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Triads at the interface between supply networks and logistics service networks

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Conceptual study - Motivations

Research

- Research and literature on supply networks and on logistics service networks has largely been separated.
- Logistics research, in general has often been accused of being weakly theoretically grounded. (Kent and Flint 1997).
- The need to extend the supply chain perspective to supply network perspective.

Managerial

- Supply networks and logistics service networks are integrated, and need coordination.
- The cost for transportation is comparatively low – purchasing of transport services has not been a strategic issue for most firms.
- Transport is a strategic issue for society due to environmental concerns.



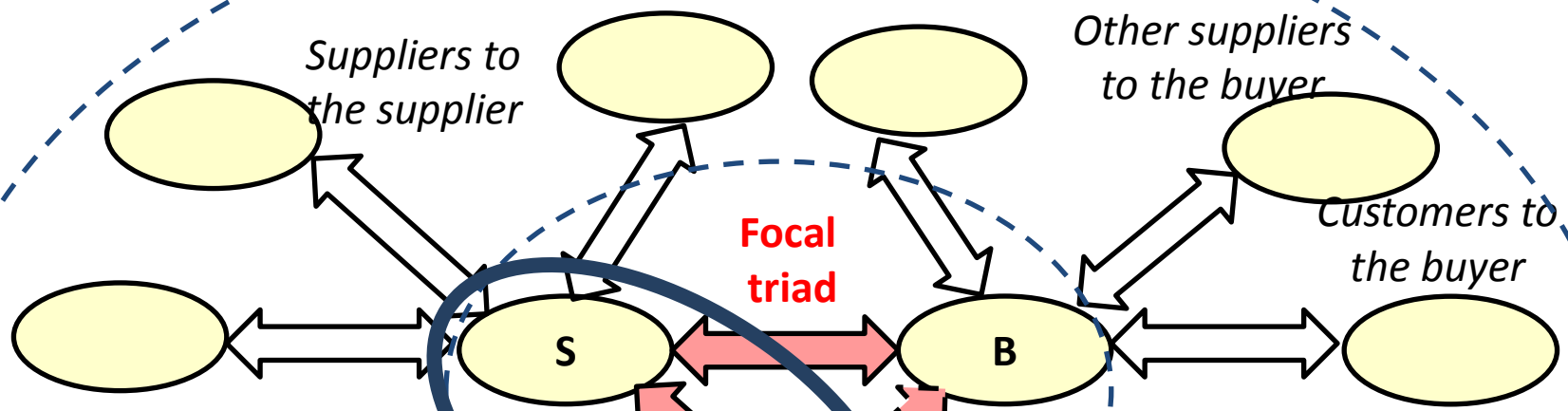
Aim of the paper

To develop the notion of the triads connecting supply and logistics service networks, and to elaborate on their functions in relation to the two sides of the interface.

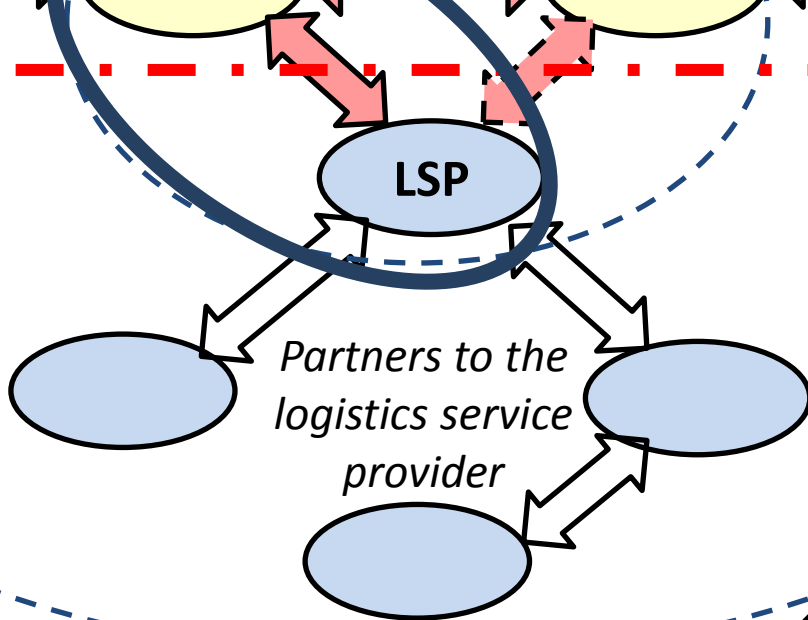
- Focus: interface between supply- and logistics service networks.
- Units of analysis: generic triads connecting buyers and suppliers of products with buyers and suppliers of logistics services.

Supply network

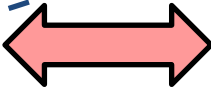
"Fourth parties"

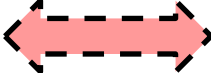


Focal triad



 Key dyad

 Direct relationship

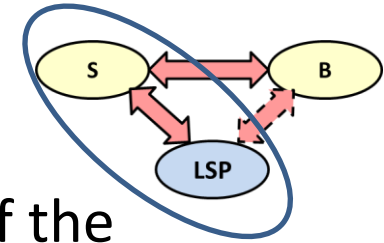
 Indirect relationship

Logistics network

The key dyad: seller of goods and LSP

Critical issues

1. Content and scope of the service, i.e. content of the exchange between the parties
 - Difficulties in defining the service
 - Different needs in coordination
2. How the service is developed and by what actor(s)
 - Framework: Relational interfaces (Araujo et al. 1999)
 - Standardized
 - Specified
 - Translational (functional)
 - Interactive



Fourth party connections in the logistics service network

Standardized	Specified	Functional	Interactive
<ul style="list-style-type: none"> Exact delivery times are not important for the buyer LSP offers standardised services => Economies of scale Buyer can adapt to the standardised service Buyer and the fourth parties might need to adapt 	<ul style="list-style-type: none"> Seller specifies the service in detail Buyer might have environmental requirements LSP needs to adapt its internal resources or search new sub-suppliers Adaptations of resources with regard to fourth parties are required 	<ul style="list-style-type: none"> Seller specifies service level according to the buyer's requirements LSP is free to choose carrier, mode of transport etc. LSP is able to plan and develop the service so that resources (both internal and external) can be utilized in an efficient way 	<ul style="list-style-type: none"> LSP together with seller develops the service Seller's, buyer's and specific fourth parties' needs are considered LSP's capabilities and resources are considered LSP can better utilize its own, carriers' and distribution centres' resources



Conclusions and implications

- Generic triads connecting buyers and suppliers of products with buyers and suppliers of logistics services as a unit of analysis can support the development of logistics services.
- Relational interfaces as a framework: New forms of networking and exchange.
 - Increasing awareness of the business context and changes in it may inspire to new ‘business models’.
 - Triads are helpful in the understanding of the changes.
- The efficiency of the use of the resources within the logistics service network cannot be made with assumptions of given demands of transport services.
- If all three actors in the focal triad, with their knowledge of relevant ‘fourth parties’ can be involved in the development of logistics services, the possibilities to increase the efficiency of their operations may be enhanced.



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Thank you!

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