

Factors Determining the Selection of a Logistic Operator

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The aim of the article is to present and analyze major groups of factors that are considered by companies when selecting a logistic operator, and to demonstrate how a given factor influences the quality of performed tasks. It systemises factors and analyses more closely those which are currently of biggest importance in the process of time and costs optimization in logistic processes from the point of view of both a logistic operator and a customer. It shows also some solutions which may be helpful when selecting external Contractor for services.

Keywords: logistic operator, logistic services, outsourcing, management systems.

1. INTRODUCTION

In this article the author concentrates on the Modern companies are not able to function efficiently without developing the effective logistic solutions. These solutions can be based on their own infrastructural potential or the external resources. Regardless of the finally adopted solution, its application should optimize the effectiveness of its particular parts. A frequent solution, commonly found in the practice of companies' operation, is outsourcing which consists in ordering the performance of particular logistic tasks from an external Contractor. The reason for these decisions is usually the issue of outlays that need to be made to perform a given task and they result both from the cost-consuming character of the logistic operations and the need to have professional knowledge and experience.¹ When a decision is made to order the performance of logistic tasks from external contractors, other dilemma emerges at the same time, namely the selection of a contractor or a logistic operator. The issue is the more important, the greater the impact of the service being provided on the quality and cost structure of the client service process. How to choose an appropriate operator? What criteria

should be applied when making this choice and how to prioritize them? What requirements should a logistic company meet to be the contractor performing these services? To answer the questions above, the basic list of expectations toward an operator should be identified.

2. BASIC CRITERIA OF SELECTING A LOGISTIC OPERATOR

The selection of a logistic service provider, who will be entrusted with the logistic tasks of a company, is considered as a part of strategic decisions. The reason for this is the fact the company transfers the performance of specified tasks to the external contractors, but will be held liable for their execution as for its own services. This means that in order to minimize the risk of failure, there should be a thorough search for the partner capable of performing the tasks it has been entrusted with, at the level acceptable by the client. Since many contractors operate on the logistic service market and they offer comparable services, it is necessary to prepare a set of criteria that would facilitate this choice. At this point, it is worth emphasizing that these sets of criteria are diverse, as this is dependent on the client's expectations. On the other hand, from the observation of companies, it can be concluded that the main reasons why they search for external contractors is the wish to render

¹ K. Kowalczyk, *Outsourcing logistyczny-za i przeciw*, „Infrastruktura Transportu” 2011/01.

to them specified services related to contract logistics. As a result of these actions, companies want to reduce costs, decrease investments in logistic infrastructure and means of transport, and thus more effectively use the capital they possess. Additionally, companies also expect their possibilities to grow with regard to:²

- focus on key areas of their activity,
- reducing fixed costs,
- restricting unprofitable activities or those that are difficult to implement, e.g. owing to the lack of relevant infrastructure, as well as the employee-technological base,
- accessing resources and services of better quality, which the company does not have,
- greater operational flexibility.

At this point, it should be emphasized that the decision on outsourcing does not entail only financial benefits, but also risk. Therefore, two things are equally important: estimating potential savings and the scope of outsourcing.

However, from the observation of companies, it can be concluded that the main reasons to search the external service providers are the following:³

- focus on the key areas of activity,
- the attempt to reduce permanent costs,
- to eliminate unprofitable activities or those that are difficult to implement, e.g. due to the lack of relevant infrastructure, as well as the human and technological resources,
- to provide access to resources and services of better quality and which the company does not have,
- to ensure greater operational flexibility.

The decision to transfer the service performance to the external contractor results from the analysis of benefits that this solution will bring, including in particular the additional values which will be offered to the client. The subject literature presents different sets of criteria to select the logistic operator.⁴ They include both the execution of

transport and warehouse processes. They also emphasize the need to consider both the quantitative and qualitative factors in the process of criteria selection. The most frequently used criteria of selecting the logistic operator are the following:⁵

- experience on the logistic market,
- service quality:
 - comprehensiveness of an offer,
 - customized solutions,
 - effective methods of reacting to crisis situations,
 - level of employees' qualifications,
 - held certificates,
- the price and total cost of service,
- competences and operating potential,
- logistic infrastructure,
- order delivery time,
- the management systems used,
- the information systems used,
- the organizational effectiveness and market position,
- market share,
- flexibility of the offered solutions, consisting in adjusting them to the specific nature of business run by the client, and the possibility of fulfilling non-standard orders,
- conformance to ISO standards.

The operator's experience is usually defined as the period of existence on the market, i.e. the number of years in which the business operates. A company that has been operating for a long time is perceived as stable and credible.

The service quality is defined by multiple aspects and its evaluation includes, among others, the experience and credibility of the logistic operator, the extent to which a service offer is comprehensive, the level of employees' qualifications, possessed certificates, e.g. the quality certificate etc.

The price and costs of service is regarded as the criterion that makes it possible to determine the total cost that the company ordering this service will have to cover. They include, among others, the costs related to business operations, the use of the

² I. Fechner, *Supply Chain Management*, Higher School of Logistics, Poznań 2007, p. 230-231.

³ I. Fechner, *Zarządzanie łańcuchem dostaw*, Higher School of Logistics, Poznań 2007, p. 230-231.

⁴ H. Brdulak, *Rynek usług logistycznych w Polsce. Raport Specjalny*, Date Group, Warsaw 2006, p. 3; See also: S. Krawczyk, *Logistyka*, Difin, Warsaw 2011, p. 214; A. Wojciechowski, *Rynek usług logistycznych w Polsce-analiza, perspektywy rozwoju*, „Logistyka” 2012/4; I. Fechner, G. Szyszka (red.) *Logistyka w Polsce. Raport 2011*, ILiM, Poznań 2012, p. 151.

⁵ M. Kasperek, *Operating model of a 4PL provider*, „Journal of Economics & Management” 2013/12, p.28; See also P.Sawicki, *Wielokryterialny wybór operatora usług logistycznych*, „Logistyka” 2001/4, p. 5; A. Kostecka, *Operator Logistyczny Roku 2013*, <http://log24.pl/news/2013/12/19>.

transport fleet, warehouse rent, as well as the administration or personnel-related costs, etc.

The logistic infrastructure criterion refers to the operator's technical equipment, machinery stock, possessed transport facilities, warehouse buildings, etc. This criterion will be thoroughly discussed in the further part of this study.

The order delivery time is a criterion that makes it possible to learn and assess the duration of the delivery cycle. It is usually defined as the average time of delivering a standard order in a given area.

The management systems used are the basis for the initial assessment of cooperation with the logistic operator, as they indicate the principles, adopted by the company, for verifying the actions performed. The systems included in this criterion, as well as the next criterion of information systems used, will be presented in more detail later on in this study.

When selecting a logistic operator, organizational effectiveness and their market position are also assessed. This criterion is verified on the basis of market share ratio, which is also often mentioned as a separate selection criterion of a logistic operator. This ratio proves the operator's position in the industry and shows the trust it has gained from clients.

Based on the above it can be noted that companies selecting a supplier analyze in the first place whether a given candidate fulfils the so-called general criteria, namely whether it is credible, and has experience and reputation. Certainly, price is significant, but its perception goes far beyond the negotiated price for service. A supplier is assessed in the following terms: whether it is relatively cheap, e.g. whether it is located closely, as it enables minimizing inventory and ensures a quick reaction to changes in orders' volumes. In addition, it is checked whether the services offered thereby fulfil the approved quality standards and whether a supplier will be able to produce components in a repeated manner, etc. Analysis and assessment of all these factors is done to provide reliability of deliveries, namely guarantee their fulfilment on time. This means that components will be delivered on time and there will be no production downtimes or shortages of products in the offer. The fulfilment of these terms by an operator is a decisive criterion, however, the final decision is determined also by other criteria that are defined as additional. They include, among others, the supplier's possibility to suggest various kinds of product or organizational innovations which can bring improved quality, reduced cost,

increased functionality. The verification covers also the supplier's financial standing or environmentally-friendly character of its actions, its ethics, e.g. whether its management strategy contains actions conforming to the principles of CRS (Corporate Social Responsibility)⁶ or whether it applies them in the supply chain management, etc. Among the presented selection criteria of the logistic operator, only three chosen criteria will be discussed in more detail in this paper. These are: logistic infrastructure, management and IT systems.

3. LOGISTIC INFRASTRUCTURE

While selecting a logistic operator, one of the most important factors to be considered is the logistic infrastructure, which is owned by them or is at their disposal. This factor is important because it is the basis for the efficient flow of goods and information in the delivery network⁷. The logistic infrastructure consists of the technical means that are primarily used to implement the physical processes of the product flow and warehousing. It makes it possible to perform various activities related to the transfer of products within a company and among various entities. It includes also all of the technical means, devices and systems that are used to transmit and process information. The logistic infrastructure consists of the following items, among other things:⁸

- means of transport used to move cargo,
- means of transport and devices used to perform manipulating activities inside the company itself, as well as between different companies,
- buildings and structures that make it possible to store and protect the stock,
- warehouse equipment making it possible to execute basic functions of a warehouse,
- packaging used to transport, as well as to perform manipulations related to reloading and warehousing,
- the information processing means (devices and systems, as well as the utility programs).

⁶ A. Paliwoda-Matiolańska, *Odpowiedzialność społeczna w procesie zarządzania przedsiębiorstwem*, C.H. BECK, Warszawa 2014, p. 34.

⁷ *Rynek usług logistycznych*, ed. M. Ciesielski, Difin, Warsaw, 2005, p. 23.

⁸ Cz. Skowronek, *Logistyka w przedsiębiorstwie*, PWE, Warsaw 2003, p. 83.

The logistic infrastructure that a logistic operator has is assessed by the ordering party as the task basis, namely the technical base conditioning the task performance.⁹ Therefore, it is one of the frequently selected and basic criteria of assessing a logistic operator. However, this factor is important, above all, to perform tasks commissioned as part of the outsourcing to the operators of 2PL 3PL and type. The logistic operators of this type are not the key links in logistic operations. The term: 2PL operator is used to define a supplier of logistic services of a narrow scope (transport, storage). On the other hand, 3PLs are specialized entities, providing full package services which include: shipping, transport, storage and a broad range of additional services, which increase the value of products. 3PL is a supplier of professional logistic services, which has appropriate skills, resources, materials, workforce and technical equipment. It is worth pointing out that 2PL s are a very important link in logistic operations, however, their role is mainly execution of tasks related to physical movement and storage. On the other hand, a 3PL, except for providing basic services, acts also as the so-called "third party" between a manufacturer and a final customer. Because of this, 3PL does not limit itself to logistics service but performs duties on behalf of the sending party. In the case of 2 PL and 3PL, having infrastructure is a necessary element in the implementation of tasks. The situation looks different in the case of 4PL operators, who are referred to as "integrators of supply chains". These companies offer their customers the range of services going beyond traditional logistics, e.g. offer creation of added value for the goods during their displacement in the supply chain. In the case of 4PLs, their activity is typically based on resources owned by other entities and their basic scope of activities is process management, not particular functions of these processes, as in the case of 3PLs¹⁰. Their role is usually limited to the supporting and supplementary activities. On the other hand, in the case of ordering services related to, e.g. managing the whole supply chain by the operators of the 4PL type, the criterion of required logistics infrastructure means the access to the

logistic network. This group of logistic operators is associated with independent entities that provide, independently from other contractors, a number of services related to planning and managing supply chains. Depending on whether the tasks commissioned to logistic operators are to be completed in Poland or abroad, the requirements with regard to networks will be different. However, one of the fundamental requirements relating to a good network is its appropriate location. This location should provide easy access to units, sorting plants, warehouses, distribution centres, reloading points etc. They all should be in a convenient location with respect to the transport infrastructure, the commercial and industrial buildings and client service offices. Therefore, they should be located in the neighbourhood of interchanges, motorways, throughways, reloading terminals or railway sidings, as this optimizes the flow time in the supply chain, as well as the costs of transport. Since the flow of goods in the extensive delivery networks takes place usually through the junction points such as the logistics centres, distribution and forwarding warehouses, terminals of combined transport, it is possible to optimize the total logistic cost. It is also possible to maintain stocks at various stages of the goods flow by the delivery network due to the relevant elements of the logistic infrastructure and by managing the level of this stocks at the Client's order. The possibility to commission these functions is another criterion affecting the selection of a logistic operator.

4. INFORMATION SYSTEMS THAT SUPPORT TRANSPORT AND WAREHOUSE MANAGEMENT

Information systems are the basis for efficient exchange of goods and they allow a logistic operator to effectively respond to the market needs. The course of order execution depends on them, and they are also responsible for identifying and recording orders to ensure an appropriate service level. Therefore, this is the key criterion in making the decision about the selection of a logistic operator. An information system should be understood as an organization and a manner in which information is used. It includes: producing information, as well as saving, reading, storing, processing and sending it.¹¹ Information systems

⁹ M.Jeszka, *Sektor usług logistycznych*, Difin 213, p. 92.

¹⁰ *Logistics* [ed.]: D. Kisperska-Moroń and S. Krzyżaniak, Library Logistics ,2009, p. 227-233; A. Kozłak, Innovative business models in conducting logistic operations „Logistics” 2009/3.

¹¹ I. Fechner, *Zarządzanie łańcuchem dostaw*, Higher School of Logistics, Poznań 2007, p. 127.

support the implementation of manufacturing processes by providing the information about demand, and they act as a link between particular chains in the supply chains. Nowadays, it is as important to have and continuously investment in information systems as to invest in the technical infrastructure, since the former one is a necessary condition for the proper operation of the latter. Therefore, logistic operators heavily invest in the development of these systems for two reasons. It is for them a basic tool making it possible to cooperate with commercial partners and it is the basis for order processing and communication with clients. The role of these systems is invaluable at every stage of the supply chain, and at every level of order execution. In supply chains they are an important source of information, e.g. by means of daily sale reports. The information provided makes it possible to verify sale figures, thanks to which it is possible to prepare more accurate sale forecasts, and hence to optimize the production plans, and as a consequence, the delivery cycles. Undoubtedly, such information makes it possible to reasonably manage the warehouse policy, and hence to reduce stock levels.¹²

Logistic operators, in order to meet market requirements, are continuously looking for new IT solutions that would provide them with means of effective information processing. By means of these systems, they wish to have very accurate information concerning clients' orders and to effectively plan and organize the work of transport services. Popular and commonly used solutions are transport management systems (TMS), while the tool which enables effective warehouse management is WMS. These are systems especially developed for the TSL industry. These systems usually have the software of the ERP class and they gain more popularity among the logistic operators. The back office software or TMS allows them to electronically process the data concerning clients' orders, and they are responsible for effective organization and planning of the driver's work. This solution provides information on the location and availability of particular loads, relevant stops, remaining driving time and rest periods. This information is automatically sent to drivers who can send it back to the headquarters. Thanks to this data, individuals or teams responsible for managing transportation can plan

the work of drivers and make initial calculation of costs related to the transport operations being performed.

It should be pointed out that 4PL operators have a possibility of offering various modules of services, and their type depends on the type of operator's relations with the client. In cases when the logistic operator is a supply chain integrator, it uses usually applications that are already implemented, for instance, in a company for which we provide services. Meanwhile, in the event when it supports external clients and their number is greater, it should have applications used by these clients. It is indispensable so that a given operator would be able to integrate its logistics chain and coordinate all activities real time and implement and control at the operational level.

In addition, these systems have the function of tracking the vehicle operation, thus optimizing the operational costs of vehicles and other transport devices.

The TMS system makes it possible to:

- have a full control over the costs which are incurred to execute the transport task,
- reduce operating costs,
- limit the transport fleet by more effective use of the load space,
- ensure the timeliness of deliveries.

The TMS systems are also equipped with the modules to manage the logistic network. They make it possible to optimize the network, especially with regard to: the supply processes (deliveries from subcontractors), production, distribution, including location of the spare part warehouses, central and regional warehouses etc. This is particularly important for the logistic operators, as these systems improve the whole supply chain by indentifying the optimal operation location for the particular links in the supply chain. In addition, the system for managing the logistic network also makes it possible to analyze the opportunities to execute the transport process, taking into consideration various branches of transport. This kind of systems make it possible to model the course of logistic network for both strategic goals of the logistic operator (e.g. to optimize the location points of the infrastructure network) and the operational objectives, e.g. the use of warehouse resources. Furthermore, the optimization of logistic networks may be carried out by:

¹² P.Zajęc, *Elektroniczna wymiana danych w systemach logistycznych*, Oficyna Wydawnicza Politechniki Wrocławskiej, Wrocław 2012, p. 43.

- selecting an optimal location for a warehouse or production plant,
- creating the efficient and cost-oriented transport networks,
- planning the delivery and distribution networks,
- simulations of logistic networks,
- central management of orders and stock.

An example of such system, which is available on the Polish market, is the PSItms system. This is a comprehensive optimization tool, designed for transport companies. By using it, it is possible to reduce costs due to the automation of routine activities. The system is equipped with a transport management module, in which many optimization tools are available to the user, even on the operational level, e.g. the process of sending goods and monitoring stock delivery to the client. This tool makes it possible to plan transport, even in extensive logistic networks. The advantage of the PSItms system is a possibility to define a set of rules at many levels. This makes it possible to easily select an appropriate carrier, as the system analyzes: the tariff, delivery terms, distance, delivery time, as well as the preferred means of transport etc.

The system that has been presented is a typical tool that is used for the schedule deliveries and to manage the logistic network. It has a great impact on the timeliness of deliveries, as it constantly analyzes the discrepancies between the expected and actual order delivery time, thanks to which it is able to promptly react to any delays. The choice of transport route also affects the timeliness and it is selected after considering the current situation on a given route. The program takes into account any possible difficulties and it redirects the vehicle to alternative routes. Thanks to this solution, the work ergonomics significantly improves, as the process of order management mainly consists in performing specific and repeated activities.¹³

The use of information systems has a great impact on the relations and processes that occur in the delivery networks. It applies both to the recently created networks, as well as the existing ones. It improves their functioning with regard to more efficient circulation of goods, the use of transport fleet, but also the flow of information and funds.

¹³ I. Helman, *Model realizacji zamówienia z wykorzystaniem systemu planowania zasobów przedsiębiorstwa* „Gospodarka Materiałowa & Logistyka (Material Management & Logistics)” 2013/1.

Optimization usually manifests itself mostly in activities undertaken to reduce costs, improve timeliness of deliveries, as well as to increase effectiveness and improve operational results of a company.

It should be emphasized that the logistic operators' activities, which result from the need to optimize time and operating costs, are particularly oriented at increasing the efficiency of process implementation and reducing the warehouse inventory. This results from the fact that half of the warehouse space is used for a long-term storage of stock, and the remaining part of space is used to perform other warehousing services (picking, packing etc.).¹⁴ This proves the necessity to have tools that would make it possible to use the remaining warehouse space for services in the most effective way. This is possible, for example, by the applying the WMS systems, which are dedicated to warehouse management. These are the systems that have already been commonly used in the warehouse management and they are valued as a very effective tool making it possible to achieve tangible benefits. Their use makes it possible to significantly reduce the delivery time, e.g. by increasing the number of goods taken from the warehouse. These systems have standard modules, however, most of them are designed for specific processes and characteristics of a given warehouse. This makes it possible to greatly increase the system functionality by accurately reflecting the logistic processes that take place in it. The warehouse management systems are equipped with the advanced planning tools, as well as the tools for organizing work in a warehouse, and managing products. These include:

- supervising the acceptance of goods with the advice of delivery or without it,
- the function of making it possible to directly transport goods from the admission zone to the picking zone,
- different picking strategies,
- dynamic warehousing based on the ABC method,
- internal transport optimization,
- managing warehouse network,
- handling many clients in one warehouse,
- optimization related with the use of warehouse equipment and devices,

¹⁴ P. Baker, *The role of inventory and warehousing* „The International Journal of Logistics Management” 2007/18, p. 63.

- optimization related with the use of transport units and warehouse technologies.

Warehouse management by means of the WMS system improves the warehouse operation already at the stage of receiving goods. It makes it possible to receive supplies both with and without the notice of arrival. The system makes it possible to check the assortment being received with regards to the quantitative and qualitative compliance. The system has the option to divide goods into transport and packaging items and to automatically assign them to their places in a warehouse. In addition, it may print a label with the appropriate data and create transport commands. The warehousing process takes into account the basic characteristics of goods, i.e. the type of article, minimum number of a given article, the assigned priority of issuance, as determined by e.g. the expiry date. Information systems are the basis for effective warehouse management, as they have the options to coordinate the processes of receiving and issuing goods, to track the production series and processes of consolidation and picking, etc. Since these systems are equipped with different modules, including e.g. modules to manage loading and unloading vehicles, thus making it possible to precisely plan the warehousing processes, which results in enhancing their effectiveness. For instance, a module for managing loading and unloading vehicles makes it possible to register the moment of truck arrival (this fact is entered as data to the system), and therefore the tasks are automatically planned for this truck (e.g. loading and unloading time). In the case of recurring tasks, the system prepares templates that require only specifying e.g. the vehicle registration number. These systems also offer other options, e.g. the system assigns loads or delivery routes to the appropriate loading gate, directs a vehicle to the relevant gate by means of messages on information boards or a text message to a driver, etc.

To sum up the above it should be emphasized that the information systems need to be, first of all, consistent to fulfil their functions and to act as a factor optimizing logistic processes. Only then will their application be useful both in planning and executing logistic tasks, as well as in reporting and analyzing logistic processes. However, it is worth pointing out that, for the client of the logistic service, the most important factor is a possibility to connect their own system with the operator's system. This connection is a guarantee of efficient

system enabling communication between the client and operator, as well as with their client.

5. THE SELECTED MANAGEMENT SYSTEMS USED BY LOGISTIC OPERATORS

The client's cooperation with the logistic operator is subject to the continuous control process. It is not a typical control exercised by the client and which consists in the deliberate verification of the actions being performed. It takes place automatically during processing the order and after receiving feedback about the existing qualitative shortcomings from particular links of the supply chain. High ratio of returns and low level of clients who want to use the service again may be the result of low logistic efficiency, thus reducing the level of quality pertaining to the services provided. This may indicate the need to introduce the quality management systems, which will help optimize, e.g. the order picking processes and client service.

This may effect in the need to introduce management systems that will help optimize e.g. order completion processes and customer service (e.g. quality management systems - ISO 9000), minimize adverse impact on the natural environment (environmental management systems - ISO 14000) and shape positive image of the company in the environment (e.g. corporate social responsibility - CSR).

Quality management systems

In logistics, as in any other field of human activity, the quality management should start from employees, as most actions that are incorrectly performed result from a human error. To improve this situation it is important to adopt a quality policy that will be the basis for developing the rules for employees' actions, in order to eliminate the reasons of incorrect actions. The quality policy adopted by the logistic operator should, in the first place, cover the actions that involve employees' trainings. These measures should be focused on trainings related to the ways of acting in order to eliminate the risk of mistakes. If satisfactory results are achieved in this respect, this will contribute to reducing the number of returns caused by partial or incorrect shipment. It is worth pointing out that the issue of returns poses a serious problem to the logistic providers because recently there has been a great increase in the

number of complaints resulting from irregularities related to incorrect order picking.

To avoid such situations logistics operators verify the quality of services offered, mostly through audits of the owned management systems. Regular (sometimes, even 30 times a year) assessment and constant improvement in service are intended to maintain a high standard of the services provided.

The verification covers also subcontractors and partners; audits are conducted also in their premises. As a result, the operator responsible for the entire logistics service process is able to maintain high level of its execution.

In logistics, the quality management systems are used to record the actions that directly affect the quality of services being provided. They also serve to control the quality of such services. They include any activities performed during order processing, starting from its acceptance, through all indirect phases, to its delivery. The effect of implementing the ISO system, the purpose of which is to build mutual trust between contractors, manufacturers and consumers, in the supply chain results in the fact that suppliers become the

Since quality management applies to all levels within an organization, it is necessary to conduct training for personnel at each level of hierarchy and to ensure positive relations among employees. As a result of such actions it is possible to reduce the number of mistakes that may occur during completing the order, and this may be achieved e.g. by adding a control element to the order completion list. This will require each employee to be involved in order picking to confirm that they have completed the order in accordance with guidelines. The use of electronic order completion lists facilitates this activity, as the control confirmation will proceed by means of a manual scanner. In the case when paper documents are used to manage the order, the order confirmation occurs when an employee provides their signature. In this way, it is possible to clearly determine where irregularities came from and to develop solutions which will eliminate these errors in the future. The development of transparent procedures, on the basis of quality management systems, results in a number of benefits for a logistic company, its clients, suppliers and employees.

Table 1. Benefits from handling the logistic tasks by applying the rules of the quality management systems.

Benefits for:			
Company	Clients	Suppliers	Employees
<ul style="list-style-type: none"> • improvement in the quality of logistics services • increase in clients' trust • higher prestige • enhancing competitiveness, • cost reduction in order processing • less damages incurred as a result of the failure to meet the delivery deadlines • reduction in costs related to complaints. 	<ul style="list-style-type: none"> • focus on client's needs • lower price of services • shorter period of waiting to be served • higher quality of services • more effective communication • simplified complaint procedures 	<ul style="list-style-type: none"> • more effective communication with a company • clearly defined delivery schedule • clear procedures for the receipt of goods • the suppliers that use the ISO systems will have simplified service procedures • reduced time for client service 	<ul style="list-style-type: none"> • clear division of competences • clarity of procedures • more effective communication between departments • sense of safety

Source: prepared by the author.

companies which have well-developed quality management systems, consistent with the requirements of the ISO 9001 standard. This directly affects the subsequent links of the supply chain, thus creating a delivery system that is consistent and dedicated to ensuring the quality. The optimisation of supply, production and distribution process, as well as particular focus on personnel, is the condition for effective functioning of the quality management systems in logistics.

The quality management system may help a logistic operator fulfil their client's requirements and it increases the effectiveness of actions. However, the system should not focus on fulfilling these requirements only at a given time, but also in the future. In addition, these systems make it possible to formally demonstrate that a supplier has used due diligence to meet the requirements related to the product being offered or the service being performed.

Environmental management systems and systems of corporate social responsibility

Companies that would like to be perceived as modern, apart from quality management systems, are also interested in the so-called environmental management systems. These safety systems result from the need to conduct business operations and obey the rules of environmental protection. A certificate obtained by means of such a system proves that a given product/service meets the requirements concerning environmental protection. It means that a company runs its operations in a way that is not harmful to the environment. It is worth pointing out that the environment management systems are a result of a growing ecological awareness of the society, and hence the image of a business can be improved if such system is used. The main tool applied in environmental management is a system consistent with the ISO 14000 standard. It should be noted that ISO 9000 and ISO 14000 systems are not mandatory, their implementation is completely voluntary, however, some companies consider them as good tools in improving their operation and competitiveness.

Apart from the environmental management system, today's companies, in order to be positively perceived by others, engage in implementing long-term management projects. These projects are focused on building a positive image and gaining acceptance in the area where they operate. They are defined as the "Corporate Social Responsibility" systems or CSRs. The corporate bodies operating in the logistic industry also strive for becoming the socially responsible companies. Company management according to the CSR assumptions needs to focus on taking care of employees, co-workers and suppliers, as well as the natural and social environment in which it operates. A company that wants to be socially responsible, has to comply with the law unconditionally and voluntarily take into consideration the social, ecological, ethical factors. It has to comply with all of the CSR assumptions. These requirements concern all business activities, both commercial operations and relations with employees, clients, suppliers and the local environment.

Therefore, CSR is a long-term activity, focused on building relations with business environment. It directly and visibly affects the company's image and indirectly its profits. By using the principles of social responsibility, the company's position is

strengthened and it stabilizes on the market, which also influences the financial situation and competitiveness. It is worth highlighting that according to this concept, corporate social responsibility comes into play as early as at the stage of creating a company's strategy. This is an activity in which enterprises voluntarily take into consideration social interests and environmental protection. This kind of company's behaviour is defined as: business contribution in implementing the policy of sustainable economic development¹⁵. This can be described as an attempt to reconcile different goals, i.e. the efficiency and profitability with the social interest.

In logistic companies, the implementation of the corporate social responsibility principles is most visible on in the area of supply chains. In this case, the responsibility in the supply chain can be described as: "voluntary commitment of an organization in the social and environmental issues related to the management of relations with suppliers".¹⁶ This means that, throughout the whole delivery process, actions are taken in order to comply with good social and environmental practices throughout the whole cycle of delivery.

6. SUMMARY

Contemporary company management is subject to rapid changes in priorities. Companies focus on clients, to whom any actions are attributed. In addition, it is very important to assess a client by considering the steps taken to develop good relations with the society, as well as reduce detrimental impact on the natural environment. On the other hand, for the companies that deal with commissioning the logistic services to external contractors the above factors constitute an important criterion for selecting a service provider, however, the priority is to fulfil the basic criteria. For each party that orders a logistic service, it is important that a contractor has an appropriate logistic infrastructure, since it is the basis for providing services of high quality.

¹⁵ M. Złoch, J. Kaliński, *Logistycy są odpowiedzialni* „Logistyka jako jakość”, 2011, p. 18.

¹⁶ A. Rudnicka, *Odpowiedzialność społeczna w globalnych łańcuchach dostaw na przykładzie certyfikacji Fairtrade*, Acta Universitatis Lodziensis, FOIL OECONOMICA 258, Łódź 2011, p. 163-164; See also: *ICC Guide to Responsible Sourcing, Integrating Social and Environmental Considerations into the Supply Chain*, ICC Commission on Business in Society, 2008, p. 1.

In addition, high quality of services affects the profitability of business projects both of a customer and a logistic operator. It is also worth pointing out that operators, as integrators of supply chains, play a very important role in efficient flow of products in the logistic system. Therefore, they must accordingly manage their resources so as to ensure appropriate infrastructure for implementing processes of physical displacement and their coordination. Operators must also systematically analyse the changing environment to adapt their offer to market needs. The factors which play an invariably crucial role when selecting a logistic operator include: the price and the quality of service. However, with currently limited demand and changing preferences of customers, even ensuring the most competitive offer and high quality is no longer sufficient. Operators face subsequent challenges, which include, among others, maintenance of achieved service levels/market positions, expansion of the network, tightening cooperation with contractors etc. Further preparation of such offers and solutions which are able to satisfy present and future expectations of customers and will make it possible to optimise activities in the whole delivery chain according to the principles of sustainable development is a continuous challenge.

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