

EMERGING TRENDS OF 3PLs USED BY THE PHARMA INDUSTRY FOR TRANSPORTATION

By

HAFIZ WAQAR AHMED

32895

A thesis presented to the Department of Management Sciences, Bahria University
Karachi Campus, in partial fulfillment of the requirements
of the MBA degree



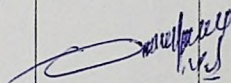
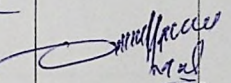
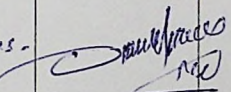
SPRING, 2015

Bahria University Karachi Campus

MBA Thesis

2nd Half-semester Progress Report & Thesis Approval

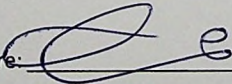
Supervisor-Student Meeting Record

| No. | Date | Place of Meeting | Topic Discussed | Signature of Student |
|-----|----------|------------------|--|--|
| 5 | 07-03-15 | F-10 | Discussed the Data Analysis coefficients, and ANOVA. |  |
| 6 | 14-04-15 | F-10 | Discussed the Data and finalize the data analysis and Discussion on results. |  |
| 7 | 16-05-15 | F-10 | Discussed on Results and conclusion and Recommendations. |  |

APPROVAL FOR EXAMINATION

Candidate's Name: Hariz Noqal Ahmed Registration No. 32895
 Thesis Title: Emerging Trends of 3PLs used By the Pharma Industry for Transportation.

I hereby certify that the above candidate's thesis has been completed to my satisfaction and, to my belief, its standard is appropriate for submission for examination. I have also conducted plagiarism test of this thesis using HEC prescribed software and found similarity index at ----- that is within the permissible limit set by the HEC for the MBA thesis. I have also found the thesis in a format recognized by the Department of Management Sciences.

Supervisor's Signature:  Date: 13-08-15

Name: M. Mumtaz

HOD'S Signature:  Date: _____

ABSTRACT

Purpose: The main focus and purpose of this study is to probe into the explanation and understanding of the trends, types and roles of Third party logistics in creating value for customers, providing assistance and a competitive edge to the firm.

Methodology/Sample: The research conducted was quantitative in nature with an exploratory approach taken to understand the dynamics of the market in terms of third party logistics. Numerical data has been collected for the purpose of statistical analysis. Questionnaire survey technique was used especially close-ended questionnaire designed specifically to collect the quantitative data from the respondents. The sample size constituted of 120 respondents.

Findings: The findings illustrate that third party logistics are a vital part of the supply chain. Outbound logistics not only create value but also cut the costs of the company in terms of transportation and supply cost. The trend of 3PL is constantly increasing especially in pharmaceutical industry. The design and implementation of 3PL models is improving substantially creating better opportunities for differentiation and growth of pharmaceutical firms.

Practical Implementations: The research would benefit every industry that is using or plans to use 3PL model for diversifying their operations and distribution networks around the globe. Furthermore, this research would prove to be valuable for pharmaceutical companies and their management for designing efficient and effective models to carry out their functions.

Keywords: Third party logistics, logistics, distribution, transportation, 3PL models, supply chain

TABLE OF CONTENTS

| | |
|--|------|
| DECLARATION | ii |
| LIST OF TABLES | iii |
| LIST OF FIGURES | iv |
| LIST OF ABBREVIATIONS..... | v |
| ACKNOWLEDGEMENT | vii |
| ABSTRACT..... | viii |
| TABLE OF CONTENTS..... | ix |
| CHAPTER 1: INTRODUCTION..... | 1 |
| 1.1. Background | 1 |
| 1.2. Problem Statement | 2 |
| 1.3. Research Aim | 2 |
| 1.4. Research Objectives | 2 |
| 1.5. Research Questions | 2 |
| 1.6. Hypotheses | 3 |
| 1.7. Rationale of Study..... | 3 |
| 1.8. Significance of Study | 3 |
| 1.9. Outline of Study | 4 |
| CHAPTER 2: LITERATURE REVIEW | 5 |
| 2.1 Third Party Logistics and the Supply Chain | 5 |
| 2.2 Logistics Firms' Supply Chain | 6 |
| 2.3 The Growth and Types of Logistics Service Providers..... | 6 |
| 2.3.1 Asset-Based Logistics Providers: | 6 |
| 2.3.2 Network Logistics Providers: | 7 |
| 2.3.3 Skill-Based Logistics:..... | 7 |
| 2.4 The 3PL as Service Developer: | 8 |
| 2.4.1 The Client Connector: | 8 |
| 2.4.2 The Customer Developer:..... | 8 |
| 2.4.3 Transportation:..... | 8 |
| 2.4.4 Warehouse/ Distribution:..... | 9 |

| | |
|---|----|
| 2.4.5 Forwarder: | 9 |
| 2.4.6 Financial: | 9 |
| 2.4.7 Informational: | 9 |
| 2.5 Third Party Logistics Firm Compared To Other Logistics Firms..... | 10 |
| 2.5.1 Carriers: | 10 |
| 2.5.2 Logistics Intermediaries: | 10 |
| 2.6 The Role of Third Party Logistics Service Providers in the Supply Chains..... | 11 |
| 2.7 Innovation and Value-Added Services..... | 12 |
| CHAPTER 3: RESEARCH METHODOLOGY | 14 |
| 3.1 Research Design..... | 14 |
| 3.2 Technique of Data Collection | 14 |
| 3.3 Research Philosophy | 14 |
| 3.4 Research Strategy | 14 |
| 3.5 Sources of Data Collection..... | 15 |
| 3.6 Selection of Sample..... | 15 |
| 3.7 Sample Size..... | 15 |
| 3.8 Sampling Technique..... | 15 |
| 3.9 Analysis of Data | 16 |
| 3.10 Ethical Considerations..... | 16 |
| 3.11 Chapter Summary..... | 16 |
| CHAPTER 4: DATA ANALYSIS | 17 |
| 4.1. Demographic Profile | 17 |
| 4.2 Reliability Analysis | 18 |
| 4.3 Descriptive Statistics | 20 |
| 4.4 Multiple Regression Analysis | 21 |
| 4.5 Uppermost Involvement..... | 24 |
| 4.5.1 Lowest Uppermost Involvement | 24 |
| 4.6 Conclusion..... | 24 |
| CHAPTER 5: DISCUSSION..... | 25 |
| CHAPTER 6: CONCLUSION | 27 |
| 6.1 Conclusion..... | 27 |

| | |
|---|----|
| 6.2 Recommendations | 27 |
| 6.3 Research Limitations | 28 |
| 6.4 Practical Research Implications | 28 |
| 7.0 REFERENCES | 29 |
| 8.0 APPENDICES | 32 |
| 8.1 Questionnaire | 32 |