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Achieving Best in Class Representation

By Tim Sailor

When shippers evaluate their carriers, especially FedEx and UPS, they typically look at rates and service levels. Yet, with FedEx and UPS both offering similar supply chain solutions, and maintaining on time performance at or above 98%, what should really differentiate the carriers?

In my 25 years of experience as a carrier executive and as an outside consultant representing high volume shippers, I have found that the carrier representative can be the key driver in obtaining cost effective yet high service levels.

How do you know if your representative is doing a good job or a poor job? For starters, he or she should be an advocate for your company, not an adversary. While we all know that they are tasked with increasing margins and profits on your account, that doesn't mean that they also can't represent and position your business positively with their own organizations. They should always be opening doors, not closing them.

Your representative should be open to any and all pricing and service requests you make. They should also emphasize key characteristics that the carriers view favorably like shipment weight, density, volume growth, and international services.

As advocates, they should be open when sharing information about your transportation spend and shipment characteristics. They should help develop contracts that keep terms and conditions in place for the life of your agreement. They should proactively monitor if you are realizing all the potential discounts written into your agreements. If you are not, they should rewrite the agreements to maximize incentives like earned discounts, portfolio tiers, rebates, and all the other conditional terms that impact net pricing.

A good representative will bring in their senior managers and make them familiar with your account and any special requirements you may have. They will proactively introduce new services to you and make sure that all their value added tools are effectively implemented.

A good representative will also be effective within their organizations and know where to go to resolve any problems quickly. I can't tell you how many times I have seen billing or claim issues go unresolved for months and months. Good representatives will know how to escalate the issue until it gets resolved (and hopefully in your favor).

Finally, a good representative will be knowledgeable about your business and your business priorities and will look to their solutions to help you accomplish your priorities. They should conduct regular quarterly business reviews that cover both their own and your organization's key metrics.

While there are many other things a good representative can accomplish for you, if you aren't seeing some or all of these characteristics, you may want to consider requesting a new representative or even changing carriers.

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