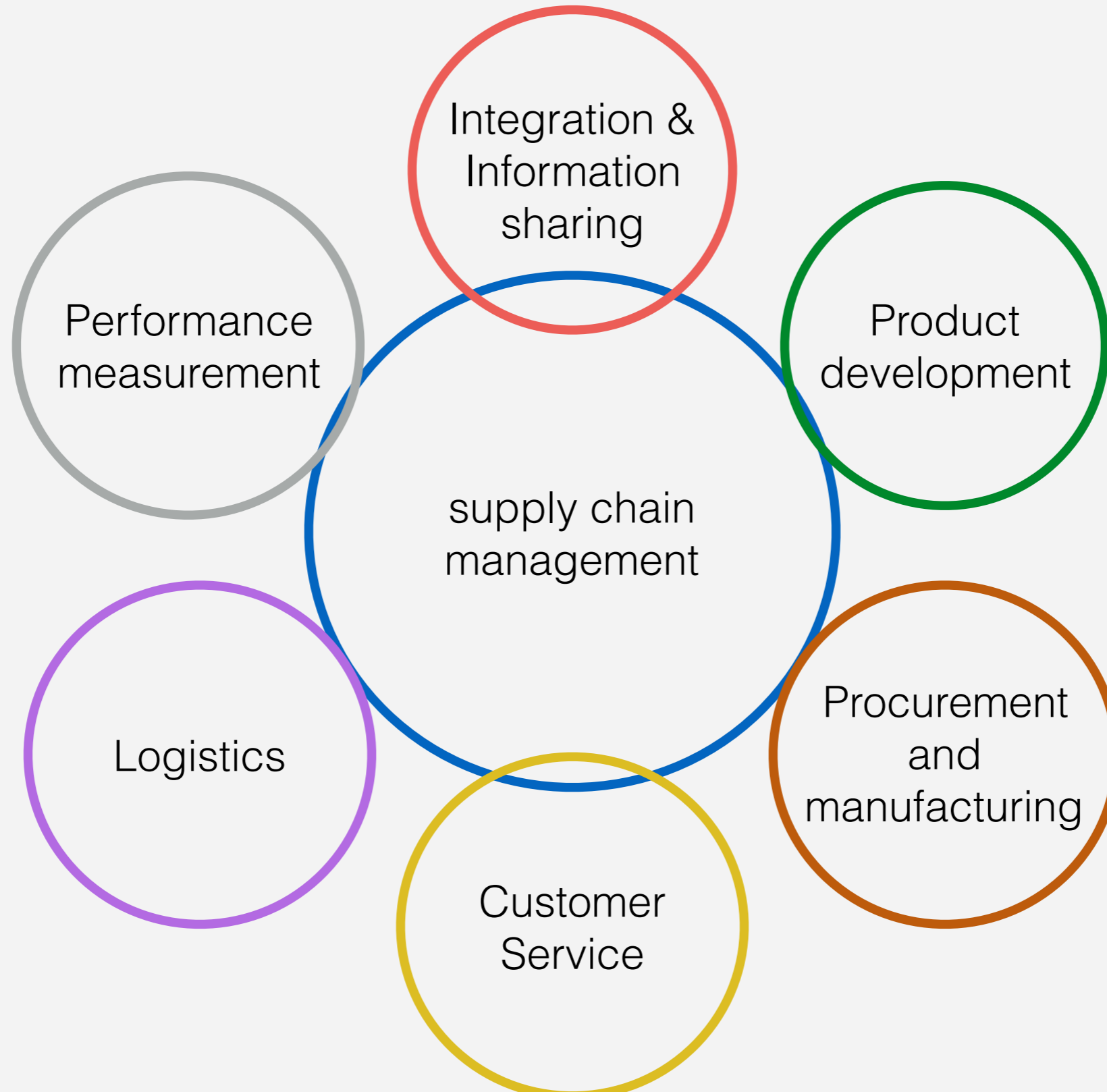


Services of any kind relating to the carriage, consolidation, storage, handling, packing or the distribution of the Goods as well as ancillary and advisory services in connection therewith, including but not limited to customs and fiscal matters, declaring the Goods for official purposes, procuring insurance of the Goods and collecting and procuring a payment and documents relating to the Goods

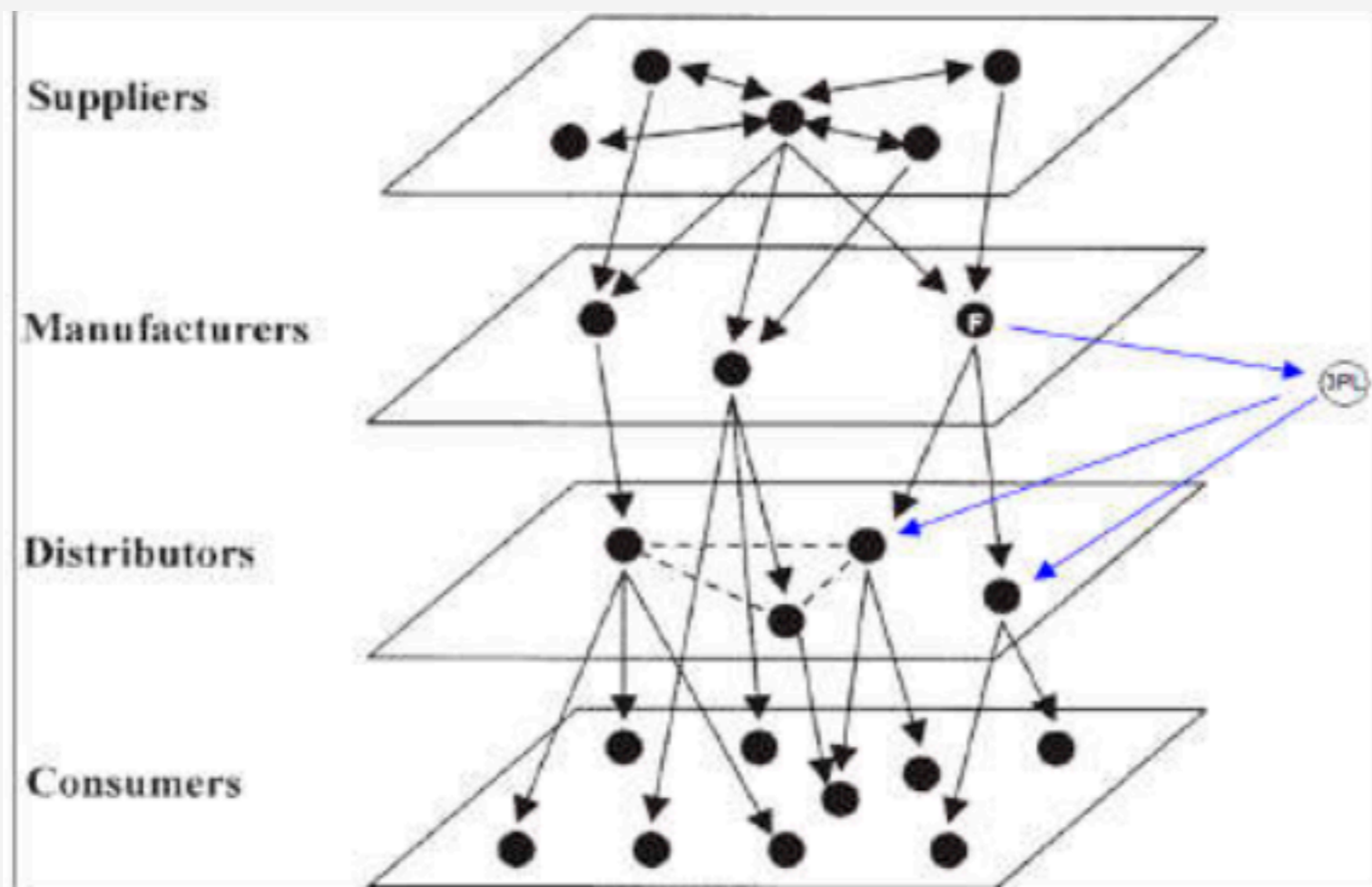
-FIATA

Third party logistics is simply the use of an outside company to perform all or part of the firm's materials management and product distribution function

-Simchi Levi, 2000



# Third party logistics relationships



Source: Camargo et al. 2012, p. 8

# 3PL services and activities

## Logistic functions

## Activities

Transportation

Shipping, forwarding, (de)consolidation, contract delivery, freight bill payment, household goods relocation, load tendering, brokering.

Warehousing

Storage, receiving, assembly, return goods, marking and labelling

Inventory management

Forecasting, location analysis, network consulting, layout design

Order processing

Order entry, fulfillment

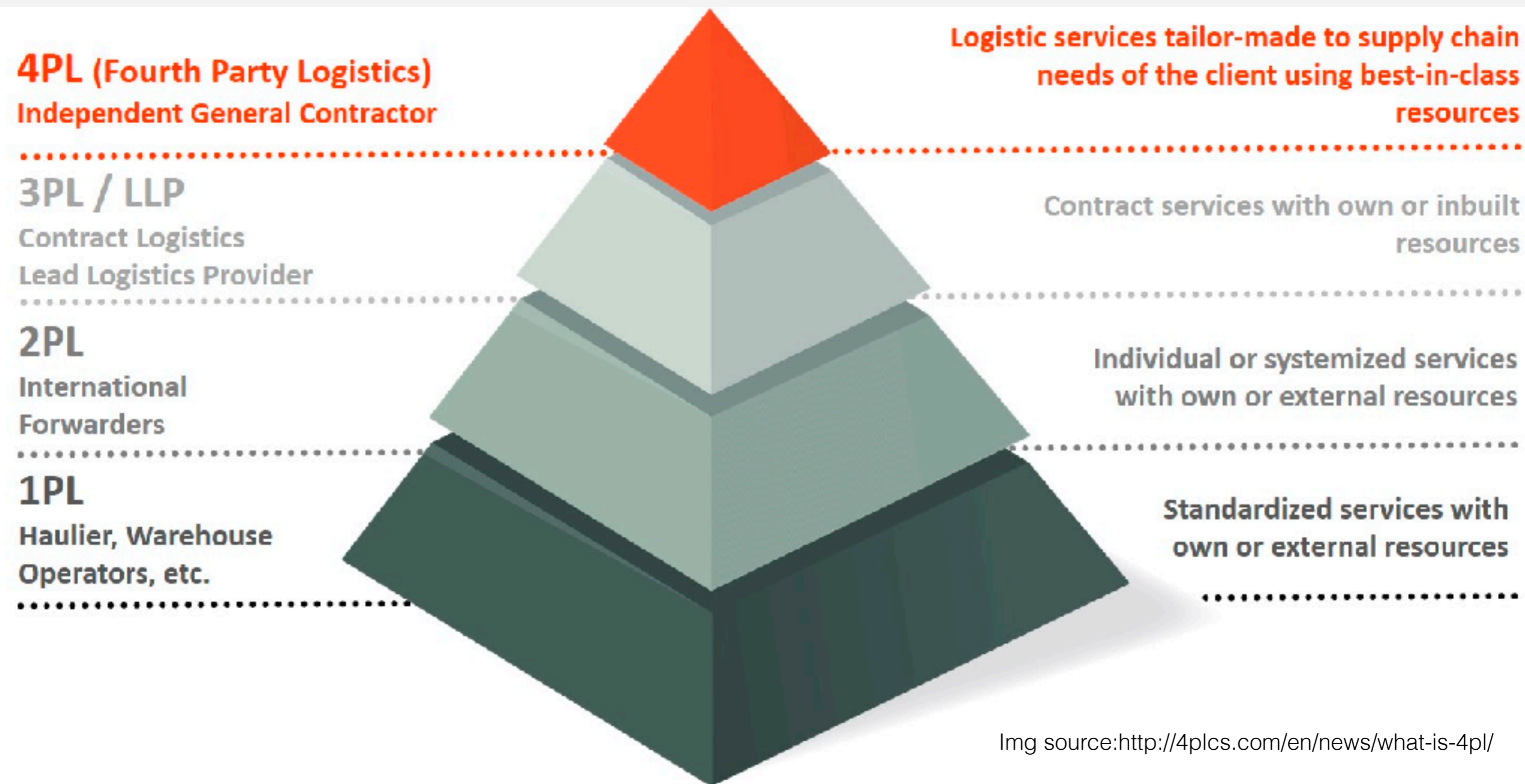
Information systems

EDI/VANS, scheduling, artificial intelligence, expert systems

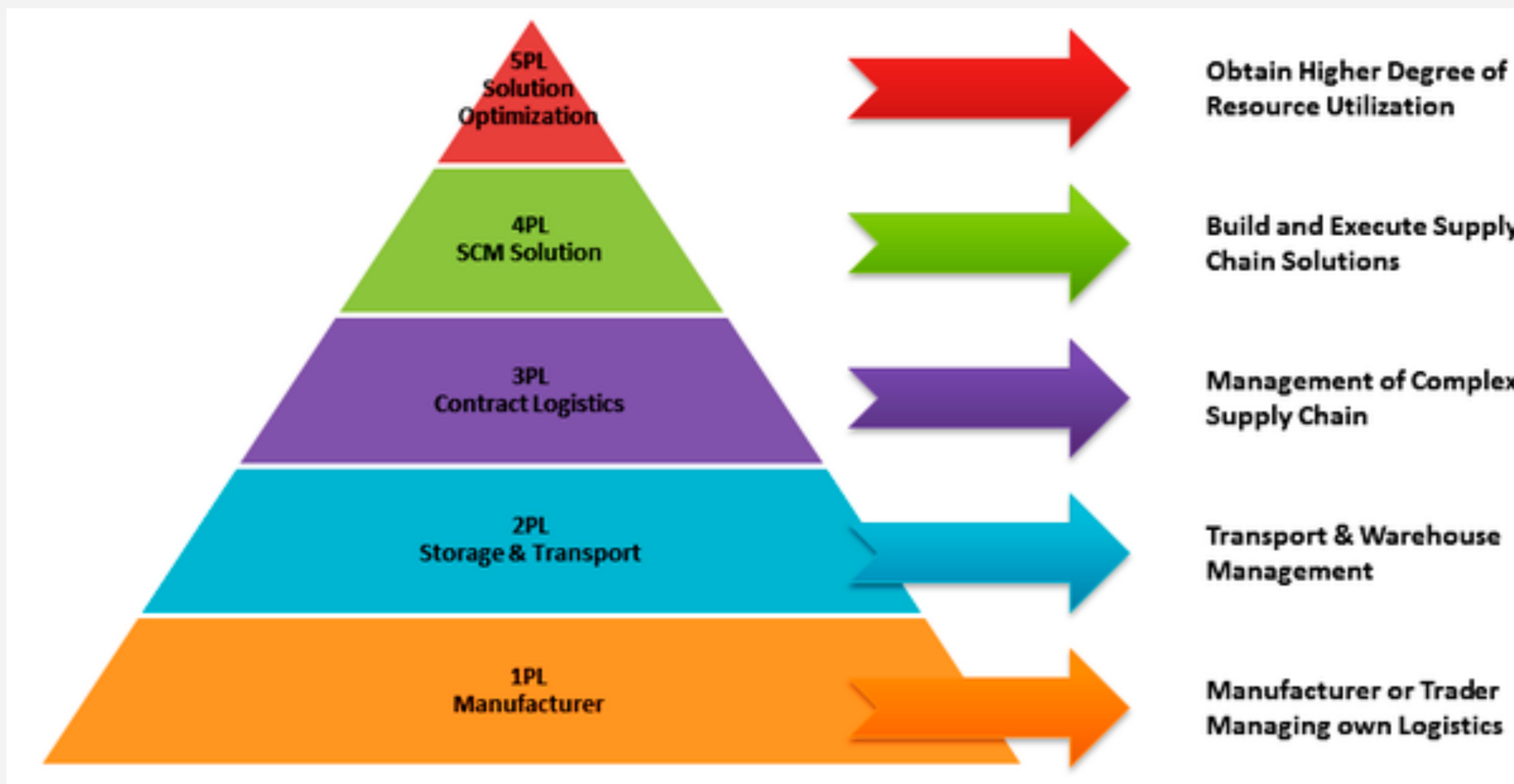
Packaging

Design, recycling

# Fourth party logistics



# Fifth party logistics



# Differents

Intermediary	Freight forwarder	3PL	4PL	5PL
Typ of service	Tactical	Tactical	Strategic	Strategic – IT Supply Chain
Basic Idea	Arrange the transport and coordinate the movement of goods, prepare necessary paperwork, arrange storage and insurance	Performs multiple, or all, physical logistics functions on behalf of customer	Performs all supply chain functions for the customer; concerned with the management and improvement of the client's supply chain	Turns customer's supply chain into a function that is completely driven by technology
Resources	Usually owns few physical assets, knowledge and technology assets	May or may not own physical assets; mainly knowledge-based, technology for tracking shipments	Few physical assets, extensive knowledge and technology-based assets	Few physical assets, extensive knowledge and technology-based assets
Potential Benefits	Companies, especially smaller firms, who ship internationally, arrange most cost-efficient route for shipments	Companies who lack internal supply chain resources and knowledge	Companies with complex supply chains	Large companies with highly complex supply chains
Potential Drawbacks	Unknown	Focused more on moving freight than the management and efficiency of the supply chain	Loss of control and relationships with supply chain members, risk in long-term partnerships	Loss of control and relationship with supply chain members, risk in long-term partnerships

Source: Hickson et al. (2008), p. 13.

The end