

## Choosing your Perfect Partner – Not as easy as it sounds says Gideon Hillman FCILT

We are all aware that there is very little that can be offered by Logistics Service Providers (LSPs) in the Automotive Sector, that hasn't already been tried and tested, and is now considered the norm. You would think it would be easy to choose the best one for your business – simply put the requirement out to tender and chose the best fit in terms of culture, capability, and cost.



“I have managed a number of Logistics tenders over the years, but having recently managed a high profile Global Freight and Logistics tender for an established Automotive OEM it has made me realise that is more difficult now than ever to select the perfect partner.” This is due to number of factors, including the ability of the smaller Logistics providers being able to compete admirably in the Global Arena and give the top 5 LSPs some real competition.

The major Logistics providers cannot afford to be complacent just because the title of the tender includes the word “Global”. One of the main reasons for this is the growth in strategic alliances between smaller companies around the world creating almost seamless Intercontinental multi-modal networks and end to end supply chain solutions. These are not just well managed sub-contract operations but are established partnerships working on a standard set of SOPs and through a central IT system creating a single customer interface with local representation.

In addition the willingness and ability of the smaller provider networks to provide a bespoke solution tailored to suit the client's specific requirements from the outset, compared against the all encompassing “standard” service initially offered by the larger LSPs can be more attractive to the client at the all important early stages of the selection process. The initial “we are the biggest and therefore the best” standard response to the early stages of a tender process can quite easily exclude the Global LSP from the next stage of selection for the wrong reasons. Whilst I am aware that it is not the case, it may appear that they have no specific interest in the client's needs or are not adaptable and LSPs should be more sensitive to this. In reality most LSPs whatever their size will tailor their solution to the client but it is how they present themselves at the early stages of a selection process which is important.

However what the bigger LSPs can often offer to their advantage is economies of scale and therefore lower operational costs and should get this message across clearly whilst identifying how it will benefit the client and meet their specific needs.

The message to all LSPs - whatever your size or capabilities, is that you cannot afford to underestimate how your initial response appears to a client when they are looking for the perfect partner as first impressions really do count!

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