

OUTSOURCING OF LOGISTICS SERVICES

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In this work, I would like to consider the advantages and reasons of using outsourcing in different logistics departments from storages and purchases to transport and accounting. Actually, outsourcing is a new approach to logistics processes all over the world.

One of the ways of reducing costs in logistics processes is the use of third party and fourth party providers, which specialize on some particular economic or transport process. The most prevalent companies that offer outsourcing services are 3PL- and 4PL-providers. 3PL is a way, in which a business-company gives one or some of its logistics processes to a third party company that can make this production stage faster, better and cheaper. On the other hand, logistics-company still controls and manages the process. 4PL-provider is usually a partner of the business-company, which regulates every transport logistics process. The provider focuses on helping the customer optimize their supply chains.

Outsourcing in transport logistics refers to the practice of hiring external service providers to manage various aspects of transportation and logistics operations. This can include outsourcing services such as transportation management, warehousing, inventory management, freight forwarding, customs clearance, and other related activities. The primary reason for outsourcing in transport logistics is to reduce costs and improve efficiency.

By outsourcing non-core activities, companies can focus on their core and main competencies and allocate resources more effectively. Outsourcing also

allows companies to access specialized expertise and technology that they may not have in-house.

Another advantage of outsourcing in transport logistics is the ability to scale operations up or down quickly in response to changing market conditions. By outsourcing, companies can avoid the need to invest in expensive infrastructure and equipment, and can instead rely on the expertise and resources of their outsourcing partners [1].

However, outsourcing also comes with some potential risks and challenges. Companies need to carefully select their outsourcing partners and ensure that they have the necessary expertise and resources to meet their needs. They also need to establish clear communication channels and performance metrics to ensure that outsourcing partners deliver the expected results. Overall, outsourcing in transport logistics can be a valuable strategy for companies looking to improve efficiency, reduce costs, and access specialized expertise and technology. However, it requires careful planning and execution to ensure success.

In conclusion, I want to express the idea that outsourcing can be a very powerful tool in the hands of a skillful manager, who knows, which process can be given to a 3PL- or 4PL-provider and which process is better done by his company. Outsourcing is, undoubtedly, the new chapter in logistics history and that company will be the market leader, which is the fastest to read and understand this chapter.

References

1. Различия между 3PL и 4PL провайдерами в логистике [Electronic resource]. – Mode of access: <https://movizor.ru/paper/razlichia-3pl-4pl-201120>. – Date of access: 28.03.2023.