



Defining the Essence of Third Party Logistics

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Definition of TPL

- ★ “Third party logistics providers are independent companies providing single or multiple logistics services to a purchasing company. Third party logistics providers, although they do not hold ownership of the product for distribution, are legally bound and responsible to perform the requested logistics activities of the purchasing company. The relationship between the two parties is long-term and beneficial.”

(Papadopoulou, 2001)

The Fundamental TPL Issues...

- ✦ Effective TPL survival practices
 - Improving the TPL adjustment mechanisms
- ✦ Real-time and real cost competition
 - Long-term and cost effective TPL relationships
- ✦ Flexible Logistics Chains
 - TPL operational flexibility
- ✦ Integrated Logistics Chains
 - Incorporation of TPL providers to the supply chain
- ✦ Improved and reliable TPL services
 - Defining and focusing the competitive advantage of TPL

Research Issue

- ★ What are the factors driving some third party logistics providers to grow, while others to gradually decline and consequently die?
 - What mechanisms do TPL providers use to sense and acclimatise to the continuous changes of the business requirements?
 - How TPL decide upon their competitive advantage? What are those practices?
 - What is the role of TPL in their client's supply chain?

Importance of Proposed Research

- ✦ To identify the key factors that TPL should focus on their core competencies
- ✦ The development of a checklist for TPL to evaluate their position in the TPL industry
- ✦ The same checklist could be use from the client companies to TPL to evaluate potential TPL providers
- ✦ Finally, to provide greater understanding of the factors driving TPL to grow and other to decline

Research Design

- ✦ Case Study
 - ✦ 2 to 3 case studies
- ✦ Data Collection
 - ✦ Literature Review
 - ✦ Company Literature
 - ✦ Interviews



Research Procedure

- ✦ Literature Information
- ✦ Meeting with manufacturing company, then TPL, then retailing company
- ✦ Analysing
- ✦ Writing the report
- ✦ Presentation
- ✦ Publications

Research Requirements

☀ Access to:

- ☀ Information on company's supply chain structure and processes
- ☀ Interview with people dealing with supply chain and logistics issues

☀ Budget

- ☀ Travelling & research costs



Research Schedule

- ✦ 3 Months per case study studies
- ✦ Can start from 25th of February

Current Status

★ On-Track Areas of Research

- Preliminary literature review
- Research Plan
- Research Areas Defined

★ Unexpected delays or issues

- Complexity & length of the underlying supply chain
- Data collection issues

Research Deliverables

- ✦ Business Report
 - ✦ Examination of the supply chain from a non-profitable view
 - ✦ Suggestions
- ✦ Publications
- ✦ “In class” case study material

Summary & Discussion



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