

School of Business

Course Code : BBL53003

Course Name: Warehouse Management



4PLS

Name of the Faculty: Avdhesh Yadav

Program Name: BBA (LSCM)

What is a Fourth-Party Logistics Provider?



WHAT IS 4PL?

In a fourth-party logistics relationship (4PL), a business essentially **outsources their supply chain management** to a provider referred to as a 4PL or 4PL provider. The 4PL oversees the mix of warehouses, transportation companies and agents in the businesses' supply chain.

WarehouseAnywhere

- A fourth-party logistics provider, or 4PL, represents a higher level of supply chain management for the customer. The 4PL gives its clients a “control tower” view of their supply chains, overseeing the mix of warehouses, shipping companies, freight forwarders and agents.
- The goal is to have the 4PL act as the single interface between all aspects of the supply chain and the client organization. Consulting firm Accenture originally copyrighted the term in the mid-1990s, but it has since fallen into generic use.

UNIVERSITY

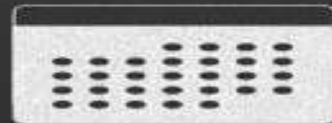
What's the Difference Between 3PL and 4PL Logistics?

3PL vs 4PL

Oftentimes **owns** warehousing or transportation assets



Focused on **day-to-day** operations



One of two points of contact in the supply chain



Most often **non-asset** based



Focused on **optimizing** the supply chain



The single point of contact for the full supply chain



- Typically, the 4PL does not own transportation or warehouse assets. Instead, it coordinates those aspects of the supply chain with vendors. The 4PL may coordinate activities of other 3PLs that handle various aspects of the supply chain. The 4PL functions at the integration and optimization level, while a 3PL may be more focused on day-to-day operations. A 4PL also may be known as a Lead Logistics Partner (LLP), according to the CSCMP.

GALGOTIAS
UNIVERSITY

Fourth-Party Logistics Advantages

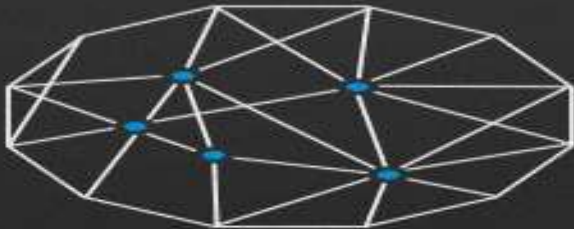
- Choosing a 3PL vs. a 4PL can be a complicated decision that depends on the complexity of your supply chain and your company's strategic goals.
- A 3PL relationship works well when the organization has a solid, high-performance supply chain strategy in place and requires support to execute the plan. Working with a 3PL will typically require a high level of internal management commitment and oversight to ensure performance meets your standards. However, many day-to-day decisions are out of your hands as you count on the providers selected by the 3PL to meet your service commitments. An asset-based 3PL may focus too much on ensuring that its own assets are fully utilized at the expense of lower rates or better services from other providers. For smaller companies, a 3PL can provide an immediate level of scale that would otherwise be cost prohibitive.

GALGOTIAS
UNIVERSITY

4PLs for Retail/E-Commerce

A 4PL CAN HELP
A RETAILER/
E-COMMERCE:

Allocate
and place inventory
to **reduce missed
opportunities.**



Achieve
same-day delivery
of online purchases
regardless of location.



Achieve
**same-day inventory
replenishment.**



- **A 4PL offers the strategic vision to create a new supply chain network that efficiently manages the flow of product across all platforms. A single view of inventory gives the retailer the power to allocate inventory and meet customer demand regardless of the status or location of the inventory.**
- Forward-deployed inventory can serve both physical locations and e-commerce fulfillment. For brick-and-mortar locations, the forward deployment supports same-day inventory replenishment as well as online order fulfillment from the same location.

UNIVERSITY

3PL vs. 4PL - What's Best for Your Company?

- In partnering with an innovative leader, your supply chain solutions can be optimized for maximum customer value with a competitive advantage. The most successful logistics partnerships seamlessly blend the flow of products and information flow, and that's where our technology truly enables supply chain excellence.
- Whether you're direct-to-consumer or offering service-level agreements to business-to-business partners, you know that overnight delivery (or close to it) is what your customers expect. That's why Warehouse Anywhere is on a different level than other 3PL companies. If you are servicing a large national market, you can place fast-moving parts, materials or products in multiple fulfillment warehouse locations that are closest to your points of highest demand. This forward-deployed inventory model allows us to store your resources everywhere that you need them to be.
- In addition to a distribution or fulfillment service, you'll also have a layer of technology and expertise that a traditional 3PL warehouse doesn't have. You will save on your transportation and logistics while also achieving excellent customer service.

GALGOTIAS
UNIVERSITY

Reference

- <https://www.warehouseanywhere.com/resources/3pl-vs-4pl-logistics-definition-and-comparison/>

The logo of Galgotias University is a stylized 'G' composed of three overlapping, curved shapes in shades of yellow, blue, and red. Below the logo, the text 'GALGOTIAS UNIVERSITY' is displayed in a large, serif font, with 'GALGOTIAS' on the top line and 'UNIVERSITY' on the bottom line.

GALGOTIAS
UNIVERSITY