

# 4PL services in chemicals supply chains

Opportunities and risks  
arising from the use of LLP and 4PL providers

Prof. Dr. Christian Kille

Results of the study conducted with  
Constantin Reuter, CAMELOT Management Consultants AG

BVL-Forum Chemical Logistics

21/6/2018, Antwerp/Belgium

# Agenda

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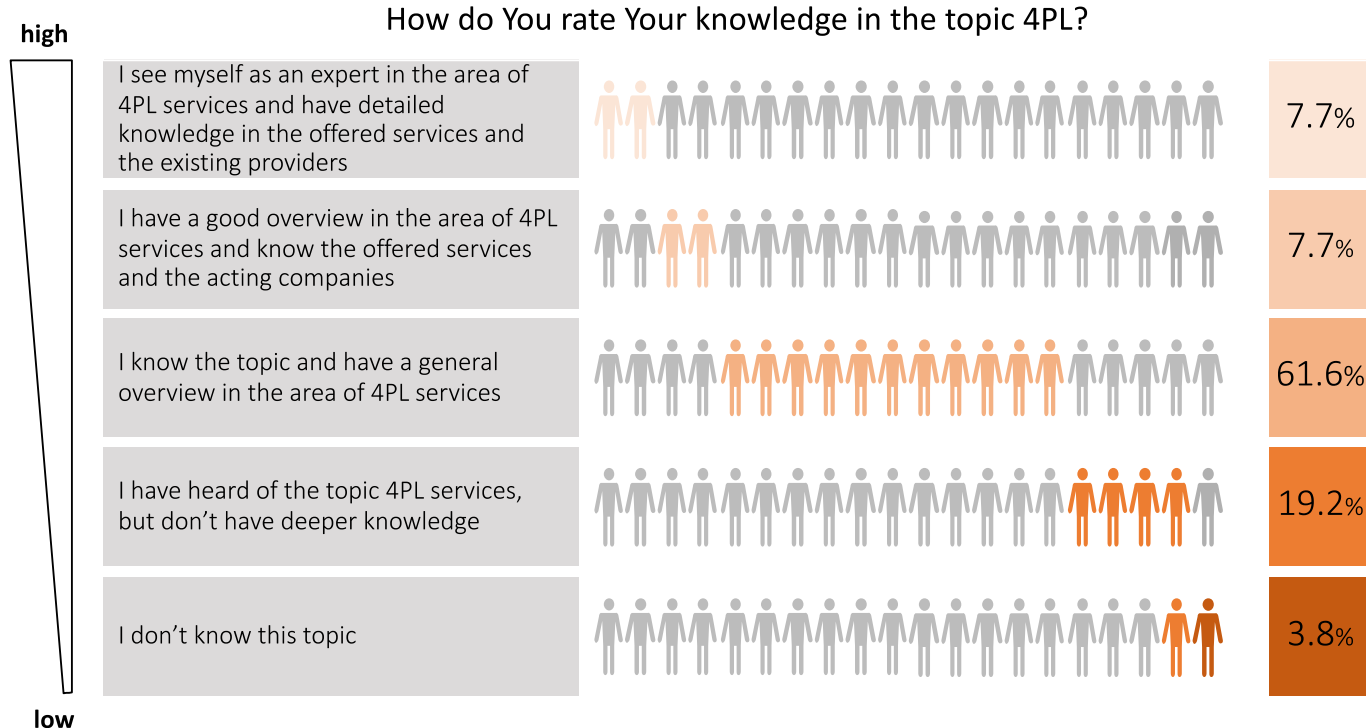
- Status-quo in chemical logistics – summary of the interviews
- Differences between 4PL, LLP and 3PL – defining the terms
- Frameworks affect recommendations – potentials and risks
- Preparation of the outsourcing strategy – guideline to success

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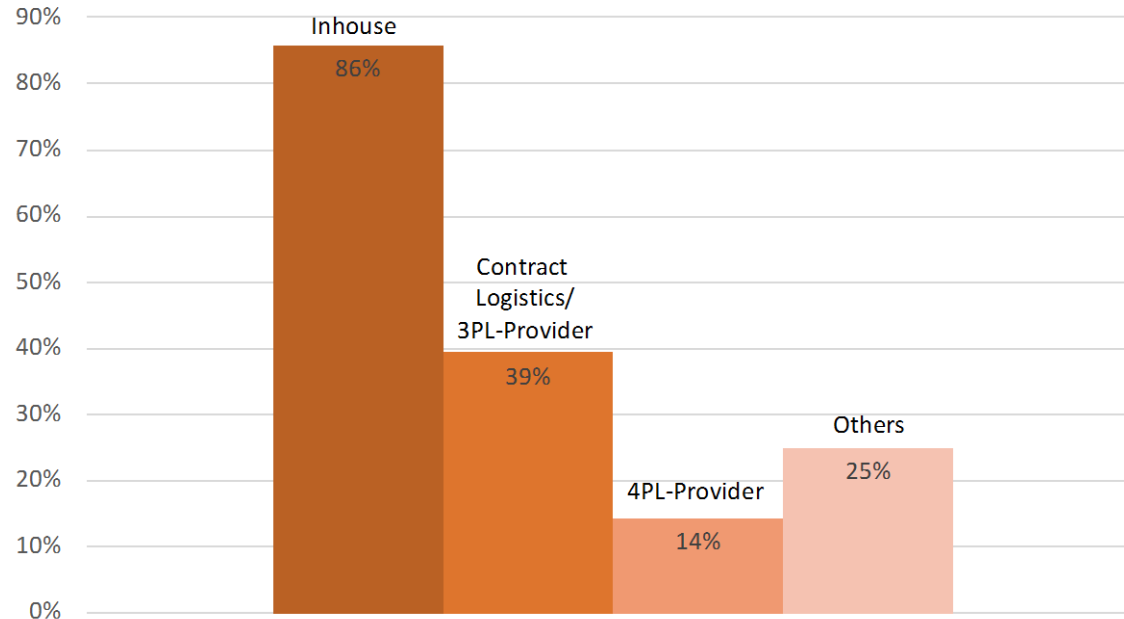
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# Only a few of the interview partners have deep knowledge in 4PL



# A large share of logistics management activities is still insourced

Status of outsourcing of tactical and strategical logistics services  
(multiple answers possible)

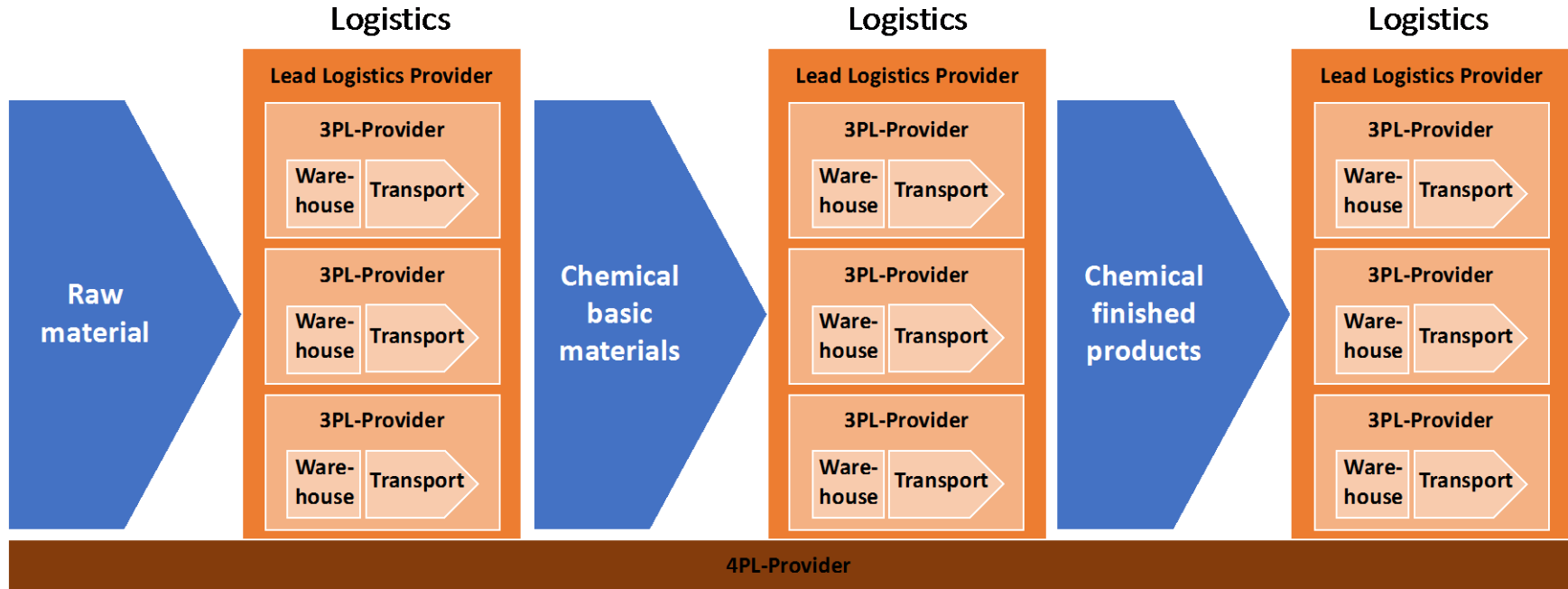


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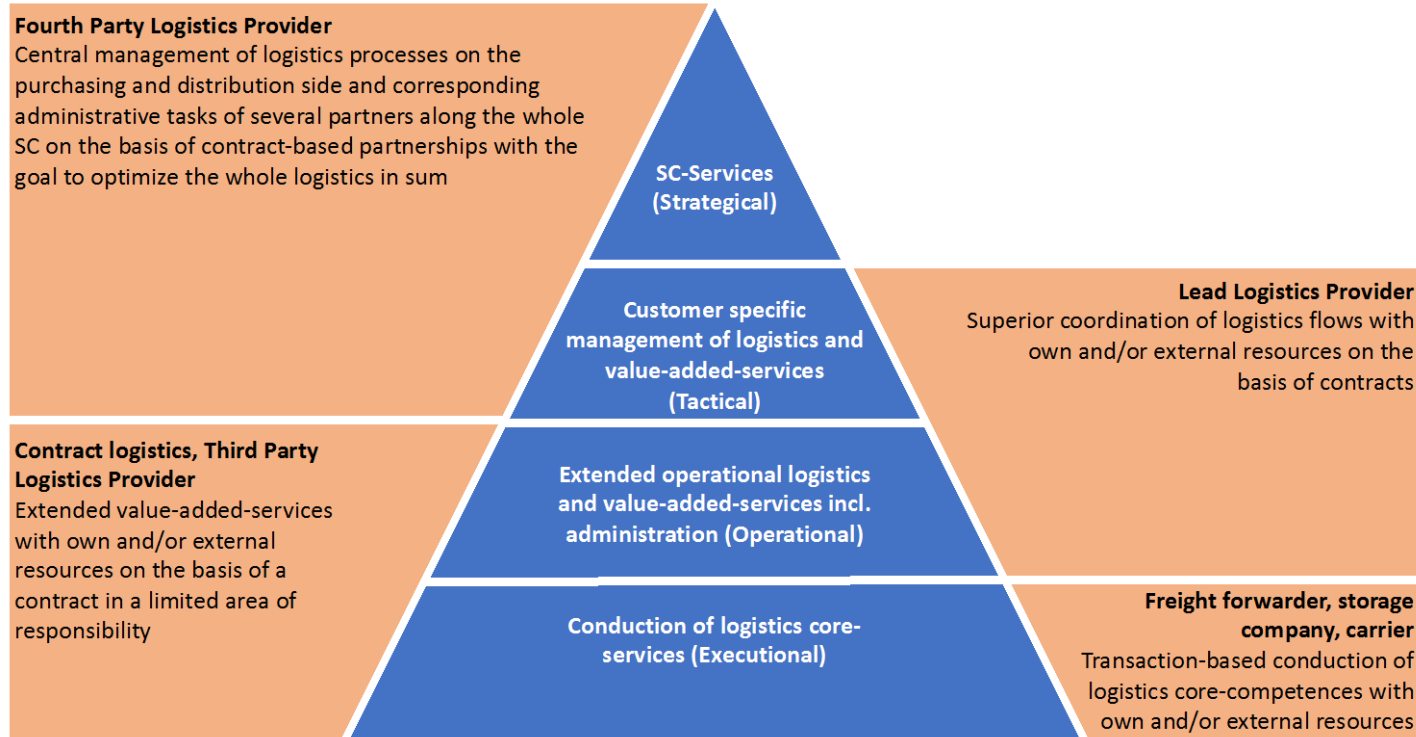
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# The differences between the providers are the breadth of addressed supply chain parts...



# ...and the depth resp. type of the offered services





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# According to Prof. Bretzke, companies have to deal with 14 dimensions of complexity

Dimensions of complexity	Clusters
1. Number of actors	Design of network
2. Heterogeneity of actors	
3. Number of connections	
4. Heterogeneity of connections	
5. Variance of offer	Dynamics
6. Dynamics from outside	
7. Dynamics from inside	
8. Dynamic caused by decisions	
9. Time pressure	Dependencies from external and internal impacts
10. Target conflicts	
11. Direct dependencies of decisions	
12. Indirect dependencies of decisions	
13. Risks	
14. Number of options for action	

Source: Bretzke 2016

# Potential: Logistics providers types can solve the challenges of complexity



# Risk: But the industry company should be aware of the internal framework

- Motivation for logistics outsourcing
- Culture of the company
- Role of logistics in the strategy of the company

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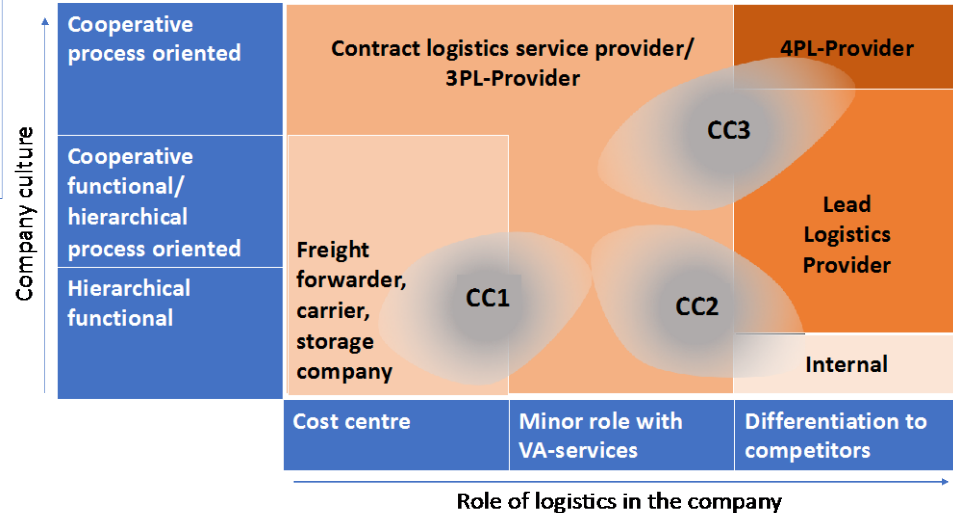
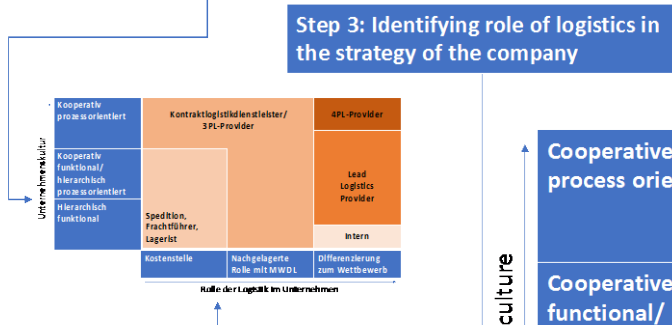
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# First, the appropriate provider model is allocated to the internal framework

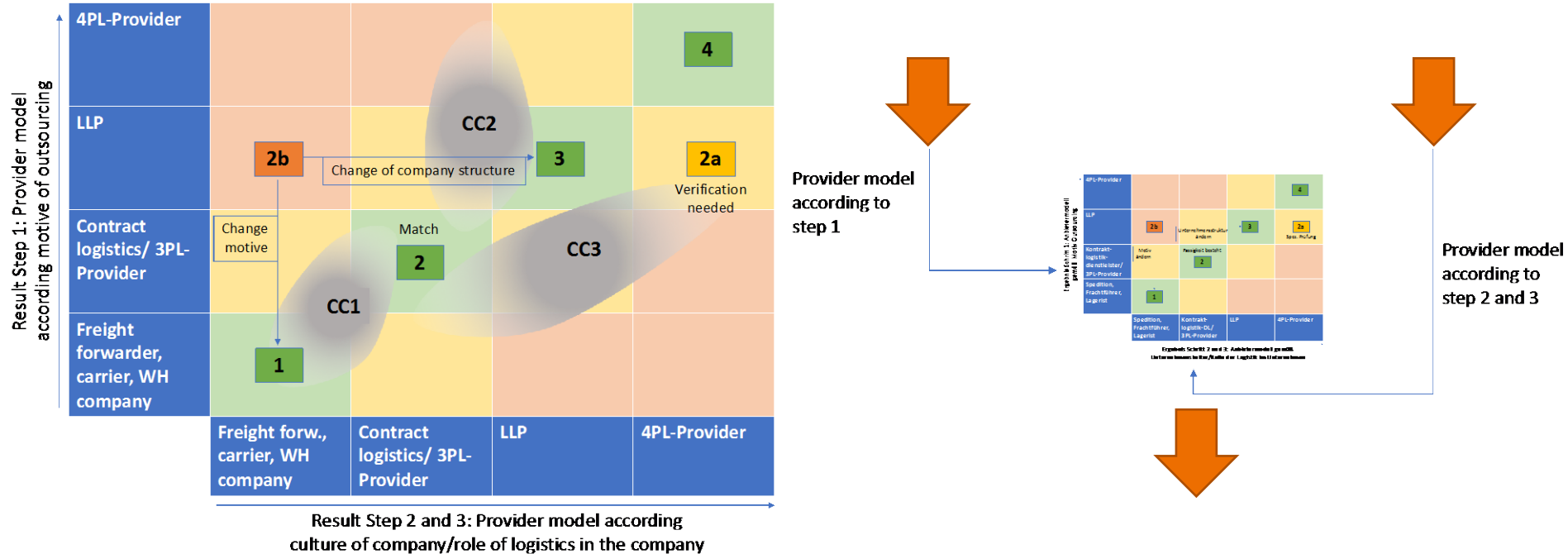
Step 1: Motivation for outsourcing and allocation to service level



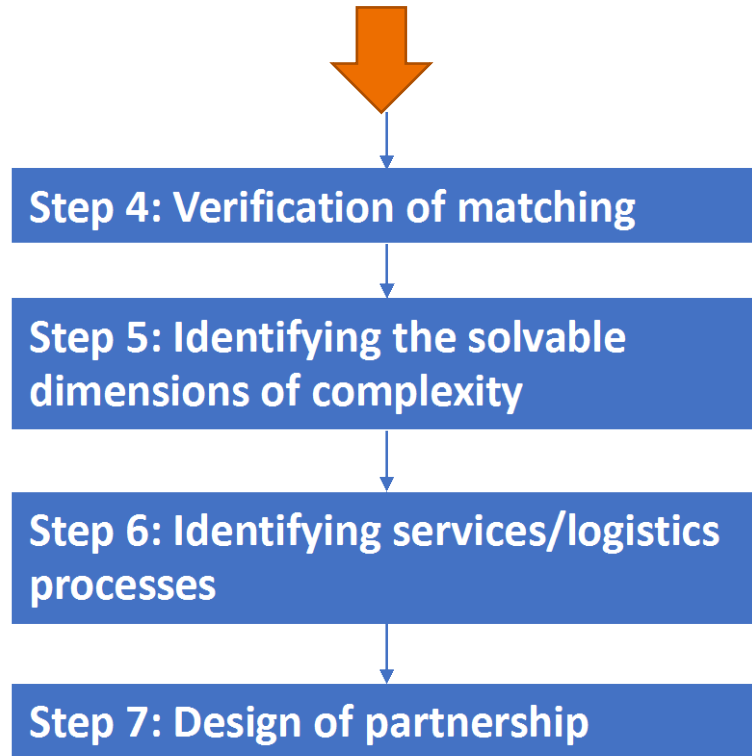
Step 2: Identifying the culture of the company



# Second, the fit of the previous results is checked



# Finally, the further steps for implementing the outsourcing strategy are prepared



1. Both steps lead to same provider model  
→ **fit**
2. The results are slightly different  
→ **check**
3. Steps lead to totally different provider models  
→ **adjust**



# Summary – outsourcing is more than just a tender

- Provider models cannot be divided sharply according to the offered services
- Several dimensions of complexity are driving the supply chain
- The ideal type of provider model for a chemical company depends on the internal framework

## Erfolgsfaktoren von 4PL, LLP und 3PL in der Chemielogistik

Fourth Party Logistics (4PL), Lead Logistics Provider (LLP) und Third Party Logistics (3PL) in der Chemielogistik – ein Leitfaden für Unternehmen der chemischen Industrie für eine zielgerichtete Outsourcing-Strategie durch Prüfung der Passigkeit zwischen Angebot und Nachfrage

Christian Kille, Constantin Reuter

Mit Unterstützung von  
DACHSER Chem-Logistics



<https://www.camelot-mc.com/de/study/4pl-llp-3pl-chemielogistik/>

# Please welcome:

- **Kai Althoff**  
Chief Operating Officer  
4flow AG, Berlin, Germany
- **Dr. Andreas Backhaus**  
Senior Vice President European Site Logistics Operations  
BASF SE, Ludwigshafen/Rhine, Germany
- **Michael Kriegel**  
Department Head DACHSER Chem-Logistics  
DACHSER SE, Kempten, Germany
- **Constantin Reuter**  
Principal - Head of CC Logistics Solutions  
CAMELOT Management Consultants AG, Basel, Switzerland

# I'm looking forward to the dicussion



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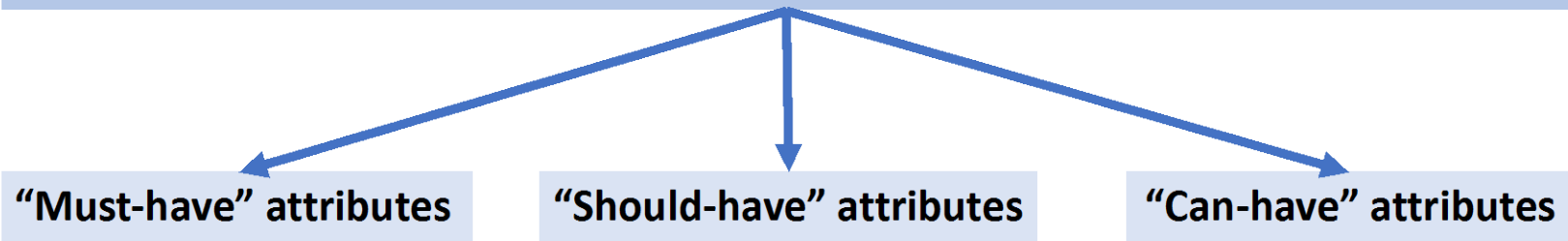
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The **4PL** services subsume primarily the **central management** ideally of all logistics process on of supply and distribution and the corresponding administrative tasks of a shipping company in a supply chain. This takes place via a **central point of contact** with the goal of **continuous optimization of the logistics as a whole** to enhance logistics and supply chain management of the customer by additional competencies, abilities and knowhow of the service provider for being more competitive. The design resp. check of the existing network will be put in front of the service.



The **3PL** services subsume the management and the bundled execution of several primarily operative logistics services on the supply or the distribution side of a shipping company with the goal to continuously improve the specific area of responsibility mainly on the operative, secondary on the tactical level.

