

**WERC ANNUAL
CONFERENCE**
JUNE 4-7, 2023

Partnering to
Make Logistics a
Competitive
Advantage

June 2023

Who We Are... (Bios)



Seth Hayes, Director of Operations, Kitchen Cabinet Distributors

Seth Hayes is a highly experienced operations, distribution, and logistics professional with over 20 years of industry expertise. He oversees logistics, distribution, and assembly operations at KCD's distribution centers across the United States.



Mike Hammel, VP Logistics, KDL Logistics

A seasoned logistics professional with extensive experience in supply chain management, with a proven track record in optimizing operations, improving efficiency, and enhancing customer satisfaction.



Eric Elter, Director of IT, KDL Logistics

An experienced IT professional with 19 years of experience building and perfecting Logistics technology platforms focused on tools that positively impact logistics processes for their customers

The problem with most 3PLs

- Many companies will say, “I have a 3PL and I'm good”
- Your 3PL may be good at freight and logistics stuff, but they are not holistically aligned with your company
- This focuses on only one piece of the puzzle, which completely ignores the rest of the needs of their customers
- They should be aligned
 - Technologically
 - Strategically
 - By personnel
 - Owners to Owners
 - Managers to Managers
 - Customer Service to Customer Service



True 3PL Requirements

Prerequisites

Rates
Freight Audit & Pay
Reports

Empathy

Response Time
Initiative
User Experience
Premium Freight



Advisory

Free Freight Policy
Customer Markup Policy
Inbound Management
Customer Profitability Analysis
Automation / Digitization

Accountability

TMS
Mode / Carrier Selection
Lost Opportunities
Distribution Optimization
Proactive Alerts
Adaptable Products / Locations

High Performing Teams

- Comprehensive alignment of team members and functions
- Open lines of communication
- Proper understanding of strategic goals
- Mutual empathy for pain points
- Awareness and utilization of available technologies
- Proactive vs. reactive engagements
- Utilization of actionable data
- Genuinely enjoy working together



A 3PL's Value

Industry Experts Who Make Your Team Better



A 3PL's goal should be to create an interactive partnership. By meeting regularly with clients, they can better understand how a client's business is changing and help them minimize the effects of the global transportation market. 3PLs should be industry experts committed to staying ahead of these developments and arming their clients with best practices for adjusting to market forces. Their clients should be more competitive because they can react more quickly to these changes than their peers.

Profit & Loss Impacts of Freight



Market factors directly affect transportation expenses and can impact a shipper's profitability. A 3PL should have an understanding of your business philosophy, freight strategy, and metrics, and help manage all the shipping variables that can influence corporate profit and loss (P&L). Taking advantage of vendor "free freight" quantity levels and implementing and managing targeted freight policies helps defend profit margins against macroeconomic market forces like rising material, labor, and fuel expense.

A 3PL's Value



Reduction of Shipping Expense

3PLs manage many client's freight budgets providing insights and influence to provide a shield of buying and negotiating leverage with carriers.



Control Tower Perspective

Technology bridges the gap between an ERP and TMS. This enables automation, visibility and profit management that extends all the way through to delivery. A fully integrated solution fitted to your specific needs will mine data proactively so you can assess "what if" scenarios, minimize lost opportunity and drive bottom-line savings.



Workflow Automation

Automating manual workflow can help overcome inefficient processes and help to quickly adopt best practices, proven through experience with other shippers, which improves your operation and performance. They eliminate risk in the event of disruption by automating core functions allowing you to do more with less.

A 3PL's Value



Control Inventory and Inbound Freight

Validate your vendor's freight policies and adjust order quantities appropriately. Evaluate control of inbound freight and carrier selection where free freight is not available. Taking control allows better predictability of delivery and freight charges with increased visibility.



Comprehensive Freight Management Services

3PLs are experts who provide consistent excellence across every mode of shipping (LTL, Truckload, Parcel, Expedited, International). They should be a single partner you need to optimally manage your freight and logistics.



People Drive Logistics

Above all, a 3PL is only as good as the people who work there. They should be knowledgeable and empowered to help the client. They should empathize with their client and provide the highest level of service and responsiveness you would expect.

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