CONTENTS

| Preface to the second | l edition | ix |
|-----------------------|-----------|----|
| Acknowledgements | xi | |

Introduction 1

Objectives of this book 5

01 What's shaping the global logistics market? 9

Trade and globalization 10
The impact of supply chain management practice on logistics 18
Centralization of inventory 20
Out-sourcing logistics 22
Evolution towards value adding services 26
To off-shore or near-source? 27
Summary 29

O2 An industry in transformation: towards consolidation 31

Consolidation and fragmentation in the logistics industry 32
Options for growth 39
Is acquisition worthwhile? 41
Acquisition strategies 42
The emergence of the 'mega-carrier' 44
The key logistics segments 46
The future of the global logistics industry 56
Summary 66

03 Logistics market development by geography 67

Influences on market characteristics 67 Geographic market profiles 69 Summary 92

O4 The emergence of logistics clusters 93

Where to locate distribution centres? 93
Centralization of distribution in Europe 97
Centralization of distribution in the United States 102

Centralization of distribution in China 106 Summary 109

05 International freight forwarding 111

The structure of the freight forwarding industry 111
Modal choice by shippers 114
Fragmentation and consolidation 115
The restructuring of the freight forwarding sector 117
Integrators v freight forwarders 118
'Disintermediation' 119
Freight forwarding market dynamics 119
Future forwarding sector performance 124
Summary 127

06 Contract logistics 129

Emergence of a global industry 129
Selecting the right logistics service provider 132
Financing contracts 135
Sales cycle times 136
Contracts and relationships 138
Enhancing value through deeper relationships 139
Summary 145

07 European road freight 147

The structure of the European road freight industry 147
Drivers of growth 157
Cost structures 159
Road freight rates 160
Profitability and company failure 163
Cabotage 165
Summary 166

08 Express parcels 169

The origins of the express parcels industry 169
Market definitions and structure 170
Express market leading companies 173
Express operating model – hub and spoke 174
Express economics 175
Long-term trends in the express sector 178
Key developments in the express industry 179
Summary 181

09 Air cargo 183

Development of the air cargo industry 183
Industry players 186
The air cargo chain 190
Cargo types 192
Freight aircraft 193
Air cargo routes 194
Leading air cargo operators 194
Summary 195

10 Container shipping 197

The origins of the modern industry 197
Shipping economics 198
The structure of the shipping industry 200
Consolidation in the shipping industry 202
Ship size 204
Freight forwarders v shipping lines 204
Key growth lanes 205
Summary 206

11 The European rail and intermodal sectors 209

What is intermodal transport? 210
Who does what in intermodal transport? 211
How is the market structured? 213
Who decides what to use? 216
Largest domestic intermodal operators 217
Intermodal solutions in the automotive sector 218
Summary 222

12 Supply chain technologies 223

What is supply chain management software? 224
Supply chain execution systems 225
Summary 238

13 Supply chain dynamics of vertical sectors 239

Automotive manufacturing logistics 239
Pharmaceutical logistics 248
Consumer goods and retail logistics 253
High-tech manufacturing 262
Summary 268

14 Risks in global supply chains 271

Rebalancing 'external' and 'internal' risks 271 Quantifying supply chain risk 275 Types of supply chain threat 276 Unknown unknowns... 279 Sector resilience to threats 281 Case studies: Supply chain disruption 282 Conclusion 289 Summary 289

15 The e-commerce logistics phenomenon 291

What is e-commerce? 292 The impact of e-retailing on logistics 293 International commerce 296 The role of the postal services 297 e-retailing in Asia 299 e-retailing in North America 301 Summary 303

Supply chain innovation and disruption 305 16

The end of 'business as usual' 305 Supply chain and logistics: ripe for disruption 308 Cross supply chain innovations – the 'Internet of Things' 311 Innovations in last mile delivery 312 Augmented reality 314 Drones 315 Autonomous vehicles 317 3D printing 324 Summary 329

17 Ethical and sustainable supply chain strategies 331

Profits, planet and people – the 'triple' advantage 331 Environmental issues in supply chain and logistics 334 Summary 357

References and further reading 359 Index 363