Development prospects of logistic outsourcing in Russia

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Abstract

Now the contract logistics and logistic outsourcing are among the perspective directions of development of transport companies. In paper it will be developed the model of development of logistic outsourcing, it will be proved that main objectives of cooperation of trading and production companies with logistic intermediaries is obtaining competitive advantages.

Key words: logistics, logistic outsourcing, transport logistics, transport and logistic service, complex logistics service

INTRODUCTION

Now in Russia the concept of outsourcing was widely adopted. It is accepted to understand transfer by the company of separate business processes or concrete production functions on service of other company specializing in the respective area [6]. On the international classification the market of logistic outsourcing (transport and logistic services) as outsourcing includes the following main segments: Services of cargo transportation and forwarding (transport-forwarding services); Warehouse services (logistic services); Management logistics.

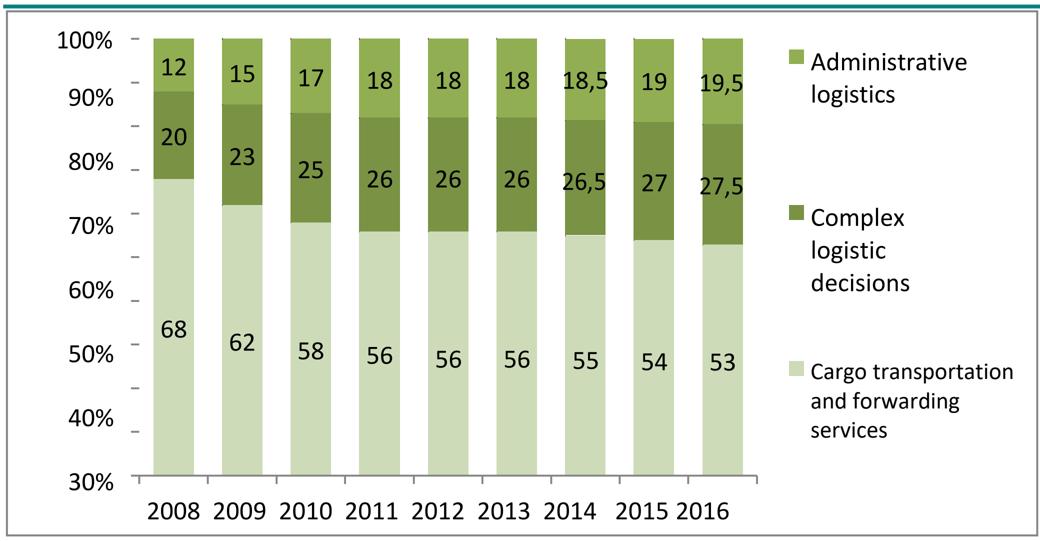
Russia is among the countries with the high level of logistic expenses. In many respects it is connected with inefficiency of the organization of internal logistics of the production and trading companies. Problems of internal logistics of the companies are aggravated with huge distances and poor quality of the Russian roads, irrational placement of productions and inefficiency of the organization of cargo delivery from the producer to the consumer [3]. One of possible ways of correction of a situation - logistic outsourcing.

The common problem of development of logistic outsourcing in Russia is connected with the general macroeconomic difficulties of scaling of this business which growth can be quite supported from demand, for example format retail. The high cost of credit resources, unevenness of geography of economic expansion and formation of chains of deliveries, market risks traditionally narrow the potential of growth of the transport and logistic industry.

MODEL OF DEVELOPMENT OF LOGISTICOUTSOURCING

Among the major a tendency in the market of transport and logistic services it should be noted increase of demand for complex logistic decisions in the last decade from the companies and the enterprises that is directly connected with acceleration of process of transfer on outsourcing of warehouse and administrative services [2, 4]. Thus reduction of a share of transport-forwarding services in the total volume of the market of transport and logistic services (fig. 1) is noted [1].

Figure 1: *Structure of the world market of transport and logistic services, 2008-2016, as a percentage*



Depending on the level of involvement of the independent companies (carriers, forwarding agents, logistic providers) for the solution of business challenges in interests and on behalf of the customer (the producer, the distributor etc.) are allocated 1PL, 2PL, 3PL, 4PL and 5PL-logistics.

1PL (First Party Logistics), as a rule, is understood as autonomous logistics when all necessary operations (transportation, warehousing etc.) are carried out by the cargo owner independently by means of own infrastructure and the personnel.

2PL (Second Party Logistics) – the simplest form of logistic outsourcing. The third-party specialized company within contractual obligations assumes performance of tasks of transportation of goods and to management of the elementary warehouse operations.

3PL (Third Party Logistics) – more developed outsourcing form: except standard tasks, the professional logistic company (3PL-provider) provides a wide service range with a considerable value added and possibility of involvement of subcontractors.

4PL (Fourth Party Logistics). The main function of system logistic integrators is planning and coordination of information flows of the client, optimization of a chain of deliveries, including integration of clients of the company, customers of clients and suppliers.

5PL-provider (Fifth Party Logistics). When the 4PL-provider begins to render also services of network business, it becomes 5PL-operator. Thus, it is the outsourcerof the logistic sphere who, using global information and technological space, is capable to render all range of services. Striking examples of 5PL-providers it is possible to call online stores, such as eBay, Aliexpress, Amazon, etc.

SCOPING OF THE MARKET OF TRANSPORT AND LOGISTIC SERVICES AND ITS STRUCTURE

Activity of the specialized transport organizations and businessmen (natural persons) who are employed belongs to a segment of the services in transportation of freights provided on a commercial basis.

For assessment of value of the market of transport services goods turnover indicators, price level on transportation / transfer of freights and income on 1 t-km of the transported freights have basic value.

Forwarding of freights – a complex of services in ensuring transportation of goods, including their documentary registration and maintenance. Development of most shipping companies is followed by expansion of the range of services of added value which include: drawing up optimum routes of cargo delivery, ensuring full load of vehicles, control of passing of freights at all stages of a logistic chain, customs and broker services, etc.

Value of the market of transport-forwarding services is defined as comprehensive income from transportation/transfer of freights on a commercial basis plus the cost of services of forwarding which is determined as "a forwarding margin" (added value) to transport services.

Warehouse services are services of rent of warehouse spaces in commercial use, services of safe custody and also warehouse services with high added value (packing, a stikerovka, a kopaking, etc.).

Value of the market of warehouse services includes: the cost of services of rent (triple-net), cost of services of safe custody and other warehouse services on commercial warehouse spaces (without operating costs).

Services in management of chains of deliveries and optimization of logistic business processes, consulting in the field of logistics; provides use digital and IT technologies, a cloud computing and integrated solutions for management of transport and warehouse logistics.

Value of a segment of 3PL-services is defined as the gross revenue of logistic providers which includes cargo transportation services by own or attracted transport, services of third parties (subcontractors) and actually service of added value (forwarding, warehouse logistics, management logistics).

Slow development of transport logistics in Russia is noted. The main problems of transport logistics which appeared on its way of development:

1. an inefficiency of use of routes of deliveries of production from suppliers to consumers;
2. backwardness of transport infrastructure, first of all, in the sphere of highways; insufficiency of cargo terminals, their low technological equipment;
3. lack of the modern vehicles meeting the international standards in all means of transport;
4. inefficiency of use of own and leased vehicles;
5. waiting for loading and unloading operations essential losses from idle time of vehicles take place;
6. various losses from inefficient functioning of vehicles take place.

In the Russian practice of such logistic operators it is a little. According to the marketingy agency RBC [5] to 3PL-providers capable to render complex services, it is possible to carry about hundred twenty companies, eighty of which are Russian, and forty western. The gross revenue of the companies providing complex logistic services does not exceed 8% of a turnover of the Russian market of transport and logistic services. The similar indicator for the European Union countries is 19%. There is a number of the companies which are carrying out express delivery, express services and other transport services in all territory of Russia that, according to them, allows them to call himself 3RL-providers. Though the 3PL-provider not only undertakes a task of the organization of transportations, but also cares for inventory management of products, their accounting, warehousing, processing of freight, preparation of necessary documents, delivery of goods to the consumer.

The prospects of the Russian market of logistic outsourcing are rather optimistic. According to forecasts of Boston Conculting Group, in 2012-2030 the volume of the Russian market of logistic outsourcing will increase on average by 9% a year and by 2030 will be 11.4 trillion rubles. And the segment of management logistics (service of level 3PL/4PL) will grow at the largest rates – the average annual growth rate will reach 14% a year whereas the segment of services of transportation grows on average in 8% a year. It will lead to increase in a share of segment 3PL/4PL of services up to 6% of all market of logistic outsourcing.

PREREQUISITES AND PURPOSES OF COOPERATION OF THE COMPANIES WITH LOGISTIC INTERMEDIARIES

In general in the market of contract logistics and complete industry solutions which basis in Russia are services of 3PL-providers there is a considerable volume of pent-up demand. Main objectives of cooperation of trading and production companies with logistic intermediaries of this class is obtaining competitive advantages for the account:

- reductions of operational logistic expenses, general increase in efficiency of functioning of a logistics system and, as a result, decrease in product cost,
- increases in flexibility of firm and ability to adapt to continuous changes of conditions of business,
- risk mitigation,
- reductions of duration of operational and logistic cycles.

The main demand for services of 3PL-providers is formed by the companies which are specializing in production and trade in goods with high added value, engaged in foreign economic activity or implementing the projects demanding special conditions and schemes of cargo delivery by several means of transport.

The Russain logistics passes to a new stage of its high-quality development where the address to her from operators of the market becomes a strategic imperative of their survival in the market. Low level of concentration in the last will be corrected due to consolidation of 3PL of operators who will divide among themselves cargo base of the main largest retailers. It means transition to a trajectory of development of logistics in Europe and also depreciation of logistic services in Russia that is equitable to interests and strategic requirements of corporate business and specifically retail.

Development of complex logistics and consolidation of the logistic market will lead to redistribution of service functions to the companies accumulating key competences of logistics. The main resource of growth formats of logistic business 3 PL and 4 PL will receive, the having key competences and broad use of information technologies. We will see various development strategies (specialization on the express to delivery, development of difficult design logistics, M&A) aimed at increase in productivity [1].

CONCLUSION

In paper it is shown that the problem of development of logistic outsourcing in Russia is connected with the general macroeconomic difficulties of scaling of this business which growth can be quite supported from demand, for example format retail. The high cost of credit resources, unevenness of geography of economic expansion and formation of chains of deliveries, market risks traditionally narrow the potential of growth of the transport and logistic industry. In paper the model of development of logistic outsourcing is offered, offers on scoping of the market of transport and logistic services and its structure are proved, prerequisites and the purposes of cooperation of the companies with logistic intermediaries are revealed. It is proved that in Russia development of complex logistics and consolidation of the logistic market will lead to redistribution of service functions to the companies accumulating key competences of logistics. The main resource of growth formats of logistic business 3 PL and 4 PL will receive, the having key competences and broad use of information technologies.

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