

Benefits of Using a 3PL

3PLs or third-party logistics professionals, act as the “travel agents” for freight. They serve tens of thousands of shippers and carriers, bringing together the transportation needs of the cargo interests with the corresponding capacity and special equipment offered by rail, motor, air, and ocean carriers.

Many shippers in recent years have streamlined their acquisition and distribution operations. They have reduced their in-house transportation departments, and have chosen to deal with only a few “core carriers” directly. Increasingly, they have contracted out the function of arranging transportation to 3PLs. A recent study showed that 83% of shippers reported using 3PLs for part of their domestic transportation needs. Every Fortune 100 Company now has at least one third-party logistics company (3PL) as one of its core carriers and since a 3PL in turn may have relationships with dozens, or even thousands of underlying carriers, the shipper has many service options available to it from a single source by employing an intermediary.

As customers demand more efficient solutions for their logistics needs, the 3PL industry continues to grow in size and stature. 3PLs help its shipper customers maximize business opportunities by offering industry-leading technology products and services to set their businesses apart.

The Transportation Intermediaries Association (TIA) is the voice of the 3PL industry, offers its members a number of helpful tools to grow their business including, best broker practices, TIA Code of Ethics, TIA Performance Certified bond program, model contracts, TIA Watch Dog, and the Certified Transportation Broker (CTB) status for individual employees of a brokerage. TIA's education programs have been developed to assist all levels of expertise in the industry, and through these programs, TIA members have distinguished themselves from the rest of the industry.

Protect your business, the next time you look to hire a 3PL to manage your transportation needs, ask if they are a TIA member.
