

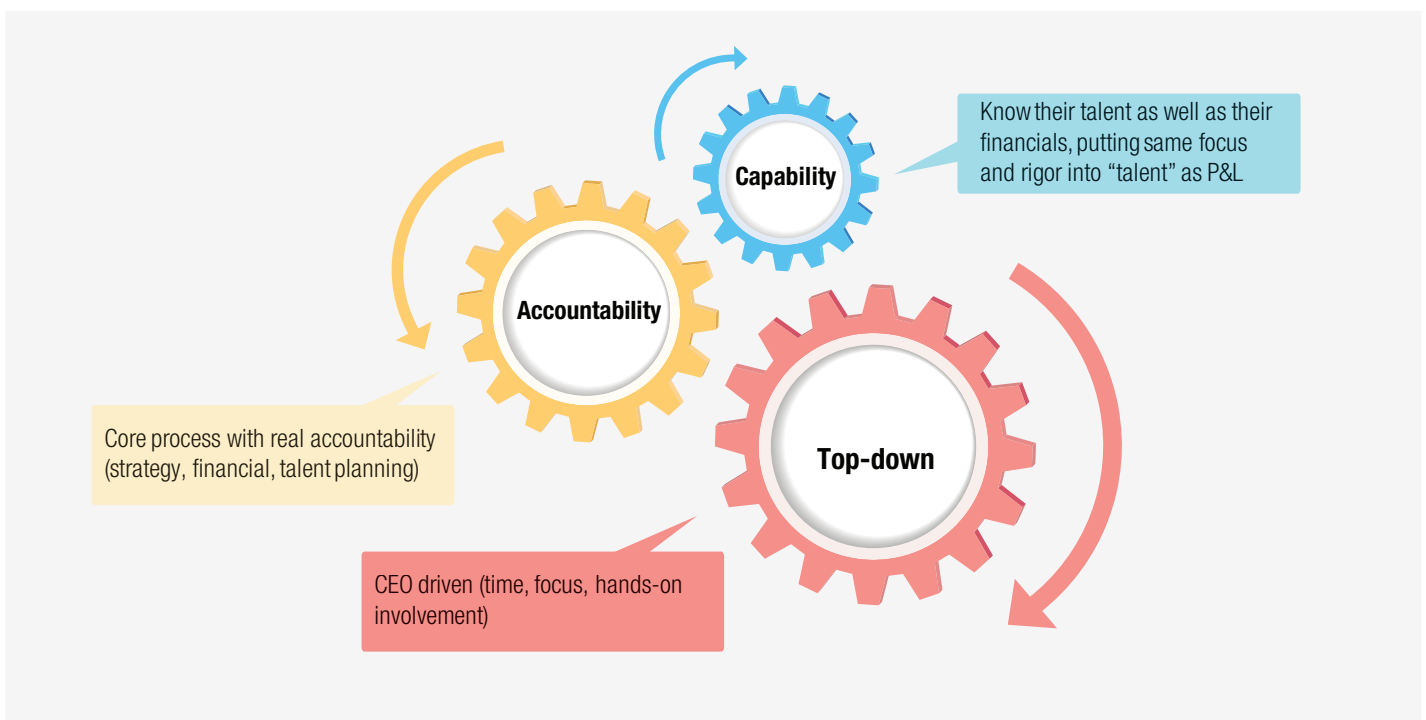
- Logistics providers face competition for employees. Not only do they compete with other 3PLs, they also compete with manufacturers, retailers and consulting firms. Many managers in leadership roles leave large 3PLs for better opportunities in other industries.
- While the transactional nature of the logistics industry can limit the ability of individuals to think about strategic workforce planning, companies said that without people development, they struggle to grow. Tailoring talent management practices to a company's specific circumstance involves paying attention to industry, business life cycle and strategic direction considerations.

Figure 20: Organizational Challenges to Workforce Management

Please check the top 5 workforce issues that you believe your organization is currently facing. (Select 5 items.)	Percent
Attracting the best talent	62.60%
Developing leaders	46.88%
Developing bench strength	43.63%
Retaining high performers	42.01%
Enhancing workforce performance	35.23%
Enhancing employee motivation and engagement	33.33%
Accelerating learning and development	28.73%
Reducing workforce costs	27.91%
Effectively managing succession	27.64%
Improving supervision and coaching	20.60%

Source: 2015 19th Annual Third-Party Logistics Study.

Figure 21: What the Best Leaders do Differently



Source: 2015 19th Annual Third-Party Logistics Study.

2015 Third-Party Logistics Study Strategic workforce planning - Having the right talent at the right place at the right time. Did you know...

45%

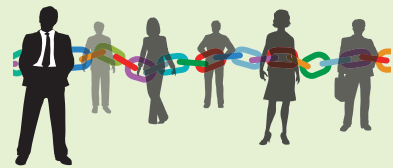
Difference in market capitalization growth between firms ranked in the top & bottom clusters based on leadership quality



40%

Companies that practice strategic talent management have lower voluntary turnover among high performers than peers

Supply chain talent gap



26%

Companies with strategic talent management programs generate greater revenue per employee than their peers



31%

Less than 1/3 of companies say they are effective at building the next generation of leadership capabilities

- 60 mn people to exit the industry by 2015
- 40 mn people to fill the gap
- More evident gap across middle and senior management level
- Demand for supply chain professionals expected to exceed supply 6:1

What challenges are you facing in effectively implementing workforce planning?

Challenges	Not at all	To some extent	To a great extent
Focus too much on short-term needs	16%	46%	38%
Closing the gap between talent supply and demand	14%	58%	28%
No clear vision of future workforce demands	28%	52%	19%

Top 5 workforce issues your organization is facing...

63%

Attracting the best talent

47%

Developing leaders

44%

Developing bench strength

42%

Retaining high performers

35%

Enhancing workforce performance

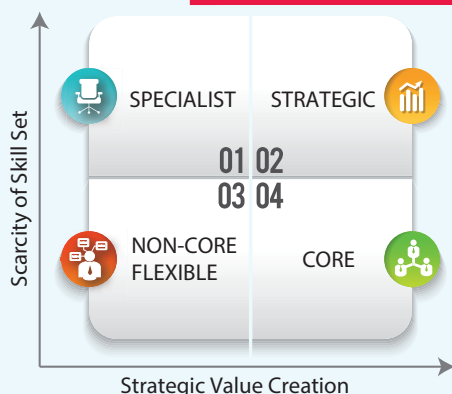
What are your primary drivers for org success in the next 5 years?

- Having the right people and leadership in place
- Having the right strategy and roadmaps
- Ability to execute and drive operational efficiency and improvements

Do you know the critical roles for your organization?

Do you have succession and training plans in place for your strategic roles?

What roles are the primary feeders/launch pads into your strategic roles?

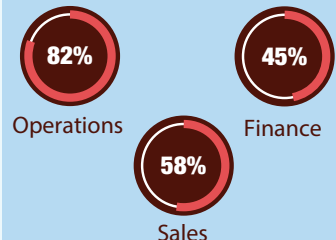


What capabilities do you value most in a leader?

- ✓ Operational Execution
- ✓ Driving Growth
- ✓ People management and development



Which functional backgrounds will be most strategically important for your general management leadership to have expertise in?





CRM and Use of Mobile and Cloud Technologies in 3PL Sales Processes



Considering most 3PLs are continuously looking for ways to improve their sales processes and profit margins, it is no surprise many are turning to contemporary technologies to help them meet their goals. There are several ways in which available and emerging technologies can empower commercial executives in the 3PL industry and facilitate effective Customer Relationship Management (CRM). Correspondingly, the use of such technologies also creates downstream benefits for current and prospective customers of 3PL providers.

Framing the Topic

Traditionally, 3PLs have relied on relationship-based selling, which frequently depended upon personal connections and customized solutions to meet customers' needs. However, in today's contemporary world of logistics, these time-honored approaches are no longer enough. As 3PLs' operations have become more complex, their customers have become more sophisticated and structured in the ways they do business. Today's 3PL business development and operations teams are looking for new, improved and innovative ways to create value for their customers.

Additionally, many 3PLs are looking to standardize their "front office" operational processes on a worldwide basis, giving customers in Memphis the same customer experience as those in Mumbai. This places a high priority on solutions that can enhance long-term relationships among 3PLs and their customers, deal with lengthy and sometimes uncertain sales cycles, and address the unique project management of supporting global customers while also providing global visibility across commercial operations. In short, 3PLs need to be aware of emerging technologies that can address these challenges and be willing to implement appropriate technologies to "raise the bar" in terms of the quality of interaction and relationships with their customers.

Research on this topic included a special section in the annual global survey sessions at each of the study workshops, work by Capgemini's Strategic Research Group (SRG) and research through Penn State University's Center for Supply Chain Research (CSCR). Each of these components reinforced a key finding that the use of CRM technology is growing. The majority of respondents—70% of shippers and 77% of 3PL providers—agreed that the use of capable CRM technologies is essential to 3PLs providing capable support and interaction to their customers. Although there are more generic sales-related CRM technologies that are available, 75% of shippers and 77% of providers agree that the 3PL sector could benefit significantly from the use of CRM capabilities that are more tailored to the industry than what is currently available.

Also, 84% of shippers and 89% of 3PL providers agreed that customers are demanding value-added services from their 3PL providers and are seeking vendors based on competitive differentiation and strategic alignment.

Evolving Technologies

For purposes of this study, the following definitions may be helpful:

- **CRM (Customer Relationship Management):** CRM is a set of processes, systems and workflows for managing a company's interactions with current and prospective customers. CRM leverages rich data insights to enable commercial operations to increase productivity, close more business, and improve customer satisfaction and retention. (Source: www.lanetix.com)
- **Mobile Technologies:** These technologies allow companies to deliver IT services to employees working on mobile devices, including, but not limited to, tablets, iPads, PDAs, smartphones, etc.

- **Cloud Technologies:** Rather than using a direct connection to a server, cloud technologies allow users to retrieve data from the internet through Web-based tools and applications. Although data and software are stored in servers, the structure of cloud computing allows access to information as long as they have access to the Web. (Source: Adapted from www.investopedia.com)

Figure 22 illustrates the relationship between CRM, mobile and cloud technologies, and shows how use of these technologies facilitates accomplishment of the CRM goals and objectives. Of specific interest are the ways in which the use of these mobile technologies allows 3PL providers to respond to customers' needs and improve 3PL-customer relationships. Also of note is how cloud-based CRM solutions can facilitate interaction between 3PL sales executives and customers.

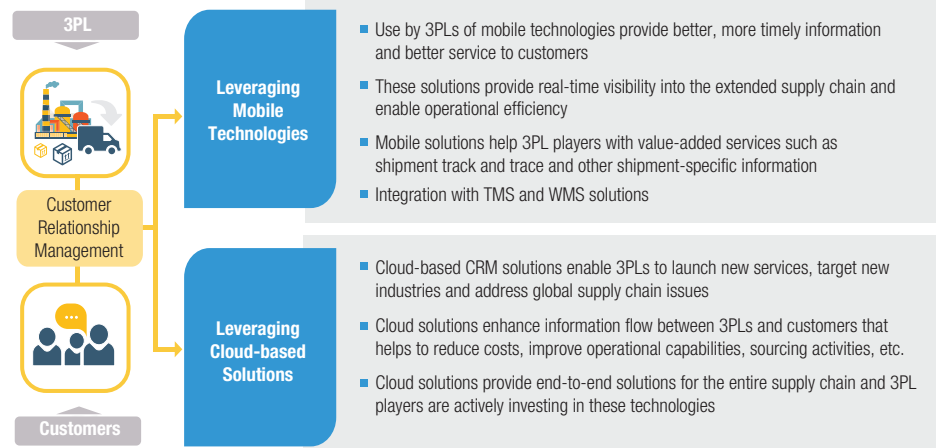
Essentially, the combination of CRM, mobile and cloud technologies provides 3PL sales executives with great opportunities to enhance the effectiveness of customer-facing activities. Although historically there have been some concerns about the security and privacy of cloud computing, workshop participants felt these concerns are overstated, saying they are not valid reasons to disqualify the use of any supply chain solutions that involve cloud technologies.

There are several key roles for the use of CRM in the 3PL industry, according to Lanetix and CRMBuyer:

- **CRM Strategy:** Effective CRM capabilities are significant assets to 3PLs seeking to improve customer relationships, support sales and marketing services, and integrate customer-facing technologies with back-end systems, such as order fulfillment, etc.
- **Standardization of Global Workflows and Processes:** Effective CRM solutions allow business users (without involvement of the Information Technology department) to break complex processes into easy-to-understand workflows, so tasks are assigned to team members based on their expertise. This gives commercial leaders global visibility across sales, operations, solutions and customer service departments.
- **Global and Competitive Environment:** CRM, mobile and cloud technologies are particularly useful when business circumstances require real-time connectivity in geographically separated locations.
- **Improved Organizational Productivity:** CRM strategies can lead to significant improvements in overall organizational and sales productivity, and they can facilitate innovative approaches to customer service, account management, prospect management, and campaign and order management.
- **KPI Scorecards:** CRM solutions also include integrated KPI (key performance indicator) scorecards, so commercial leaders can measure and manage the performance of their workforce, from customized solutions to customer success.

To establish some baseline metrics regarding current usage of CRM or mobile technologies in support of customers, the survey asked shippers if they “currently see any 3PL sales executives who are using CRM or mobile technologies (e.g., tablets, smartphones) as part of their sales responsibility.” The survey also asked

Figure 22: 3PL CRM Solutions Leverage Mobile and Cloud Technologies



Source: 2015 19th Annual Third-Party Logistics Study.

3PL providers if their sales executives use these technologies in support of their customers. Although 48% of shippers indicated they see 3PL sales executives using these technologies (smartphones, in particular), and 73% of 3PL respondents indicate using these technologies, we feel the results to some extent may overstate the current use of the robust and fully capable CRM and mobile technologies that are being developed and refined for use in real-time environments. We look forward to greater clarity on this issue.

3PL Sales Processes – Purposes and Realities

In a perfect world, 3PL sales and business development staff would spend 100% of their time in customer-facing activities and situations. However, this is actually far from the truth. A recent article suggested that “most sales reps spend less than half of their time actually selling.” Additionally, the article suggested that some “inside” sales reps at a global manufacturer spent 75% of their time away from their phones, and that highly paid field reps spent 45% of their time providing internal sales support and tracking the progress of deals. Developing a standard proposal sometimes required meetings with as many as seven people, and field reps had to spend

up to three weeks of constant effort to get a special price approved. Given that the greatest value of capable sales executives occurs when they are in contact with current and prospective customers, the prevailing situation leaves a lot to be desired.

To provide greater insight on this topic as it applies to 3PL sales executives, this year’s survey asked 3PL providers “What do 3PL sales executives do with their available time?” Looking at the content of [Figure 23](#), survey results report that 3PL sales executives spend an average of 45% of their time engaged in customer-facing activities, such as phone meetings/conversations (23%) and face-to-face meetings (22%).

A look at the remaining portions of [Figure 23](#) suggests that 3PL sales executives spend the other 55% of their time on other topics, including navigating pricing issues, inputting and updating data, preparing and collecting data for customers, managing internal issues and team meetings and responding to RFPs. These are all important activities, and for some the direct involvement of the 3PL sales executives is helpful and possibly essential. However, if these executives spend more than half of their time with non-customer-facing

responsibilities, then this becomes a problem that needs a solution.

Ideally, principal activities in the processes of “relationship building” and “relationship management” might include face-to-face meetings, telephone conversations and interactions using available technologies, such as tablets, smartphones and similar devices. Utilizing technology during these types of interactions likely provides easy access to customer account information and the ability to quickly request and acquire special pricing. It could also allow sales executives to quickly pull customer information to identify solutions to improve customers’ supply chains, track performance in all areas—from sales to invoicing—and provide visibility that allows access to track and trace information.

In the workshop held in London, one participant suggested sales executives think of themselves as having two roles, one as a “hunter” and one as a “farmer.” The hunter is the one who gets new business and services as an “escalation point” for further development of the business relationship between a 3PL and customer. The

“farmer” is one who is equipped with more operational knowledge and familiarity with potential supply chain solutions to propose to the customer. The use of CRM and mobile technologies that leverage the power of cloud technologies helps 3PL sales executives refine their skills as hunters. Armed with these technologies, hunters can access competitive sales resources, such as playbooks or battle cards, at the touch of a finger from an iPad. Similarly, farmers can improve customer responsiveness by knowing whom to call with specific requests through CRM solutions that map the expertise of global commercial operations. Although most sales executives are primarily hunters, as they are responsible for developing new customer relationships, etc., the added knowledge and familiarity with 3PL operations and potential supply chain solutions can turn some of these hunters into farmers as well.

Additionally, capable CRM and mobile solutions provide total flexibility in managing and orchestrating workflows. By standardizing the way in which sales executives request and receive special pricing, for example, 3PLs can

respond in a timely manner to customer issues and gauge their market competitiveness. As a result of this global visibility, trade managers and commercial leaders can quickly identify bottlenecks in their revenue operations and align resources to gain a competitive edge.

Figure 23: What do 3PL Sales Executives Do With Their Available Time?

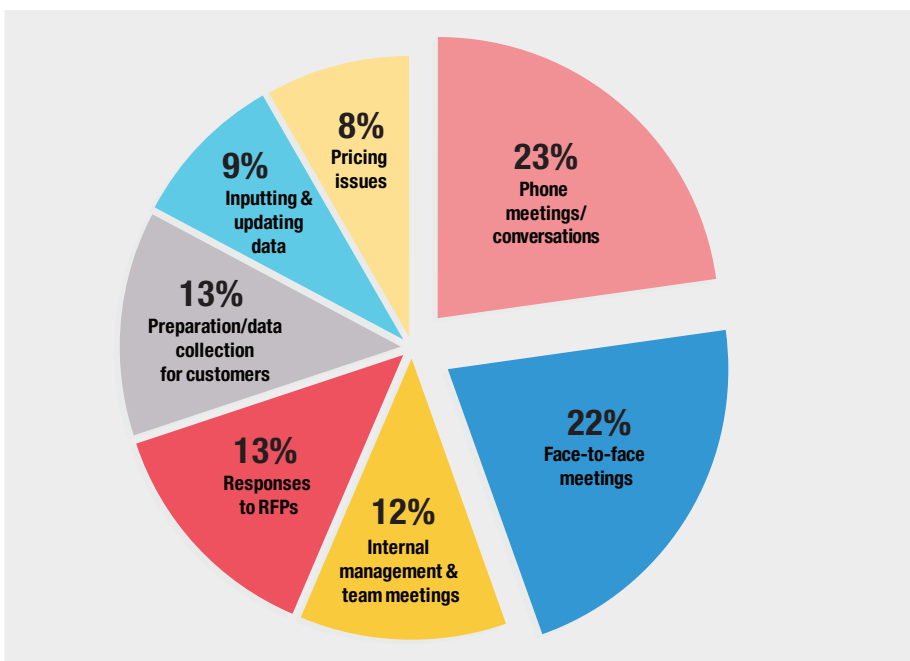
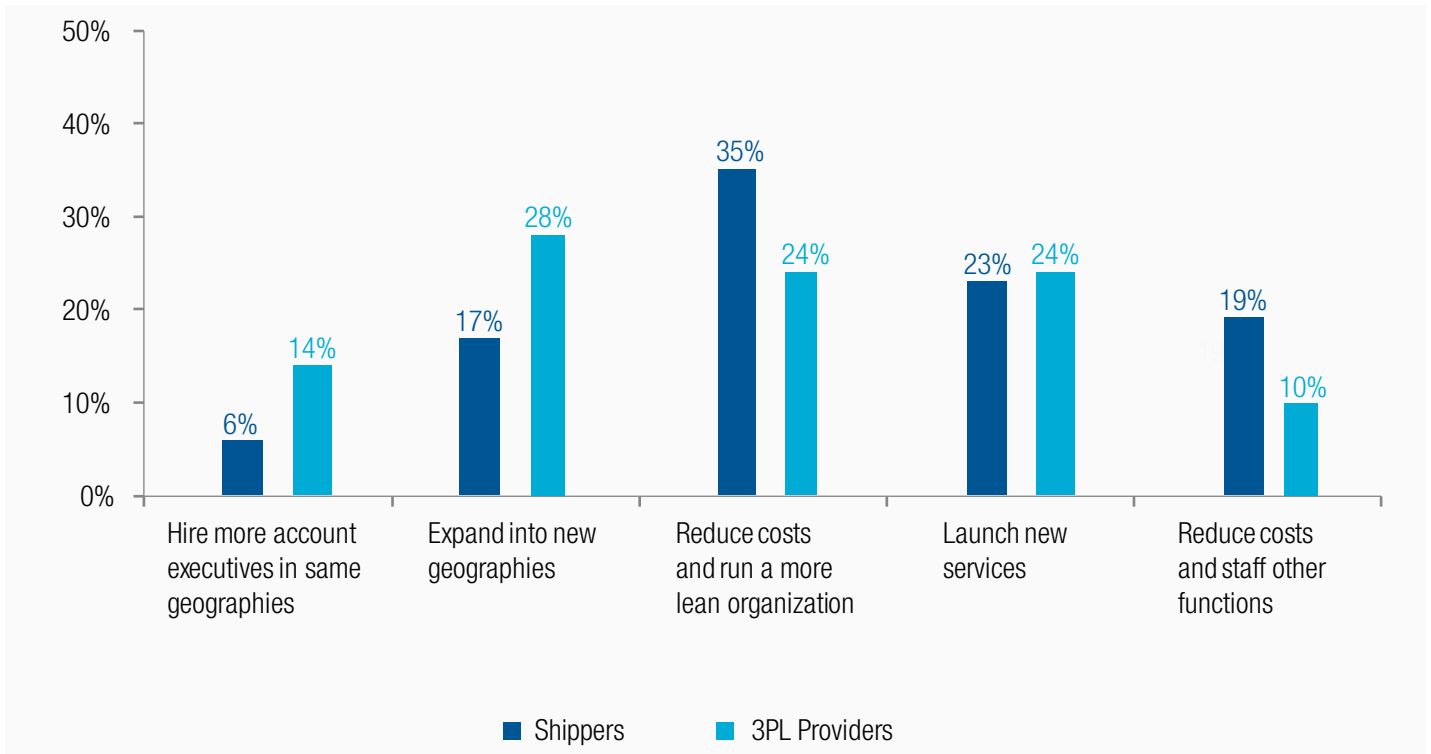


Figure 24: How 3PL Sales Organizations Should Respond to 20% More Sales Capacity



Source: 2015 19th Annual Third-Party Logistics Study.

Also, the survey asked both shippers and providers of 3PL services how their sales organizations should respond if they suddenly had 20% more sales capacity and if the “3PL had a CRM system of its dreams.” The information in Figure 24 summarizes the responses, and it is apparent that there are several potential courses of action that would create significant improvements in effectiveness and/or efficiency of 3PL provider sales processes. Of these, 35% of shippers and 24% of 3PL providers said that the 3PL should “reduce costs and run a more lean organization.” This suggests that many are aware of the inefficiencies of their commercial operations, yet they lack the visibility to identify the bottlenecks in their processes, redundant resources and tasks that distract from the value-creation process. To a somewhat lesser extent, shippers/providers felt that the 3PL should “expand into new geographies” or “launch new services,” and the least preferred options were to “hire more account executives

in the same geographies” or “reduce costs and other staff functions.”

Views from 3PLs and Customers Regarding 3PL Sales Activities and Processes

Part of what makes CRM and mobile technologies attractive to 3PL-customer relationships is the value that both shippers and providers place on the importance of specific features and benefits associated with the use of these technologies.

Features of CRM and Mobile Technologies

As indicated in Figure 25, both shippers and providers have similar thoughts about the usefulness of specific features associated with CRM and mobile technologies. Primary among these is real-time shipment analysis, and both shippers and providers rank this highest in usefulness among the alternatives that were

listed. Similarly, both sides agree on the relative usefulness of tablet-based “dashboards” that provide access to details related to individual customer accounts, collaborative online workplaces and service request updates sent via text messaging. The feature titled “sales process automation” is rated as more useful by 3PL providers, which is not surprising, but it would make sense that this feature also would be useful to shippers because it would help 3PL providers create a more efficient and effective CRM and sales management process. Also, another significant aspect is that sales executives may be able to create different service offerings for different customers based on CRM data.

Figure 25: Importance of Specific Features for 3PLs Providing and Managing Customer-Facing Activities

Technologies for providing and managing customer-facing activities	1 = Least Useful 5 = Most Useful	
	3PL User Average Rank	3PL Provider Average Rank
Real-time, accurate shipment analysis	4.2	4.1
Tablet-based “dashboard” to access details relating to individual customer accounts	3.8	3.9
Collaborative online workplaces	3.4	3.4
Service request updates via text messaging	3.3	3.2
Sales process automation	2.9	3.4

Source: 2015 19th Annual Third-Party Logistics Study.

3PLs and Customers Benefit from CRM and Mobile Technologies

As shown in Figure 26, shippers and providers rated the usefulness of several types of potential benefits from the use of CRM and mobile technologies. Similar to the results regarding features of CRM and mobile, the availability of real-time tracking information relating to customer shipments was top-rated by both 3PLs and their customers.

Next, the potential benefits of easy access to cost and shipment pricing information and greater visibility of global operations were rated as more useful to shippers than providers. However, the providers had higher ratings for an increased ability of 3PL sales executives to respond to customer requests. They also had a higher rating on the prospect of more-professional and productive sales calls and customer presentations by 3PL sales executives. Looking objectively at these results, it would

appear that this latter potential benefit also would be of great value and convenience to shippers during sales calls and/or follow-up visits to existing customers. Last, survey data revealed that 40% of shippers said their bid processes place emphasis on whether or not 3PLs utilize capable CRM technologies.

Challenges and Opportunities for 3PL Use of CRM and Mobile Technologies

Although there are opportunities that surround the use of CRM, mobile and cloud technologies, it is clear there are challenges. One observation that became a topic of discussion in the San Francisco workshop is that getting sales executives to use these technologies is not always easy to accomplish. Also, it is not unusual that the more experienced, more productive and more successful sales executives may be among those who might be termed “laggards” when it comes to using new technologies. The problem is that those who fit this description typically

have proven themselves over a long period of time as outstanding sales executives, and they are not always among the early adopters of new technologies. The solution may be to work with these sales executives so that they will be more receptive to these technologies while also transferring the sales and sales management skills of these people to others in the organization who are among the “hunters” and “farmers.”

Figure 26: Potential Benefits from the Use of CRM and Mobile Technologies by 3PLs

Potential benefits of CRM and mobile technologies	1 = Least Useful 5 = Most Useful	
	3PL User Average Rank	3PL Provider Average Rank
Availability of real-time information relating to customer shipments (e.g., tracking, etc.)	4.2	4.0
Easy access to cost and shipment pricing information	3.9	3.6
Greater visibility of global operations	3.7	3.4
Increased ability of 3PL sales executives to respond to customer requests	3.7	4.0
More professional and productive sales calls and customer presentations by 3PL sales executives	3.0	3.7

Source: 2015 19th Annual Third-Party Logistics Study.

Key Takeaways

- The general conclusion is that the use of CRM-mobile-cloud technologies can significantly enhance and streamline the productive activities of 3PL sales executives. Although there are more generic sales-related CRM technologies, 75% of shippers and 77% of providers agree that the 3PL sector could benefit significantly from the availability of CRM capabilities that are more tailored to the industry than what is currently available.
- While there are some logistics professionals who have expressed some concerns about security and privacy in relation to the use of mobile and cloud-based technologies, discussions within workshop sessions supported the view that these are not valid reasons to disqualify any supply chain solutions that may involve use of these technologies.
- A major finding of this research is that 3PL sales executives spend an average of 45% of their time engaged in customer-facing activities, such as phone meetings/conversations and face-to-face meetings. More than half of their time is spent on other activities that are not directly related to securing new customers or directly serving existing customers, perhaps because many commercial leaders lack global visibility across their commercial operations and do not have individual KPI scorecards to measure and manage performance.
- If commercial leaders knew where these inefficiencies resided in their commercial operations, almost one-fourth admitted they would “cut costs and run a leaner organization.” Shippers have taken note of the lack of alignment, too, and more than one-third agreed and recommended the cost-cutting approach.
- An interesting distinction in the processes of “relationship building” and “relationship management” is that of the “hunter” and the “farmer.” Although most sales executives are primarily hunters, as they are responsible for developing new customer relationships, etc., the added knowledge and familiarity with 3PL operations and potential supply chain solutions can turn some of these hunters into farmers as well.
- There are a number of ways in which the use of CRM and mobile technologies create value for the 3PL providers and their customers. Overall, the principal benefits of the technologies are streamlining global workflows and processes, providing executive-level visibility to commercial leaders, and identifying inefficiencies and bottlenecks in commercial operations. Also, there are a number of ways in which 3PL customers can benefit directly from the corresponding information, particularly real-time information regarding topics, such as shipment visibility, etc.
- Although there are a number of challenges and opportunities related to the use of CRM and mobile technologies in the 3PL sales process, getting more experienced, productive sales executives to welcome these new technologies is sometimes easier said than done. The best results occur when the more experienced sales executives are amenable to using these technologies, and they are also willing to work with less-experienced sales executives to focus on the important qualitative elements of relationship building and relationship management.