23rd Annual Supply Chain Debate
June 2026

SCALA

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Are third-party logistics providers the real heroes of the supply chain?

On 4 June 2026, senior supply chain professionals gathered at the Manufacturing Technology Centre in Coventry for the 23rd Annual Supply Chain Debate hosted by global supply chain and logistics consultancy, SCALA.

At a time of constant supply chain disruption stemming from geopolitical instability, cost pressure, labour challenges, climate risk and rising customer expectations, this year's debate discussed whether third-party logistics providers (3PLs) are the real heroes of the supply chain.

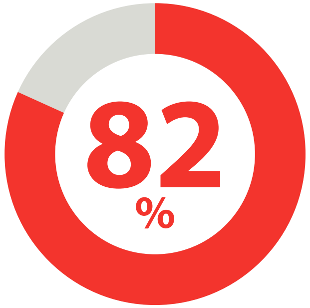
Speakers from Mars, Suntory, ASDA and Culina Group debated how far the role of the 3PL has changed, where innovation is really coming from, and what businesses need from logistics partners as supply chains become more complex.

The conclusion was more nuanced than a simple yes or no. The audience found that 3PLs can be the heroes of the supply chain, but only if partnerships are structured around trust, shared incentives, clear accountability and a relentless focus on operational delivery.

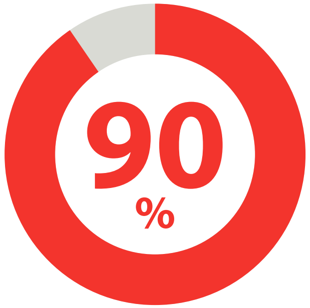
The discussion showed that 3PLs are increasingly expected to act as integrated extensions of their customers' businesses, helping to manage disruption, improve resilience and turn operational complexity into practical value.

Live insights from the debate floor

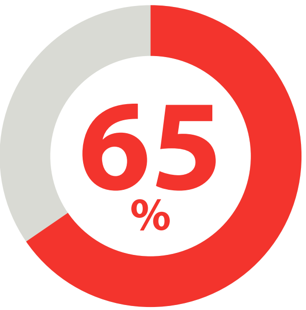
The debate included live audience polling, offering a valuable snapshot of current industry thinking.



82% of respondents said consistent, on-time and reliable service execution was the most critical factor when evaluating a 3PL partner

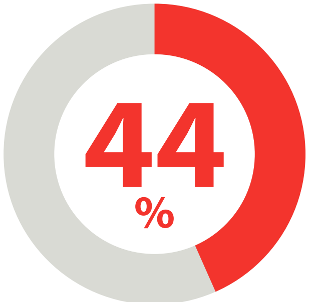


90% said supply chain success should be owned through shared accountability

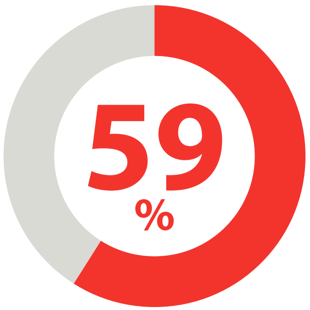


65% said the primary role of a modern 3PL is to act as an integrated extension of the business

29% said procurement's focus on cost is the biggest barrier to greater innovation between customers and 3PLs, closely followed by lack of trust at **27%**



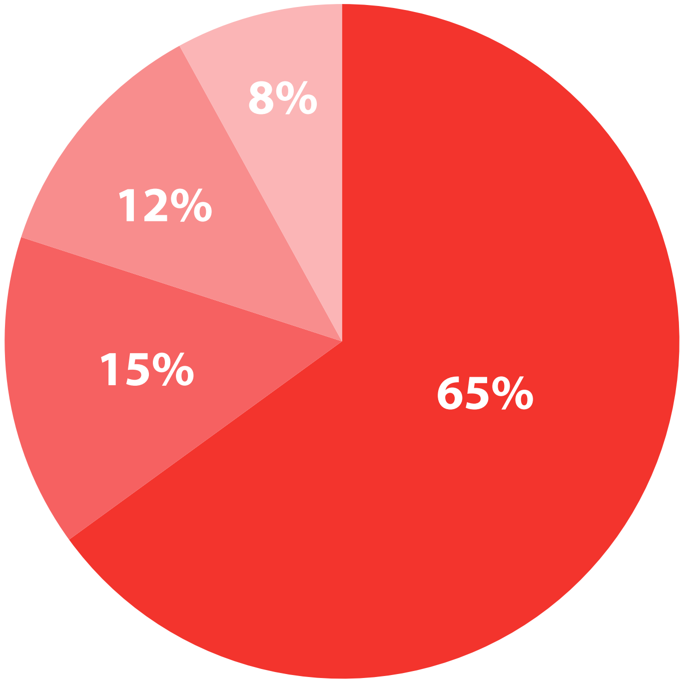
44% said better economics from self-operation would be the most likely reason to bring logistics operations back in-house



59% said 3PLs could be the real heroes of the supply chain if they have "skin in the game" and are structured for success, rather than to avoid failure

However, the debate also showed that execution alone is no longer enough. Respondents clearly expect 3PLs to act as deeper operational partners.

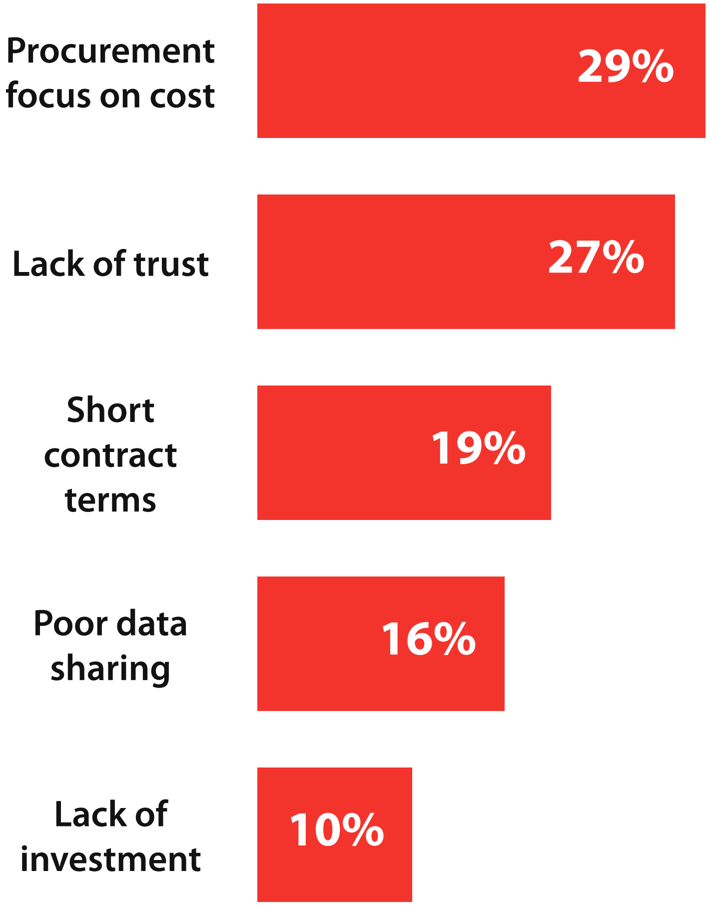
What is the primary role of a modern 3PL?



65% - Integrated extension of the business
15% - Cost-efficient execution provider
12% - Operational partner
8% - Strategic enabler of transformation

This expectation places pressure on both sides. If a 3PL is expected to operate as part of the business, the relationship cannot be managed only through traditional procurement, cost control and contract enforcement.

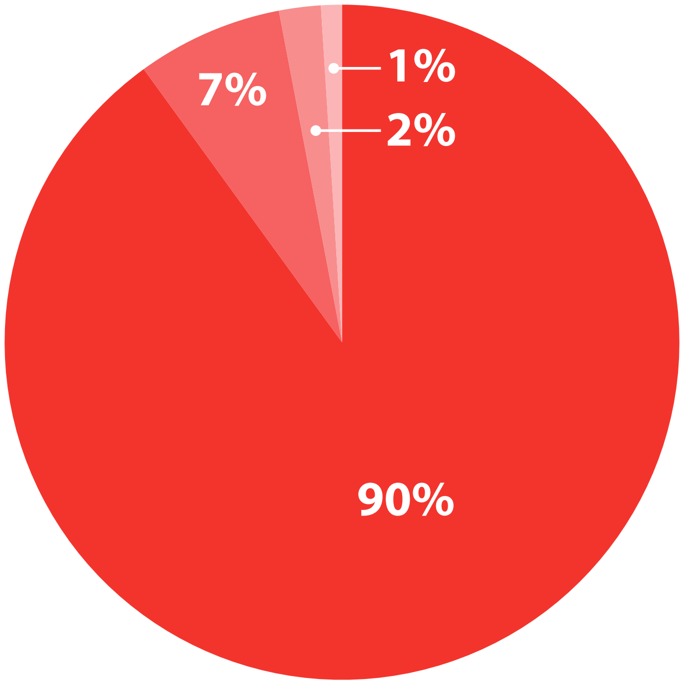
What is the biggest barrier to greater innovation between customers and 3PLs?



The results point to a commercial and cultural challenge. Businesses want 3PLs to step into more strategic, integrated roles, but many partnerships are still shaped by short-term cost pressure, cautious data sharing and limited trust.

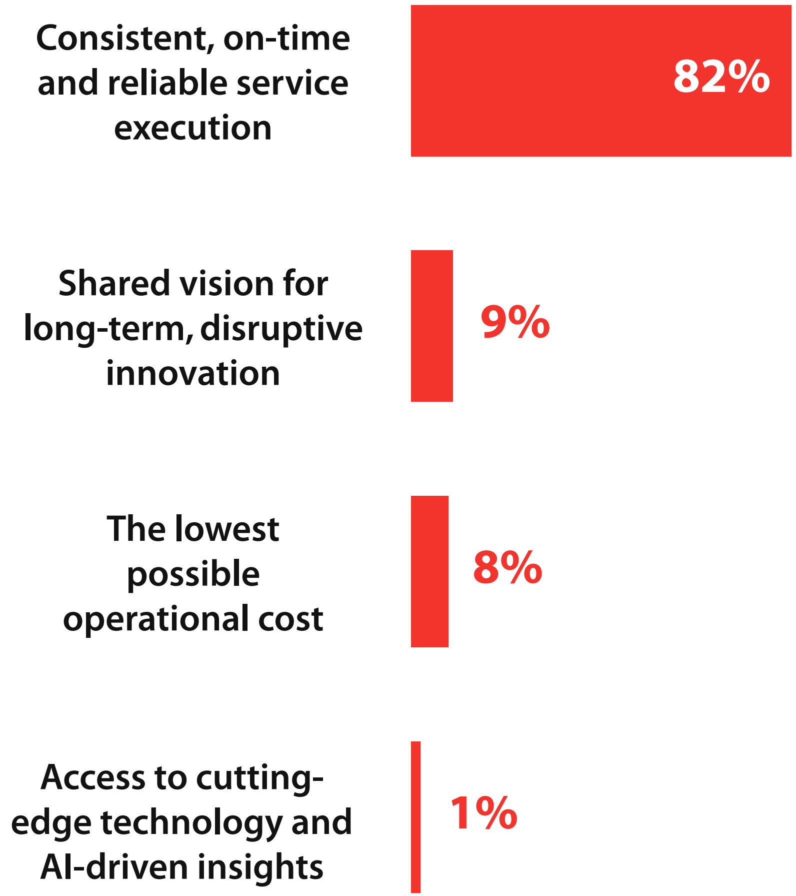
The message from the room was clear that supply chain success cannot sit with one party alone. But shared accountability requires more than a line in a contract. It depends on aligned outcomes, transparent governance and a willingness to share both risk and reward.

Who should own supply chain success?



90% - Shared accountability
7% - Whoever has operational control
2% - Manufacturer alone
1% - 3PL alone

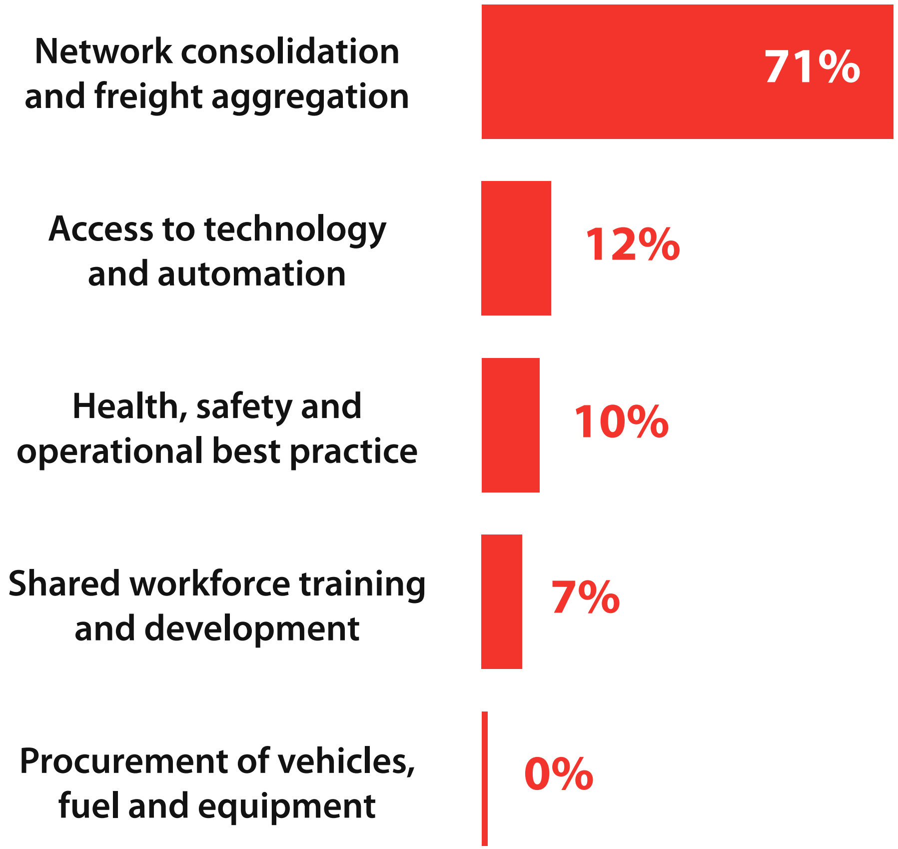
When evaluating a 3PL partner, what is the MOST critical factor for your business's success?



Getting the basics right was deemed the most critical factor for business success when evaluating a 3PL partner, possibly owing to the fact that this cannot be taken for granted in today's environment of disruption.

The audience was also asked how large 3PLs could use their scale to support smaller operators.

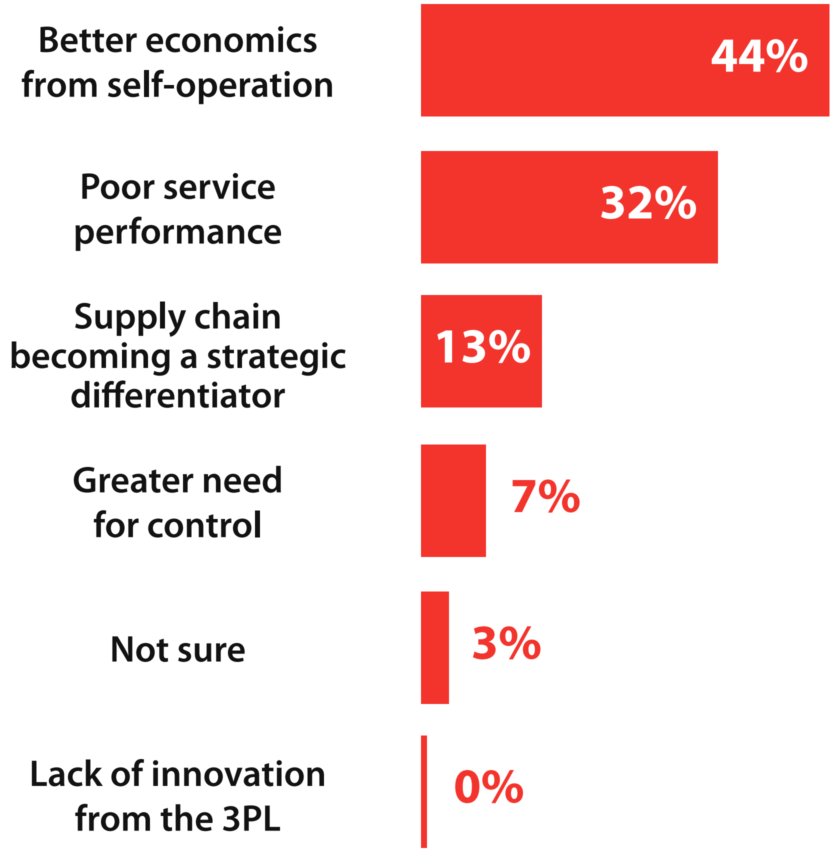
What should large 3PLs do more to leverage their scale for the benefit of smaller operators?



Network consolidation and freight aggregation was the standout answer.

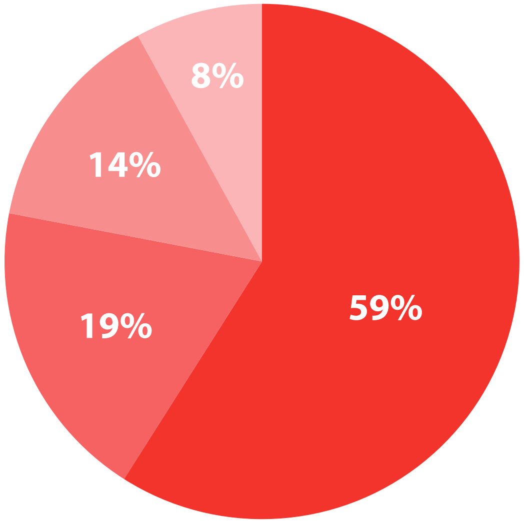
This also raised a wider question about control.

What would most likely make an organisation bring logistics operations back in-house?



The result suggests that outsourcing decisions are still heavily shaped by commercial value. Poor service performance remains a clear risk, but the strongest trigger for insourcing appears to be a belief that businesses can achieve better returns, greater visibility or more effective control by running operations themselves.

Are 3PLs the real heroes of the supply chain?



59% - Possibly - they need skin in the game. Structure for success, not to avoid failure

19% - Possibly - they can be a key partner in manufacturer/retailer-driven innovation

14% - Yes - for shared-user customers and a great training ground

8% No - they need to get the basics right

The results captured the balance of the debate. 3PLs are seen as critical partners, but the industry is not giving them hero status unconditionally. To earn that role, 3PLs need to deliver reliably, share risk appropriately and operate in relationships designed around success, not simply contract compliance.

Thoughts from a panel of **industry leaders**

Grace Smith

Supply Chain Director
UKI&N, Mars

The real heroes deliver the basics brilliantly

Opening the debate, Grace Smith challenged the idea that 3PLs should automatically be seen as the heroes of the supply chain. While AI, automation and advanced technology dominate industry discussion, she argued that they can become a dangerous distraction if businesses lose sight of the fundamentals.

For Grace, the true heroes of the supply chain are the people and partners that deliver safety, execution, reliability, service, discipline and control every day. Grace made the distinction between invention and innovation. A new idea that is not used, or that fails to improve performance, is not true innovation.

Her challenge to 3PLs was to be the heroes of the here and now, not only the heroes of tomorrow.

Joanne Moore

Customer Service & Logistics Director
Suntory

3PLs become heroes through partnership

Joanne Moore offered a more conditional view. Her answer to the central question was "possibly", but only when the partnership model is right. She argued that manufacturers and suppliers must continue to own the strategy, innovation and long-term vision, while 3PLs bring the scale, operational discipline and cross-industry experience needed to turn that strategy into repeatable performance.

However, partnerships only work when 3PLs are treated as partners rather than transactional providers. Too often, she argued, businesses approach 3PL relationships through the lens of contracts, KPIs and cost control. The most successful relationships are those built around performance, shared incentives, clear governance and continuous improvement.

Her conclusion was that 3PLs are not the authors of the story, but they can be the partners that make the ending happen.

Thoughts from a panel of **industry leaders**

Gavin Chappell

VP Supply Chain, Food & GM
ASDA

Commercial relationships need to be designed to play to win

Gavin Chappell argued that the answer depends on how the relationship is structured.

He introduced the idea of "playing to win" versus "playing to avoid losing". Too many 3PL relationships are designed around avoiding failure, with customers focused on controlling cost and 3PLs focused on protecting margin, managing risk and securing renewal. This creates a misalignment. Gavin argued that the real opportunity sits in aligning both parties around outcomes, not inputs. Rather than focusing only on cost per case, cost per mile or contract compliance, the relationship should be built around the business outcomes both sides are trying to achieve.

His message was that 3PLs could be heroes if both parties change their mindset, address fear and design commercial relationships that reward value creation.

Fabian Koehler

Deputy Group CEO
Culina Group

3PLs can be heroes, but the answer depends on who they serve

Fabian Koehler spoke from the perspective of a major 3PL, offering a nuanced answer to the question. He argued that the answer depends on the customer, operating model and role the logistics provider is expected to play.

For small and medium-sized manufacturers, shared-user platforms, multi-user transport networks and warehouse operations can provide access to capability and infrastructure they could not build alone. For larger manufacturers and retailers, 3PLs still add significant value, particularly in managing seasonality, providing operational flexibility and supporting make-or-buy decisions. However, the relationship may be less "heroic" and more tactical unless it is structured around wider value creation.

Fabian also highlighted the smaller hauliers, warehouse operators, labour providers and frontline teams that keep the wider logistics ecosystem moving. In his view, 3PLs can be heroes in some contexts, but the real heroes are often the people executing the work every day.

The main debate was followed by pertinent questions from the industry audience

The Q&A session that followed sparked some of the most thought-provoking insights of the day. Here is a summary of just a few of the topical questions and perspectives raised by attendees and panellists alike.

Q: Can 3PLs really align with a customer's mission and values?

A: The panel agreed that alignment matters, but there are limits.

Gavin Chappell argued that the most important point is not necessarily full alignment on mission and values, but alignment around the customer's desired outcomes. In his view, many 3PL relationships are still too focused on inputs such as cost per case or cost per mile, rather than the commercial and operational goals the business is trying to achieve.

Fabian Koehler said some alignment is possible, but it will never be absolute. A 3PL is a business with its own objectives, values and commercial responsibilities.

Grace Smith added that too much alignment can also create risk. Strong partnerships do not depend on constant agreement. Challenge, disagreement and different perspectives can be important sources of improvement.

The consensus was that 3PLs do not need to become identical to the businesses they serve, but they do need to understand the outcomes those businesses are trying to achieve.

Q: How should 3PLs decide where to innovate?

A: The discussion showed that innovation depends heavily on the operating model.

In shared-user networks, pallet networks or logistics platforms owned by the 3PL, the panel felt the 3PL should often be the driver of technology and process improvement. In dedicated contract logistics operations, the customer may define the need, but the 3PL must bring the expertise to shape and deliver the solution.

Joanne Moore said manufacturers outsource logistics for a reason. They are looking for 3PLs to understand the business and bring the economies of scale, capability and cross-sector knowledge needed to improve it. That might include artificial intelligence, automation, consolidation or future network planning.

The panel also stressed the importance of early engagement. If innovation is only discussed once a tender is live, both sides can become too tactical. Conversations about objectives, investment and operating models need to start earlier, before the relationship is reduced to commercial scoring.

Q: How should businesses balance cost, service and sustainability?

A: Sustainability was recognised as important, but the panel was realistic about the commercial pressures shaping decisions.

Joanne Moore said environmental targets are becoming a higher priority, but businesses still need to understand how those commitments can be achieved at manageable cost. She said 3PLs have an important role in bringing practical sustainability options to the table, from rail and alternative fuels to warehouse improvements such as solar, rainwater harvesting and LED lighting.

Grace Smith warned against focusing only on the most eye-catching innovations, such as vehicle electrification, while missing more immediate efficiency opportunities. She argued that half-filled vehicles and inefficient routing still represent major areas for improvement.

Fabian Koehler agreed that electric vehicles will be part of the future, but said progress is most likely when commercial incentives and emissions reductions move together. He also noted that newer diesel vehicles are still becoming more efficient and should not be ignored as part of the transition.

The discussion pointed to a practical conclusion: sustainability will move faster when it is tied to efficiency, asset utilisation and commercial value.

Q: Are businesses asking too much of their 3PL partners?

A: The answer from the room was that 3PLs are being asked to do more, but that reflects the complexity of the environment.

Gavin Chappell said 3PLs are often deeply embedded in supply chains and can be the face of the business to customers. For that reason, execution is non-negotiable. However, as retail and FMCG operations become more complex, with more channels, more volatility and greater customer expectations, 3PLs will need to step further into the partnership space.

Joanne Moore said the focus should be on what both sides are trying to achieve together, and Fabian Koehler added that 3PLs are demand-driven businesses, in which friction can arise when customers want the lowest possible price while 3PLs need to protect profitability and investment.

Grace Smith argued that the industry should also think harder about simplification. Efficiency is not simply about doing more with less. It is about identifying what does not add value and removing it.

The wider point was that 3PLs can help businesses manage complexity, but only if both sides are honest about what is being asked, what it will cost and what outcomes matter most.

Q: What does best practice look like when a 3PL is an extension of the business?

A: The panel agreed that best practice is built on trust, early engagement and strong personal relationships.

Gavin Chappell gave an example of a major supplier relationship where the contract was placed "in the bottom drawer" after negotiation. Instead of returning to the contract every time an issue arose, senior leaders on both sides spoke weekly, focused on solving problems and kept the shared outcome front and centre.

Fabian Koehler said relationships should begin well before the formal tender. Six to 12 months of earlier engagement can help both sides understand each other's values, ambitions and expectations before the process becomes too structured.

Grace Smith said businesses should also discuss potential points of conflict before they happen. The difficult conversations need to take place early, including how both sides will respond when service issues, cost pressure or operational failures arise.

Q: Can the industry collaborate to reduce waste?

A: Cross-industry collaboration was identified as one of the biggest opportunities, but also one of the hardest to unlock.

An audience member pointed to the long-standing problem of empty running and wasted road freight capacity. Despite years of discussion, the industry has struggled to reduce waste at scale.

Joanne Moore said collaboration is central to Suntory's approach, with the business looking to "burn less and burn clean" through more efficient operations and cleaner transport options. Grace Smith agreed that collaboration is essential, but said the difficult question is how to make it work beyond isolated examples.

Fabian Koehler said collaboration already happens in areas such as shared warehousing, but road transport remains highly fragmented. Dedicated transport solutions are often built around specific customer requirements, delivery windows and operating patterns, making wider coordination difficult.

Examples from the room showed what is possible. One audience member described a trial using an electric truck that was returning empty from South London to Wales. By matching that unused journey with another business's freight requirement, the partners were able to create a more efficient and lower-emission solution at no additional cost.

The conclusion was clear: reducing waste will require 3PLs, manufacturers, retailers and transport networks to collaborate beyond individual contracts.

Q: How should 3PL partnerships manage risk?

A: Risk emerged as one of the most important themes of the debate.

An audience member argued that outsourcing logistics often means outsourcing risk in three areas: asset utilisation, people and cash. If a 3PL invests in those areas and delivers consistent execution, it has created real value.

Gavin Chappell said stronger 3PLs are better for retailers and manufacturers. In his view, the right commercial model should allow 3PLs to earn more when they create more value. However, the mechanism needs to be carefully designed at the start of the relationship.

Fabian Koehler cautioned that gain share models can also fail if they do not create a genuine, shared interest in value creation. Poorly designed incentives can encourage the wrong behaviours, particularly near contract renewal.

The panel also noted that supply chain risk is becoming more unpredictable. Geopolitics, climate change, raw material challenges and regulatory change are creating disruptions that cannot simply be written into a contract. This makes trust, scenario planning and issue resolution increasingly important.

Chris Clowes

Executive Director at SCALA

and Chair of this year's debate reflected:

"This year's debate showed that the question of whether 3PLs are the real heroes of the supply chain cannot be answered with a simple yes or no.

"What came through strongly is that 3PLs are now expected to play a much more integrated role, and we see this time and time again in our work supporting clients in managing their 3PL relationships. Manufacturers and retailers increasingly want logistics partners that can help them manage disruption, improve resilience, simplify complexity and turn innovation into practical operational value.

"The polling also exposed a clear contradiction. Most attendees said supply chain success should be owned through shared accountability, yet lack of trust remains one of the biggest barriers to greater innovation. If 3PLs are going to be structured for success, rather than simply to avoid failure, both sides need to rethink how these relationships are built. That means clearer shared objectives, better commercial alignment, more open conversations about risk and stronger governance around value creation.

"The strongest 3PL partnerships will be the ones that combine high-quality execution with genuine collaboration. Technology, automation and new operating models all have a role to play, but they will only create lasting value if the foundations are right.

"Ultimately, 3PLs can be the heroes of the supply chain, but not in isolation. They become heroes when the relationship is built properly, when risk and reward are shared fairly, and when both sides are focused on the same outcome - resilient, efficient and future-ready supply chains."

SCALA Consulting is an independent supply chain and logistics consultancy founded in 2001. The company has built a strong reputation for helping organisations improve performance, reduce costs and create more resilient supply chains.

Working with leading manufacturers, retailers and logistics providers, both in the UK and globally, SCALA combines deep operational expertise with data-driven insight to deliver practical solutions that meet future business requirements and generate measurable commercial benefits.

SCALA works in partnership with clients, blending external experience and best practice with in-depth knowledge of their organisations to achieve lasting improvements. With expertise spanning strategy, network design, logistics, warehousing, transport, inventory, systems and operational improvement, SCALA supports organisations in making better supply chain decisions with confidence.

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