Chapter 3
Web Applications for the Outsourcing of Logistics Services

Dimitris Folinas
ATEI, Greece

ABSTRACT
This chapter investigates the extent to which the Greek Third-Party Logistics (3PLs) companies use the internet in order to provide information and on-line services to their customers. It is based on the findings of a survey that examined the Web presence of 3PL companies in Greece. Thus, the websites of these companies were contacted and evaluated against a specific questionnaire that consists of two main categories of questions: the scope of logistics services which 3PLs provide, and the Internet practices and technologies that the examined companies use in order to support the identified logistics services. The findings of the survey reveal the effort that 3PL companies in Greece have applied in order to effectively and efficiently support their provided services via the Internet. Furthermore, they support the belief that adaptation and application of the Internet best practices and innovative technologies turns out to be beneficial for all the parties involved in the examined business sector.

INTRODUCTION
Continuous changes (technological, economical, and social) in supply chains have lead to the redesign of the existence logistics processes and the development of new. Logistics processes include the supply of the raw materials and products, their handling and storage for the production planning and the distribution of the final products. According to Christopher (2005) and Blanchard (2007) logistics processes aim to manage effectively the inventory to the right quantity, quality, place and time and with the lower cost using efficiently all the available resources. The above processes can be managed either by the organization or by a third party that provides logistics services based on the outsourcing paradigm (White & James, 1998; Murphy & Wood, 2004; Lazaropoulos, 2009). These companies are the Third Party Logistics providers (or simply 3PLs).
The decision for outsourcing or insourcing part or the total of the logistics process is based on specific benefits that the organization can earn. These benefits refer to: 1) Lower cost: an organization that assigns logistics services to a third company achieves savings of resources and release of the assets (the fixed costs are converted to variable costs), 2) Better quality: 3PLs have specialized skills and knowledge; they provide special logistics services possessing the appropriate infrastructure for the execution of logistics processes, and 3) Faster response regarding the provision of the logistics services. Higher level of satisfaction of the customers is the outcome of the above benefits. Furthermore, the organisation becomes more flexible to the special needs of its customers and the new practices and business initiatives of its competitors. Apart from the benefits, outsourcing may cause a number of problems such as the decrease of available working positions and the creation of conflicts in the inner side of the organisation because that the others partners and suppliers may be opposite to this partnership. Additionally, a long partnership may lead to a strong dependency of the organisation by the third party due to gradual loss of knowhow of organization’s human resources. Finally, there is a possibility that the third party will not be able to effectively confront with the special needs of the organisation resulting to a lower level of provided services. It is evident that bad services can have a significant effect to the image of the organisation to the market.

According to ICAP (2006, 2009), the demand for outsourcing depends on the following factors:

1. The degree of the familiarity and appreciation of the organisation regarding the benefits of the outsourcing.
2. The complicatedness of the supply chain management in today’s globalised business environment.
3. The improved possibilities that the new and innovative information and communication technologies (and especially the internet) can support the information exchange between the companies for a better management and distribution of the inventory.
4. The ability of some of the 3PLs to provide value added services concerning the planning of network distribution, the monitoring of moving products, the provision of the information for the level of the inventory, etc.

Moreover, Aberdeen (2008) research shows that among the top criteria for selecting the right 3PL are data quality, ability to exchange information electronically and ability to provide real time visibility. Gurung (2006) argues that the proliferation of the Internet technologies have provided impetus and challenges to the logistics service providers. However, a number of studies such as the researches by Edwards, Peters and Sharman (2001) and van Hoek (2001) that the Internet still has a limited impact on the way that many firms in the supply chain are operating, as well as, Murphy and Darey (2000) and Lynagh et al. (2001) who point out that mostly the larger members of the supply chain are making significantly greater use of the Internet.

The examination of the adoption level by the 3PLs of the internet practices and technologies is the main objective of this study. Specifically, this study aims to present and analyse the findings of a survey regarding the web presence of the Greek logistics service providers. Specific criteria were used for the identification of the provided logistics services and the assessment of the internet technologies and practices that Greek 3PLs are exploiting in order to support their operation.

During the last decade a number of studies have been conducted regarding the outsourcing of logistics services in Greece (Dinos, 2003; Laios, 2004; Moschuris & Apergi, 2006; Vouxaras & Folinas, 2010). The majority of these studies are concentrated either on presenting case studies and best practices or presenting the findings of national