



Christmas vacation

By John A. Gentle, DLP

SO, YOU SAY Santa wasn't as good to you as you hoped last year and now you want him and President Obama to deliver only good things to you in 2009?

Yep, Christmas 2008 was extraordinary. You went downstairs on Christmas morning and found your stocking hanging limply against the fireplace. Oh, wait a second; maybe you forgot to look outside to see if your wife bought you a new car with a big bow on it? Nope, no car. Oh, the door bell just rang. Maybe it's those contest people or perhaps the boss came over to personally deliver your bonus.

Nope. It's the paper boy looking to get paid for the last four months and right behind him is the mailman with three letters marked "urgent." Well maybe this is the good news that you have been waiting to hear. Imagine what great news this has to be!

With high expectations you rip open the envelope from your company and you find a hand written note from your boss.

With excitement you read: "I hate to have to tell you this way, but we are restructuring and downsizing the department. And while you still have a job, you have more to do with fewer people and the company needs you to reduce our freight bill by at least 10 percent or we are going to have to outsource everything including you. P.S. The company is under attack on bonuses, so no bonuses this year and for sure not next. You'd better come in with a plan to redeploy resources and reduce cost and improve service!" Signed, The Boss.

Wow, what a bummer; but I still have a job and a few carriers that I can force to take lower rates and push them harder on service. And then you open the second envelope. Wow! It's from your biggest carrier that handles 60 percent of your freight. Maybe he's sending you something special like a gift certificate. He really should, you know. I'm entitled and he really needs me even though I cut his FSC, lengthened the terms, and made him take some more of those loser lanes this year.

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Let's see what he has to say: "This is to give you a heads up that we are being sued by our bank and may have to file Chapter 7 because we don't have enough assets. I need a job and you said that you could always use a good guy like me. When can I start?"

Holy Toledo, these guys were one of the few left that you could really muscle on rates and capacity. Um, this is really a problem. You look up into the sky and it's now a mix of sleet and rain as you open the third envelope. It's just a pitch piece for a seminar about 2009 transportation costs and anticipated government intervention in transportation. You immediately toss it.

Who needs information about hedging fuel? After all, crude was down to \$40/barrel and you budgeted \$50 for 2009 and plan on being a hero; and, after all, the government is bailing everyone out. I'm sure

that we'll get in line and this will all work out; and if they pass new laws then we'll all be in the same boat at the same time and we'll all worry about it then.

As you close the front door you wonder if you should have seen

this coming. Could you have done a few things differently? Perhaps you should have been using more of a "relationship management" approach in dealing with your carriers last year. That would've helped them to remain more financially viable. Perhaps you shouldn't have forced them to do things that put them as well as your capacity and service at risk; and maybe you should have spent more time learning about industry and governmental direction and created contingency plans. Instead, you just waited for things to happen as a result of the economy and the government.

You can rest assured that neither President Obama nor Santa will be delivering a personalized bail out gift next year. The destinies of your family and your business families rest in your hands—so be wise. Remember, we get paid for the 20 percent of the job that pertains to strategic/contingency planning, relationship management, and execution—not for showing up, going to meetings, reacting to the issues of the day, and strong-arming our partners. ■

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