TRANSPORTATION AND LOGISTIC SERVICES IN POLAND

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Abstract: Today's demand new dimensions compel transportation, shipping and logistics (TSL) companies to constantly extend their services and thus assume the role of logistic operators offering customers comprehensive packages of logistic services. The rationalization tendencies of the TSL sector in Poland, nowadays market characteristics and chances for development, also in the area of intermodal transport, are presented in the article.

Key words: transportation, shipment, logistics services, intermodal transport

1. Entities offering transportation, shipment and logistics services in Poland

Domestic competition of small and medium transportation, shipment and logistics companies (TSL) who prevail in the Polish market mostly takes place in the sphere of prices for the services they provide, which is the most obvious factor of market competitiveness in this sector [1.]. A number of other factors which are decisive for the selection of a particular provider of transportation, shipment and logistics services by a customer include the quality of customer service, fleet and company credibility, and remain beyond the sphere of capabilities of small carriers. Undoubtedly, competing by means of prices is not and cannot be a long term market strategy of a company, especially if the business entity in question does not have enough financial resources even for its current activities [2.].

The transportation, shipment and logistics services market mainly consists of entities offering transport and storage cargo exchange services. Some of them are [3.]:

1. Freight forwarding and transport companies – small- and medium-sized enterprises specializing in the transport of certain cargoes, acting alone or working as subcontractors for logistics operators.
2. Logistics operators.
3. Storage-distribution and logistics centers of combined transport operators.
4. National public postal operators, such as the Polish Post in Poland or the Royal Mail, Posten Logistics, Consigna etc. in Europe.
5. Airports, along with ground-handling services.
6. Railways, PKP Cargo and the Polish Railways in Poland.
7. Seaports, shipping lines, tramp steamers, river ports and inland navigation companies.
8. Electronic logistic platforms, such as Axit, X-Trade, Teleroute Freight Exchange, Tomicom, Benelog and Trans.

2. Rationalization tendencies in TSL sector

Major rationalization tendencies in transportation, shipment and logistics companies' transport operations may be seen in using at least two transportation media in the process. Depending on the type of transportation media used and a transloading method, eg. H. Ch. Pfohl [4.] and W. Rydzkowski [5.] distinguish:

- broken transportation – transportation using at least two media of one transportation mode;
- multimodal transportation – cargo transportation using at least two transportation modes; the definition does not state a transloading method which means it may be effected at will;
- intermodal transportation – cargo relocation by the same transportation unit, transported all the way from the sender to the recipient by different transportation modes; transportation unit may be a container, a trailer, or a semitrailer;
- combined transportation – considered to be intermodal transportation where a cargo unit in the primary route is transported by rail, waterways, or by sea, and cartage and from is effected by road; the basic technology of combined transportation are rail-and-road shipments, including the most important systems:
  - piggyback system – transportation of one transportation medium by another medium;
  - Rollende Landstrasse system (Ro-La), or "rolling road" – road vehicles transportation by low-loading rail;
  - bimodal system – transportation of special bimodal road trailers by the road and by the rail without transloading its contents.

Today's demand new dimensions compel transportation and transportation-shipping companies to constantly extend their services and thus assume the role of logistic operators offering customers comprehensive packages of logistic services [6.]. The concept of logistic operator (*third party logistics*) is defined, for example, by S. Abt [7.], M. Ciesielski [8.] as a company managing customer's goods and information important to him, from raw materials acquisition, through the process of transformation, until a delivery of benefits related to goods and expected by the customer. Operations of that type should exceed an average transportation company offer and consolidate many different functions (dispatch, transportation, additional, and complementary services, ie. transloading, storage, manipulation, information, and others, as well as special: promotion, client service, insurance, customs clearance, credit) into a single integrated management system. Logistic services packages offered most commonly cover activity groups as follows [9.].

1. Physical services (basic services related to transportation and storage):
   - shipping, including special shipping;
   - short and long-term storage;
   - packaging, foil coverage, re-packaging, labelling, plastering;
   - co-packing (re-packaging and merging a few products into pallet units, promotional sets preparation in the form of multipacks);
   - co-manufacturing (final assembly and final product completion from parts sent by multiple manufacturers on specific client's orders);
   - delivery consolidation, deconsolidation and packaging;
   - cross-docking;
   - just-in-time orders delivery (the principle of cargo delivery in such amounts and time
     as to eliminate or significantly reduce reserves accumulation);

- handling return packages;
- waste disposal;
- comprehensive delivery service;
- distribution in the market or its segment

2. Maintenance services (additional complementary services):
   - logistic advisory;
   - inventory stock-taking;
   - goods quantitative and qualitative control;
   - after-sales services;
   - sales promotion;
   - handling clients orders;
   - market research and sales estimates.
3. Information services:
   - provision of details on supply and sales market, as well as the company's logistic processes course, in the manner consistent with strategic and operational management criteria.
4. Financial services:
   - insurance contracts conclusion;
   - financing deals;
   - payments;
   - commission sales;
   - financial documentation.

3. TSL market characteristics

The contemporary transportation, shipment and logistics services market is characterized by [10.]:

- the emergence of a pressure on shortening the delivery time; this involves minimization of inventory levels and their costs, as well as a reduced life time of products,
- the share of smaller cargoes and high-value and highly processed goods in total freight transport being smaller, and
- constantly progressing internationalization of merchandise trade, and its mass nature.

A market economy and free competition is clearly the remedy for transportation companies and third party, but we need to ensure that short-term opportunities are not taken at the expense of long-term prosperity and sustainability.
To cope with these changes, transportation companies and third party are driven to look for the solution to their problems i.a. in the certification processes, seen as a marketing tool, and the most advanced ones have even turned themselves to the introduction of total quality management models [11.]. Significant investment is being dedicated to the implementation of these models in operating companies, as well as in certification processes, and an even more important factor is that transport authorities start seeing it as a basic requirement for the selection of operators. Despite these efforts, only marginal improvements have been obtained so far in the performance of the companies that have introduced these processes and management models, which in turn have proved to be successful management tools in other sectors [12.].

Other clearly visible trends in services situation involving TSL companies in Poland are:
- closer client integration in customer automation service, procedures, and operations;
- an increase in the potential of services supporting complete customized services in solutions targeting specific industries and customers;
- service offer standardization thanks to integration and coordination of transportation companies operations, as well as added value optimization.

Changes in the economy reflected in transportation and services changes have a decisive impact on focus evolution in operations of companies active in that economy sector. Depending on the company organization and legal form, size, and operations extent, one can see the following new directions that occur specially in the services of transportation in Poland:
- diversification of transportation companies' operations – extension of the basic activity profile by all types of additional services, ie. shipping, storage, customs, informatic, and financial, up to, and inclusive of, comprehensive packages of logistic services offered to customers;
- state-of-the-art transportation technologies introduction (innovation) or new types of transportation services using existing infrastructure of transportation companies raising their effectiveness through services already offered adaptation to market requirements;
- focus only on chosen basic services (which is the case of small companies).

Table 1 presents the ranking of TSL (trabsport – shipment – logistics) companies in Poland in 2010 by revenues from the primary sale.

Table 1. Ranking of TSL companies by revenues from the primary sale in 2010 (in thous. PLN) [19.]

No	**Company's name**	**Capital**	**Revenues from the primary sale in 2010 (in thous. PLN)**	**Main source of income from TSL primary sales**	
				Type of activity	**Transport**
1.	PKP Cargo	Polish	4220584	transport, logistics services	rail, shipping
2.	Raben Group	foreign	1255000	transport, shipping, logistic services	road, shipping, air
3.	Schenker	mixed	1169210	transport, shipping, logistic services	road, rail, shipping, air
4.	Trade Trans	mixed	737687	transport, shipping, logistic services	road, rail, shipping, air
5.	DPD Polska	foreign	532410	courier services, transport, shipping, logistic services	road, rail, shipping, air

6.	LOTOS KOLEJ	Polish	470074	transport, shipping	rail
7.	DSV Group	foreign	459000	transport, shipping, logistic services	road, shipping, air
8.	PEKAES	Polish	421158	courier services, transport, shipping, logistic services	road, rail, shipping, air
9.	GEFCO Polska	foreign	407072	transport, shipping, logistic services	road, rail, shipping, air
10.	ROHLIG SUUS LOGISTICS	Polish	403288	transport, shipping, logistic services	road, rail, shipping, air

4. Development of intermodal transport

Another directions visible on Polish transportation market are connected with intermodality of the sector. The specificity of the intermodal transport allows different transport modes to be combined, which increases transport efficiency and reduces its external costs. In Poland, the development of intermodal transport is determined by the changes in the structure of transport, the increase in its importance, as well as the gradual reduction of the importance of rail transport. Intermodal transport enables the reduction of road transport (reduction of negative environmental effects) and the use of the potential of railways; therefore, its development plays an important role in the development of the EU and Polish transport strategies. At the same time, it allows the use of European Union transport policy for achieving sustainable development.

The basic objectives of Polish transport policy are in accord with the objectives of the European Union specified in numerous primary and secondary legal rules and in the form of White Papers, of which the latest was published by the European Commission in 2001 under the title "*Time to Decide*" [14.]. The fulfillment of several dozen postulates which it contains i.a. is supposed to change the proportion of the share of road transport with reference to other branches of transport. This means that the competition among particular branches has to be regulated and the branches have to be integrated, resulting in an effective intermodality.

A government document implementing the transport policy in accord with the EU recommendations in the scope of assuring proper conditions for a lasting, sustainable development is the document specifying a long-term state policy on the subject, entitled "*National Transport Policy for 2006-2025*" (abbreviated as "PTP"). The directions of road transport development specified in this document refer especially to vehicle infrastructure, investment planning, organizational modernization and traffic management. It also assumes that due to the differences in conditions of competition between road and rail transport, the development of intermodal transport will be financially supported by the state [15.].

In the conditions of increasing competition in the transport services market, the importance of intermodal transport is constantly increasing. The customer requirements and preferences regarding the method of carrying out the transportation of goods indicate that factors, such as the carrier's reliability, the price and the journey time, are the most important for them. As a result, these requirements determine the mode of transport by which the transport service will be carried out. Usually, selection is made between motor and intermodal modes of transport. The difference between them is that the latter provides the possibility of creating transport chains with the use of road, rail, sea and river means of transport [16.].

Despite many emerging programs aiming at increasing the importance of intermodal transport and access to it, the interest in intermodal transport in Poland is low. This may indicate that additional incentives and actions should be taken for better use of intermodal transport in Poland.

The Polish example shows exactly what can be the result of the lack of a network of intermodal logistics centers, which would allow companies to choose the place of activities, while ensuring the possibility of using intermodal carriages. Namely, these companies (mainly manufacturers) establish cooperation with logistics service providers, who in turn create their makeshift container transshipment points, providing services for one user [17.].

The benefits resulting from the functioning of intermodal terminals, logistics centers and supporting infrastructure similar, following the example of Western European countries, will be the objectives for the coming years. All the more so because Poland’s favorable geographic situation, including the most important traffic routes running through our country, offers the opportunity to build a network of logistics centers with a high degree of organizational and functional development, while the appropriate development of the intermodality of transport processes will facilitate overcoming the differences in transport systems and integrating them.

5. Summary

The current transportation, shipment and logistics (TSL) services market is distinguished by the appearance of a demands on shortening the delivery time, minimization of inventory levels and their costs, the share of smaller cargoes and high-value and highly processed goods in total freight transport being smaller, and persistently progressing internationalization of merchandise operations.

Changes in the economy reflected in transportation, shipment and logistics services changes have a decisive impact on focus evolution in operations of companies active in that economy sector. Depending on the company organization and legal form, size, and operations extent, one can see the following new directions that occur specially in the services of transportation in Poland, such as diversification of transportation companies’ operations, state-of-the-art transportation technologies introduction or focus only on chosen basic services. Another directions visible on Polish transportation market are connected with intermodality of the sector.

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