

# European 3PL Industry Training and Development Report

*in conjunction with*

## 4th eyefortransport European 3PL Summit

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## I. Introduction

It is highlighted in the European 3PL Market Report 2006, "as businesses diversify and their supply chains become increasingly complex and fragile, more and more of them are outsourcing their logistics in order to ensure economical, reliable and efficient deliveries from their suppliers and to their markets. It has become almost a maxim of commerce that a 3PL should be not merely a contractor, but in many senses also a business partner."

Training plays a key role in a 3PL's ability to achieve true collaboration with their clients and their ability to deliver true value through these business partnerships.

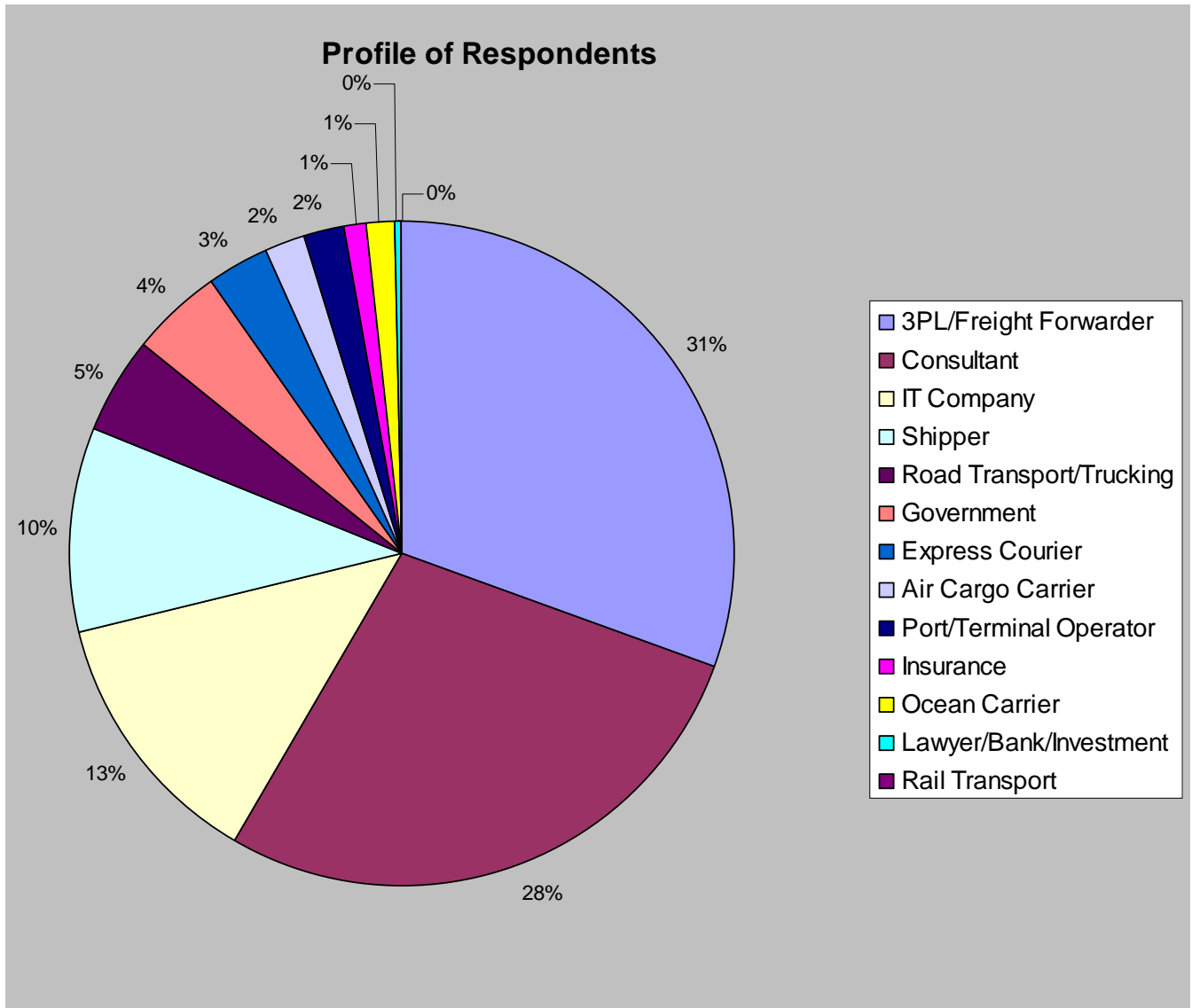
## II. Survey Overview

The survey was conducted in conjunction with eyefortransport's 2006 European 3PL Summit and responses were solicited by targeted e-mail lists. No individual responses were analyzed, but rather all responses were consolidated and reported herein.

The respondents were asked a series of questions regarding their business, current training efforts and expected future training endeavors. Respondents were requested to provide feedback in multiple-choice format as well as to provide comments in free form text where appropriate.

### III. Respondents and Organizational Profile

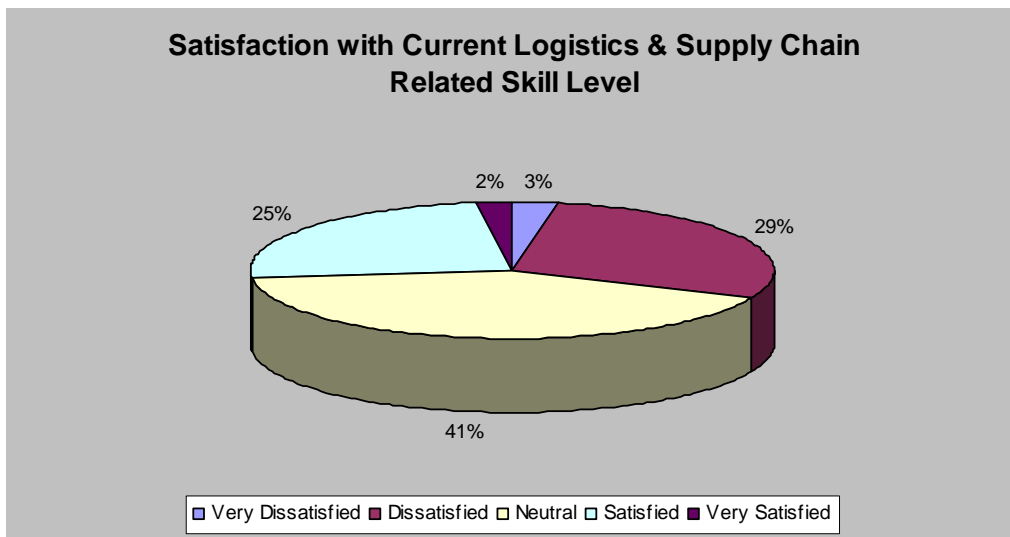
There were a total of 255 valid responses for the 2006 survey. Of those valid responses, responding organizations included a wide variety of industry players. The majority of respondents (31%) are involved in the selling or marketing of third party logistics services. The second highest responding group (28%) categorized themselves as consultants.



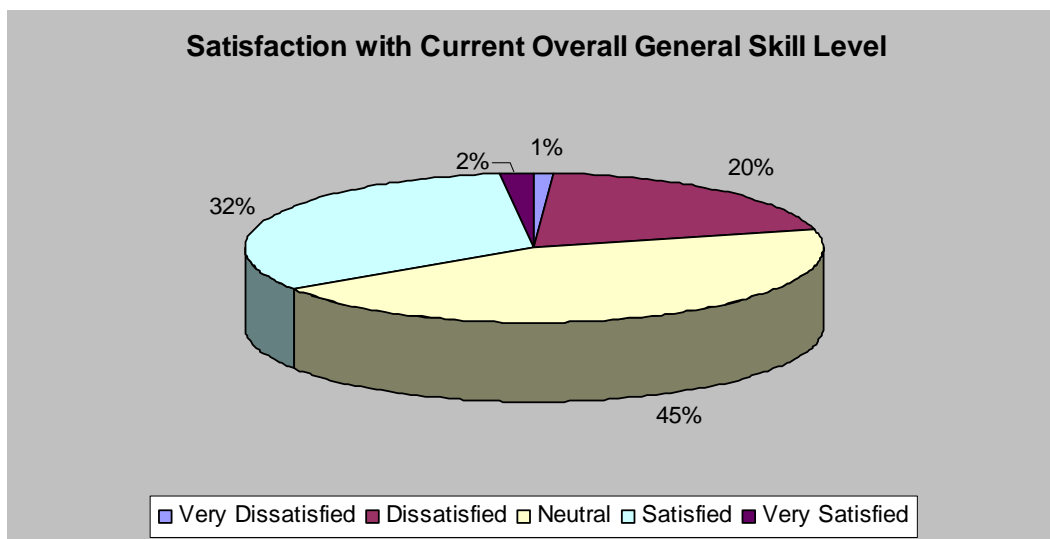
## IV. Industry Training and Development

The survey revealed how those respondents and organizations are currently approaching training and development issues within the European 3PL industry as well as satisfaction level with current capabilities of staff.

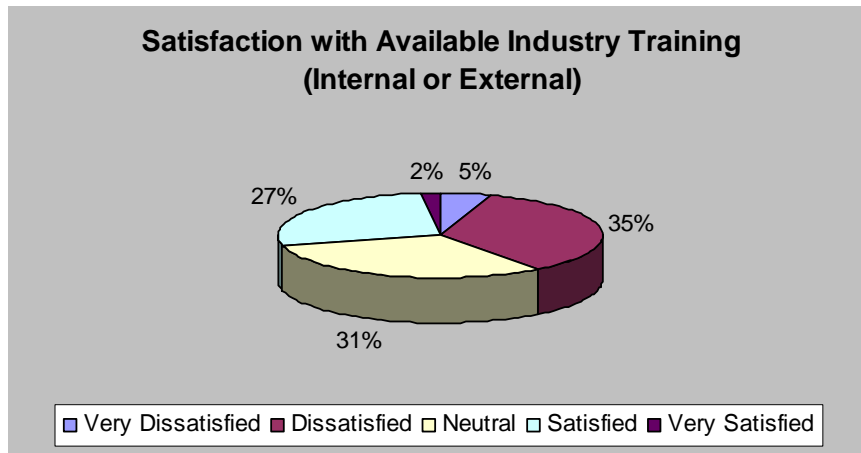
Respondents were asked **“How satisfied are you: With the current overall skill level of your staff?”**. Responses were largely in the middle in ranging from dissatisfied to satisfied, with the majority response taking a neutral response to the question posed.



The respondents were further asked, **“How satisfied are you with the current overall general skill level in the European 3PL industry?”**. The following is the breakdown of the responses received.



As follow up, the participants were also asked how satisfied they were with the current available industry training, both on an internal and external basis. The responses were largely similar to the earlier responses regarding satisfaction with overall skill level.

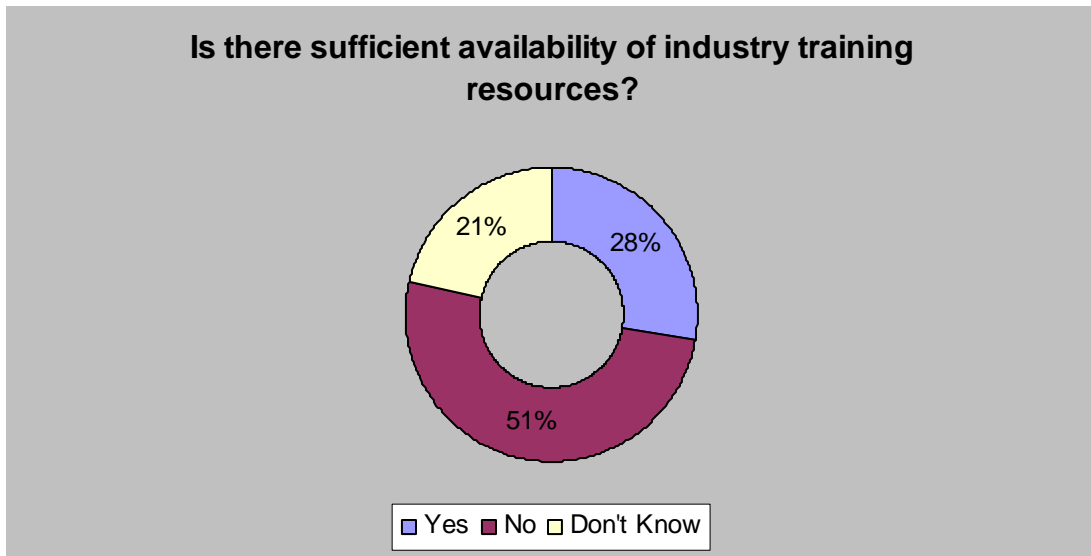


Respondents were also asked to provide their feedback in terms of what functional or skill areas they felt were specifically lacking in the industry. The responses varied widely but included the following.

- Lack of adequate experience and/or practical knowledge
- Lack of overall understanding of the supply chain and relevant metrics
- Both commercial and operational logistics
- Lack of available structured training
- European contract management process and tendering
- Benchmarking and comparative knowledge
- Customer service management and initiative
- Logistics fundamental knowledge and training
- Industry specific business development and sales expertise
- Process re-engineering skills and solution design
- Supply chain e-commerce
- Intercultural awareness and sensitivity in the industry
- Integrated services and supply chain concepts
- Limited development and training resources

While there were many other responses, the above represent the central theme of the overall responses from the participants.

As follow up, participants were asked, are there enough available training resources in the region to support these needs:

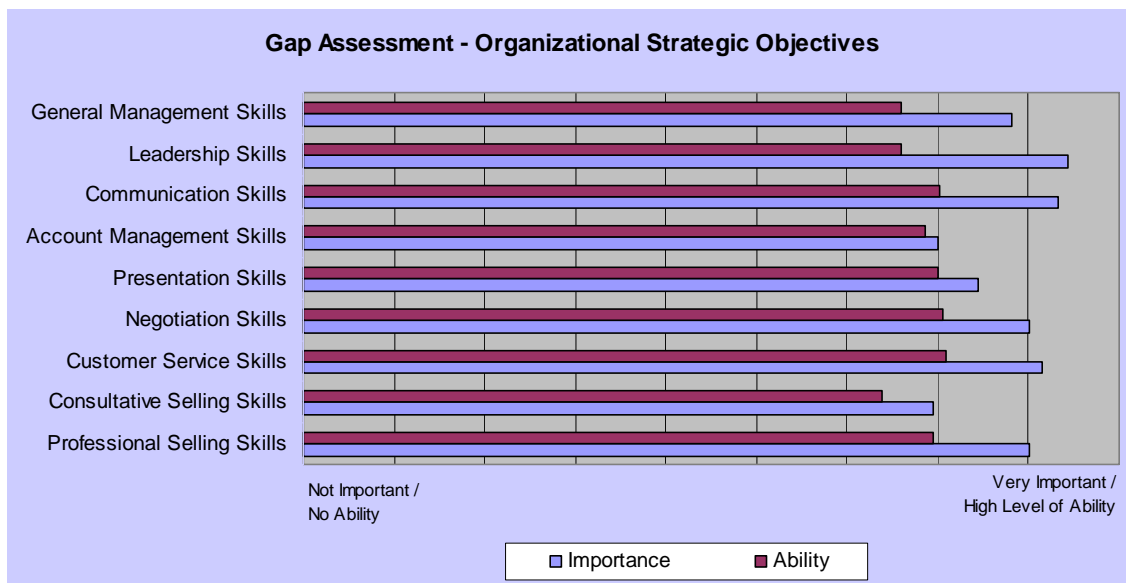


The majority of the respondents (72%) answered either "No" or "Don't Know", implying that there is a developing need for practical and experienced based training.

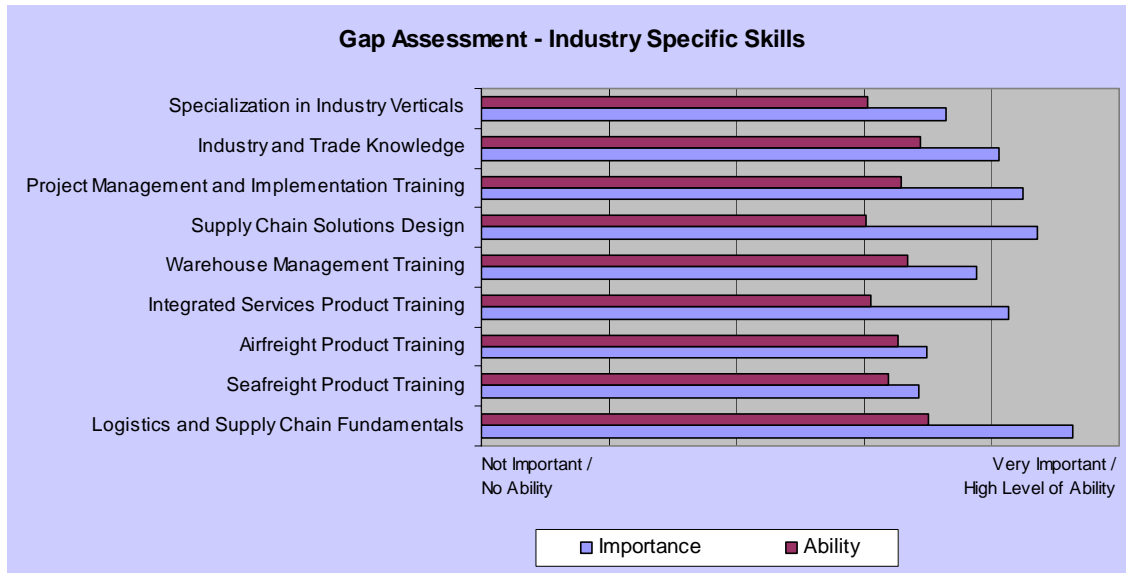
## V. Gap Assessment

The participants were provided with a list of relevant industry organizational strategic objectives and industry specific skills. They were further asked to rank the importance and ability of each knowledge or skill area provided based on their perceptions of the European 3PL industry.

Although the perceived gap between importance and ability in each knowledge or skill area varies, the results indicated that in each of these areas there is an existing gap. Based on the survey, Leadership, Communication and Customer Service skills are among the most important skills as related to an organization’s strategic objectives. A current gap exists in all three areas in the market as it does in the remaining knowledge or skill areas.



The second part of the question, considered the perceived gap among industry specific skills – or related knowledge and skill areas.



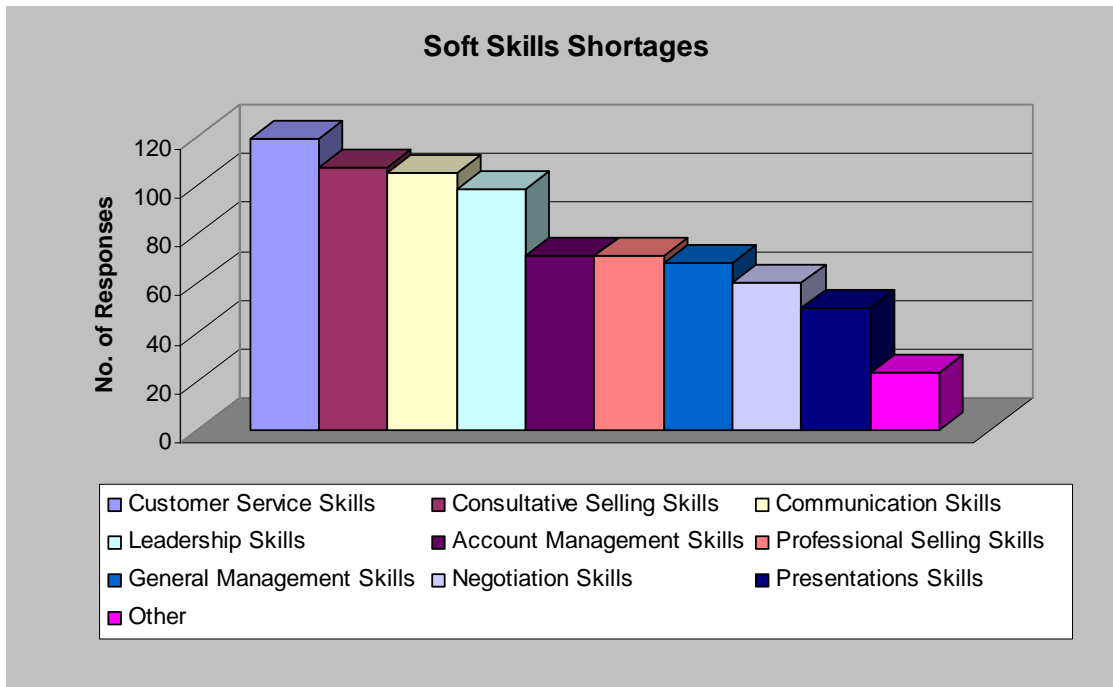
Logistics and Supply Chain Fundamentals, Supply Chain Solutions Design and Project Management and Implementation skills were ranked as the most important. In all listed areas, importance outranked ability indicating that a gap exists in each of these key areas.

## VI. Identified Skill Shortages

The 2006 survey took a closer look at specific soft and industry specific skills in order to further evaluate potential training gaps.

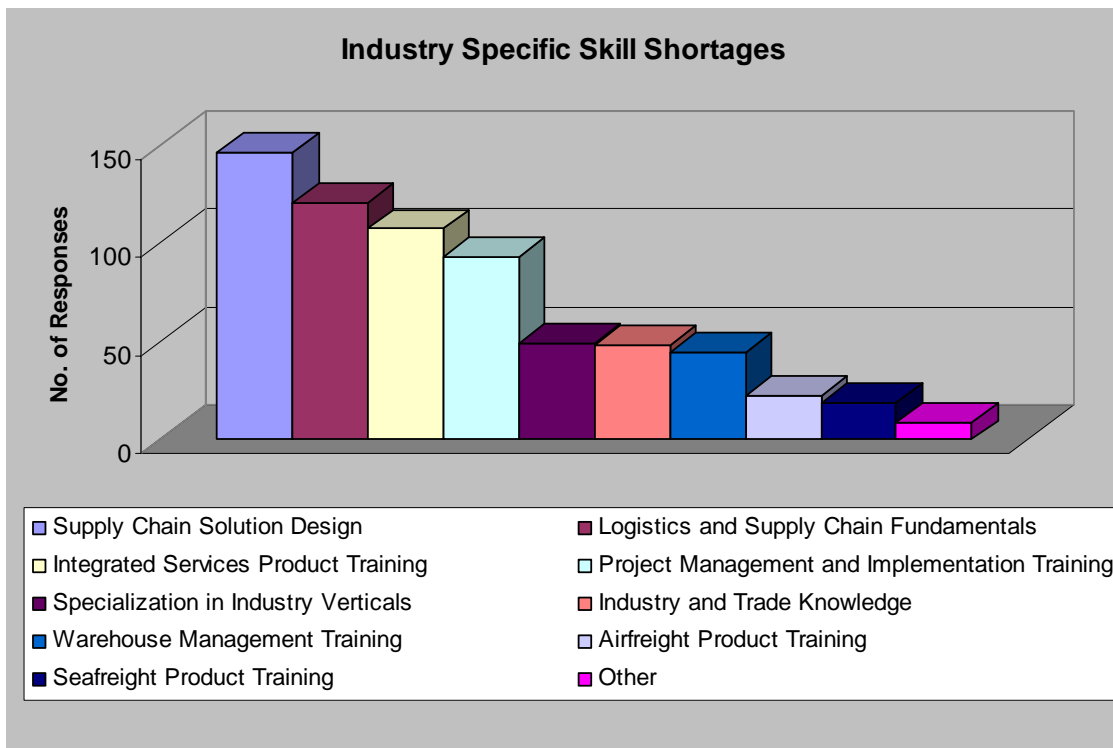
Respondents were asked, **“What do you feel are the major soft skill shortages in the industry today (both within your organization and the industry as a whole)?”** and **“What do you feel are the major industry specific skill shortages in the industry today (both within your organization and the industry as a whole)”**. They were asked to select the top 3 areas in each question.

Based on responses, Customer Service, Consultative Selling and Communication Skills are the top 3 soft skills shortages areas or gaps.



Other responses included intercultural awareness, coaching and mentoring skills and research related skills.

Based on the responses Supply Chain Solution Design, Logistics and Supply Chain Fundamentals and Integrated Services are the top 3 industry specific skill shortages in the European 3PL industry today.



Other answers included situational analysis and problem solving, sharing of best practices and safety and security related training.

## VII. Industry Challenges and Opportunities

The survey also considered significant business challenges and opportunities in the market. The survey also considered whether training was an effective channel or part of an effective channel in helping organizations manage relevant challenges and opportunities. Respondents were requested to provide feedback in free form text.

Respondents were asked, **“What do you believe to be the most critical or important business opportunity currently facing the 3PL industry in Europe today?”** Respondents provided a variety of responses in respect to this question. The primary responses can be broken down as follows:

- Collaboration among supply chain partners
- Understanding, meeting and management of the 3PL's customers needs and requirements
- Customer service excellence and initiative
- Achieving greater cost-effectiveness through capitalizing on supply chain best practices
- Globalization and managing the impact on the supply chain
- Knowledge regarding developing markets, specifically China and India
- Developing Asia logistics and market knowledge
- Security issues and impact on the supply chain
- Managing increasing transport costs
- Capitalizing on integrated services and solutions
- Supply chain integration across geographic regions
- Providing true seamless pan-European solutions for customers
- Capitalizing on new technology and e-commerce developments in the industry
- Solution design and network optimization
- RFID and other emerging technologies
- Ability to develop industry expertise and penetrate industry verticals
- The emergence of the 4PL or LLP
- Industry consolidation and development of niche players
- Account management and customer relationship development
- Managing end-to-end logistics for companies with geographically diverse supply/customer base
- Value creation in a globalization environment

Because of the high level of responses, the feedback provided to this question varied greatly – the above represents of cross-section of those responses.

As follow-up, participants were asked what roadblocks or obstacles did they feel kept industry players from realizing these opportunities.

- Existing focus on short-term objectives and planning
- Lack of general expertise in the industry/market

- Training and staff development issues
- Lack of integrated approach to existing opportunities
- Retention of experienced and knowledgeable staff
- Existing silo approach based on function, market, culture, etc.
- Lack of skilled professionals in the specialized fields of training
- Lack of visionary approach to business
- Inability to take a global focus on customer development
- Lack of consultative selling approach and regional/local thinking
- Lack of partnership approach and collaboration
- Industry consolidation and acquisitions
- Lack of understanding and ease of doing business in the regulatory environment

As the second part of the question, respondents were asked **“What is the most critical or important business problem currently facing the 3PL industry in Europe today?”** Respondents provided a variety of responses in respect to this question. The responses were very similar to those provided when asked what the roadblocks or challenges were prohibiting companies from capitalizing on existing opportunities. In addition, there were several unique responses to this question.

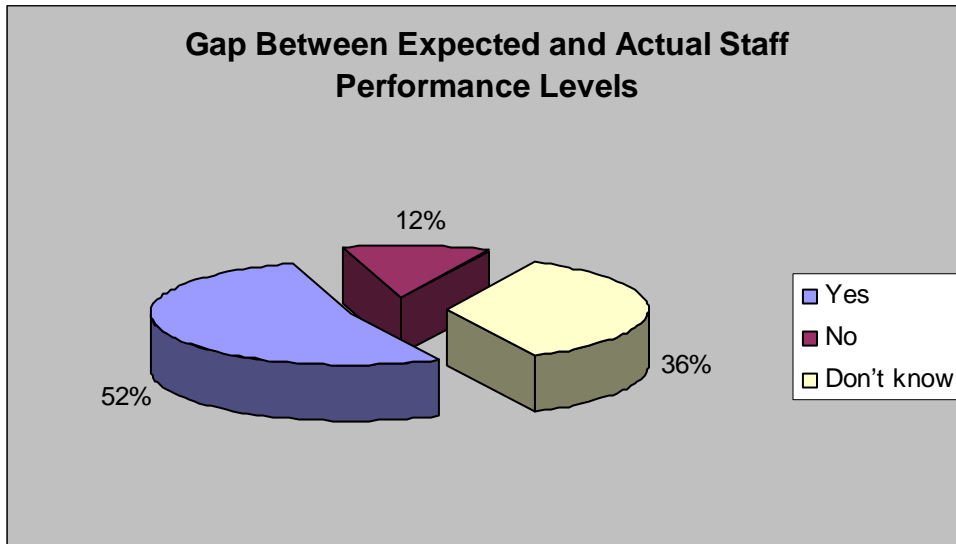
- Increase in sophistication of and extended supply chains
- Competitive marketplace and pressure
- Addressing non-core outsourcing needs of the industry
- Industry consolidation/market share domination
- Commodization of services and solutions
- Gap between strategy, tactics and operations
- Lack of general managerial excellence and experience

Respondents were then asked to identify the current obstacles or roadblocks keeping the 3PL industry in Europe from addressing the identified business problems. Again the responses were similar to those provide earlier. The following themes existed in response to this question.

- Issues are not recognized or acknowledged
- Lack of adoption to new operating models
- Lack of risk taking approach and acceptance of new ideas
- Current government and political system
- Low profit margin business, inability to look long-term
- Lack of staff knowledge and development
- Lack of market transparency

As follow-up, respondents were asked if they felt training and human resource development can help address these opportunities and/or business problems and to provide their feedback as to why they felt that it could or could not. The majority of respondents answered, provided other conditions and requirements were met. These responses included management strategy and leadership, management execution, organizational strategic objectives in line with opportunities, sharing of best practices, the right corporate culture and the communication of messages across all areas and levels within an organization.

Lastly, respondents were asked, **“In the European 3PL industry, do you believe a gap exists between expected and actual staff performance levels?”**.



The majority of respondents (52%) agreed that a gap did exist in the current European 3PL industry.

## VIII. Closing

As introduced in the opening of this study, the need for better training and staff development continues to be a challenge facing the development of the logistics and transportation industry in European 3PL market. While most respondents were generally satisfied with the overall existing skill level, some gaps do exist. As the industry grows and the 3PL's existing customer base continues to increase their requirements and expectations coupled with the greater emphasis placed on measuring achieved value – this places greater emphasis and pressure on staff development and skill levels.

For more information on the survey results, please contact [info@r-sintl.com](mailto:info@r-sintl.com) or for more information on the upcoming 2006 European 3PL Summit, contact Laura Goddard at [lgoddard@eyefortransport.com](mailto:lgoddard@eyefortransport.com).

## About RSI

RSI is an industry specific training and consulting company founded on the fundamental principle that people are a company's greatest asset. The company's core business is providing quality-training solutions to the international logistics and transport sector. To be successful, employees at all levels need superior quality training that promotes learning and development. RSI's goal is to provide best in class training solutions tailored to the specific business needs and requirements of the industry and delivered by individuals with relevant working experience. As every business and every industry has its own language and style, the company's niche focus has allowed it to set itself apart in an ever changing and dynamic industry.

RSI has worked with some of the world's largest carriers, logistics providers and terminal operators. RSI's customers require customized courses and topics include market updates, integrated selling skills, value added selling and excellence in customer service training.



In 2005 RSI was awarded with the Award of Excellence by the Global Institute of Logistics for work in training and development within the logistics industry. RSI is the first training company to receive this prominent award.

For more information about RSI and its programs and services please visit <http://www.r-sintl.com/>

**For more information and full list of available courses, please contact:**  
**Rasmussen & Simonsen International Pte Ltd**  
Email: [info@r-sintl.com](mailto:info@r-sintl.com)



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We publish logistics and transportation information via our free website which is updated 24 hours a day and through our free e-newsletters. The website, <http://www.eyefortransport.com/> has over 250,000 industry users each month, making it the most visited logistics and transportation news website in the world. Over 60,000 senior executives also currently subscribe to the weekly and daily eyefortransport e-Newsletters.

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