

OUTSOURCING OF TRANSPORT LOGISTICS

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Due to the high competition in the market and the tendency to reduce costs of business, owners try to focus on their main activities and outsource secondary issues (accounting, transportation, logistics, etc.).

In a rapidly developing economy, it is not easy to keep track of all logistics processes while maintaining the efficiency of their implementation at a high level. Increasingly, companies working with long-distance transportation are resorting to outsourcing transport logistics.

Outsourcing means engaging with an external third-party, usually a specialist logistics service provider (3PL), to perform specific activities that, for whatever reason, companies choose not to undertake themselves. There are many benefits, but there are also real risks [1].

The key disadvantages of outsourcing are the dishonesty of third-party organizations and the unavailability to influence the functions that were entrusted to the outsourcer company.

Most companies use transport logistics outsourcing services also due to insufficient knowledge and experience. The reasons may be the difficulty of estimating the costs of transport logistics, solving the problem with cargo transportation (transferring responsibility for them to third parties), inadequate knowledge about the work of the supply chain.

In conclusion, we can say that outsourcing is necessary for small companies to expand and develop, and for large companies to obtain the maximum productivity of processes. Providers, in turn, aim to achieve the greatest efficiency that would work to achieve the highest degree of reputation.

References

1. Outsourcing Freight Transport – is it a good idea? [Electronic resource] / SCCG. – Mode of access : <https://www.sccgltd.com/case-studies/outsourcing-freight-transport-good-idea/>. – Date of access : 12.09.2021.