

## Foreword

It has been more than ten years now that the concept of ‘4PL’ (Fourth Party Logistics) in both theory and practice was introduced and proposed as *the* business model and promise in logistics. By 4PL one thinks of one external logistics provider being responsible for the total supply chain activities of a business customer. This is also referred to as the ‘Total Integration Promise’. Discussions between supporters and opponents have been numerous and have remained inconclusive.

This is where Dr. Regina Neubauer makes her contribution: ‘4PL’ or ‘Total Integration’ has appeal and has been much discussed, but not to the extent and depth that she has studied so in her dissertation. She holds that insufficient investigation has led to the lack of conclusion of this debate. Hers is the first grounded research on the topic, and the results are most interesting.

A second contribution that Dr. Regina Neubauer makes is the search in this sector for so-called “Hidden Champions”, a term made famous more than two decades ago by Hermann Simon. Her dissertation sheds light on how relatively smaller operators can be Hidden Champions, and survive the competition with the giants that dominate the industry.

In terms of data, Dr. Regina Neubauer has examined European logistics service providers, including both small- and medium-sized enterprises, as well as large size enterprises (LSEs), of which there is a much smaller number. The latter do not form the core of her study, as their offer is more of a commodity type and they certainly do not fall in the ‘Hidden Champion’ category. Based on this research, Dr. Regina Neubauer is able to formulate and substantiate an original hypothesis as to how Total Integration might work.

Total Integration, if it is to work, would require a ‘new breed’ of actors that would not themselves run operations which the LSEs aim for. These new breeds would thus avoid the conflict of interest that LSEs face by trying to both deliver and oversee a customer’s logistical operations (a conflict that can only lead to sub-optimal logistics provision for the customer). This conclusion thus hypothesizes the emergence of a ‘new breed’ of

logistics actors exclusively focused on orchestrating the various actors engaged in a company's logistical network (both internal and external), and also designing the optimal system for their corporate customers.

The dissertation also makes a contribution in identifying the business principles that characterize the Hidden Champions: i) niche sovereignty by a practice of gradual conquest and establishment of the niche; ii) choice for independence (and limited network ties) in order to be able to 'defend and attack' niche leadership in the face of customer opportunities and threats from other players, and consequently continuous improvement and innovation; iii) focus on longer-term sustainability in relations so as to gain and maintain the customers' trust, that then becomes one of the key competitive assets of Hidden Champions and also the basis for superior service delivery and performance. Finally, it is clear that Hidden Champions are better at exploring collaboration with their customers which involves role complementarities; LSEs on the contrary try to minimize collaboration to their advantage (generating trust and risk problems for the customer).

The remaining question at the end of the dissertation then is whether some Hidden Champions or even non-Hidden Champions might transform themselves into this new breed of logistics 'orchestrators' that would resemble a kind of flexible 'my-SAP' player who has the total view on a company's logistical network. This question provides useful input for further research.

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