

3PL and 4PL Services



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What is 3PL and 4PL?

Third-party logistics or 3PLs are third-party companies that can provide your business with order fulfilment and distribution services. 3PL providers offer a range of services that can be customised according to the specific needs of the business.

In the case of thyssenkrupp Materials UK, we can offer stock control, order processing, and packaging. With a full logistics provision, we can cater to businesses of any size in the UK across all industries.

Over the years, logistics has evolved from simple transportation and warehousing to multi-functional and integrated logistics. One such evolution is the emergence of fourth-party logistics (4PL). **4PL is a logistics provider that acts as an independent consultant to manage and coordinate a company's entire supply chain network.**

Unlike 3PLs, where the outsourced company specialises in one or more logistics functions, 4PLs oversee all supply chain aspects of a company, including planning, management, execution, and continuous improvement.

4PL providers, therefore, act as a single point of contact for managing and optimising a company's supply chain network from end to end. They provide strategic planning, transport network design, service provider selection, and improved coordination. The execution of these benefits helps to improve supply chain efficiency, reduce costs, and enhance customer service.



What are the benefits of 3PL?

Working with a 3PL company comes with many benefits for your business. Some businesses might also decide to hand over their logistical operations to a third-party provider. Regardless of the reasons, it's a move that offers various advantages like:

More time and resources

Logistical operations, particularly metals supplies, can take up a lot of resources and time. It requires a large team to handle everything from processing to packaging and delivering the orders to the customers. The process also requires close monitoring and management, which can make or break the business.

By working the thyssenkrupp Materials UK, you stand to gain from our years of experience and perfecting our production and logistics processes. With an instant access to a large team with extensive experience in supply chain management, we can help your business move smoothly so you can focus on the core aspects.

It is cost effective.

Instead of working to build your own logistics team in-house and the necessary requirements, you can work with a 3PL service that has all the systems in place, saving you money and time. With us, you can hit the ground running. Another advantage of working with us is due to our large presence in the market, we have an abundance of stakeholders including freight companies which can save you even more money with competitive rates.

You can easily scale as required.

By outsourcing your logistics to a 3PL company, you can scale up and down depending on your business and the time of year. You don't have to worry about a fixed workforce with little to no orders coming in or not having enough workers when you're drowning in orders.

We can expand or reduce the resources allocated to your business to suit your current needs. We can help you manage a surge in your orders and help you cope with increases and decreases in demand.

As a leading materials supplier in the UK with networks in every industry and extensive range of aluminium, stainless steel, mild steel and titanium in stock, we are the perfect partner for emerging and established manufacturers, looking to grow. We deliver quality materials and are thoroughly experienced in the logistics department with strategic warehouses across the UK for easy and fast order fulfilment and reduced shipping fee. We understand the market dynamics and requirements, so you don't have to worry about your materials being turned back.

With thyssenkrupp Materials UK 3PL service, you can leverage our muscle and experience in the industry to boost your business, enhance customer experience and become a reliable supplier to your customers.

What are the benefits of 4PL?

4PL comes with an extensive pack of benefits for supply chain optimisation in any company. These benefits can be expressed in different ways, including:

Cost savings

With a broader view and authorised access to the entire supply chain network, 4PL providers can identify inefficiencies and implement cost-saving measures. By optimising the supply chain, companies can reduce transportation, warehousing, and inventory costs, leading to significant savings.

Increased efficiency

4PL providers are experts in logistics management and coordination, allowing them to streamline operations and reduce lead times. With increased efficiency, 4PL can help a company to better meet customer demand by ensuring that products are delivered on time and in the right quantities.

Better customer service

A 4PL will help a company improve delivery performance by coordinating the activities of multiple logistics service providers, such as carriers, warehouses, and freight forwarders. This enhances customer satisfaction, loyalty, and retention.

Access to technology

4PL providers often have access to the latest logistics technology, including transportation management systems (TMS), warehouse management systems (WMS), and supply chain visibility tools. A company can optimise its supply chain operations and improve its performance by implementing different logistics technologies.

As a company expands, its supply chain requirements become more complex. So, 4PLs will also quickly collect and analyse huge amounts of data on the company's logistics operations. This information can be used to identify trends, optimise supply chain processes, and reduce costs.



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Common challenges of 4PL and Solutions

Despite the various benefits of 4PL optimisation, companies will likely face different challenges when working with them. Here are some examples:



Lack of control

It is possible for company management to feel they are giving up all their control over supply chain operations by outsourcing to 4PL. This mostly happens for companies that are used to managing their logistics in-house.



Cost

As much as 4PL providers can help companies reduce logistics costs, in the long run, there may be significant upfront costs associated with implementing a new logistics model, including technology investment and service provider fees.

Solution – Case Study Aerospace

To overcome the challenges around 3PL/4PL logistics, here at thyssenkrupp Materials UK, we work closely in partnership with our customers to design the optimal solution. A recent case study to showcase that is our provision of full 4PL supply chain solution to a major aerospace and defence OEM. This resolved all the customer challenges around supply chain management, material supply, costs, and lack of control. This case study presents a comprehensive overview of our range of services including material procurement, testing, cutting, machining, heat treatment, freight arrangement, and bonded storage. By effectively coordinating these services, we aimed to optimise aerospace supply chain operations, improve turnaround times, and enhance customer satisfaction.

Introduction:

thyssenkrupp Materials UK specialises in providing end-to-end solutions for material procurement, processing, and storage. Our 4PL service offerings encompass various stages, starting from purchasing materials directly from mills to ensuring efficient delivery of finished parts to customers. This case study examines our strategic approach to managing the entire supply chain process for a leading aerospace & defence OEM.

Material Procurement:

We have established partnerships with approved mills to source high-quality materials. By directly purchasing from mills, it eliminates intermediaries, reduces costs, and ensures timely availability of raw materials. Our procurement team collaborates closely with mills to track material availability.

Test Piece Sample and Quality Testing:

To ensure the quality of purchased materials, we obtain test piece samples. These samples are then sent for rigorous testing directly to customer sites around the world. By conducting thorough quality assessments, we minimise the risk of material defects and guarantees compliance with aerospace and defence industry standards.

In-House Cutting and Machining:

Once materials pass the quality tests, we proceed with in-house cutting and machining processes. Having these capabilities in-house allows for greater control over production schedules and quality assurance. Our highly skilled technicians utilise advanced machinery and cutting-edge technology to precisely shape and prepare materials based on customer specifications.

Heat Treatment:

Certain materials require heat treatment to enhance their mechanical properties. We collaborate with specialised heat treatment facilities to ensure optimal treatment processes are applied. This strategic partnership guarantees consistent and reliable heat treatment for the materials, meeting or exceeding customer expectations without direct involvement from the customer.

Batch Size Requirements and Material Retrieval:

This ensures efficient inventory management and cost control. We maintain a seamless communication channel with our OEM customer, allowing them to promptly retrieve the required materials from the bonded 3PL stores, based on forecasting and demand.

Freight Arrangement to Asia:

To fulfil customer demands in Asia, thyssenkrupp Materials UK arranges freight services through trusted logistics providers. By leveraging our established network of shipping partners, we ensure reliable and cost-effective transportation. We closely monitor shipment schedules and provide our OEM customer with accurate tracking information to facilitate smooth delivery.

Bonded 3PL Storage:

The finished parts are securely stored in bonded 3PL warehouses. These specialised facilities offer controlled environments that comply with regulatory requirements. We maintain robust inventory management systems, enabling real-time visibility of OEM customer material stock levels. This efficient storage solution ensures that materials are readily available for customer whenever needed, without them investing in additional inventory space.

Customer Satisfaction and Benefits:

By integrating 4PL services by thyssenkrupp Materials UK, aerospace and defence OEMs achieve several benefits. These include shorter lead times, reduced production delays, improved quality control, cost optimisation, and enhanced customer satisfaction. The streamlined supply chain process allows customers to access high-quality materials promptly, enabling them to meet their production requirements efficiently.

In conclusion, a 4PL provider coordinates all aspects of a company's supply chain. Unlike traditional logistics providers, 4PLs are a single point of contact for a company's entire logistics network and provide end-to-end supply chain solutions. By implementing their expertise and advanced technology systems, 4PLs can help companies improve visibility, enhance efficiency, enable data analysis, and provide scalability.

Are you looking for a reliable and robust supplier offering 3PL or 4PL services? Maybe you want to partner with a reputable and reliable supplier that can meet your demands and grow with you? thyssenkrupp Materials UK offers 3PL and 4PL services for established and growing manufacturers.

thyssenkrupp Materials UK is part of thyssenkrupp Materials Services, a global conglomerate with a reach of up to 80 countries. By working with us, you can leverage years of perfection in metal supply and enhance customer experience while cutting back on your running costs with our 3PL and 4PL services.