

# **THE IMPACT OF FOURTH PARTY LOGISTICS (4PL) MODEL ON COMPANY FINANCIAL PERFORMANCE IN THE FMCG INDUSTRY**

**By**

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






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## MBA Thesis

### 2<sup>nd</sup> Half-semester Progress Report & Thesis Approval

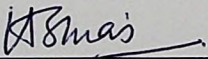
#### Supervisor-Student Meeting Record

No.	Date	Place of Meeting	Topic Discussed	Signature of Student
5	10.06.15	Campus	chapter 1 & literature Review	
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7	25.06.15	Campus	Critical debate, Recommendations	

#### APPROVAL FOR EXAMINATION

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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.

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## Abstract

**Purpose of the Study:** The aim of this research study is to analyze The Impact of Fourth Party Logistics (4PL) model on company financial performance in the FMCG industry taking in consideration the case of Engro Foods Ice Cream supply chain. In this research study the strategic impact from shifting 3PL to 4PL is analyzed and its impact on the supply chain management of ice cream is evaluated. The strategic shift to 4PL has positive impact on the financial performance of the Engro Foods Ice Cream supply chain.

**Research Methodology and Sampling:** Engro Foods Ice Cream supply chain is selected to analyze the impact of 4PL service on the financial performance of the FMCG industry. In this Case two years secondary is collected from internal sources of Engro Foods Ice Cream supply chain and for primary data collection questionnaire is designed and responses are collected to extract results. In this research study dependent or paired sample t-test hypothesis testing is used along with correlation and graphical analysis.

**Findings of the Study:** It is concluded in this study that there is significant impact of 4PL services on the supply chain management of the Engro Foods Ice Cream subsidiary. It is proven by the results of this research study that there is significant impact of 4PL on per liter cost of Engro Foods chain. Similarly, outsourcing the external storage and distribution to the 4PL services provider result in reduction in wastage at warehouse or storage level therefore helps to reduce the cost of the Ice Cream product as evident from the results of hypothesis testing. In addition, the outsourcing the external storage and distribution services to 4PL have been useful to implement cost reduction strategy and support the overall financial performance of the ice cream product which is evident from the hypothesis testing process.

**Practical Implication of the Research:** This research study opens new dimension of studies logistics and supply chain in FMCG sector of Pakistan on the services of 4PL providers to highlight the importance of the layer of logistics. In addition, this study helps to improve the gaps in the selection of 4PL service provided and base the fundamental criteria to be followed in competitive 4PL service provider's selection.

**Keywords:** FMCG sector, layers of logistics, Cold store, 4PL, 3PL, Agility

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