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5 LEVELS OF LOGISTICS SERVICE

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*In this article the types and features of logistics service providers are investigated. The principles of gradation of these operators are considered. Besides the main problems of transition from one PL provider to another one in the Republic of Belarus are analysed.*

The active development of trade, the expansion of the purchase markets and products sales at the companies cause the necessity of involvement of intermediaries in the field of the organization of delivery and warehousing of freights. In turn, the most intense competition between the leading cargo carriers forced the latter to look for new ways of fight for the client, and services of PL providers become one of such mechanisms today. To carry out the assessment of activity of each operator, it is necessary to reveal their distinctive features which are reflected in the following comparative table 1.

Table 1. – Main characteristics of five levels of logistics service

Level of provider	1PL	2PL	3PL	4PL	5PL
1	2	3	4	5	6
<b>Type</b>	Companies cargo owners	Transport enterprise, freight terminals, warehouses, forwarding agents, agents, customs brokers	The firms rendering complex logistics service	Integrator s of a complete cycle	Integrators of a complete cycle based on Internet logistics
<b>The rendered services</b>	Cargo transportation	Proceeding from a field of activity: cargo transportation, lease of storage facilities, information services, maintenance of freights, documentary registration	Multifunctionality	The integrated multifunctionality, complexity of services	
<b>Access to sales markets</b>	Local, regional	Local, regional	Interregional	Global, delivery "from a door to a door"	Global, by means of the Internet
<b>Assets</b>	Tangible assets: own park of motor transport	Assets are material: vehicles, motor depots, storage facilities, warehouse equipment, means of loading/unloading, etc. Non-material assets: reputation, information, etc.	Shift from ownership of assets to ownership of information	Shift from ownership of assets to ownership of information	Information management in a common information space
<b>Relationship in a supply chain</b>	-	Single transactions, annual contracts	Long-term relations (3-5 years)	strategic partnership	Virtual enterprise
<b>Competitiveness</b>	-	Separate	Cooperations of logistic intermediaries, alliances	Several large alliances in the market [1,2]	

Economics

Continued Table 1

1	2	3	4	5	6
<b>Examples in Belarus</b>	Protractor, Imekstreyd, Mediterenianshi pingkampani, Karatekspedition, RALADOS PLUS, "BRESTVNESHTRANS", "GARDATRANS", "UNITED PASCRELL SERVICE (BIUAY)", "LOGUS VOSTOK", "PRIOR LOGISTICIAN", "AERO-STAR"	FORBELATRANS, ORIONBEL, "M&M MILITTSER & MYUNH", VIPTRANSSPEDISHN, BELEKSLOGISTIK, MEDITERENIAN SHIPPING KAMPANI, NORTHROP, "BUREAU OF EXPORT", "HELLMANN EASTERN EUROPE", SIFUDSERVICE, "DIESV TRANSPORT", ALEVTRANS, INTERTRANSAVTO, "EMONS EXPEDITION", MOGILEVKHIMVOLOKNO, ADLERGROUP	"BELINTERTRANS THE TRANSPORT AND LOGISTIC CENTER", AVANTREYL, BELTAMOZHSERVICE, DZHENTISPEDISHN, TRANSGRUPPLOGISTIK, KRAFTTRANS, "HUNDRED LOGISTIK", "T.E.L.S. IS BIUAY", BELMAGISTRALYAVTOTRANS, GRADALOGISTIK, "ASTRA WEISRUSSLAND", "TRANSKONSALT BREST", "PRIMVEY", VESTTRANSLAYN, "TRANSREYLBCH" [3]	-	-

Considering the experience of some of the most developed countries, it is possible to draw a conclusion, that the transfer of a part of logistics services to other organizations is really effective. It is called outsourcing of logistics services and means the transition from activity of First Party logistics (1PL) – autonomous logistics to more high-class logistics: 2PL–3PL–4PL–5PL. It allows to get the following benefits:

- the concentration on profile activity;
- the use of effective methods and the modern infrastructure concentrated in the specialized logistic companies;
- the exception of the costs connected with development of own merchandising of structures;
- flexible and timely reactions to the changed requests of consumers;
- the transfer of risks on activity of the logistic operator;
- the reduction of duration of operating and logistical cycles;
- cost reduction of the address.

The gradation of providers of services on 4 types assumes gradual extension of the list of the rendered services. So, the Second Party Logistics (2PL) provider renders traditional transportation services and to management of storage facilities. Third Party Logistics (3PL), except transportation of goods, carries out warehousing, an overload, renders additional services with considerable added value, uses subcontractors (contract logistics). The integrated logistics of Fourth Party Logistics (4PL) – covers planning processes, managements and control of all logistic streams (information, raw materials, materials, products and the capital). The uniform operator with long-term strategic objectives unites all participants in supply chains. Fifth Party logistics (5PL) uses possibilities of the Internet as uniform virtual platform for the solution of logistic tasks [4]. Today in Belarus there are following problems of transition from one pl-provider to another:

- the deficiency of investments into development of infrastructure;
- the absence of the market of 3PL-services (provider of logistics services of the third level 3 PL solve problems of a full and complex logistic service, use any kinds of transport, have the railway vehicles, own terminal complexes in ports or on railway stations and storage facilities);
- the absence of system integrator of level 4PL (logistic provider 4 levels - the logistic companies which perform all functions of logistic provider of the third level and plus perform "management function".);
- insufficient qualification of personnel;
- the imperfection of the legislation;
- excessive administration customs and other types of control;
- high taxes and other expenses.

Besides these reasons, it is also necessary to mention the weak integration into the international and European logistics systems, which limit cargo flows. Exporters prefer to send the shipment directly, passing TLC. Sanctions, which are imposed on the Russian Federation, limit presence of our carriers in the market and have significant effect on transit cargoes. All this leads to reduction of external cargo flows. There is a wish to pay

attention also to insufficient development of road infrastructure, seasonal and temperature restrictions for the movement of heavy-load transport [5].

Thus, the problem resolution of development of 4 and 5 levels of logistics service in the Republic of Belarus will be promoted by the organization of procedures of voluntary certification of logistics services on compliance to requirements of STB 2306-2013. Availability of the certificate will promote creation of a favorable image of logistic provider, will provide him with additional benefit and will allow to systematize participants of logistics service according to the European and national standards.

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