



BARRETT
DISTRIBUTION CENTERS

Customized Solutions - Proven Performance



15 Freedom Way
Franklin MA 02038
Tel: 508-553-8800
Fax: 508-590-8599

Study: Companies Benefit from 3PL Will Give 3PL's Even More Business

The trend toward outsourced logistics services appears to be paying off for globally engaged OEMs, the majority of which say they have realized savings as a result of the move, according to a new industry study.

Among the 66 executives interviewed at U.S.-based Fortune 500 companies, 70 percent said that their organizations have benefited directly by shifting transportation and related operations to third-party logistics specialists, and many expect to turn more of their budgets over to 3PLs in the years ahead.

The study, released by the College of Business Administration at Northeastern University, Boston, and research firm Accenture, found that nearly 30 percent of the respondents indicated warehouse management services yielded the greatest savings, followed by rate negotiation at 16 percent; shipment consolidation, 14 percent; freight payment services, 10 percent; and direct transportation services, 10 percent.

On average, survey participants reported that 33 percent of their annual logistics operating budget is now paid to 3PL companies, compared with 24 percent in 2002 and 19 percent in 2001. Respondents predicted that would rise to an average of 40 percent in three years.

Source: EBN Online, <http://www.ebnonline.com/>.

Barrett Bugle, January 2004