

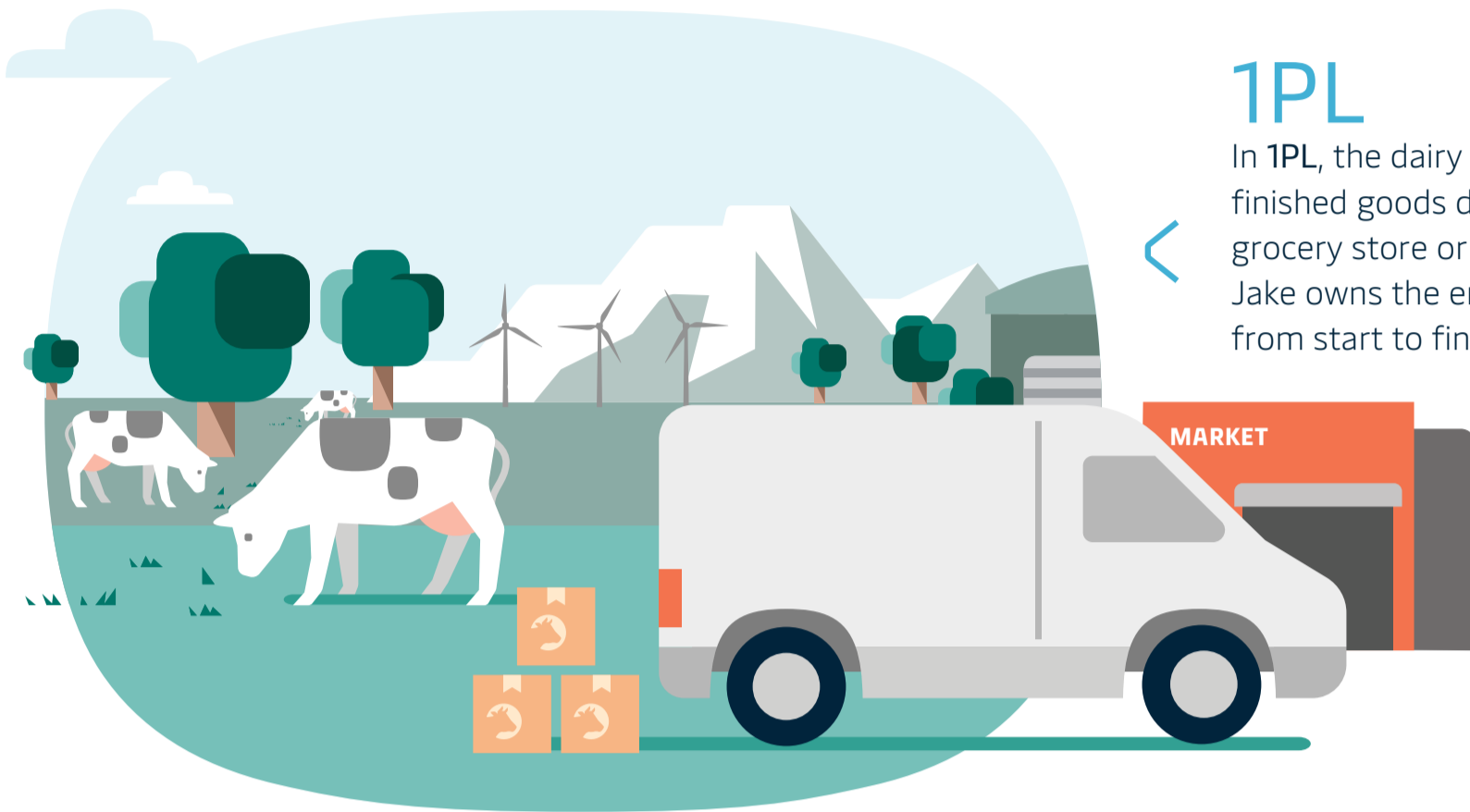
Breaking down the layers of Party Logistics



As the debate between the different “PL” or party logistics continues, it may often get confusing to differentiate the various levels. Picking the correct level of PL is important to help simplify your supply chain, lower costs and have a positive impact on your customers. So, we are taking the example of a dairy producer, Jake, to see how the different PL impacts his supply chain:

1PL

In 1PL, the dairy producer transports his finished goods directly from his farm to a grocery store or supermarket (end-users). Jake owns the entire logistics process – from start to finish.



2PL

In 2PL, Jake hires a separate carrier to move his products from one location to another. This could involve a courier company, rail, shipping service or trucking over a certain segment in the supply chain.



3PL

Here Jake outsources some of his logistics to a contracted service provider, who in turn may subcontract out some or all of the execution. The 3PL provider will offer supply chain integration such as transport, freight forwarding, warehousing and packaging. For Jake, a 3PL will package his dairy products and store it until delivery, in addition to moving them from the farm to the grocery store.



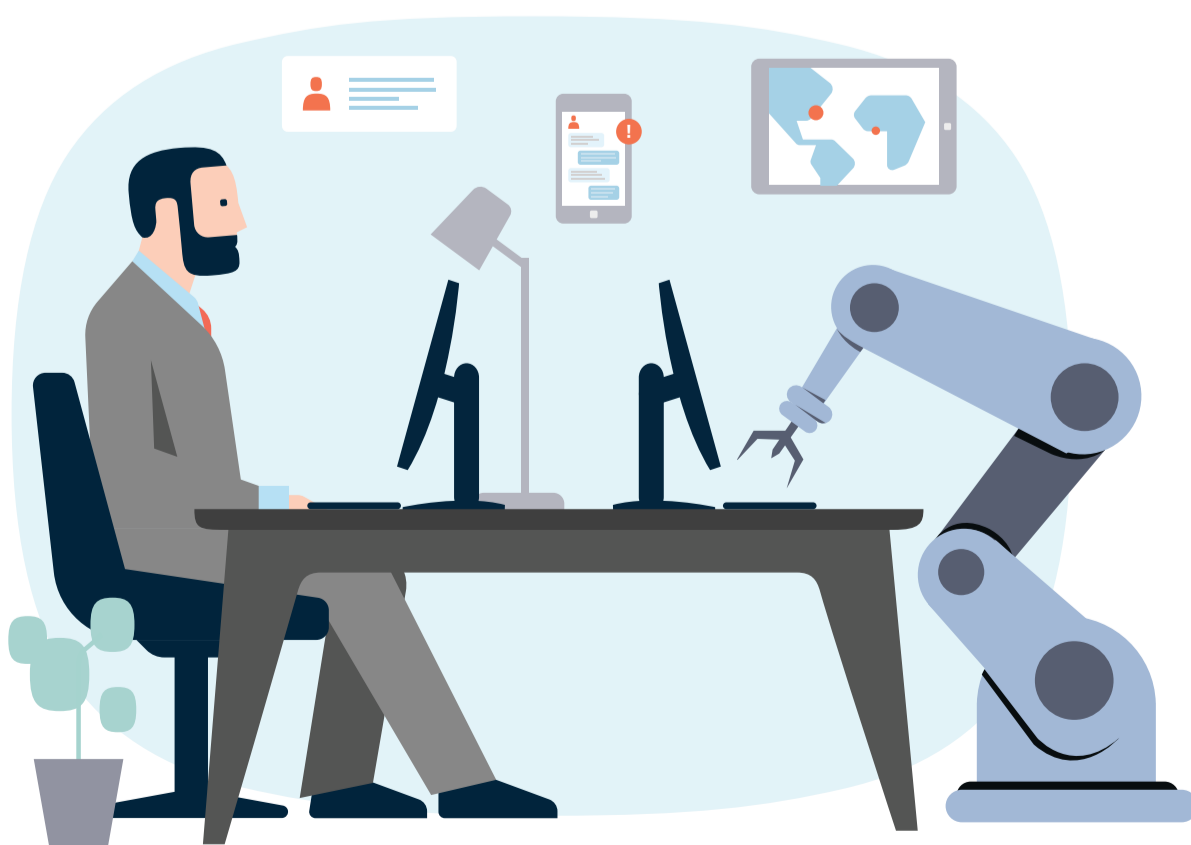
4PL

In 4PL, Jake enters into a long-term contract with a service provider to effectively takeover his logistics process from start to finish. The 4PL company acts on behalf of Jake with the other 2PL or 3PL companies and orchestrates all functions in the supply chain. It also provides strategic insight along with the management of the supply chain.



Beyond 4PL

As supply chains grow more complex, 4PL service providers have adopted technology and artificial intelligence to simplify the process. IT solutions help give complete visibility of the supply chain in ‘real-time’ in the form of a control tower. It also integrates data across suppliers and provides visibility on inventory and transportation.



Amidst growing competition and rapidly changing market conditions, you need a lead logistics provider to manage your supply chain partners. Maersk’s 4PL services take away the complexities of the supply chain from your routine so that you can focus better on your core business.