



Media release

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Study into Australian logistics industry completed

The ALPHA Research Consortium has completed a major research study into the Australian logistics industry.

The consortium is a collaboration between the University of Wollongong's Sydney Business School, Macquarie Graduate School of Management (MGSM) and Cranfield School of Management in the UK, and sponsored by six Australian industry leaders.

The Logistics Association of Australia (LAA) commissioned the consortium to conduct a six-month study in August 2003, aimed at confirming recent industry developments and to bring clarity to the debate over different business models in logistics and supply chains in Australia.

The report, *Characteristics, Strategies and Trends for 3PL/4PL in Australia*, has now been released by the LAA and is available through their website: www.laa.asn.au

The ALPHA Research Consortium was led by Professor John Gattorna, Sydney Business School, and Professor Willem Selen, MGSM, in collaboration with Professor Martin Christopher, of Cranfield School of Management, and sponsored by BlueScope Steel, DHL, Linfox and Manugistics, and consulting partners (Logistics Bureau and Lucis).

Logistics Service Providers (LSPs), especially Third Party Logistics providers (3PLs), have become an integral part of many corporate supply chains. As competitive pressures increase, 3PLs are becoming more integrated with their shipper customers. Lead Logistics Providers (LLPs) have also emerged, offering integrative services that go beyond simply transportation and warehousing.

In addition, new business models in supply chain management are also being tried in various configurations; these include the 4PL™, where the entire set of supply chain processes is outsourced to a separate management company. There is also a modification of the strict 4PL (Fourth Party Logistics) configuration emerging as corporations organise into loose networks to gain access to the required capabilities, without necessarily entering into long-term equity commitments. This new type of business model has been named, Virtual Network Consortia (VNC).

This research establishes a robust foundation for discussion among supply chain stakeholders and highlights a number of areas for action. It provides input for company and government policies and enables industry to deploy innovative and competitive supply chain business models that will ultimately make enterprise Australia more competitive in the region and globally.

The ALPHA Research Consortium is keen to carry out further research in this important area over the next few years, and plans are afoot to extend the geographical scope to Asia in 2005/06.

For further information contact Professor John Gattorna on 02-9956 5046 or messages can be left with Laila Hofmann on (02) 9332 2887.