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Is It **Time** to **Think About Logistics Outsourcing?**

The demands placed on today's supply chains are becoming more complex and more challenging. Partnering with an integrated supply chain solutions provider to outsource logistic operations presents a company with valuable benefits and advantages across a wide range of logistic functions.

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Many companies are turning to logistics outsourcing to leverage the latest strategies for their supply chain operations.



Introduction

Outsourcing represents a viable strategy for many critical business functions. Countless companies utilize outsourcing for activities, such as procurement and IT support, and are able to leverage outsourcing for a variety of benefits, such as driving cost-efficiency, gaining functional expertise, enhancing the process being outsourced and allowing a company to focus more of its resources on its core competencies. With those advantages in mind, more and more businesses are targeting outsourcing for their logistic operations as well – and are reaping an array of valuable rewards in the process.

As the demands on today's supply chains continue to grow, its functions are evolving and becoming more complex. Changing consumer behaviors, increasing consumer expectations and rapid advancements in technology are converging to create the need for supply chains to be more global, more transparent, more agile and more responsive.

Consequently, many companies are turning to logistics outsourcing to leverage the latest strategies for their supply chain operations. In addition to the benefits typically achieved from outsourcing any business process, companies that outsource their logistic functions are able to align their supply chain activities more effectively with their business strategy, foster greater collaboration among supply chain partners and effectively optimize their overall supply chain operations.

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The Increasing Demands on Today's Supply Chains

Supply chains that had been built for steady, predictable demand now must be structured for agility, responsiveness and efficiency.

With the need to move more goods to more locations more quickly than ever, the demands on today's supply chains are greater than ever. These new demands are the result of increased consumer expectations due to many factors, including that we all now live in the information age, as well as the advent of social media. Empowered by information and its influence on buying decisions, consumers are seeking more variety and more customization in the goods they purchase, as well as more rapid deployment of new products.

These new forces in the marketplace are applying unprecedented pressure on supply chain operations. In order to respond to changing consumer desires, supply chain planning cycles that had been 12 to 18 months are now compressed to 30 to 60 days, resulting in the need for more agile and responsive networks. In addition, the need for visibility to the movement of inventory among the various nodes and channels throughout the supply chain is more critical than ever, and the ability to expand supply chain operations quickly and efficiently is equally crucial to business success.

As a result, the ways in which companies view their supply chains are changing dramatically. Supply chains that had been built for steady, predictable demand now must be structured for agility, responsiveness and efficiency. Additionally, while supply chains were typically viewed as cost centers in the past, many businesses now are positioning them as a point of competitive differentiation in their ability to serve their customers more effectively.

Considering the Decision to Outsource Supply Chain Operations

With the increased demands being placed on supply chains, many companies that hadn't previously considered logistics outsourcing now are embracing the strategy. Even some companies that had decided against outsourcing just a few years ago are re-evaluating their decisions in light of the new factors at play in the marketplace.

When considering the decision to outsource supply chain operations, it's imperative to identify an integrated supply chain solutions provider that will serve as a true partner in delivering comprehensive, proactive logistic planning and management services. By taking a holistic view of the supply chain and leveraging leading-edge logistic technologies, an outsourcing partner can create solutions that enhance supply chain visibility, advance scalability, reduce costs, improve agility and address a number of other important business objectives.

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The Benefits of Logistics Outsourcing

A logistics outsourcing partner can implement a state-of-the-art technology platform that makes supply chain activities transparent across all trading partners.



Partnering with an integrated supply chain solutions provider to outsource logistic operations typically allows a company to enhance capabilities and reduce costs while freeing up time and resources to focus on core business initiatives. It also presents a company with valuable benefits and advantages across a wide range of logistic activities:

• **Alignment of Strategies and Incentives –** The alignment of logistic operations to support brand strategy is a key to success. However, companies that manage their own supply chains are often faced with the challenges of balancing day-to-day activities while finding time to focus on strategic goals. A logistics outsourcing partner can leverage its expertise to help a company advance its supply chain strategy by defining and delivering network capabilities required to most effectively support the business strategy. Additionally, the alignment of incentives between a company and its logistics partner are core elements of outsourcing to ensure that objectives are clearly understood and that there are protocols in place to foster collaborative behavior that creates the right network efficiencies.

• **Leading-Edge Solutions Oriented Thinking and Execution –** As the demands on supply chains have increased in recent years, logistic management practices and technologies have evolved significantly as well. A logistics outsourcing partner can ensure that a company is leveraging leading-edge thinking to define supply chain needs, prioritize challenges and develop and execute customized solutions that are targeted to support specific business objectives.

• **State-of-the-Art Technology Platforms –** End-to-end supply chain visibility provides the foundation to move from a reactive supply chain management approach to a proactive responsive model. A logistics outsourcing partner can implement a state-of-the-art technology platform that makes supply chain activities transparent across all trading partners, provides real-time access to vital supply chain data, enables proactive alerts to network stakeholders on issues affecting supply chain performance and automates responses to disturbances in supply chain activities. The result is a much more agile, dynamic and efficient network.

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• Engineering-Based Network Design, Modeling and Optimization – Proactive supply chain management requires a comprehensive, engineering-based approach to supply chain planning. A logistics outsourcing partner can combine logistic engineering and operations expertise with state-of-the-art optimization and simulation software to remove complexity and cost from supply chain infrastructure. Continuous monitoring and assessment of the supply chain helps to ensure that high-quality service levels are maintained while providing the flexibility to meet changing business needs. It also helps minimize the cost and impact of short-term challenges, such as unexpected changes in consumer demand related to promotional activities.

• Driving Value Throughout the Supply Chain – With a holistic approach to the supply chain, a logistics outsourcing partner serves to reduce fragmentation and centralize supply chain activities. This provides a foundation for developing and implementing solutions that drive value and decrease costs throughout the supply chain. A logistics outsourcing partner also fosters collaboration by orchestrating the activities of all trading partners, diminishing the burdens placed on network stakeholders and positioning a company as a "customer of choice" for key network partners.

Conclusion

As consumer expectations continue to grow, the demands placed on today's supply chains are becoming more complex and more challenging. With the need to move more goods to more locations more quickly than ever applying unprecedented operational and financial pressure on supply chains, companies are turning to logistics outsourcing to leverage the latest strategies for their supply chain operations.

Making the decision to outsource logistic operations requires careful consideration, but it provides the potential for significant rewards. Partnering with an integrated supply chain solutions provider to outsource logistics can enhance visibility, advance scalability, improve agility and address a variety of other supply chain objectives. In doing so, it allows a company to drive costs from its supply chain, enhance logistic capabilities and position its supply chain as a point of competitive differentiation.

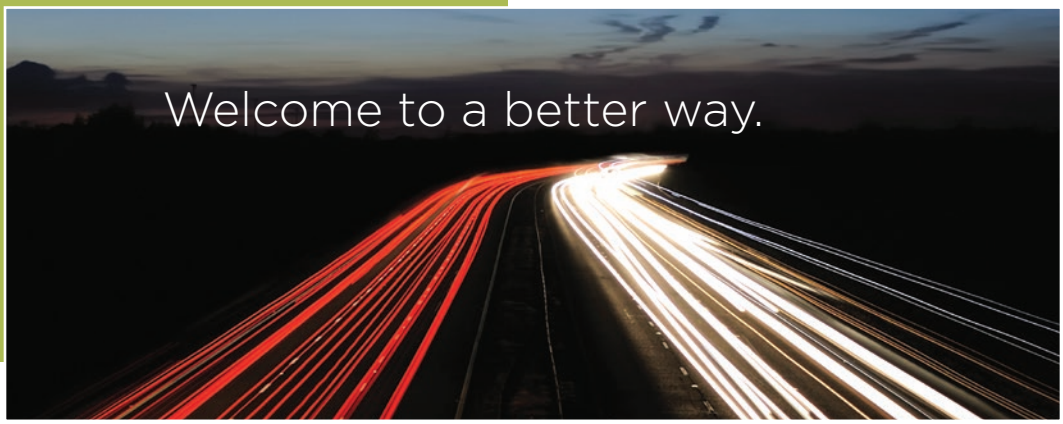
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About Armada

Armada creates innovative, fully integrated supply chain solutions that deliver competitive advantages and improve business performance for its clients.



Through its long tradition of partnering with clients, Armada has become one of the largest fully integrated logistic providers to the restaurant industry as well as a respected provider among retail and other industries, with operations and offices around the country. Current clients range from Fortune 500 companies to emerging businesses. Armada's business model is founded in a deep-rooted commitment of extraordinary service to its clients by providing outsourced logistic solutions that create smaller, smarter and more agile networks.

We believe that there's a better way to manage our clients' supply chains.
A better way rooted in simplicity, transparency and extraordinary service to our clients.

We are changing the way supply chains are managed – now and for the future – through innovation and collaboration with our clients.

We provide logistic solutions that create smaller, smarter and more agile supply chains that adjust to our clients' evolving marketplace demands.

Learn more about how Armada can be your competitive advantage.

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