

Foreword

by Nyoman Pujawan

In today's highly competitive environment, achieving excellent timeliness, high information visibility, and low cost processes are among top priorities for companies moving goods along the supply chain. While not every organization possesses sufficient in-house expertise to achieve such excellent performance, options to use external services that will mostly be able to offer better service level with lower costs are widely available. In almost all parts of the world, there has been a significant increase in the practice of logistics outsourcing, which in the end provides great opportunities for logistics service providers to grow in numbers, scales, as well as in capabilities. Logistics service providers are no longer just offering transportation or warehousing services, but more and more of them are now able to provide integrated services that span from fleet management, custom clearance, brokerage, reverse logistics, inventory management, and information technology.

With the constant increase in the practice of logistics outsourcing, competition among logistics service providers is intensifying and consolidation among them is happening. On the other hand, outsourcing practices increase the complexity of supply chain structure. Under such situations, there is a great deal of needs for the sound concepts, frameworks, methods, and tools to design and operate logistics outsourcing as well as to evaluate its effectiveness. There are questions on which processes to outsource and to which logistics service providers, the types of contracts that should be used, the level of integration that should take place, the level of performance that should be agreed, and the types of improvements projects both parties should carry out to achieve a better performance.

Some of the above issues have been addressed in the existing literature, but this book provides a very comprehensive and well structured discussion of various aspects of logistics outsourcing. With six sections and 28 chapters, I think this is the most comprehensive compilation of chapters on logistics outsourcing that I have ever seen. It spans from concept to application, from selection of logistics service providers to performance evaluation, from airline to pharmaceutical sectors, and from costing to legal issues. In short, it brings to the readers almost the complete A to Z of logistics outsourcing. Obviously this is an important book for practitioners who seek guidance for managing outsourcing processes in their business or for the logistics service providers that manage logistics processes on behalf of their clients. Researchers and students who are interested in the state of the art of logistics outsourcing would also find this book as an important reference. If you are looking for any reading materials related to logistics outsourcing, this book is highly recommended.

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Nyoman Pujawan is Professor of Supply Chain Engineering at the Department of Industrial Engineering, Sepuluh Nopember Institute of Technology (ITS), Surabaya, Indonesia. He received a Bachelor's degree in Industrial Engineering from ITS, Indonesia, Master of Engineering in Industrial Engineering from Asian Institute of Technology (AIT) Bangkok, Thailand, and PhD in Management Science from Lancaster University, UK. He also holds Certified Supply Chain Professional (CSCP) from APICS (USA). He was a Lecturer in Operations Management in Manchester Business School, The University of Manchester, UK in 2003 – 2004. His papers have been published in many international journals including the *European Journal of Operational Research*, *International Journal of Production Economics*, *International Journal of Production Research*, *Production Planning and Control*, *Business Process Management Journal*, among others. He is the Editor-in-Chief of *Operations and Supply Chain Management: An International Journal* and in the Editorial Board of four international journals. He is a Board Member of Asia Pacific Industrial Engineering and Management Systems Society (APIEMS). Professor Pujawan worked in industry before moving to the academic world and has been actively delivering professional courses and consultancy services to Indonesian companies in the area of operations and supply chain management. He is now a member of committee responsible for designing national logistics systems under the Coordinating Ministry for the Economy, Republic of Indonesia.