



TRANSFORMING 10 PL ORGANIZATIONS



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Manufacturers need the service of a logistics service provider as they outsource elements of their distribution, warehousing, and fulfillment services.

According to the Business directory, a company that provides management over the flow of goods and materials between points of origin to end-use destination is called a logistics service provider. This provider will often handle shipping, inventory, warehousing, packaging and security functions for shipments. Its main importance was first understood during World War II and then started to be viewed and applied to logistics as a scientific subject. According to MTS [2], many U.S. businesses recognized the importance of logistics and started to take advantage of logistics services beginning in 1960 and continuing to the present. Logistics make a major impact on economic activity in any country. Generally, manufacturers need the services of a logistics service provider in the present context as they outsource their distribution, warehousing, and fulfillment services. The paradigm of interconnectedness continues to hold command in today's global community. However, countries face many challenges in making it happen competitively given inherent geographic factors as well as resource constraints internally. The manufacturers initially transport cargo as raw material (source of production process) and then again transport to the customer as finished goods after manufacturing process. International trade refers to the exchange of capital, goods, and services across international borders or territories. Cargo transportation is a derived demand of trading between countries (and not a direct demand) in economic theories. Accordingly, manufacturing, transport and logistics

go hand in hand. Therefore, it is important to understand the role of manufacture and transporter in the first place.

Transportation is an essential act of moving people, animals, and goods from one place to another. Thus, transportation is divided into two parts, passenger transport and freight transport.

Manufacture is defined by Webster's ii new university dictionary (1984) as the activity to make or process (a raw material) into a finished product, especially by a largescale industrial operation. To make or process (a product), especially with industrial machines it is necessary to integrate all elements of the manufacturing system to satisfy the needs and wants of its customers. However, the sustainability of commercial production does not end there. The manufacture needs an efficient transporter to deliver the product in a timely and effective manner. Moreover, raw materials should be received in timely manner in the first place to manufacture. The globalization has increased the

need for interconnectedness for the respective countries to cross their borders. Therefore, it is understood that transport is an indispensable part in the sustainability of manufacturing and world trading system. The act of transport is defined as the specific movement of an organism or product. Transportation is, therefore, an essential act of moving people, animals, and goods from one place to another. Thus, transportation is divided into two parts, passenger transport and freight transport. Passenger transport can be public, where operators are public service or private. Freight has become an integral part of today's world. If the transport cost is brought down the price of goods and services are expected to reduce. This would help a country to bring down its inflation. Similarly, the country's exports will be more competitive in the global market due to lower transport cost. Increase of transportation cost in turn leads to higher prices of consumer goods. If the manufacture fails to attach a competitive freight to the product the sustainability of international trade is at risk. Because global supply chains are so varied and complex, the efficiency of logistics depends on government services, investments, and policies. Building infrastructure, developing a regulatory regime for transport services, and designing and implementing efficient customs clearance procedures are all areas where governments play an important role.



Figure 1: Evolving logistics providers