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MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
NATIONAL AVIATION UNIVERSITY
Faculty of Transport, Management and Logistics
Logistics Department

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«04» 04 2023

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«06» 04 2023



Quality Management System
COURSE TRAINING PROGRAM
on
“Logistics Outsourcing”

Educational Professional Program: “Logistics”

Field of study: 07 «Management and Administration»

Specialty: 073 «Management»

Form of study	Semester	Total (hours/ECTS credits)	Lectures	Practicals	Self-study	HW/CGP/C	TP/C Pr	Form of semester control
Full-time	1	120/4,0	17	17	86	-	-	Graded Test 1s.

Index: CM-7-073-3/21-3.1

QMS NAU CTP 19.05-01-2023



The Course Training Program on “Logistics Outsourcing” is developed on the basis of the Educational Professional Program “Logistics”, Master Curriculum № CM-7-073-3/21 and Master Extended Curriculum № ECM-7-073-3/22 for Specialty 073 “Management” and corresponding normative documents.

Developed by:

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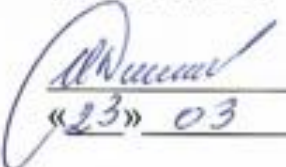
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«23» 03 2023

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INTRODUCTION

The Course Training Program on “Logistics Outsourcing” is developed based on the "Methodical guidance for the subject Course Training Program", approved by the order № 249/од, of 29.04.2021 and corresponding normative documents.

1. EXPLANATORY NOTES

1.1. Place, objectives, tasks of the subject

This subject is the theoretical and practical basis of the set of knowledge and skills that form the profile of a specialist in the field of logistics and supply chain management.

The purpose of the subject is the formation of students' knowledge, practical skills and professional competencies in critical thinking, understanding of the conceptual and methodological foundations of logistics outsourcing as a strategy for the formation of perfect supply chains, the ability to use modern methods and innovative approaches in practice to justify strategic decisions regarding the feasibility and types of logistics outsourcing in supply chain management to ensure their competitiveness.

The tasks of studying the academic subject are:

- acquisition of theoretical knowledge regarding the understanding of the conceptual essence, strategic importance, advantages and risks of logistics outsourcing for the construction of perfect, competitive supply chains and for the development of the national economy;
- formation of skills and abilities to choose and use the necessary scientific, methodical and analytical tools to substantiate the expediency and type of outsourcing strategy in supply chain management;
- formation of skills in the use of methods, tools and various types of logistics outsourcing in the management of supply chains to ensure their competitiveness;
- acquisition of knowledge and skills regarding the analysis of the state and identification of modern trends in the development of the world and Ukrainian markets of outsourcing services;
- formation of skills for justifying the choice of a logistics outsourcer (provider) as a strategic partner in the supply chain, based on the methodology of multifactor analysis and the system of CRI indicators;
- acquisition of knowledge and skills in the use of the best global practices for the implementation of outsourcing strategies in the management of supply chains

1.2. Learning outcomes, the subject makes it possible to achieve

As a result of the study of the subject, the student must achieve the following **learning outcomes**:

PLO1. To critically comprehend, select and use the necessary scientific, methodological and analytical tools for management in unpredictable conditions.



PLO2. Identify problems in the organization and justify methods of solving them.

PLO3. Design effective management systems for organizations.

PLO7. Organize and carry out effective communication within the team, with representatives of different professional groups and in the international context.

PLO12. Be able to delegate authority and management of the organization (unit);

PLO15. To manage financial flows in logistics systems, optimize logistics costs and develop a budget for logistics activities.

PLO17. Use methodological tools of business intelligence in making management decisions.

Studying the subject will be a useful experience for those who plan to work both in domestic and international logistics companies and consulting companies in the field of logistics.

1.3. Competencies the subject makes it possible to acquire

As a result of studying the subject the student must acquire the following **competencies**:

GC6. Ability to generate new ideas (creativity).

GC8. Ability to formulate conclusions and recommendations based on the results of research, to calculate the effectiveness of research.

GC10. Ability to make decisions in complex and unpredictable conditions that require the use of new logistics approaches.

GC11. Ability to make management decisions under conditions of uncertainty and risk.

PC2. Ability to establish values, vision, mission, goals and criteria by which the organization determines further directions of development, develop and implement appropriate strategies and plans.

PC4. Ability to effectively use and develop the organization's resources.

PC9. Ability to analyze and structure the problems of the organization, make effective management decisions and ensure their implementation.

PC10. Ability to manage the organization and its development.

PC18. Ability to make innovative decisions to optimize logistics business processes.

1.4. Interdisciplinary connections

The subject "Logistics Outsourcing" is supplemented with knowledge from such subjects as "Strategic Management of Supply Chains", "Logistics Management" and "Business Analysis and Data Processing" and is the basis for studying such subjects as: "Financial Flows in Logistics Systems", "Designing Logistics Systems", "Risk Management in Logistics" and others.



2. COURSE TRAINING PROGRAM ON THE SUBJECT

2.1. The subject content

Training material is structured according to the module principle and consists of one educational module:

The educational material of the subject is structured according to the modular principle and consists of one educational module, namely:

- educational **module No. 1 "Logistics outsourcing strategy in the system of forming perfect supply chains"**, which is a logically complete, relatively independent, integral part of the curriculum, learning of which provides for modular test and analysis of its implementation.

2.2. Modular structuring and integrated requirements for each module

Module 1. Logistics outsourcing strategy in the system of forming perfect supply chains

Integrated requirements of Module #1. As a result of studying the first module of the academic subject, the student should:

Know:

- terminology, principles of implementation, advantages and disadvantages of logistics outsourcing strategy in supply chain management;
- evolution of logistics outsourcing market formation;
- decision-making methods regarding logistics outsourcing;
- criteria and approaches to choosing a logistics provider;
- the structure and dynamics of the global and Ukrainian logistics outsourcing markets;
- procedure and methodology for tendering for logistics services;
- peculiarities of logistics provision contracts;
- principles and quality assessment system in logistics provision based on CRI indicators;

Learning outcomes:

- analyze the risks and benefits of outsourcing;
- to conduct scientific research in the field of logistics outsourcing;
- take into account strategic and economic factors when planning logistics outsourcing, acting as a customer;
- make decisions about the possibility and necessity of logistics outsourcing planning, using the McKinsey model, the Boston matrix and the outsourcing matrix;
- use a multi-criteria approach to the selection of logistics providers based on tender selection;
- to organize and hold a tender from the position of the customer of logistics services;
- evaluate the effectiveness of the implementation of the strategy of logistics outsourcing in the management of supply chains.



Topic 1. Outsourcing as an effective tool for supply chain management

Economic essence, purpose and strategic importance of outsourcing in supply chain management. Scientific approaches to the definition of outsourcing. Historical roots and evolution of outsourcing development. Subject, object and subject of outsourcing. Advantages and disadvantages of the outsourcing strategy. Principles of outsourcing strategy implementation in supply chain management.

Topic 2. Forms and types of logistics outsourcing in supply chains

Restructuring and transformation goals of outsourcing projects. Main functions of outsourcing. Features of operational, process and resource outsourcing. Insourcing as a methodology opposite to outsourcing. Classification of types of outsourcing. Endogenous and exogenous methods of transition to outsourcing: description of their features and examples from practice. Peculiarities of outsourcing in separate areas of logistics. Problems and pitfalls of different types of logistics outsourcing. Innovative types of logistics outsourcing in supply chains.

Case: "Justification of the type of logistics outsourcing strategy for a specific company."


Topic 3. Strategic trends in the development of the logistics outsourcing market in the conditions of the digital economy

Characteristics of the state of the global and Ukrainian logistics outsourcing markets. The evolution of the formation of the logistics outsourcing market: the development of logistics providers from insourcing enterprises to virtual providers. Structure of the global logistics outsourcing market: by geography, by functions, by balance with insourcing, by development trends. The crisis as a catalyst for supply chain optimization processes based on the implementation of outsourcing strategies. Total outsourcing strategy as a modern model of building perfect supply chains. Advantages of logistics offshoring strategy in Ukraine. A set of strategic directions for the development of logistics outsourcing in the conditions of the digital economy.

Case "On the way from insourcing to 5 PL (structure and evolution of outsourced functions)"

Topic 4. Decision-making methods regarding the use of logistics outsourcing in supply chains

Decision-making factors for the introduction of outsourcing in supply chains: economic and strategic. The structure of the outsourcing process. Strategic substantiation of the feasibility of outsourcing in supply chain management. Structuring functions and business processes in supply chain management as a prerequisite for outsourcing decisions. Methodological approaches to decision-making "Make or buy". Matrix methods and models (in particular, the McKinsey model, the Boston matrix, the outsourcing matrix) of outsourcing decision-making. Approaches to calculating the economic feasibility of using logistics outsourcing. Methodical approaches to estimating costs and risks of implementing outsourcing

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solutions. Analysis of the added value of outsourcing in supply chain management.

Case: "Justification of the decision on the expediency of logistics outsourcing based on the use of matrix methods and multi-criteria models."

Topic 5. Organizational and legal features of choosing a logistics outsourcer for integrated supply chain management. Tender procedures in logistics

Regulatory and legal aspects of the introduction of outsourcing in supply chain management: global and domestic practice. Criteria and approaches to choosing a logistics provider. Sources of finding potential logistics providers. The principles of choosing an intermediary (best indicators in the industry, minimum cost, balanced evaluation indicators, etc.). System for evaluating the quality of logistics provision based on KRI indicators. Selection of a logistics provider based on expert methods (single-criteria evaluation) and based on the use of qualitative methods (multi-criteria evaluation). PL-provider selection algorithm. Organizational, legal and methodical features of conducting tenders for outsourcing services. The process of organizing and holding a tender in logistics. Formation of a commercial tender offer for logistics services. A multi-criteria approach to determining a logistics outsourcer (provider) based on tender selection. Unethical behavior of tender participants. The structure of the contract with the logistics outsourcer and the parties' responsibility for its non-performance or improper performance.

Business game "Organization and tendering for logistics services".

Case "Preparation of a contract for logistics services".

Topic 6. Pricing for the services of logistics outsourcers (providers)

Cost and cost policy in logistics provision. Types of pricing models of providing. Formation of a commercial proposal and tariff model of assessment by the logistics provider based on the client's questionnaire. Classification of logistics costs of the outsourcer (provider) in terms of logistics functions. Peculiarities of logistics contracts for standard services and complex logistics service. SLA is a condition for the provision of services of a certain level. Liability guarantees are the way to long-term cooperation. Adaptation of the company-customer of logistics services: the problem of motivation and efficiency of personnel during the design and implementation in the activity of the logistics outsourcing company.

Business game "Formation of the tariff for logistics services".

Topic 7. Evaluation of the effectiveness of outsourcing strategies in supply chain management.

The structure of the mechanism for forming an effective strategy for the outsourcing of supply chain management. Classification of methodological approaches to outsourcing evaluation. Criteria, approaches and system of indicators for evaluating the effectiveness of outsourcing strategies in supply chain management: their advantages and disadvantages. Evaluation of logistics efficiency of countries according to the LPI index. Evaluation of outsourcing effectiveness in the system of international ratings. Expected results of



implementation of logistics outsourcing strategy in supply chain management at domestic enterprises. Performance of companies that outsource logistics services: examples from practice.

Case "Economic substantiation of the feasibility of logistics outsourcing strategy for a specific company".

2.3. Training schedule of the subject

№	Theme (thematic section)	Total, hour			
		Total	Lectures	Practicals	Self- study
1	2	3	4	5	6
Module No. 1 "Logistics outsourcing strategy in the system of forming perfect supply chains"					
1 semester					
1	Outsourcing as an effective supply chain management tool	14	2	2	10
2	Forms and types of logistics outsourcing in supply chains	17	2 2	2	11
3	Strategic trends in the development of the logistics outsourcing market in the conditions of the digital economy	16	2	2	12
4	Decision-making methods for the use of logistics outsourcing in supply chains	18	2	2 2	12
5	Organizational and legal features of choosing a logistics outsourcer for integrated supply chain management.	16	2	2	12
6	Pricing for the services of logistics outsourcers (providers)	15	2	2	11
7	Evaluating the effectiveness of outsourcing strategies in supply chain management	17	2	2 1	12
8	Module Test 1	7	1	-	6
Total by the module №1		120	17	17	86
Total by the subject		120	17	17	86

3. BASIC CONCEPTS OF GUIDANCE ON THE SUBJECT

3.1. Teaching methods

It is recommended to use the following teaching methods during mastering the subject:

- explanatory-illustrative method;



- method of problem statement;
- case method;
- reproductive method;
- research method;
- work in small groups.

The implementation of these methods are carried out during lectures, demonstrations, self-study, work with the educational material, analysis and solution of problems.

3.2. List of references (basic and additional)

Basic literature

3.2.1. Godsmark, J., & Richards, G. (2019). The logistics outsourcing handbook: A step-by-step guide from strategy through to implementation. Kogan Page Publishers.

3.2.2. Andrew Phillips, J. C. Sharman (2020). Outsourcing Empire: How Company-States Made the Modern World. Princeton University Press. 272 p.

3.2.3. Hamed Niaz (2019). Strategic Procurement and Outsourcing in Airline Sector. LAP LAMBERT Academic Publishing. 68 p.

3.2.4. Virgil Fields (2018) Outsourcing: Principles and Practices. Larsen and Keller Education. 192 p.

Additional literature:

3.2.5. Mirsalih M., Bakhodir O. (2022). Outsourcing In The Sphere Of Transport Logistics //Universum. №. 4-12 (97). pp. 56-58.

3.2.6. Rushton A., Croucher P., Baker P. (2022) The handbook of logistics and distribution management: Understanding the supply chain. Kogan Page Publishers. 824 p.

3.2.7. Dimitris Folinis (2012) Outsourcing Management for Supply Chain Operations and Logistics Service. IGI Global. 596 p.

3.2.8. Rob O'Byrne (2011) Logistics Outsourcing Secrets A valuable story of Logistics Outsourcing – from pain to gain, 228p.

3.2.9. Özdemir Ş., Bayat T., Kocatürk B. (2019). The Role And Importance Of Outsourcing In Logistics Enterprises. Honorary Chair. p. 365.

3.3.1. Internet resource

3.3.1. International Association of Outsourcing Partnerships. URL : <http://www.iaop.org>

3.3.2. Logistics Trend Radar. 5th Edition. Delivering Insights Today, Creating Value Tomorrow. DHL Customer Solutions & Innovation. URL: <https://bit.ly/3blr0X3>

3.3.3. The Global Outsourcing. 100 Program. URL : <http://bit.ly/3nNWE1P>



3.3.4. 14 Supply Chain Trends for 2021/2022: New Predictions To Watch Out For. URL : <http://bit.ly/3pUxxMu>

4. RATING SYSTEM OF KNOWLEDGE AND SKILLS ASSESSMENT

4.1. Assessment of certain kinds of academic activities is carried out in accordance with table 4.1.

Table 4.1

Kind of academic activities	Max grade
1 semester	
Module 1 «Logistics outsourcing strategy in the system of forming perfect supply chains»	
Carrying out practical tasks and analysis of cases	70 (summary) (7×10 g.)
<i>For carrying out module test №1, a student must receive not less than</i>	42
Carrying out Module Test №1	30
Total by the Module №1	100
Total by the subject	100

The Graded Test Grade is determined (in grades and on a national scale) based on the results of all kinds of academic activities during the semester.

4.2. A student gets a credit for the completed assignment if the student's performance has been assessed positively.

4.3. The total of Grades for individual academic activities completed by a student constitutes a Current Semester Module Grade, which is entered into the Module Control Register.

4.4. The final semester rating is converted into a grade on the national scale and the ECTS scale.

4.5. The Graded Test Grade is entered in an Examination Register, a student's record book and academic card, e.g.: **92/Ex/A**, **87/Good/B**, **79/Good/C**, **68/Sat/D**, **65/Sat./E**, etc.

4.6. The Total Grade on the subject corresponds to the Graded Test Grade.

The Total Grade on the subject is entered into Diploma Supplement.



(Ф 03.02 – 01)

АРКУШ ПОШИРЕННЯ ДОКУМЕНТА

№ прим.	Куди передано (підрозділ)	Дата видачі	П.І.Б. отримувача	Підпис отримувача	Примітки
	УМСАО	06.04.23	Клишкіна		

(Ф 03.02 – 02)

АРКУШ ОЗНАЙОМЛЕННЯ З ДОКУМЕНТОМ

№ пор.	Прізвище ім'я по-батькові	Підпис ознайомленої особи	Дата ознайомлення	Примітки

(Ф 03.02 – 04)

АРКУШ РЕЄСТРАЦІЇ РЕВІЗІЇ

№ пор.	Прізвище ім'я по-батькові	Дата ревізії	Підпис	Висновок щодо адекватності

(Ф 03.02 – 03)

АРКУШ ОБЛІКУ ЗМІН

№ зміни	№ листа (сторінки)				Підпис особи, яка внесла зміну	Дата внесення зміни	Дата введення зміни
	Зміненого	Заміненого	Нового	Анульованого			

(Ф 03.02 – 32)

УЗГОДЖЕННЯ ЗМІН

	Підпис	Ініціали, прізвище	Посада	Дата
Розробник				
Узгоджено				
Узгоджено				
Узгоджено				