



## To Hire or Not to Hire a Logistics Consultant?

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The main reason heads of logistics departments don't partner with third party consultants is because they worry about how it will be perceived by their bosses. After all, their bosses hired them to do the job, didn't they? What will hiring a third party logistics consultant say to higher-ups about their ability to run their own departments?

In my experience, as long as they have the data to back up the idea, it actually doesn't take much for managers or supervisors to convince their bosses that hiring a third party consultant will be the right move. Executives are going to look at the bottom line. Prove that partnering with a third party will save your company money in ways it would never be able to accomplish alone by showing them how much more costly it would be to try and perform the third party's cost-saving actions in-house. Explain in detail how the partnership will actually empower you and your department to function better in the future. In this economy, especially, anyone who's forward-thinking when it comes to cutting costs is going to be seen as more valuable than a person who's simply looking to get by doing the best they can with what they have. I have seen jobs made into careers by managers who were willing to step up and develop the partnerships that would propel both them and their companies forward.

To prove that partnering with a third party logistics consultant will save your company money, seek out a supply chain solutions firm that is willing to perform an initial analysis of your company's shipping data for free. Most of the time, all that will be required of you is your permission to allow the firm to receive your company's electronic invoice data directly from your carriers. If the firm is able to produce hard data that shows that your company is missing out on significant savings that could be achieved through things like better supply chain visibility technology, using data to come up with supply chain solutions that will give you heftier leverage during rate negotiations, or even simple auditing and reporting solutions, you can bet that the people upstairs are going to sit up and listen.

In all likelihood, your bosses are going to see purchasing supply chain technology versus developing it as a no-brainer, but if you sense some resistance, you can do a little research to find out how long most supply chain solutions firms spend developing the technology, generate some rough numbers that reflect the length of time and amount of resources it would take for your company to do the same thing, and then compare those numbers to the cost of simply purchasing the technology. You shouldn't feel any resistance after you present those cost differentials!

Show higher-ups how valuable it would be to allow a third party to house, cleanse, analyze, and accurately report your shipping data by explaining how it would be nearly impossible to do the same thing in-house due to the sheer amount of shipping data that actually flows in. A third party supply chain solutions firm that specializes in data analytics will be able to take the "negotiations" out of your rate negotiations by enabling you to make sense of your data and

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present it to your carriers. If you are being overcharged in a certain areas, hard numbers will prove it. If you are doing your part to reduce your carrier's costs in various areas, your data will give you the leverage you need to show you deserve certain concessions.

Do not allow carriers to threaten you away from using a third party. You would never buy a home or any other big ticket item in your personal life without consulting with an expert. Why treat your supply chain any differently? Companies have every right to use any third party they feel fits their needs, and a true partner would encourage the use of an outside consultant to show their client they have nothing to hide, and that what they are offering is, in fact, in line with market trends.

By demonstrating how the visibility technology you wish to purchase will enable you to streamline and expand operations, how shipping data can help you to lower rates both now and in the future, and ensuring ongoing savings are achieved through auditing and reporting, you can safely partner with a third party supply chain consultant that will help you achieve long-term results. You definitely don't need a third party to do your job for you. Their role should be to present all the facts and allow you to make more informed decisions and do your job better. The savings you achieve through the partnerships you are able establish will speak for themselves.

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