

Title:

Emerging Trends In The 3PL Third Party Logistics Industry

Word Count:

866

Summary:

Go Global Logistics offers every tool your company needs to have an efficient and transparent supply chain to make your importing and exporting as easy and error free as possible.

Keywords:

US customs clearance, customs broker, freight forwarding, freight forwarder, freight shipping, supply chain management, international shipping

Article Body:

The marketplace for third-party logistics is arguably the largest market in the world. Any physical good that comes into or goes out of the United States requires extensive logistics planning and management and must be cleared by U.S. Customs. Because of the complexities of these processes, most businesses choose to hire a 3PL provider to manage the transportation, clearance, warehousing, and distribution of their shipments.

Market Statistics

In 2006, imports to the United States exceeded \$2.2 trillion (a 10.5% increase over 2005) and exports exceeded \$1.4 trillion (an increase of 12.8%). Each of these goods required a number of shipping and warehousing services and must receive US Customs clearance... this is where Go Global takes over.

In 2006, the total revenue for the 3PL industry was \$110.6 billion, representing a total industry growth rate of 11.9%. Datamonitor projects that by 2010, the total 3PL market will exceed \$140 billion.

Global trade management is also part of the focus at Go Global Logistics. In 2005, the global trade management segment expanded to \$222 million, and is expected to swell to \$405 million by 2010, a cumulative annual growth rate of 12.8%.

The Go Global Marketplace is cornering this portion of the market, encouraging small and mid-sized businesses to participate in global trade, under the

consultation of Go Global. By using the marketplace to manage our customer's transactions, Go Global is able to provide FREE transaction management, shipment tracking, trade negotiations, and our "bidding war" reverse auction function, adding value for our clients and strengthening our comparative advantage over the competition.

Many companies entered international markets precipitously and are only now beginning to address the lack of visibility across their supply chains. Only the largest 3PL (third party logistics) providers offer the newest technologies like online tracking, and 90% of enterprises report that their global supply chain technology is inadequate to provide the timely information necessary for budget and cash-flow planning as well as effective management. Go Global Logistics offers every tool your company needs to have an efficient and transparent supply chain to make your importing and exporting as easy and error free as possible.

One of the most counterintuitive aspects of the freight forwarding and third party logistics industry is the lack of a central location for international trade information and services. The industry is extremely

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fragmented and operates behind the scenes. For this reason, many businesses with a desire to enter international markets have no idea where to begin.

Furthermore, those companies that do provide complete 3PL services are very large and have been focusing on maintaining a small number of larger accounts. Many small and mid-sized businesses who were fortunate enough to find a reliable 3PL provider find themselves being squeezed out and not having their contracts renewed. The smaller third party logistics providers do not offer the newer supply chain technologies, and are characterized by "old school" business practices.

Go Global is involved in many of the fastest growing markets in the world such as Asia and Western Europe where the market is expected to grow 33% over the next five years. It is projected that after five years, 3PLs (third party logistics providers) will handle more than 57% of the sector's supply chain requirements. This provides tremendous growth opportunities for Go Global.

Go Global is also slowly expanding into the African markets as the infrastructure and problems with governmental corruption improves. Foreign Direct Investment in Africa has been steadily rising, a sign that it will soon be a viable target market for Go Global Logistics. In 2006, FDI increased 26.5% to \$38.8 billion. If this trend continues to develop, Africa may be the next China of international trade, and Go Global hopes to be there to ride the wave.

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Redefining the Market

Most small and mid-sized businesses search for 3PL providers on the internet, where 3PL advertising coverage is abysmal. Upon performing an online search for "customs broker" "3PL" or "logistics," the results yielded are generally unrelated to the services businesses are seeking. Go Global plans to capitalize on this by establishing a strong online presence with user-friendly information geared towards businesses new to international trade.

By providing innovative features that are valuable to our customers like the Go Global Online Marketplace, we attract a wide range of businesses seeking to or already engaged in international trade. The Go Global Marketplace is redefining the market by creating a centralized online marketplace allowing importers and exporters across the globe to connect and trade in a secure and efficient platform.

By providing low cost, scalable, online services with the same level of visibility available from the largest 3PLs, Go Global is redefining the world of international trade and supply chain services and continues to empower small and mid-sized businesses to compete on the global stage.