



## Avoid becoming a “no name”

By John A. Gentle, DLP

RECENTLY I WAS VISITING WITH SOME FRIENDS, Tom and Michelle, who own a farm in New England. Tom was showing me around the farm—baby chicks, turkeys, and piglets. The family is raising all of these animals for consumption.

When I got to the goats I noticed that they had different colored dog collars and asked if the goats had names. Tom said the grandkids had names for them, but he believed that there was “no reason to name something that wasn’t going to be around long enough.”

Tom’s statement reflects the reality of life and business, particularly in the shipper/carrier relationship. There is little benefit for a carrier to invest time and emotion in a logistics team that uses them sporadically or is constantly challenged by the complexity, unfairness, and inefficiencies built within a shipper’s, receiver’s, or 3PL’s transportation program.

So, how do you avoid becoming a “no-name,” dispensable entity? The answer is quite simple, and it begins with understanding that the marketplace has changed and will continue to change. Carriers have survived the worst phase of this recession; and while not completely out of the woods, the market balance has shifted enough to give them price and choice. Accordingly, there are things that you should avoid, and conversely, there are now opportunities for you to become attractive.

It’s very important to recognize that their companies, like yours, have fewer resources than they did 18 months ago, and that they’re not adding sales personnel. In fact, one major carrier told me that they would look “unfavorably at customers who bid and required a lot of face time and hand holding.”

Accordingly, logistics teams that don’t want to become “forgettable” should avoid:

- Stringing carriers along and offering them long-term or indefinite projects with only a marginal chance of being profitable—or offering no real chance of sustainable profitability and growth.
- Offering projects that don’t provide carriers with immediate financial rewards or business that has safety deficiencies.

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- Forcing poor payment terms and/or activities that have a negative impact on cash flow, increase risk of collection, or place the carrier’s credibility at risk.

- Requiring carriers to operate in inefficient and ineffective processes environments—either yours or your customer’s.

- Projects that consume high levels of human or mechanical assets with marginal rewards.

- Bids—particularly those that treat the carrier like a dispensable number.

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Conversely, you will find carriers anxious to work with companies that genuinely care about them and take business that provides real, tangible, short-term and clear long-term opportunities. Most importantly, carriers will only be willing to make an investment with those who have made a demonstrable investment in them. Here are some of the traits of progressive shippers, receivers, and 3PLs that good carriers will be looking for:

- Identifiable “guiding principles” that match those of the carrier, including the attractiveness of your company’s culture, its defined value proposition, and direction and fitness for use.

- A “wow” factor demonstrated by strong transportation industry knowledge and management; good team dynamics/chemistry; mutual respect for each other; unwavering commitment for process and quality; and focus on productivity.

- Desire for long-term growth relationship—five or more years.

- Real transportation management talent using a comfortable, interpersonal communication style.

- A judicious use, if any, of the bid process, and a strong commitment to using the capacity that they commit to use.

Logistics leaders need to create and demonstrate respect for their carriers and create positive brand identity and name recognition for their transportation programs within the carrier industry. Don’t be caught by surprise by being considered a “no name.” Remember, it’s a dead end for those farm animals. □