



What? You want me to invest in my carriers?

By John A. Gentle, DLP

TO SHIPPERS, THE IDEA OF INVESTING in their carriers may seem ludicrous. The response to such a suggestion is likely to go this way: *Why would I want to spend any time or budget doing that? They've never invested or cared about me! Besides, it's not one of my critical operating tasks for this year—or any year for that matter!*

Although it's not surprising that many shippers feel that way, there are good reasons why such an investment can pay off for both parties.

When I became accountable for my division's North American transportation program, and specifically for the task of improving customer service, I saw a compelling need to gain a better insight into how our carriers really operated.

I began to spend a lot of time with our carrier base, not only with their operations and administrative teams, but also with their ownership. I found them to be very receptive to my visits and questions, and they were anxious to help me learn how they operated. They explained how they reacted to my company's service requirements and to the unexpected demands that sometimes surfaced during delivery. They spoke about how their trailer pools were used and about how the plants communicated (or failed to communicate) with their dispatchers and drivers.

It didn't take long to recognize that we had a great opportunity to address the challenges that the company and its customers had created for the carriers—and for which we were paying a price in terms of higher rates and less capacity. We needed to learn how to get our arms around the biggest issues as quickly as possible and improve the operating environment for ourselves and for our carriers.

To that end, we created and launched our first "Carrier Council" in 1989. Owners and senior management from *only* those carriers that had personally communicated an earnest desire to help us bring about change were invited to participate.

I took great care to make sure the council was

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representative of the entire carrier base that served our customers, and not just the biggest carriers with the best equipment and technology. Accordingly, the council included both large and small carriers from throughout North America—privately and publicly held; those with company drivers and those with owner-operators; those with sophisticated technology and those that literally had none.

Both the council members and our company had input on agenda items. We did not hide from the real issues; we took the initiative to place the tough issues on the agenda and did not wait for the carriers to ask us to discuss them. Nor did we use the council to lecture them on what we expected of them. We wanted to listen to what they were saying and to the solutions they were proposing.

The factors that made our council so successful were 1) the talent and strong interpersonal skills of the participants, and their ability to clearly explain their points; and 2) the respect and patience that each member showed for us and for their fellow council members. It

was all about our collective well-being and their commitment to help us make a difference. This is still true today, and the company continues to bring council members together to address and resolve the issues that are of concern to all.

You too can benefit from this kind of collaboration. Have you approached your carriers and asked them to make an investment in your company? If not, why not? Already generated enough productivity to meet your 2007 objectives? Don't be shortsighted! The capacity situation will eventually begin to swing back the other way.

By the same token, have your carriers complained to you about anything recently? You should be grateful if they have. Many Americans today seem inclined to walk away from a problem than to work to resolve it, so any carrier that takes the time to complain is attempting to make an investment in your company.

Start right now to reach out and begin to collaborate with your carrier base. You'll be pleasantly surprised that they will care about you—and invest in you—if you make an honest effort and demonstrate your desire to work together on the issues that are impacting their productivity and profitability.

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