

FHWA Freight Transportation Industry Internship

Third Party Logistics Providers



This internship is designed to enable public sector participants to better understand: 1) how and why 3PLs make transportation decisions; 2) who makes the decisions; 3) how the industry manages or contends with problems and issues; 4) what critical situations require immediate changes to modes, routes, or schedules; 5) how transportation infrastructure conditions impact the business; 6) the importance of on-time performance to industry's supply chains and distribution networks; and 7) the economic and policy environments that shape these networks. This may be accomplished through focused questions and discussions with responsible industry staff and through firsthand observation.

Industry Description – Third Party Logistics

Providers (3PLs): provide multiple logistics services to add value to customers' supply chains. These services entail the movement of components and raw materials from suppliers to manufacturers, as well as finished products from manufacturers to wholesalers, retailers and consumers, reverse logistics, warehousing, cross-docking, inventory management, packaging, assembly, freight forwarding, and other value-added services. These services are typically integrated, aligned or coordinated by the 3PL provider.

Prior to the Internship: Gather information on the 3PL industry, the host company, and the facility where the internship will be located

Research the type of services performed at the facility

- What industries does the 3PL serve (manufacturing, retail, service industries, etc.)
- What size businesses does the 3PL provider serve; large global companies, small local companies, all, or somewhere in between
- What type of services does the company provide (warehousing, cross-docking, packaging, etc.)

Coordinate and clear your proposed activities with the host company

- Schedule and clear your internship activities with host company officials (including participation in meetings, observations, and interviews) prior to the internship

During the Internship:

Meet with the company vice president or facility manager (or someone of comparable position)

- How does the 3PL get business; what types of businesses does the 3PL work with; why do businesses and industries come to their 3PL

- Explain the process involved when a customer asks for 3PL services; who initiates the contact, who carries out the engagement and how does that process work
- What measures are in place to ensure that customers and their 3PL provider share the same outlook toward business expectations
- What is the level of communication/interaction between the customer and 3PL provider
- Do they manage all, or the majority, of the customer's supply chain
- How do they improve the customer's supply chain
 - What value-added services are provided (specialized packaging or handling, customer service, testing and inspection, reverse logistics, etc.)
 - Does the company own and operate facilities and equipment
 - Do they provide customized transportation services
- How do they determine which mode of transport is most cost-efficient; fastest; most reliable; least cost for their customer, who determines; is there a mode that is not well utilized; why
 - What role does the 3PL play in influencing the mode or facility selected
 - Who determines routes used; what are the main challenges when routing; how have modes and routes changed over time; how do they anticipate they will change in the next one to five years
 - What transportation planning software (e.g., transportation management system) is used to determine the optimal vehicle routing, truck scheduling constraints, typical rush hour bottlenecks, etc.; how do planning and optimization tools help guarantee that the 3PL service is operating at maximum efficiency
 - How do transportation managers negotiate pricing and scheduling to meet customer needs
 - When shipping via truckload, is there a particular loading process if more than one customer's goods make up the truckload

- How flexible is the process of scheduling a fleet of trucks to pick up/deliver a customer's product; is there a backup truck/means of transportation available if a truck is off schedule
- What are the main challenges when planning vehicle routing of trucks
- When picking up multiple customers' loads, what is the maximum distance between customers that one truck will typically travel
- What steps are taken to reduce late deliveries
- How much of the company's shipping is conducted with LTL
- Is there a standard process for coordinating the schedule among the customer, manufacturer, distribution center, and the retail/ wholesale/ direct consumer
- What type of procedures are implemented to store and manage multiple customers' products
- What measures are taken to streamline logistical support for a variety of customers so as not to cause delays
- What transportation infrastructure improvements, investments, technology changes, or tools are needed to facilitate efficiency improvements; how much of an issue is the overall system condition (pot holes, etc.) to the routes they take, to long term condition and maintenance needs of their vehicles, to the condition of the products they ship or receive
- How challenging is access to intermodal facilities; how can the last mile and intermodal access be improved, including international and national gateways (air and ports, border crossings)
- What measures has the company taken to offset the trend of longer supply chains and increases in fuel costs
- How does their business operate today compared to the past; one year ago, five years ago, or more
 - can a significant change in operations be defined at some point in time and what was the impact of that change
- What types of changes could the business experience in the short term; long term
- What changes does the 3PL make to its operations when a customer or manufacturer changes its product (e.g., produces a product that is larger and heavier) but still needs to ship a large quantity
- What type of market research is required to gauge service demand

Discuss the intern's public sector job function

- What types of decisions are made by the FTII participant; how may these decisions impact this company's performance

- How can the participant or agency better communicate with this company and vice versa
- What can be done to improve transportation efficiency for the industry
- Is the host familiar with the public sector agencies and organizations that make transportation decisions; do they understand how these decisions can affect their operation
 - If yes, does the host interact with the public transportation agencies/organizations; how and why
 - If no, frame a discussion around this point to determine if there is a benefit to the host interacting with the public transportation agencies/organizations.
- Do they participate in an organization or association such as the Council of Supply Chain Management Professionals (CSCMP) or Warehouse Education and Research Council (WERC), etc. that may interact with public sector transportation agencies; do they know what the benefits are

Observe Inbound and Outbound Operations

(NOTE: Some 3PLs may only operate an administrative office type facility; if a warehouse or other transportation operations facility is available, refer to the Industry Outline and Guidance materials that accompany the FTII brochure.)

Conclusion of Internship:

- Lessons learned from the internship experience should be shared by both the host and participant with the public agency and host company.
- Identify opportunities for collaboration in the future.

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