

Title: Readiness Assessment of Malaysian Third-Party Logistics Service Providers towards the Achievement of Malaysia as the Global Halal Hub

Subject: Management

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Purpose:

The global *Halal* market value for trade in *Halal* foods is estimated at US\$547 billion annually. The huge and tremendous market has created interest from food producing countries worldwide. As a progressive Muslim country, Malaysia has the edge to being recognized internationally, where it has the potential of becoming a major producer of *Halal* food products (Malaysia 3rd Industrial Master Plan). To realize this potential, apart from the commitment and support by the Government, the *Halal* industries are shown to be focusing their efforts in producing and exporting *Halal* products. Thus, third party logistics providers (3PL) play a vital role to ensure that the link between supply and demand is well coordinated and balanced. The purpose of this paper is to examine and assess the readiness of Malaysian 3PL in playing their role towards fulfilling the Government's aspiration in becoming a Global Halal Hub. This study also includes the identification of strategies established by the Malaysia 3PL in the development of the *Halal* hub.

Research Approach:

The analysis includes the logistics strategies of leading 3PL companies in Malaysia with a view of major changing trends towards the development as the Global *Halal* hub. Relying on focus groups interviews, case studies, and discussions with logistics professionals and contemporary literature, the authors will examine the readiness of third party players in this evolution.

Findings and Originality:

Several gaps have been identified via the readiness assessment tools conducted within the existing strategies and processes of the selected Malaysian 3PL into accomplishing the goals of the Country of becoming the Global *Halal* hub. The readiness assessment will achieve three (3) significant goals; learning analytics, measurement strategy and document gaps ('as is' state vs. 'should be' state). There are four (4) main components to a measurement readiness assessment i.e. stakeholders, strategies, processes and technologies. The value of this study developed from the identification of the readiness of Malaysian 3PL towards the achievement as Global *Halal*

hub and how their different strategies develop over time with a special focus on how they balance between general problem solving capability and the degree of reaction towards this accomplishment. Several issues of importance when managing the continued third party logistics service providers' business strategy has also been identified.

Research impact:

This study assesses the readiness of 3PL players towards the Country's development into a Global *Halal* Hub. There is a significant need to analyse the readiness for these companies to be prepared in view of the global *halal* hub development.

Practical impact:

The findings provide facilitation of information on readiness and 'health' of individual 3PL which will lead to strategic decision making and problem solving for responsiveness towards the Global *Halal* Hub development in Malaysia.

Keywords:

3PL, readiness assessment, Global *Halal* Hub, case study

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