

More than just lip service

Why proactive communication prevails among logistics customers

Every logistics provider and freight forwarder's goal at the transactional level is to provide customers 100 percent on-time performance, but at some point or another, problems will evidently arise that disrupt the flow of goods along the global supply chain.

"Logistics is not an exact science — I tell customers and team members all the time that until we invent the Star Trek transporter, there will always be those unpredictable and unexpected conditions that arise, threatening to snarl our otherwise seamless service and supply lines," says Keith Tholan, vice president of the western region for AIT Worldwide Logistics, Inc. "It's certainly not a revolutionary or groundbreaking concept, but proactive communication is the single most important factor in successfully serving your customer base."

Smart Business sat down with Tholan to discuss how using proactive communication can effectively build a strong, solid link in the logistics chain.

How do you define proactive communication as it relates to a global logistics organization?

Proactive communication, in its very simplest terms, involves providing consistent and timely updates to all necessary supply chain parties throughout the entire life cycle of a shipment. It's about ensuring that expectations not being met on the front end are resolved before they affect the end user or customer. More than anything, proactive communication means that your organization's operations and customer service teams are just as quick and efficient in delivering the bad news as well as the good news.

We are paid to operate at a high level, but the real differentiation between those logistics companies that falter and those that succeed can be measured by how they handle these exceptions or crisis situations that we are all inevitably confronted with at one point or another. Systems can certainly help streamline the information flow of our operations and service industry leaders rely on these processes, but in the end, it is the people who drive the proac-



Keith Tholan
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tive communication to troubleshoot, problem solve and ultimately deliver results.

In addition to communication, what factors are necessary to both enhance customer relationships and benefit the logistics organization as a whole?

Customers are increasingly requiring customized management of their supply chains. In dictating the cost and time constraints of their commodities, they are also expecting all-inclusive visibility, flexibility, specialized industry expertise and extensive service options. Every single one of these factors is tethered to the concept of using proactive communication and dedicated people in order to enhance your organization's service excellence and optimize relationships with your customers.

After all, you are not only held accountable for building a link between you and that particular customer, but you are also building an extension from your customer to theirs.

In any situation, whether you are moving digital cameras and cell phones to a big

box retailer or an oil rig to the Southern coast of Brazil, you can't provide customers the ultimate in logistics management from point of origin to point of destination without proactive communication taking place across all points of the logistics plan.

What obstacles and challenges are presented when that link is broken?

There is a wide range and broad spectrum of scenarios that can potentially disrupt the customized transportation solutions you have crafted for your customer. Whether those supply chain hiccups are clock-stopping or allowable, diminutive or detrimental, our jobs are to make our clients look good for choosing us. Delivering bad news to a customer is never easy, but it needs to be done as soon as the slightest hint of a problem presents itself.

In the event of inclement weather, service failures, port strikes or labor stoppage in a specific sector of the marketplace, there is nothing worse than putting customers in a precarious shipping situation without giving them information as it becomes readily available. Likewise, being conditioned to exercise proactive communication practices affords logistics providers ample time to find the proper resources to develop a workable, feasible solution.

For example, at AIT, our projects and energy division recently coordinated a shipment weighing 3,000 tons traveling from New Orleans to Singapore in the face of catastrophic, near-hurricane weather conditions in addition to a 419,000 gallon oil spill in the Mississippi River. Because of the proactive planning and strategic communications executed by an excellent and dedicated AIT team throughout the tumultuous, two-month long journey, the customer was both tremendously pleased and grateful, despite the inevitable delay in the arrival of its commodities. <<

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