

Freight Forwarding and Military Logistics as a Strategic Outsourcing Form: An Empirical Analysis on Military Freight Forwarding Firms in U.S.

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Abstract— The term of logistics is originated from military. There have been a wide range of logistics activities in military operations. Global interdependency is also widespread in military. Acquisition from a foreign country requires some logistics plans like transportation, warehousing, customs for exporting importing and so on. The aim of this paper is to give an overview of freight forwarding operations in military activities and to emphasise the importance of freight forwarder functions in military logistics. In this frame teorical framework of military logistics and freight forwarding concept was examined firstly. Then a field research related with Military Freight Forwarding Firms in U.S. was given place to the study.

Keywords—Freight Forwarding; Logistics Management; Strategic Outsourcing; Military Logistics

Note: Assoc. Prof. Dr. Ramazan ERTURGUT has been supported by TUBITAK (The Scientific and Technical Research Council of Turkey) during this study.

I. INTRODUCTION

Using a third party logistics company to provide logistic support is considered outsourcing. Outsourcing is rapidly becoming one of the dominant practices in commercial businesses today, particularly in logistics [1]. Using outsourcing serve to five basic purposes in logistics angle. Those are; providing the cost leadership [2-5], being able to use the basic perfections [6-11], harmonise with the technology and alterations [12] and downsizing [13]. The wide spread use of the term “logistics” arose in the military and is more recently being used in the private sector of the economy largely in connection with Supply Chain Management. Over the last two decades, commercial entities usually referred to as Private Military and Security Companies have taken over a number of activities previously performed by military personnel such as logistics and supply chain management [24]. Successful outsourcing of military logistics depends

much on cooperation and efficiency [14]. The importance of military logistics is as much more than in private sector due to the output of all logistics activities are towards the country’s defense purposes. Without an efficient strategic, tactical and operational logistics plans and activities, a military operation is far from reaching any achievement.

Logistics is the science of planning and carrying out the movement and maintenance of forces. In its most comprehensive sense, those aspects of military operations which deal with [15];

- Design and development, acquisition, storage, movement, distribution, maintenance, evacuation, and disposition of materiel,
- Movement, evacuation, and hospitalization of personnel,
- Acquisition or construction, maintenance, operation, and disposition of facilities, and
- Acquisition or furnishing of services.

Military logistics is a science that help to plan, implement various activities of the military force. Every activity is planned accurately by the professionals for a succesful operation. Coordinated movement for a single target can be achieved through the art of military logistics. Military logistics cover material, personnel, services, and facilities of a military operation. Innovation of materials that are effective for defensive purposes is the first process in material designing The powerful and solid defense system of a country depends on successful logistics operations. On the other hand, Supply Chain Management tends to work best under circumstances where buyers have more leverage than suppliers. Because the military is often a powerful logistics service buyer, we assume that its procurement activity would provide an interesting context for studying the outsourcing of logistics. With this assumption, it is however, important to remember that there are usually several additional factors influencing outsourcing strategies,

such as confidence and supply chain agility, which are not considered in this study [16].

II. AIM OF RESEARCH

Aim of this study to investigate in contemporary military freight forwarding firms activity in strategic military organizations. In this frame it is also aimed to attract attentions working conditions, difficulties demographic values and working styles of these firms. Secondary aim of the study is to put forwarding point of view Outsourcing approach as a management style.

Although there have been numerous of literatures written about military logistics, the studies on freight forwarding in military are very limited due to the fact that the specification of the subject. In the study made by Westfall and Huang [17], they analyzed the freight forwarder performance of two separate Taiwan Armed Forces freight forwarders doing business in West and East Coast of America and found out that there had been major delays occurred in freight forwarding operations in both inbound and outbound. In this respect this study carrying importance in terms of to determine demographic structure, difficulties in transportation and working conditions of freight forwarding companies in strategic countries. Advantages and disadvantages have also been discussed in our research. Therefore U.S. freight forwarder companies which, carrying out most of World military freight forwarding mobility are selected for our research.

III. THEORETICAL FOUNDATIONS

A. *Military Outsourcing*

Using a third party logistics company to provide logistic support is considered outsourcing. Outsourcing is rapidly becoming one of the dominant practices in commercial businesses today, particularly in logistics. Outsourcing has been defined in a number of ways, but essentially it is, as above, the transfer of a function previously performed in-house to an outside provider. It involves the movement of work, but not often the transfer of responsibility and accountability or oversight, to the external provider [18]. All organizations doing business in any field use logistics service providers company to focus on their core business by outsourcing.

The key reasons to outsource a function are cost and performance. Third-party logistics providers can leverage their core competencies to improve enterprise-wide performance [19]. Privatization and outsourcing are becoming very familiar terms in both the military and civilian industrial sector. Faced with tight budgets, many organizations see these two processes as a quick fix to their budget and manpower problems [18].

The governments' regular policy to give stimulus to the state's economy is privatization. As doing so, the governments can be able focus on the main missions. As the business world is tend to outsourcing so do the

governments. Among the departments of the government, the department of defense is the biggest one. Especially in developing and the-least developed countries, the states are economically, defensively and technologically dependent on the developed countries. So they allocate the funds for mostly to defense purposes. In military, outsourcing is not a new concept. The use of contractors and related civilian markets (domestic and foreign) for cleaning, catering, laundry, maintenance and supply, engineering, and support, training/instruction, transportation and many other support functions in military branches has been quite widespread. Contracting-out or outsourcing some service and other functions is a cost-saving, time-saving, manpower-saving and practical method for governments and militaries. Military outsourcing related studies and literatures have cleared out that it is not only the developing but also developed countries' issues [14].

1) *Improvement of Military Outsourcing*

The producer phase of a military supply extends from determination of procurement schedules to acceptance of finished supplies by the military services. The consumer phase of a military supply extends from receipt of finished supplies by the military services through issue for use or consumption [21].

B. *Military Supply Chain Management*

Military supply chain management is the discipline that integrates acquisition, supply, maintenance, and transportation functions with the physical, financial, information, and communications networks in a results-oriented approach to satisfy joint force materiel requirements [21].

The United States of America is the leading military supplier to many countries in the World. Since, most of the weapon and support systems used by most European, Asian, African countries are produced by U.S. manufacturers, those countries are dependent on the U.S. to perpetuate their weapon systems such as fighter aircraft, warships, helicopters, missiles etc. A long supplying, supporting process starts just after the purchase of the weapon system from the supplier country. This process includes supplying the spare parts, maintenance, repair and training and many other functions. The U.S. hosts many countries' military representatives such as military attaches, liaison officers and agents. Those representatives play an important role in procurement and acquisition activities in the U.S. They provide liaison between the customer government and the providers.

The acquisition from the U.S. is conducted under the regulations of Security Assistance Program by purchasing the spares, servicing the repairables, training the personnel and other kind of supports.

Acquisition Process Chart that shows military goods flow based on Security Assistance Program,

has been indicated on Fig. 1, Components of Security Assistance Program that Foreign Military Sales (FMS) and Direct Commercial Sale (DCS) also explained as follows.

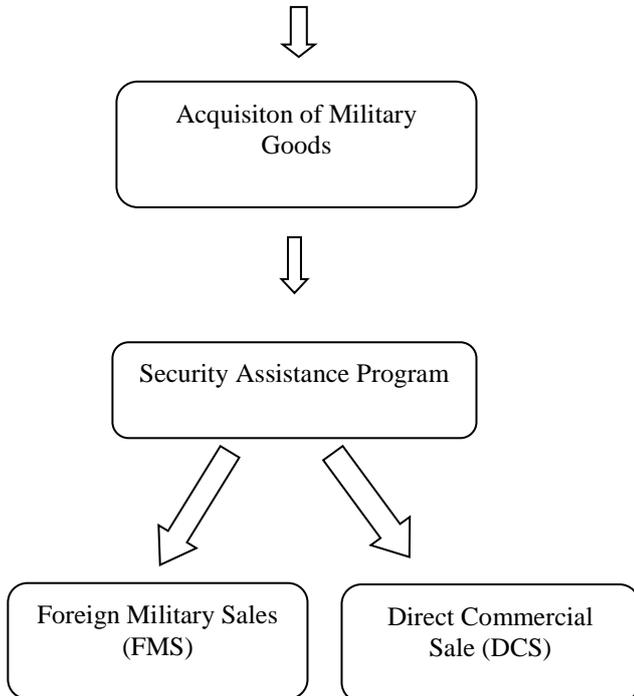


Fig.1 Acquisition Process Chart

C. Security Assistance Program

Security Assistance, defined in its simplest terms, concerns the transfer of military defense articles and / or services from the United States to friendly foreign governments and specific international organizations. The United States conducts Security Assistance business with over 150 nations and international organizations around the world. These programs are conducted under two primary U.S. legislative authorities: The Arms Export Control Act (AECA) and the Foreign Assistance Act of 1961 (FAA). Under these authorities, there are several options that we may use to provide the customer with U.S. defense articles and services. The most common options are *Foreign Military Sales (FMS)* and *Direct Commercial Sales (DCS)*. There are benefits, limitations and trade-offs associated with each of these options that should be carefully considered for each particular sale. While you usually have a choice in whether to purchase items using FMS or DCS, the U.S. Government may require that FMS procedures be followed for certain purchases [22].

1) Foreign Military Sales (FMS)

FMS program is the U.S. Government's program for transferring defense articles, services, and training to other sovereign nations and international organizations. Under FMS, the U.S. government

procures defense articles and services on behalf of the foreign customer. Countries approved to participate in this program may obtain defense articles and services by paying with their own national funds or with funds provided through U.S. government-sponsored assistance programs. In certain cases, defense articles, services and training may be obtained on a grant basis. The Defense Security Cooperation Agency (DSCA) administers the FMS program for the Department of Defense (DoD). Foreign Military Sales customers receive logistics support through the same Department of Defense system that supports the U.S. military forces. However, there is no single supply organization. Rather, each U.S. military service has its own unique collection of processes, organizations and terms that also support FMS [23].

There are normally three parties involved in the movement of FMS material; the U.S. Government, the purchaser (customer country military / Ministry of Defense, Armed Forces), and the freight forwarder. Each has specific responsibilities that must be met in order to assure the efficient movement defense articles and assets. And each one plays their important roles for effective logistics operation. The responsibilities of the freight forwarder is our subject in this study and is going to be mentioned then.

For FMS material, LOA (Letter of Acceptance) agreement is made between customer country force and U.S. DoD (Department of Defense) and under that agreement the requisitions are fulfilled by the customer force in a timely manner. According to the Management Security Assistance regulations, the material requested by customer force is sent to the freight forwarder. The freight forwarder is to be listed in MAPAD (Military Assistance Program Address Directory). When the goods are ready to ship from the shipper military depot, the shipment is automatically sent to the "mark for code" address of freight forwarder. MAPAD lists the addresses for FMS shipment and related documents. This is one of the most important requirements for FMS program transportation / distribution. That address is of the freight forwarder for handling the material on behalf of the customer force. MAPAD codes include the address for perishable cargo, for NOA (Notice of Availability) and for source and receiving country and the force's final destination.

2) The Direct Commercial Sale (DCS)

The DCS is a sale made by U.S. companies directly to an international customer. DCS agreements are not administered by DoD and do not involve a government-to-government agreement. U.S. industry is responsible for obtaining a license from the Office of Defense Trade Controls in the Department of State for each of these sales. The day-to-day rules and procedures for these types of sales are contained in the International Traffic in Arms Regulations (ITAR). Under DCS, it is engaged directly in contract negotiations and program management

decisions with a U.S supplier or manufacturer. DCS might be considered when military requirements differ appreciably from standard U.S. configurations. DCS arrangements may also be appropriate when customer government is seeking licensed-production between a U.S. manufacturer and own domestic industry or government seeks a closer relationship with a particular weapon system manufacturer [22].

Goods destined for use by the Armed Services are usually produced by private manufacturers, sold to the military through their system, and distributed to Army posts, airfields and other local distribution points. The final customer is the soldier, sailor, marine or airman who may be located in the United States or a distant part of the world. Goods entering the system, which are not consumed are resold as surplus to the private sector of the economy. Hartley investigated the military outsourcing in the perspective of UK experience in his article and cleared out that the UK Ministry of Defence (MoD) and the Armed Forces have considerable experience of outsourcing. This involves the transfer of activities which were traditionally undertaken 'in-house' by the Ministry and the Armed Forces to private firms. And he concluded that outsourcing is part of the UK's general policy towards privatization.

D. Freight Forwarding Concept in Military

A freight forwarder is an organization that collects shipments from a number of businesses and consolidates them into larger shipments for economies of scale. A freight forwarder often also deals with route selection, price negotiation, and documentation of distribution, and can act as a distribution agent for a business. Freight forwarders play a key role in supply chain management. Their vital importance has been perceived by all the actors in business world. The suppliers, manufacturers, exporters and importers can focus on their core business by contracting with a freight forwarder, logistics service providers, 3PL's [14,16]. Freight forwarding also plays very important role in military activities. The main duty of the military is defense the country. To perform that significant mission, all actors in military are required to play their roles with a great care, experience, and sensitiveness[17].

Freight forwarder operations are some of the most difficult links to manage in the international distribution channel. One of the most critical links in an international distribution channel is the agent who arranges for the physical movement of the goods from the supplier to the country of destination [17]. The freight forwarders perform that vital task for transportation the military goods from the U.S. to the home country which involved in the U.S. security assistance program. They provide the link between the countries and the military depots, weapon system manufacturers and commercial suppliers. The services and responsibilities of the freight forwarders are framed by the contractual agreement made with the customer country. Freight Forwarders have the

responsibility and authority to receive, handle, consolidate, store the military goods at its warehouse, and arrange the shipment to the final destination on behalf of the customer country's military.

Freight forwarder doing the military business has the responsibility against mainly two parties, the customer country and the U.S government official agencies. The customer of the freight forwarder is formed with the Ministry of Defense and the Armed Forces (Air Force, Army and Navy). Freight forwarder is the weakest chain for the customer country during the whole operation. Because during the transportation process from the shipper depot to the final destination, even a minor mistake can not be accepted.

1) Freight Forwarder Selection

Security assistance countries are responsible for selecting their own freight forwarders. By the law the U.S. military is not involved in the selection process[17]. The selection of a freight forwarder must be made by the FMS customer. DoD personnel are not authorized to recommend a freight forwarder to a purchaser or tell a freight forwarder how to conduct his operations. The contractual agreement is made between the forwarder and the country.

In many cases, the selection of freight forwarder is made from a political base, but often that selection is made by the competitive marketplace. Countries are free to negotiate for the services they feel will best accomplish their mission for a given compensation [17] Since the freight forwarding is a task which highly performance and experience demanding, the military has generally not enough those capabilities to do this business in a foreign country. Those capabilities required to have knowledge on that country's policies, customs regulations, transportations systems and to have adequate capable personnel and many other issues. In freight forwarder selection process, one of the preferences among many other factors is the location. The freight forwarder company is supposed to be situated close to the international sea and airports and an air force base. The west coast and the east coast are the major two convenient regions for freight forwarding within the U.S. There is no involvement of U.S. officials in that FF selection process. But the qualifications are clearly mentioned in regulations for a FF company need to have to handle military freight. The freight forwarding task is authorized by awarded directly to a certain freight forwarder company or by bidding for the contract.

2) Freight Forwarder Responsibilities / Operations

Freight forwarder is a private firm under contract to the FMS customer to receive, consolidate, and stage material within the U.S. and arrange for its onward movement. As such, the freight forwarder's responsibilities must be specified in the contract. Freight forwarders vary considerably in size, personnel manning, and capability to process

material, documents and data for the purchasing country. However, no matter the size of the freight forwarder or amount of material handled, all freight forwarder should attempt to accomplish the following basic functions.

a) *Receiving*

The freight forwarder should have sufficient storage facilities and material handling equipment to handle all expected shipments. For FMS shipments, most of the goods sent from the military depot to the FF address by small parcel carriers such as Fedex, UPS, DHL. After receiving the goods the responsibility passes to FF [25]. For some specific shipments, FF arranges the domestic shipment from departure location (manufacturer, military depot or plant) to FF address or directly to the seaport terminal or air force base air terminal. For commercial purchases, the seller company generally has the responsibility to deliver the cargo to the FF address or to the seaport terminal. Direct shipments to seaport or airport terminals are done for specific freight such as explosives, classified, dangerous or over size project cargo.

b) *In-Transit Visibility System*

The freight forwarder receives shipping documents and should always match them against actual material receipts. If shipping documents are received and no material is received, the FF should follow up with the indicated point of shipment [25].

c) *Payment of Collect Commercial Bills of Lading*

The freight forwarder must have sufficient funds to pay CCBL (collect commercial bill of lading) or, when possible, to make credit arrangements with carriers or appropriate agencies to handle bills for deliveries and to provide "bill to" addresses as necessary for inclusion in the MAPAD (Military Assistance Program Address Directory) [25]

d) *Notice of Availability (NOA)*

The freight forwarder should immediately respond to each NOA requesting shipping instructions. The DoD does not store the material to accommodate freight forwarders [25].

e) *Shipment Damage*

Very few freight forwarders are permitted to open containers to check for possible damage of contents. Claims must be files against commercial carriers for shortages and visible damages. A freight forwarder should never refuse a shipment destined to the FMS customer. The freight forwarder should accept damaged articles and initiate claim action against the carrier and resolve paperwork discrepancies with the shipper.

f) *Repack Recrate and Reinforce*

Most freight forwarders are not permitted to open containers they receive from the DoD or other

sources. Instead, it must have the capability or repacking the inadequate original container into one that is more suitable for containerization and overseas shipment. If possible, small packages should be consolidated and loaded in sea land type containers to minimize loss, damage or pilferage.

g) *Consolidating*

Since the goods are received as small parcels the freight forwarder should consolidate them grouping to the final addresses. The final address in customer country is labeled on the box by shipper. Those addresses are of each force's depot in customer country.

h) *Recording*

FF is requested to use the most advanced technology for recording not to loose any box or prevent any mis-shipping. True recording leads to true shipment. Any minor error in recording causes big problems and discrepancies. So, freight forwarder may be requested by the customer country to use most advanced information and tracking systems.

i) *Marking, Labeling, Documentation*

The freight forwarder should ensure that all required marking, labeling and documentation is affixed to consolidated shipping containers and is legible for the onward processing of material.

j) *Repairable Return*

Purchasing countries return numerous items to DoD organizations for repair and return or repair and exchange. The freight forwarder is responsible for clearing the incoming shipments through U.S Customs and arranging transportation to the repair facility.

k) *Time*

To ship the material in a certain time is agreed upon the contract. The freight forwarder is expected to ship in time the freight according to the priorities labeled on the boxes. Otherwise freight forwarder is required to pay some penalties. The priority / urgent freight should be sent by air and the normal ones by sea. So freight forwarder group the material according to priority, final destination (force by force) and mode of transportation.

Many freight forwarders licensed by the United States Federal Maritime Commission are also licensed customs broker. A customs broker facilitates the clearance of cargo imported into the U.S. Frequently, the purchaser's material will need to be returned to the U.S. for testing or repair. Therefore, the freight forwarder selected by the purchaser should also be licensed customs broker and tasked to perform import duties and transportation arrangements to the testing or repair facility in the U.S. [25].

E Transportation Modes

1) *Road*

Road transport is used mainly within U.S. The freight forwarder arrange the shipment when needed for receiving the cargo from the providers warehouse to freight forwarder address or directly to seaport, airport or air force base and generally from FF to those departure locations.

2) Sea

Sea transport is used for normal priority freight and big size cargo that can not be loaded into airplane or military air cargo plane . Containers (20-40 ft) are mostly used for sea transport, and rarely other type of containers are also used according to the type and size of cargo. Dangerous cargo is also preferred to be carried by sea.

3) Air (Commercial Airlines)

For urgent priority freight, at least once or twice a week the cargo is shipped by airplanes' cargo section.

4) Air (Military Air Cargo Planes)

Some customer countries has routine courier program between their country and U.S. The nearest

U.S. Air force base is used for landing, loading and unloading. Under a protocol signed between two countries terminal services, loading unloading services are provided by host nation base personnel. Return material for repair or testing purposes are generally sent back to U.S. by this type of transport. The freight forwarder has a special task in this operation differ from normal freight forwarding activities. The freight forwarder should prepare the air cargo before the aircraft land. Special kind of pallets are used for military cargo aircraft. The freight forwarder must efficiently load each pallet and strap them accordingly to secure for road and air transport. Then all full loaded pallets are required to be ready at the air cargo terminal at the same day and all documentation and customs clearance have to be completed before the aircraft land. After unloading the freight from the aircraft, freight forwarder is responsible to send the return or repairable assets coming from the customer country to the repair facilities.

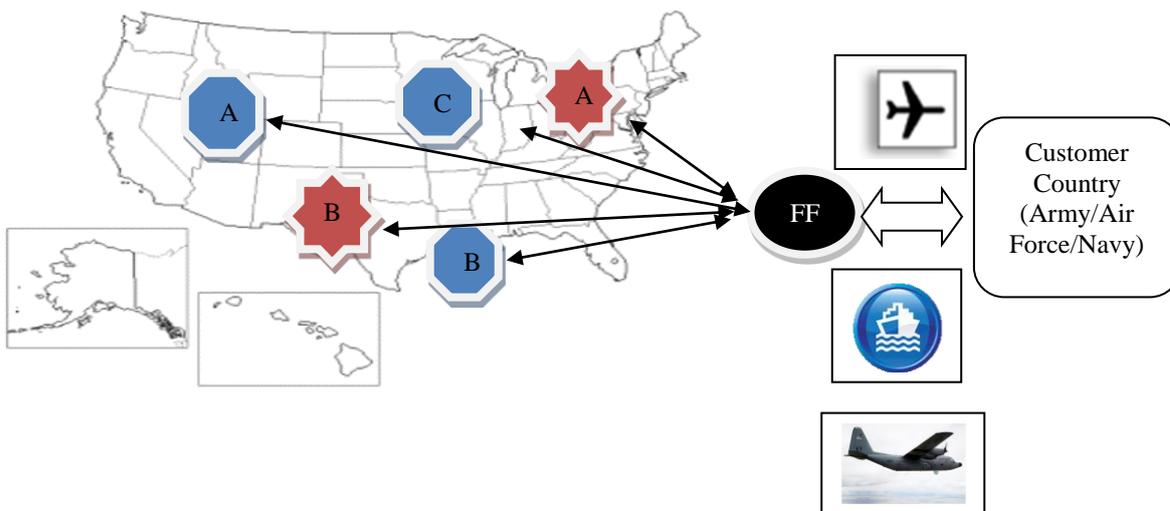
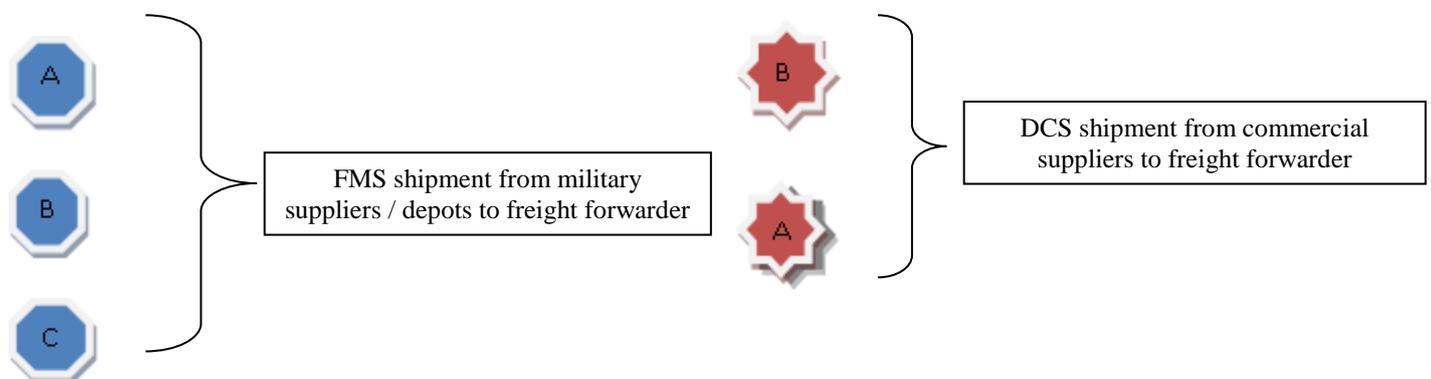


Fig. 2 The Movement of Military Goods to Freight Forwarder in U.S.A.



V. METHODOLOGY

The survey related with freight forwarding applications in military, has been realized in freight forwarding companies in U.S. In this frame, sample of the research is three freight forwarding firms which located in New Jersey Newyork, in U.S. Research Qestionnaire was sent 5 freight forward company firstly but, only three of them responded.

Questionnaire method and deeply interview method was used as research tools in survey. Descriptive statistic was also used for analyzing of questionnaire results. It has been reached to freight forwarding firms by e-mail mostly. Phone call communication was used for receiving some of complementary information's and discussing. Interviews and e-mail communications was realized with medium and higher level managers of these firms. Because of military experience of outhors in U.S. freight forwarding system, authorr past experiences and obsevationns have contributed this study considerably.

Questions in research scale (Appendix 1) was selected to evaluate demographic information's like firm scale, geographical positions and to determine military operations level and difficulties during freight forwarding applications. Open ended questions are also used for investigating. Two academicians opinion who study on scientific logistics area was received for survey questions and corrections was structured in the questionnaire. Reliability and validity tests also constructed.

V. FINDINGS

The questionnaire items have been classified in seven main factors according to research aims and the findings are as fallows. Other findings have been given in Item 8 in question-answer form.

A. Activity Period of Freight Forwarding Firms in Military Logistics

According to Table 1, most of participant firms %67 have keeping on freight forwarding activity related with military logistics. According to this finding we can express that participant firms are experienced in medium period in fraight forwarding activity in military logistics.

TABLE I. ACTIVITY PERIOD IN MILITARY LOGISTICS (FREIGHT FORWARDING ACTIVITY)

Organizations	Activity Period	Limit Values	Percentage (%)
Firm A	3 years	Under five	33
Firm B	6 years	More Than	67
Firm C	8 years	five	

B. Findings About Firms Perceptions

1) Firms Opinions About The Term "Military Logistics"

It has been understood that firms have different perceptions as related with the term military logistics. One of the firm have considered military logistics as movements of military goods, the other have described military logistics as a "very important issue for a country's defense power" One of the firms has not answered this question.

2) Firms Opinions about Competencies For Obtaining and Sustaining Freight Forwarder Company Competition in Military Logistics

The firms have also different determinations as relating with this finding. According to Firm A, it is strongly necessary to establish good communication with military authorities and mastering strong company infrastructure and experience. Firm B gives more importance to time management. Differentially Firm C has been emphasizing advanced information technologies, more sensitiveness about contracts and care.

3) Firms Opinions about Requirement for Being Freight Forwarding Company in Military Logistics

We understand that firms are in similar point of view about requirements. These are; some official licenses, security clearance for classified material by DSS mainly.

4) Firms Opinions about Differences Between Civilian and Military Freight Forward Operations

Managers perceptions of freight forwarders firms related with military and civilian comparison indicate that; loading and unloading activities especially in airline logistics strictly differ from civilian ones. Military authorization process and material classification are also required different in terms of human research expertise than civilian operations. For example one of firm manager expresses that palliating and handling of cargo carried by military air courier, handling the classified cargo in their warehouse in a special cage authorized by DSS. According to other firm representative military cargo airplane loading and unloading, classified and axplosive material handling are sensitive subject in military freight forward operations.

C. Findings about Difficulties in Military Cargo

As we stated Item 5, difficulties are generally focusing on military system characteristics. According to TABLE 2, difficulties mainly arise from customs issues, license and time related problems. Contractual problems between sides also occupy to place in military cargo difficulties.

TABLE II. DIFFICULTIES IN CARGO TRANSPORTATION IN MILITARY LOGISTICS SYSTEMS

Organizations	Problem Expression
Firm A	To get license for military cargo takes time, some items in the contract are hard to follow sometimes, and we may have problems with U.S. customs occasionally.
Firm B	For priority shipment we need to act in a timely manner due to the penalty written in the contract.
Firm C	Customs issues for inbound cargo.

C. Findings about Advantages in Military Cargo

According to firm manager perceptions, advantages in cargo transportation in military logistics systems have been given TABLE III. We understand that firm's opinions are mainly collecting on gaining experience on public and military logistics systems, variation of material handling and operations gives advantages.

TABLE III. ADVANTAGES IN CARGO TRANSPORTATION IN MILITARY LOGISTICS SYSTEMS

Organizations	Problem Expression
Firm A	We gain some experience on military logistics issues, we can develop governmental and military relations.
Firm B	Variation of material handling and operations gives advantages
Firm C	Experience on military logistics

D. Other Findings

Other findings relating with freight forwarding activity of firms in military, have been classified in question-answer form in TABLE IV.

TABLE IV. OTHER FINDINGS IN QUESTION-ANSWER FORM

No	Question	Firm A	Firm B	Firm C
1	Since you have begun doing freight forwarding for military, what kind of (positive or negative) changes happened to your company? (economical, social, environmental, technological, etc).	We hired two personnel for warehouse and office,	Economic and prestige advantageous on our company	No reply
2	Does your company think continue to do this business long time? Explain the main reasons? Why?	Obsolutely, yes	Yes	Yes
3	Do you have any relations or information exchange with other companies who are doing freight forwarding for military? If yes, What kind of issues)	No	Occasionally	No

VI. CONCLUSION

The importance of logistics has been highly perceived by the business world. The freight forwarders' roles in logistics have been widened and well understood day by day. In this article, the significant role of freight forwarding operations in military logistics is aimed to give to the reader after briefly mentioning about the acquisition types of military asset from U.S. The information is gathered from the limited literature and U.S. official web sites and the author's three year experience as a freight forwarder liaison officer in the U.S. Three freight forwarder companies helped us for understand the subject and gave us some vision on military logistics. Further detailed studies on the subject will be a great contribution on the literature.

Field research results of this study indicated that several important points and open areas of improvement in military freight forwarding systems. We can account for those findings as follows.

- Because of short term contract between two sides freight forwarding firms in military are having experienced in medium period generally.
- Majority of freight forwarding firms think that it is strongly necessary to establish good communication with military authorities and mastering strong company infrastructure and

experience for long term company performance and profitability.

- Company in military freight forwarding generally emphasize advanced information technologies, more sensitiveness about contracts and care also requirable in transportation sector.
- It's strongly understandable that freight forwarding firms give more importance public low related with national logistics system and aware of new improvement in sector.
- Most of difficulties relating freight forwarding activity are gathering in license, custom and contractual issues.
- Many of freight forwarding company evaluate developing governmental and military relations, gaining prestige in sector, variation of material handling and operations skills, delivering mess product as advantages.

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