

The Benefits of Outsourced Logistics



Ensuring the smooth running of your operation often requires a highly optimised logistics process that delivers efficiency of cost while retaining the flexibility to adapt to changing circumstances. This often ends up being a resource-hungry part of an organisation - having to manage a fleet, managing staff and delivering efficiency - which can distract the management team from the core business.

This is why many companies and public sector departments are choosing to outsource their logistics to external service providers or Third Party Logistics (3PL) companies, working to fixed-cost contracts and passing over the responsibility to specialists. Although not relevant for all logistics operations, the outsourcing approach offers many benefits.

Time-Saving

Outsourcing your logistics can not only save you money but can also save you something equally valuable – time. Freeing yourself and your colleagues from the complications daily logistics can generate will give you time to focus on your core business.

Cost Efficiency

Managing your own transport department is a costly affair. Purchasing or leasing vehicles, repairs, maintenance, fuel, insurance and driver salaries are all variable costs that can hit your P&L hard when you least expect it. By outsourcing the total logistics package you can budget year-on-year with no surprises.

Accountability

By putting your logistic requirements into the care of a reputable logistics company, you are ensuring that they take full responsibility for your reputation and are accountable to your standards. A strict Service Level Agreement (SLA) with KPI's (Key Performance Indicators) should be drawn up with your provider to ensure they, and all their drivers, are fully trained on your own company specifications and brand standards.

Innovation

A specialist logistics company has the scale to manage the newest vehicles equipped with the latest live tracking and temperature monitoring software to ensure your consignments reach their destination on time and in the condition you desire. Expert distribution planners use high-tech route-optimisation technology to enable continual cost control whilst minimising carbon footprint. You benefit from your partner's ongoing investments into their logistics operations.

Expertise

A logistics company with a good track record will have years of experience and be fully immersed in their business to ensure the continual development of best practice and top-class customer service. They will understand how to maximise on specialist logistic data and equipment to benefit all of their clients.

Integrated Approach

Due to the nature of outsourced logistics, a specialist provider will understand the way you want your operation to function with an integrated approach, offering drivers who wear your uniform, drive branded vehicles and work to enhance to your company reputation.

Flexibility

Being one of several customers for a successful logistics company, you can benefit from their resources, that can be flexible to your needs, especially if you have seasonal pinch-points. They can share in any investment costs to make sure that you both profit from the process, whether you are scaling back, or scaling up your operations. They should also be able to help spot trends in your operational needs to enable you to plan for the future.

Network Coverage

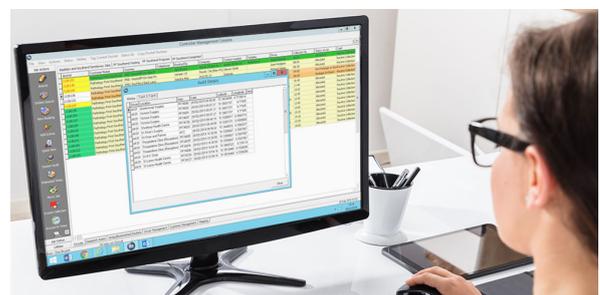
Again, with the scale required to you run a successful logistics company, you could benefit from the network of your provider. They may well have depots or distribution hubs nationwide, with dedicated 'trunk' connections; not to mention long-standing relationships with other providers of complementary services.

Risk Reduction

By outsourcing your logistic requirements, you can allow your provider to take full responsibility for fleet management, accident reporting, legal compliance and driver training - therefore reducing your employment risks (and salary commitments), and, the significant risk of investment in property, equipment, vehicles and software.

Data Reporting & Analysis

Many large logistics companies have extensive reporting software on their operations giving fully time-stamped audit trails including, where relevant, temperature monitoring of sensitive cargo. This reporting not only satisfies your processes, your accreditation statuses, and manages your client's expectations, but can also be used for analysing your operation for efficiencies and trends that may necessitate improvements.



Summary

As more businesses look to manage costs, a fixed-contract approach to logistics can offer real efficiencies for your operation without compromising on productivity. In fact, by partnering with a pro-active logistics company, you can deliver more exceptional performance and reduce the operational burden on your organisation.

If you'd like to discover how GSG are helping a number of organisations across various sectors as an outsourced logistics partner, why not get in touch today for a chat?

Call us on 01932 750040 or email matthew.otoole@gsggrp.com.