



Don't let "back office" mediocrities hijack your transportation programs

By John A. Gentle, DLP

A SENIOR VICE PRESIDENT OF A MAJOR national carrier recently asked me if I thought that tomorrow's shippers have the commitment to maintain the depth of talent necessary to manage one of the value-added programs that I allude to in my columns. I have always maintained that committed process and performance excellence bring exceptional benefits to both the company and its carrier partners, but they require a combination of developmental and seasoned talent.

Five years ago I would have answered with an unequivocal "yes." But the economic events of the past three years, along with a recent "back office" experience that I had with a premier insurance company, have given me second thoughts on how bottom-line pressures have affected the "commitment to excellence" maintained by many best-in-class companies.

I have outlined some indicators and have made some suggestions on how to shore up your logistics team if the following story resonates with you.

My request to my insurance company was simple: Please send me a copy of the supplemental health care premiums that I have paid for as of a certain date. After a very reasonable period of time elapsed, my mailbox was still empty. A call to the insurance company confirmed that I had made the request, and it had been referred to the "back office" to send the letter.

Then, unbelievably, the representative explained that they had no control over what happened "back there." She added that things in the "back office" were handled on a first come first serve basis, and the letter would be sent as soon as possible, but she could not tell me when. Here was a premiere company allowing their bottom line policy to dictate and present their clients with an inferior level of service.

Is your company losing its interest in funding the right human resources to support your programs? Here are some telltale signs that your overall program is in trouble and then some suggestions on how to

stop the bleeding:

- No one knows your name or the names of the members of your team. It's much easier to eliminate people when they're just numbers.
- Reasonable funding for your department has become a major problem. Management has seemingly lost their desire to fund both the manpower and programs that would dramatically improve productivity and customer service.
- Team lacks the initiative and talent to recognize what actions should be taken and awaits direction from you. This problem is recognized not only by the carriers, but also by your company's management.
- Team is performance and technology poor—both customers and carriers complain.
- Approach to carriers and 3PLs is cost centric, adversarial, dismissive, and turnover is high.
- No defined processes and or quality programs.

If you're not sure about objectivity or want verification, engage a consultant; but do it before you start so both parties agree on what's to be evaluated.

So, what do you do? First, talk with your boss about your plan and both identify and assess the strength and weakness of the processes you own. If you're not sure about objectivity or want verification, engage a consultant; but do it before you start so both parties agree on what's to be evaluated. It's critical for you to take and show the initiative and get buy in.

Second, review your company's values and its goals. Rate the ability of your people and technology and process performance to satisfy the company's needs.

Third, determine which processes contribute the least value or have the steepest uphill climb to be successful. Evaluate the harvesting of strong performers for other potential roles.

Fourth, test the waters to see if a 3PL can bring sustainable replacement cost and performance effectiveness.

Fifth, develop a comprehensive picture that redeploys your team's expertise to critical tasks that carriers and management value. Then seek management buy in.

Don't let back office mediocrity hijack your program, career, and industry reputation. If you can't get internal support to improve it, look outside for qualified help. □

John A. Gentle is president of John A. Gentle & Associates, LLC, a Supply Chain consulting firm assisting shippers, carriers, 3PLs, and distribution centers in the management of their Logistical disciplines. A recipient of several industry awards, he has more than 40 years of experience in transportation, warehousing, and materials management. He can be reached at jag@RelaTranShips.