

What is logistics



What is logistics? “ Logistics means having the right thing, at the right place, at the right time. ” [pic] Logistics - (business definition) Logistics is defined as a business planning framework for the management of material, service, information and capital flows. It includes the increasingly complex information, communication and control systems required in today's business environment. — (Logistix Partners Oy, Helsinki, FI, 1996) Logistics - (military definition) The science of planning and carrying out the movement and maintenance of forces.... hose aspects of military operations that deal with the design and development, acquisition, storage, movement, distribution, maintenance, evacuation and disposition of material; movement, evacuation, and hospitalization of personnel; acquisition of construction, maintenance, operation and disposition of facilities; and acquisition of furnishing of services. — (JCS Pub 1-02 excerpt) Logistics - The procurement, maintenance, distribution, and replacement of personnel and materiel. — (Websters Dictionary) Logistics - 1.

The branch of military operations that deals with the procurement, distribution, maintenance, and replacement of materiel and personnel. 2. The management of the details of an operation. [French logistiques, from logistique, logic (perhaps influenced by loger, to quarter), from Medieval Latin logisticus, of calculation.] — (American Heritage Dictionary) Logistics - ... the process of planning, implementing, and controlling the efficient, effective flow and storage of goods, services, and related information from point of origin to point of consumption for the purpose of conforming to customer requirements. Note that this definition includes inbound, outbound, internal, and external movements, and return of materials for environmental

purposes. — (Reference: Council of Logistics Management, <http://www.clm1.org/mission.html>, 12 Feb 98) Logistics - The process of planning, implementing, and controlling the efficient, cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from point of origin to point of consumption for the purpose of meeting customer requirements. — (Reference: Canadian Association of Logistics Management, <http://www.calm.org/calm/AboutCALM/AboutCALM.tml>, 12 Feb, 1998) Logistics - The science of planning, organizing and managing activities that provide goods or services. — (MDC, LogLink / LogisticsWorld, 1997) Logistics - Logistics is the science of planning and implementing the acquisition and use of the resources necessary to sustain the operation of a system. — (Reference: ECRC University of Scranton / Defense Logistics Agency Included with permission from: HUM - The Government Computer Magazine " Integrated Logistics" December 1993, Walter Cooke, Included with permission from: HUM - The Government Computer Magazine.) Logist - To perform logistics functions or processes.

The act of planning, organizing and managing activities that provide goods or services. (The verb " to logist. " Eg. She logisted the last operation. I will logist the next operation. I am logisting the current operation. We logist the operations. The operations are well logisted.) — (MDC, LogLink / LogisticsWorld, 1997) Logistic - Of or pertaining to logistics. — (MDC, LogLink / LogisticsWorld, 1997) Logistical - Of or pertaining to logistics, logistics-like. — (MDC, LogLink / LogisticsWorld, 1997) Logistics Functions - (classical) planning, procurement, transportation, supply, and maintenance. - (United States Department of Defense DOD) Logistics Processes - (classical)

requirements determination, acquisition, distribution, and conservation.

— (United States Department of Defense DOD) Business Logistics - The science of planning, design, and support of business operations of procurement, purchasing, inventory, warehousing, distribution, transportation, customer support, financial and human resources. — (MDC, LogLink / LogisticsWorld, 1997) Cradle-to-Grave - Logistics planning, design, and support which takes in to account logistics support throughout the entire system or product life cycle. - (MDC, LogLink / LogisticsWorld, 1997)

Acquisition Logistics - Acquisition Logistics is everything involved in acquiring logistics support equipment and personnel for a new weapons system. The formal definition is “ the process of systematically identifying, defining, designing, developing, producing, acquiring, delivering, installing, and upgrading logistics support capability requirements through the acquisition process for Air Force systems, subsystems, and equipment.

— (Reference: Air Force Institute of Technology, Graduate School of Acquisition and Logistics. Integrated Logistics Support (ILS) (1) - ILS is a management function that provides planning, funding, and functioning controls which help to assure that the system meets performance requirements, is developed at a reasonable price, and can be supported throughout its life cycle. — (Reference: Air Force Institute of Technology, Graduate School of Acquisition and Logistics.) Integrated Logistics Support (ILS) (2) - Encompasses the unified management of the technical logistics elements that plan and develop the support requirements for a system.

This can include hardware, software, and the provisioning of training and maintenance resources. — (Reference: ECRC University of Scranton /

Defense Logistics Agency Included with permission from: HUM - The Government Computer Magazine "Integrated Logistics" December 1993, Walter Cooke.) Logistics Support Analysis (LSA) - Simply put, LSA is the iterative process of identifying support requirements for a new system, especially in the early stages of system design.

The main goals of LSA are to ensure that the system will perform as intended and to influence the design for supportability and affordability. — (Reference: Air Force Institute of Technology, Graduate School of Acquisition and Logistics.) [pic] Please submit any additions or corrections to this page to: com LogisticsWorld Welcome to the world of logistics... || Logistics World is a directory of logistics resources on the internet. Find logistics companies, logistics providers, supply chain || consultants, supply chain management, freight forwarders, freight companies, trucking companies, moving companies, movers, shipping || companies, air freight, air carriers, ocean freight, ship lines, rail freight, third party logistics providers, warehouses, freight || transportation and more.

Logistics World is your guide to sites related to logistics, logistics management, freight, transportation, supply || chain management, warehousing, distribution, maintenance, manufacturing, management, travel, tourism, reliability, business, and quality || sites on the web. || || Logistics World provides businesses and professionals in the field of transportation, logistics, and supply chain management the opportunity || to enter their business or company information in the Logistics World Logistics Directory. || || You can also take advantage of any of Logistics World's Internet Advertising Packages. Target your products and services to the <https://assignbuster.com/what-is-logistics/>

freight | | transportation, logistics, travel, tourism, and supply chain management industry! | Feature Services | | Pilot Freight Services - Pilot Freight Services, one of America's largest independent transportation and logistics companies, provides a | | full range of domestic and international air, land and sea capabilities. Our 65 North American locations offer customizable services, | | including a worldwide network of partners servicing over 190 countries, 24/7. Contact 1-800-HI-PILOT or: pilotdelivers.com | | WarehouseJobs.com - Online job board dedicated to the warehousing industry. Services include: job postings, featured job spots, featured | | employer spots, and more... Get your job opening viewed by thousands of job seekers. Have a job opening that you have to get filled in a | | hurry? Make it a Featured Job and you'll get incredible visibility that will help you find that perfect employee! Employers with a large | | quantity of jobs to post can get more for their money and increase their potential to fill their positions by becoming one of our Featured | | Employers. | Business Logistics - Reduce your company's costs, improve your customer service quality, and increase the synchronization of activities | | throughout your supply chain. Offering both consulting and hands-on management support to deliver the results you want. Exclusive auditing | | and cost benchmarking tools can identify opportunities to generate savings in your transportation, warehousing, and private truck fleet | | operations. Supply Chain Management, Freight Transportation, and Logistics Services: Boost Your Profits with 3PL Management and Consulting | | from Business Logistics. | World-Link International Logistics & Freight Forwarding - World-Link International Logistics is one of Australia's largest independently | | Australian owned and operated freight forwarders. Operating since 1986 <https://assignbuster.com/what-is-logistics/>

World-Link is developing a solid reputation within the Australian import and export community as a capable can-do outfit, no matter what the task. FreightCare International Shipping Specialists - Australia's most trusted low cost International Air Freight and Sea Freight Forwarder.

With over 20 years experience, FreightCare delivers Global logistics solutions. With an accredited International network, we are perfectly positioned and equipped to meet even the most demanding International Transportation project. For the drum and bass producer, see Logistics (artist). Look up logistics in Wiktionary, the free dictionary.

Logistics is the management of the flow of goods, information and other resources, including energy and people, between the point of origin and the point of consumption in order to meet the requirements of consumers (frequently, and originally, military organizations). Logistics involves the integration of information, transportation, inventory, warehousing, material-handling, and packaging, and occasionally security. Logistics is a channel of the supply chain which adds the value of time and place utility.

Today the complexity of production logistics can be modeled, analyzed, visualized and optimized by plant simulation software. Contents [hide]

1 Origins and definition | 2 Military logistics | 3 Logistics management | 4 Third-party logistics | 5 Warehouse management system and warehouse control system | 6 Business logistics | 7 Production logistics | 8 Professional Logistician | 9 See also | 10 References [edit]Origins and definition The term "logistics" originates from the ancient Greek "?????" ("logos"—"ratio, word, calculation, reason, speech, oration").

Logistics is considered to have originated in the military's need to supply themselves with arms, ammunition and rations as they moved from their base to a forward position. In ancient Greek, Roman and Byzantine empires, there were military officers with the title ' Logistikas' who were responsible for financial and supply distribution matters. The Oxford English dictionary defines logistics as: " The branch of military science having to do with procuring, maintaining and transporting material, personnel and facilities. " Another dictionary definition is: " The time-related positioning of resources. " As such, logistics is commonly seen as a branch of engineering which creates " people systems" rather than " machine systems. " [edit]Military logistics Main article: Military logistics

ILS Integrated Logistics Support is a discipline used in military industries to ensure an easy supportable system with a robust customer service (logistic) concept at the lowest cost and in line with (often high) reliability, availability, maintainability and other requirements as defined for the project. In military logistics, logistics officers manage how and when to move resources to the places they are needed. In military science, maintaining one's supply lines while disrupting those of the enemy is a crucial—some would say the most crucial—element of military strategy, since an armed force without resources and transportation is defenseless. The defeat of the British in the American War of Independence, and the defeat of Erwin Rommel in World War II, have been largely attributed to logistical failure. citation needed] The historical leaders Hannibal Barca, Alexander the Great, and the Duke of Wellington are considered to have been logistical geniuses. Another field within logistics is called Medical logistics. [edit]Logistics management Main article: Logistics

Management Logistics management is that part of the supply chain which plans, implements and controls the efficient, effective forward and reverse flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customer & legal requirements. A professional working in the field of logistics management is called a logistician.

The Chartered Institute of Logistics & Transport (CILT) was established in the United Kingdom in 1919 and was granted the Royal Charter in 1926. The Chartered Institute is one of professional bodies or institutions for the logistics & transport sectors, that offers such professional qualification or degree in logistics management. [edit]Third-party logistics Main article: Third-party logistics Third-party logistics involves the utilization of external organizations to execute logistics activities that have traditionally been performed within an organization itself. [1] According to this definition, third party logistics includes any form of outsourcing of logistics activities previously performed in-house.

If, for example, a company with its own transport facilities decides to employ external warehouse specialist, this would be an example of third party logistics. [edit]Warehouse management system and warehouse control system Main articles: Warehouse management system and Warehouse control system Although there is some functionality overlap, the differences between warehouse management systems (WMS) and warehouse control systems (WCS) can be significant. To put it simply, the WMS plans a weekly activity forecast, based on such factors as statistics, trends, and so forth,

whereas a WCS acts like a floor supervisor, working in real time to get the job done by the most effective means.

For instance, a WMS can tell the system it's going to need five of SKU A and five of SKU B, hours in advance, but by the time it acts, other considerations may have come into play or there could be a potential logjam on a conveyor. A WCS can prevent that problem by working in real time and adapting to the situation by making a 'last-minute decision' based on current activity and operational status. Working synergistically, WMS and WCS can resolve these issues and maximize efficiency for companies that rely on the effective operation of their warehouse or distribution center. [2] [edit]Business logistics Logistics as a business concept evolved only in the 1950s.

This was mainly due to the increasing complexity of supplying one's business with materials and shipping out products in an increasingly globalized supply chain, calling for experts in the field who are called Supply Chain Logisticians. This can be defined as having the right item in the right quantity at the right time at the right place for the right price in the right condition to the right customer and is the science of process and incorporates all industry sectors. The goal of logistics work is to manage the fruition of project life cycles, supply chains and resultant efficiencies. In business, logistics may have either internal focus (inbound logistics), or external focus (outbound logistics) covering the flow and storage of materials from point of origin to point of consumption (see supply chain management).

The main functions of a qualified logistician include inventory management, purchasing, transportation, warehousing, consultation and the organizing and planning of these activities. Logisticians combine a professional knowledge of each of these functions so that there is a coordination of resources in an organization. There are two fundamentally different forms of logistics. One optimizes a steady flow of material through a network of transport links and storage nodes. The other coordinates a sequence of resources to carry out some project. [edit]Production logistics

The term is used for describing logistic processes within an industry. The purpose of production logistics is to ensure that each machine and workstation is being fed with the right product in the right quantity and quality at the right point in time.

The issue is not the transportation itself, but to streamline and control the flow through the value adding processes and eliminate non-value adding ones. Production logistics can be applied in existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Production logistics provides the means to achieve customer response and capital efficiency. Production logistics is getting more and more important with the decreasing batch sizes. In many industries (e. g. mobile phone) batch size one is the short term aim.

This way even a single customer demand can be fulfilled in an efficient way. Track and tracing, which is an essential part of production logistics – due to product safety and product reliability issues – is also gaining importance

especially in the automotive and the medical industry. [edit]Professional Logistician A logistician is a professional logistics practitioner. Professional logisticians are often certified by professional associations.

Some universities and academic institutions train students as logisticians, by offering undergraduate and postgraduate programs. Third-party logistics

From Wikipedia, the free encyclopedia (Redirected from 3PL)

A third-party logistics provider (abbreviated 3PL, or sometimes TPL) is a firm that provides a one stop shop service to its customers of outsourced (or “third party”) logistics services for part, or all of their supply chain management functions. Third party logistics providers typically specialize in integrated operation, warehousing and transportation services that can be scaled and customized to customer’s needs based on market conditions and the demands and delivery service requirements for their products and materials. | Contents | | [hide] | 1 Definition | | 2 Types of 3PL | | 3 Non Asset-based Logistics Providers | | 4 On-Demand Transportation | | 5 Terminology | | 6 Overlapping | | 7 References | | 8 See also | [edit]Definition To put forward some standard definitions, we would adopt the definition of 3PL found in the Council of Supply Chain Management Professionals’ glossary, which reads as follows: “ A firm [that] provides multiple logistics services for use by customers. Preferably, these services are integrated, or “ bundled” together, by the provider.

Among the services 3PLs provide are transportation, warehousing, cross-docking, inventory management, packaging, and freight forwarding. ”

[edit]Types of 3PL Third-party logistics providers are: ? freight forwarders ? courier companies ? other companies integrating & offering

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subcontracted logistics and transportation services Hertz and Alfredsson (2003) describe four categories of 3PL providers:[1] ? Standard 3PL provider: this is the most basic form of a 3PL provider. They would perform activities such as, pick and pack, warehousing, and distribution (business) - the most basic functions of logistics. For a majority of these firms, the 3PL function is not their main activity. ?

Service developer: this type of 3PL provider will offer their customers advanced value-added services such as: tracking and tracing, cross-docking, specific packaging, or providing a unique security system. A solid IT foundation and a focus on economies of scale and scope will enable this type of 3PL provider to perform these types of tasks. ? The customer adapter: this type of 3PL provider comes in at the request of the customer and essentially takes over complete control of the company's logistics activities. The 3PL provider improves the logistics dramatically, but do not develop a new service. The customer base for this type of 3PL provider is typically quite small. ? The customer developer: this is the highest level that a 3PL provider can attain with respect to its processes and activities.

This occurs when the 3PL provider integrates itself with the customer and takes over their entire logistics function. These providers will have few customers, but will perform extensive and detailed tasks for them. [edit]Non Asset-based Logistics Providers Advancements in technology and the associated increases in supply chain visibility and inter-company communications have given rise to a relatively new model for third-party logistics operations - the " non-asset based logistics provider. " Non-asset based providers perform functions such as consultation on packaging and <https://assignbuster.com/what-is-logistics/>

transportation, freight quoting, financial settlement, auditing, tracking, customer service and issue resolution.

However, they don't employ any truck drivers or warehouse personnel, and they don't own any physical freight distribution assets of their own – no trucks, no storage trailers, no pallets, and no warehousing. A non-assets based provider consists of a team of domain experts with accumulated freight industry expertise and information technology assets. They fill a role similar to freight agents or brokers, but maintain a significantly greater degree of “ hands on” involvement in the transportation of products. To be useful, this type of provider must show its customers a benefit in financial and operational terms by leveraging exceptional expertise and ability in the areas of operations, negotiations, and customer service in a way that complements its customers' preexisting physical assets. [edit]On-Demand Transportation

On-Demand Transportation is a relatively new term coined by 3PL providers to describe their brokerage, ad-hoc, and “ flyer” service offerings. On-Demand Transportation has become a mandatory capability for today's successful 3PL providers in offering client specific solutions to supply chain needs. These shipments do not usually move under the “ lowest rate wins” scenario and can be very profitable to the 3PL that wins the business. The cost quoted to customers for On-Demand services are based on specific circumstances and availability and can differ greatly from normal “ published” rates. On-Demand Transportation is a niche that continues to grow and evolve within the 3PL industry.

Specific modes of transport which may be subject to the on-demand model include (but are not limited to) the following: ? FTL, or Full Truck Load ? Hotshot (direct, exclusive courier) ? Next Flight Out, sometimes also referred to as Best Flight Out (commercial airline shipping) ? International Expedited [edit]Terminology In the “ PL” terminology, it is important to differentiate the 3PL from the: ? 1PL, which are the shipper or the consignee, ? 2PL, which are actual carriers, ? 4PL, which are consulting firms such as Rollins, Deloitte, SCMO (company), BMT Limited, or Accenture. [edit]Overlapping 3PL can also be 2PL at the same time in the following cases: ? when a shipping line owns a freight forwarder, when an airline owns a general sales agent (GSA), ? when a freight forwarder owns trucks or a warehouse, ? when a courier company owns planes. [edit]References A Fourth-party logistics provider (abbreviated 4PL), lead logistics provider, or 4th Party Logistics provider, is a consulting firm specialized in logistics, transportation, and supply chain management. Typical fourth-party logistics providers are Deloitte, SCMO (company), BMT Limited and Accenture. As the 4PL industry is still in its infancy and currently being created throughout the world (Blue Ocean Strategy), its definition and function still leads to a lot of confusion. Even for professionals of the transportation industry. Contents | | [hide] | | 1 History | | 2 Definition | | 3 Conflict of interest | | 4 Confusion | | 5 Principle of neutrality | | 6 Examples of 4PL | | 7 Overlapping | | 8 3PL vs. 4PL | | 9 Example of “ advanced logistics 3PL” | | 10 Terminology | | 11 References | | 12 See also | [edit]History The term 4PL is generally considered to have been introduced by Accenture, which registered it as a trademark in 1996.

Accenture described the 4PL as an “ integrator that assembles the resources, capabilities, and technology of its own organization and other organizations to design, supply chain solutions”. [1] The trademark was later abandoned, and the term has become a part of the public domain. [2] [edit]Definition

A fourth-party logistics provider is a consulting firm specialized in logistics, transportation, and supply chain management. [3] [edit]Conflict of interest To avoid any conflict of interest, it is important that this fourth-party logistics provider be non-asset based, as far as logistics, transportation, and supply chain management assets are concerned.

PL use 2PLs and/or 3PLs to supply service to customers, owning only computer systems and intellectual capital. [4] [edit]Confusion Nowadays advisors, consultants, software companies and even 3PLs lay claim to being a 4PL. This is due to the fact that any company advising a customer on logistics, transportation, and supply chain matters feels it may somehow claim to be a 4PL. This is effectively the case only when the principle of neutrality is respected, and that any conflict of interest is avoided. A fourth-party logistics provider must also offers services considering a 360 degrees view, which is not focused on its ability to implement the recommendations it gives, but on all the options available in the market. [edit]Principle of neutrality

As such an IT consulting firm specialized in WMS (Warehouse Management Systems), which is objectively considering all the various WMS present in the market is a 4PL. It may obviously not represent any WMS brand or any software company, otherwise the concept of neutrality is broken, and it leads to conflict of interest. Similarly a non-asset based consulting firm

specialized in logistics, transportation, and supply chain management may claim it is a 4PL. This is effectively the case if it does not own warehouses, logistics platforms, vans, trucks, ships, barges, planes, a freight forwarder, or a courier company, otherwise it would lead to conflict of interest. It has been sometimes argued that a 4PL is the same thing as a “non-asset based 3PL”. This is not the case.

Considering that probably 90% of the world’s 3PL are “non-asset based”, they nevertheless generate revenues & profits from their “non-asset based” activities. As such a 3PL cannot be a 4PL in the same time, as this would lead to conflict of interest. Indeed it would then have a tendency to recommend to customers its “non-asset based” operation as the best possible option.

[edit]Examples of 4PL The best examples of fourth-part logistics providers are “non-asset based” consulting firms exclusively specialized in logistics, transportation, and supply chain management such as SCMO (company), [5] BMT Limited, [6] MVA Consulting, TTR, and Intermodality, which offer complete ranges of services, from strategy to implementation.

Others are more generalist consulting firms such as the Big Four auditors, [7] respectively Deloitte, PricewaterhouseCoopers, Ernst & Young, and KPMG, as well as Accenture, Arup, Atkins (company), Mott MacDonald, Parsons Brinckerhoff, and AECOM. Other firms such as McKinsey & Company, Bain & Company, A. T. Kearney, the Boston Consulting Group, and Booz & Company, may also play the role of 4PL with a different value proposition, and are considered to be “pure strategy” firms [8] only. [edit]Overlapping Are often calling themselves 4PL, advisors, or consultants: ? freight forwarders, who tell their customers they will advise them on the best possible solution

(within the frame of their own operations), ?

warehouse operators and logistics platform operators, who tell their customers they will advise them on the best possible solution (within the frame of their own operations). [edit]3PL vs. 4PL A 4PL is a consultant, and cannot be an operator. [9] This is to respect the principle of neutrality. A 3PL is an operator, which specializes in integrated operation, warehousing and transportation services. These services may be 100% outsourced, as in the case of “ non-asset based3PL”. It is then a pure 3PL. It may also own part of its operations, such as warehouses, vans, or trucks. It then is both a 3PL and a 2PL, but is usually still called a 3PL. It can also offer genuine supply chain consulting services outside of its usual range of services. It is then both a 3PL and a 4PL, but is usually still called a 3PL.

It is important to differentiate 3PL, which actually deliver supply chain consulting services outside of their usual range of integrated operations, from 3PL which use the term consulting or 4PL abusively, as a marketing tool only. Some 3PL currently go as far as giving a title of consultant to their sales people, who are only selling their classical 3PL services. These are clearly 3PL only. In other cases, 2PL logistics operators, or 3PL with advanced logistics & IT capabilities may call themselves 4PL, or a mix of 3PL/4PL. Their capabilities are so advanced in logistics, wms, and/or communication that they effectively need to customize their operations for each new customer, which requires a lot intellectual capital, similar to the 4PL. Nevertheless, their ownership

of logistics assets contradicts the 4PL status, and leads to conflict of interest for real consultancy.

They may be called “ advanced logistics 2PL/3PL” or “ total logistics2PL/3PL”.

[edit]Example of “ advanced logistics 3PL” There are more and more such “ advanced logistics 3PL” or “ total logistics 3PL” on the market. It is mostly due to the fact that logistics services stabilize customers longer than the simple delivery of freight services. While the list of “ advanced logistics 3PL” ranges in the thousands, some of the most famous in the market are DHL, Kuehne & Nagel[10], Schenker, Panalpina, UPS[11], 4PL, Rollins,... etc. [edit]Terminology In the “ PL” terminology, it is important to differentiate the 4PL from the: ? 1PL, which are the shipper or the consignee, ? 2PL, which are actual carriers, 3PL, which are one stop shops for the 1PL, such as freight forwarders or courier companies like Rollins. First-party logistics From Wikipedia, the free encyclopedia [[pic] | This article does not cite any references or sources. | | Please help improve this article by adding citations to reliable sources. Unsourced material may | | be challenged and removed. (November 2009) | A First-party logistics provider (abbreviated 1PL) is a firm or an individual that needs to have cargo, freight, goods, produce or merchandise transported from a point A to a point B.

The term first-party logistics provider stands both for the cargo sender and for the cargo receiver. | Contents | | [hide] | | 1 Type of 1PL | | 2 Type of transportation | | 3 Terminology | | 4 See also | [edit]Type of 1PL A 1PL can be anything from a manufacturer, to a trader, buying office, importer/exporter, wholesaler, retailer, and a distributor in

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the international commerce field. It can also be institutions such as government, department, NGO, associations, military, and post.

An individual or a family removing from one place to another also needs to have its personal effect being transported from their place of origin to their new place, and is as such being considered as a first-party logistics provider.

[edit]Type of transportation Typically the first-party logistics providers subcontract their transportation's needs to 2PLs and 3PLs, which are companies specialized in transportation. This helps the 1PL to benefit from cheaper transportation prices thanks to the specialization of the 2PLs and 3PLs, and the subsequent economies of scale.

The transportation needed by the 1PL can be anything from transportation by ship, barge, aircraft, train, van or truck.

[edit]Terminology

In the freight industry, first-party logistics providers are called differently depending whether they are the sender of the merchandise or the receiver of the merchandise: ? Sender = Consignor = Shipper ?

Receiver = Consignee In the " PL" terminology, it is important to differentiate the 1PL from the: ? 2PL, which are actual carriers, ? 3PL, which are one stop shops for the 1PL, such as freight

forwarders or courier companies, ? 4PL, which are consulting firms such as Deloitte, SCMO (company), BMT Limited, or Accenture. econd-party

logistics From Wikipedia, the free encyclopedia [[pic] | This article does not cite any references or sources. | | Please help improve this article by adding citations to reliable sources.

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A Second-party logistics provider (abbreviated 2PL) is an asset-based carrier, which actually owns the means of transportation. | Contents | [hide] |

1 Type of 2PL | 2 Transportation industry | 3 Terminology | 4 Overlapping

| 5 See also | edit]Type of 2PL Second-party logistics providers are: ?

shipping lines, which own, lease, or charter their ships, ? airlines, which own,

lease, or charter their planes, ? truck companies, which own, or lease

their trucks, ? barge companies, which own, lease, or charter their barge, ?

rail companies, which own their trains, ? warehouse owners.

[edit]Transportation industry In the transportation industry, the second-party logistics providers are segmented between different categories

of transportation: ? seafreight, which regroups shipping

lines and barge companies, ? airfreight, which regroups the airlines, as well

as the cargo helicopter companies, ? rucking, which regroups

the truck companies and the van companies, ? railways, which regroups

the rail companies, ? warehousing and logistics. [edit]Terminology In the “

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which are the shipper or the consignee, ? 3PL, which are one stop shops for

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of 3PL provider will offer their customers advanced value-added services such as: tracking and tracing, cross-docking, specific packaging, or providing a unique security system. A solid IT foundation and a focus on economies of scale and scope will enable this type of 3PL provider to perform these types of tasks. ? The customer adapter: this type of 3PL provider comes in at the request of the customer and essentially takes over complete control of the company's logistics activities. The 3PL provider improves the logistics dramatically, but do not develop a new service. The customer base for this type of 3PL provider is typically quite small. ? The customer developer: this is the highest level that a 3PL provider can attain with respect to its processes and activities.

This occurs when the 3PL provider integrates itself with the customer and takes over their entire logistics function. These providers will have few customers, but will perform extensive and detailed tasks for them. [edit]Non Asset-based Logistics Providers Advancements in technology and the associated increases in supply chain visibility and inter-company communications have given rise to a relatively new model for third-party logistics operations – the “ non-asset based logistics provider. ” Non-asset based providers perform functions such as consultation on packaging and transportation, freight quoting, financial settlement, auditing, tracking, customer service and issue resolution.

However, they don't employ any truck drivers or warehouse personnel, and they don't own any physical freight distribution assets of their own – no trucks, no storage trailers, no pallets, and no warehousing. A non-assets based provider consists of a team of domain experts with accumulated

freight industry expertise and information technology assets. They fill a role similar to freight agents or brokers, but maintain a significantly greater degree of “hands on” involvement in the transportation of products. To be useful, this type of provider must show its customers a benefit in financial and operational terms by leveraging exceptional expertise and ability in the areas of operations, negotiations, and customer service in a way that complements its customers’ preexisting physical assets. [edit]On-Demand Transportation

On-Demand Transportation is a relatively new term coined by 3PL providers to describe their brokerage, ad-hoc, and “flyer” service offerings. On-Demand Transportation has become a mandatory capability for today’s successful 3PL providers in offering client specific solutions to supply chain needs. These shipments do not usually move under the “lowest rate wins” scenario and can be very profitable to the 3PL that wins the business. The cost quoted to customers for On-Demand services are based on specific circumstances and availability and can differ greatly from normal “published” rates. On-Demand Transportation is a niche that continues to grow and evolve within the 3PL industry.

Specific modes of transport which may be subject to the on-demand model include (but are not limited to) the following: ? FTL, or Full Truck Load ? Hotshot (direct, exclusive courier) ? Next Flight Out, sometimes also referred to as Best Flight Out (commercial airline shipping) ? International Expedited [edit]Terminology In the “PL” terminology, it is important to differentiate the 3PL from the: ? 1PL, which are the shipper or the consignee, ? 2PL, which are actual carriers, ? 4PL, which are consulting firms such

as Rollins, Deloitte, SCMO (company), BMT Limited, or Accenture.

[edit]Overlapping 3PL can also be 2PL at the same time in the following

cases: ? when a shipping line owns a freight forwarder, ? when

an airline owns a general sales agent (GSA), when a freight

forwarder owns trucks or a warehouse, ? when a courier company

owns planes. Fourth-party logistics From Wikipedia, the free encyclopedia

A Fourth-party logistics provider (abbreviated 4PL), lead logistics provider, or

4th Party Logistics provider, is a consulting firm specialized

in logistics, transportation, and supply chain management. Typical fourth-

party logistics providers are Deloitte, SCMO (company), BMT

Limited and Accenture. As the 4PL industry is still in its infancy and currently

being created throughout the world (Blue Ocean Strategy), its definition and

function still leads to a lot of confusion. Even for professionals of

the transportation industry. Contents | | [hide] | | 1 History | | 2 Definition | |

3 Conflict of interest | | 4 Confusion | | 5 Principle of neutrality | | 6 Examples

of 4PL | | 7 Overlapping | | 8 3PL vs. PL | | 9 Example of “ advanced logistics

3PL” | | 10 Terminology | | 11 References | | 12 See also | [edit]History The

term 4PL is generally considered to have been introduced by Accenture,

which registered it as a trademark in 1996. Accenture described the 4PL as

an “ integrator that assembles the resources, capabilities, and technology of its own organization and other organizations to design, supply chain

solutions”. [1] The trademark was later abandoned, and the term has

become a part of the public domain. [2] [edit]Definition A fourth-party

logistics provider is a consulting firm specialized in logistics, transportation,

and supply chain management. [3] [edit]Conflict of interest

To avoid any conflict of interest, it is important that this fourth-party logistics provider be non-asset based, as far as logistics, transportation, and supply chain management assets are concerned. 4PL use 2PLs and/or 3PLs to supply service to customers, owning only computer systems and intellectual capital. [4] [edit]Confusion Nowadays advisors, consultants, software companies and even 3PLs lay claim to being a 4PL. This is due to the fact that any company advising a customer on logistics, transportation, and supply chain matters feels it may somehow claim to be a 4PL. This is effectively the case only when the principle of neutrality is respected, and that any conflict of interest is avoided.

A fourth-party logistics provider must also offers services considering a 360 degrees view, which is not focused on its ability to implement the recommendations it gives, but on all the options available in the market.

[edit]Principle of neutrality As such an IT consulting firm specialized in WMS (Warehouse Management Systems), which is objectively considering all the various WMS present in the market is a 4PL. It may obviously not represent any WMS brand or any software company, otherwise the concept of neutrality is broken, and it leads to conflict of interest. Similarly a non-asset based consulting firm specialized in logistics, transportation, and supply chain management may claim it is a 4PL.

This is effectively the case if it does not ownwarehouses, logistics platforms, vans, trucks, ships, barges, planes, a freight forwarder, or a courier company, otherwise it would lead to conflict of interest. It has been sometimes argued that a 4PL is the same thing as a “ non-asset based 3PL”. This is not the case. Considering that probably 90% of <https://assignbuster.com/what-is-logistics/>

the world's 3PL are “ non-asset based”, they nevertheless generate revenues & profits from their “ non-asset based” activities. As such a 3PL cannot be a 4PL in the same time, as this would lead to conflict of interest. Indeed it would then have a tendency to recommend to customers its “ non-asset based” operation as the best possible option. [edit]Examples of 4PL

The best examples of fourth-part logistics providers are “ non-asset based” consulting firms exclusively specialized in logistics, transportation, and supply chain management such as SCMO (company), [5] BMT Limited, [6] MVA Consulting, TTR, and Intermodality, which offer complete ranges of services, from strategy to implementation. Others are more generalist consulting firms such as the Big Four auditors, [7] respectively Deloitte, PricewaterhouseCoopers, Ernst & Young, and KPMG, as well as Accenture, Arup, Atkins (company), Mott MacDonald, Parsons Brinckerhoff, and AECOM. Other firms such as McKinsey & Company, Bain & Company, A. T. Kearney, the Boston Consulting Group, and Booz & Company, may also play the role of 4PL with a different value proposition, and are considered to be “ pure strategy” firms [8] only. [edit]Overlapping

Are often calling themselves 4PL, advisors, or consultants: ? freight forwarders, who tell their customers they will advise them on the best possible solution (within the frame of their own operations), ? warehouse operators and logistics platform operators, who tell their customers they will advise them on the best possible solution (within the frame of their own operations). [edit]3PL vs. 4PL A 4PL is a consultant, and cannot be an operator. [9] This is to respect the principle of neutrality. A 3PL is an operator, which specializes in integrated

operation, warehousing and transportation services. These services may be 100% outsourced, as in the case of “ non-asset based 3PL”. It is then a pure 3PL.

It may also own part of its operations, such as warehouses, vans, or trucks. It then is both a 3PL and a 2PL, but is usually still called a 3PL. It can also offer genuine supply chain consulting services outside of its usual range of services. It is then both a 3PL and a 4PL, but is usually still called a 3PL. It is important to differentiate 3PL, which actually deliver supply chain consulting services outside of their usual range of integrated operations, from 3PL which use the term consulting or 4PL abusively, as a marketing tool only. Some 3PL currently go as far as giving a title of consultant to their sales people, who are only selling their classical 3PL services. These are clearly 3PL only.

In other cases, 2PL logistics operators, or 3PL with advanced logistics & IT capabilities may call themselves 4PL, or a mix of 3PL/4PL. Their capabilities are so advanced in logistics, wms, and/or communication that they effectively need to customize their operations for each new customer, which requires a lot intellectual capital, similar to the 4PL. Nevertheless, their ownership of logistics assets contradicts the 4PL status, and leads to conflict of interest for real consultancy. They may be called “ advanced logistics 2PL/3PL” or “ total logistics 2PL/3PL”. [edit]Example of “ advanced logistics 3PL” There are more and more such “ advanced logistics 3PL” or “ total logistics 3PL” on the market.

It is mostly due to the fact that logistics services stabilize customers longer than the simple delivery of freight services. While the list of “ advanced logistics 3PL” ranges in the thousands, some of the most famous in the market are DHL, Kuehne & Nagel[10], Schenker, Panalpina, UPS[11], 4PL, Rollins,... etc. [edit]Terminology In the “ PL” terminology, it is important to differentiate the 4PL from the: ? 1PL, which are the shipper or the consignee, ? 2PL, which are actual carriers, ? 3PL, which are one stop shops for the 1PL, such as freight forwarders or courier companies like Rollins. [edit]References

Cargo From Wikipedia, the free encyclopedia (Redirected from Freight) [pic] |

This article may need to be rewritten entirely to comply with

Wikipedia’s quality standards, as portions of| | this article’s content was

merged from Freight. You can help. The discussion page may contain | |

suggestions. (May 2009) | |[pic] | Look up cargo in Wiktionary, the free | |

dictionary. | Cargo (or freight) is goods or produce transported, generally

for commercial gain, by ship, aircraft, train, van or truck. In modern times,

containers are used in most intermodal long-haul cargo transport. | Contents

| [hide] | | 1 Marine Cargo Types | | 2 Air Cargo | | 3 Freight train | | 4 Van or

Truck Cargo | | 5 Less-than-truckload (LTL) freight | | 6 Truckload (TL) freight

| | 7 United States Security Concerns | | 8 Securing Cargo using Dunnage

Bags | | 9 See also | | 10 References | | 11 External links | There is a wide

range of marine cargoes at seaport terminals operated. The primary types

are these: ? Automobiles are handled at many ports. ? Break bulk cargo is

typically material stacked on wooden pallets and lifted into and out of the

hold of a vessel by cranes on the dock or aboard the ship itself. The volume

of break bulk cargo has declined dramatically worldwide as containerization

has grown. A safe and secure way to secure Break bulk and freight in

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containers is by using Dunnage Bags. Bulk Cargoes, such as salt, oil, tallow, and Scrap metal, are usually defined as commodities that are neither on pallets nor in containers, and which are not handled as individual pieces, the way heavy-lift and project cargoes are. Alumina, grain, gypsum, logs and wood chips, for instance, are bulk cargoes. ? Containers are the largest and fastest growing cargo category at most ports worldwide. Containerized cargo includes everything from auto parts and machinery components to shoes, toys, and frozen meat and seafood. ? Project cargo and heavy lift cargo may include items such as manufacturing equipment, factory components, power equipment such as generators and wind turbines, military equipment or almost any other over sized or overweight cargo too big or too heavy to fit into a container. [edit]Air Cargo Main article: Air Cargo

Air cargo is commonly known as air freight. There are many firms which collect freight from a shipper and deliver it to the customer such as Nightfreight or UPS. Aircraft were first used for carrying mail as cargo in 1911, but eventually manufacturers started designing aircraft for freight as well. There are many commercial aircraft suitable for carrying cargo such as the Boeing 747 and the bigger An-124, which were purpose built to be easily converted to a cargo aircraft. Such very large aircraft also employ quick loading containers known as ULDs much like containerized cargo ships. It is located in front mismo of the aircraft the triangular shaped in front.

Most nations own and utilize large numbers of cargo aircraft such as the C-17 Globemaster III, for airlift logistics needs of such operations. [edit]Freight train Main article: Freight train Trains are capable of transporting large

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numbers of containers which have come off the shipping ports. Trains are also used for the transportation of steel, wood and coal. Trains are used as they can pull a large amount and generally have a direct route to the destination. Under the right circumstances, freight transport by rail is more economic and energy efficient than by road, especially when carried in bulk or over long distances. The main disadvantage of rail freight is its lack of flexibility. For this reason, rail has lost much of the freight business to road transport.

Rail freight is often subject to transshipment costs since it must be transferred from one mode to another in the chain; these costs may dominate and practices such as containerization aim at minimizing these. Many governments are now trying to encourage more freight onto trains, because of the environmental benefits that it would bring; rail transport is very energy efficient. [edit]Van or Truck Cargo There are many firms which transport all types of cargo, ranging from letters to houses to cargo containers. These firms like Parcelforce or FedEx which deliver fast and sometimes same day delivery services. A good example of road cargo is supermarket stock, as these require deliveries every day to keep the shelves stacked with goods for sale.

Retailers of all kinds rely upon delivery trucks, be they full size semi trucks or smaller delivery vans. Freight is a term used to classify the transportation of cargo and is typically a commercial process. Items are usually organized into various shipment categories before they are transported. This is dependent on several factors: ? The type of item being carried, i. e. a kettle could fit into the category ' household goods'. ? How large the shipment is, both in terms

of item size and quantity. ? How long the item for delivery will be in transit. Shipments are typically categorized as household goods, express, parcel, and freight shipments.

Furniture, art, or similar items are usually classified as “ household goods” (HHG). Very small business or personal items like envelopes are considered “ overnight express” or “ express letter” shipments. These shipments are rarely over a few kilos/pounds, and almost always travel in the carrier’s own packaging. Service levels are variable, depending on the shipper’s choice. Express shipments almost always travel some distance by air. An envelope may go USA coast to USA coast overnight or it may take several days, depending on the service options and prices chosen. Larger items like small boxes are considered “ parcel” or “ ground” shipments. These shipments are rarely over 50 kg (110 lb), with no single piece of the shipment weighing more than about 70 kg (154 lb). Parcel shipments are always boxed, sometimes in the shipper’s packaging and sometimes in carrier-provided packaging. Service levels are again variable; but most “ ground” shipments will move about 800 to 1,100 kilometres (497 to 684 mi) per day, going coast to coast in about four days depending on origin. Parcel shipments rarely travel by air, and typically move via road and rail. Parcels represent the majority of business-to-consumer (B2C) shipments. Beyond HHG, express, and parcel shipments, movements are termed “ freight shipments. ” [edit]Less-than-truckload (LTL) freight Main article: Less than truckload shipping Less than truckload” (LTL) cargo is the first category of freight shipment, and represents the majority of “ freight” shipments and the majority of business-to-business (B2B) shipments. LTL shipments are also often referred to as “

motor freight” and the carriers involved are referred to as “ motor carriers”. LTL shipments range from 50 to 7, 000 kg (110 to 15, 400 lb), and the majority of times they will be less than 2. 5 to 8. 5 m (8 ft 2. 4 in to 27 ft 10. 6 in). The average single piece of LTL freight is 600 kg (1, 323 lb) and the size of a standard pallet. Long freight and/or large freight are subject to “ extreme length” and “ cubic capacity” surcharges.

Trailers used in LTL can range from 28 to 53 ft (8. 53 to 16. 15 m). The standard for city deliveries is usually 48 ft (14. 63 m). In tight and residential environments the 28 ft (8. 53 m) trailer is used the most. The shipments are usually palletized, shrink-wrapped and packaged for a mixed-freight environment. Unlike express or parcel, LTL shippers must provide their own packaging, as LTL carriers do not provide any packaging supplies or assistance. However, crating or other substantial packaging may be required for LTL shipments in circumstances that require this criteria. “ Air cargo” or “ air freight” shipments are very similar to LTL shipments in terms of size and packaging requirements.

However, air freight shipments typically need to move at much faster speeds than 800 km or 497 mi per day. Air shipments may be booked directly with the carriers or through brokers or online marketplace services. While shipments move faster than standard LTL, “ air” shipments don’t always actually move by air. [edit]Truckload (TL) freight In the United States of America, shipments larger than about 7, 000 kg (15, 432 lb) are typically classified as “ truckload” (TL), given that it is more efficient and economical for a large shipment to have exclusive use of one larger trailer rather than share space on a smaller LTL trailer. The total weight of a loaded truck

(tractor and trailer, 5-axle rig) cannot exceed 36, 000 kg (79, 366 lb) in the U. S.

In ordinary circumstances, long-haul equipment will weigh about 15, 000 kg (33, 069 lb); leaving about 20, 000 kg (44, 092 lb) of freight capacity.

Similarly a load is limited to the space available in the trailer; normally 48 ft (14. 63 m) or 53 ft (16. 15 m) long and 2. 6 m (102. 4 in) wide and 2. 7 m (8 ft 10. 3 in) high (13 ft 6 in/4. 11 m high over all). While express, parcel, and LTL shipments are always intermingled with other shipments on a single piece of equipment and are typically reloaded across multiple pieces of equipment during their transport, TL shipments usually travel as the only shipment on a trailer and TL shipments usually deliver on exactly the same trailer as they are picked up on.

Often, an LTL shipper may realize savings by utilizing a freight “ broker,” online marketplace, or other intermediary instead of contracting directly with a trucking company. Brokers can shop the marketplace and obtain lower rates than most smaller shippers can directly. In the Less-than-Truckload (LTL) marketplace, intermediaries typically receive 50% to 80% discounts from published rates, where a small shipper may only be offered a 5% to 30% discount by the carrier. Intermediaries are licensed by the DOT and have requirements to provide proof of insurance. Truckload (TL) carriers usually charge a rate per kilometer or mile. The rate varies depending on the distance, geographic location of the delivery, items being shipped, equipment type required, and service times required.

TL shipments usually receive a variety of surcharges very similar to those described for LTL shipments above. In the TL market, there are thousands more small carriers than in the LTL market; so the use of transportation intermediaries or “brokers” is extremely common. Another cost-saving method is facilitating pickups or deliveries at the carrier’s terminals. By doing this, shippers av