

# Patrick's recent declaration of intent to charge \$100 side loader fee another reason to consider new logistics partnerships beyond single organizations

Sydney, 1 November 2012 - Patrick Stevedores Operations' recent declaration of its intent to charge a \$100 side loader fee (reported in various media outlets and blog sites) does more than increase import/export logistics infrastructure costs, presumably to the dismay of haulage firms and logistics companies. It also provides a much-needed catalyst to new thinking around partnerships, extending and consolidating logistics operations, and improving supply chain performance generally, thinking that has perhaps been tardy until now. To reduce the impact of container detention rules and other port costs such as side loader haulage, the staging time of containers needs to be minimized if not eliminated, to reduce container turnaround. One way round this is for companies to collaborate and integrate logistics systems and operations across the entire supply chain, not just transportation, across different companies. The concept of 'end-to-end' supply chain management then breaks out of the intra-company supply chain to embrace every 'node' on (say) a container's movement from the original country of manufacture to the final distribution centre or even retail warehouse. Companies also need to create new ways to source capabilities so that they collaborate rather than purchase, share authority rather than direct results and integrate supply chain functions more broadly to discard operational and inter-company logistics silos. All these require knowledge, expertise and resources beyond the capabilities of a single organisation. This is the concept of fourth-party logistics (4PL) in which an organization manages the individual logistics services across a group of logistics providers that perform 3PL operations. Such a 4PL organization is founded on principles of shared risk and shared reward. This integration approach differs from the outsourcing alternative because it looks at the complete supply chain and the individual sets of resources feeding into it, rather than carving these up into discrete functions. Each of the disciplines of the supply chain must be evaluated. Any discipline found to be off the industry benchmark can then be replaced with an alternative. And the 4PL entity has the authority to act on behalf of the component members because it's now in all of the members' interests to do so. Collaborating in 4PL business models exploits and gains leverage from the existing assets and resources to create cohesive supply chains that can react to demand much more flexibly. Costs, including exposure to new tariffs such as container detention and staging, and turnaround times are decreased. Perhaps the industry should thank Patrick's after all. ENDS About ORTEC ORTEC is one of the largest providers of advanced planning and optimisation software solutions and consulting services. ORTEC systems optimise fleet routing and despatch, vehicle and pallet loading, workforce scheduling, delivery forecasting and network planning. ORTEC has over 1,650 customers worldwide and employs over 650 employees and offices in Europe, North America, Australia, New Zealand and Asia. For more information, visit [www.ortec.com](http://www.ortec.com) Media contact: Alan Smith, +61 404 432 700 Issued on behalf of ORTEC Australia & New Zealand.

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