

# Customer-centric partner relationships is key in the logistics industry

Leading customer-centric businesses could see their projected profit growth rates increase from 5.3% this year to 7.4% in 2020, according to a 2018 survey by KPMG Canada, while companies that are strongly customer-centric are 60% more profitable than companies that aren't.



This latter finding is in a report by Deloitte Ireland in 2014, and four years on it remains as relevant as ever. A customer-centric philosophy helps companies grow revenue, improve efficiency and drive performance, and has become a business imperative for entities that genuinely want to stay ahead of rising competition.

“Customer-centricity is so much more than just great customer service,” says Bruce Thoresson, international logistics director for Bidvest Panalpina Logistics (BPL). “It’s about creating an experience from the moment we first engage with a client until after our services have been rendered. We put the customer at the heart of our decisionmaking and service delivery throughout that process, providing a service uniquely customised for their needs.”

Owned by services, trading and distribution powerhouse Bidvest, and the local partner of Swiss-owned Panalpina Group, BPL has seen incredible growth since its early days as privately-owned Safcor. Offering an end-to-end supply-chain solution across a number of industries, the company has global reach, with 500 offices in 70 countries through Panalpina’s network.

Locally, BPL has a loyal and longlived client list, some of whom they've been servicing for more than 15 years. Steve Smith, warehousing director at BPL, attributes this partly to analysing the reasons for losing customers when this happens and also looking closely at how often and why BPL is re-awarded business. "It's important to measure customer-centricity, so we do this on an annual basis," he says.

### **Customer's needs first**

Customer-centric businesses typically start with assessing a customer's needs, rather than selling a service or product that may or may not have relevance. Services and products are then designed or adapted to meet those preferential needs. Ideally, customer-centricity allows a business to anticipate, at some point in the process, services or products that a client wouldn't have already thought of, and then delight them with these.

Thoresson believes that while client engagement should be comprehensive, the administrative side needs to be simple and as automated as possible, to allow client engagement to remain problem-free throughout the transaction. BPL has a dedicated administrative structure that includes sales, servicing and key account-management staff who specifically address customer engagement from the initial sales process to managing an ongoing relationship and providing value-added services.

For a business like BPL, which has a global reach through its partnership with Panalpina, this requires additional special attention, as it's "impossible to shoehorn every customer into a fixed service offering without understanding their needs", says Thoresson.

"The challenge on the international logistics side is that our services encompass many different elements, largely fixed in one way or another, such as customs legislation at origin and destination, or flight and shipping capacities and schedules, and then you have a customer with their own specific shipping requirements."

### **Communicate with the customer**

The operations teams focus on the "doing" and communicating with customers on how the shipment process is unfolding and what joint decisions need to be made to achieve efficiency, Thoresson explains.

"We continually urge our staff to remain aware of their actions that will impact customer service, with value-added services tracked," he says. Staff are nominated for "flaming hot service" awards on a quarterly basis, based on feedback and compliments from clients, and there's also an annual overall winner.

Customer feedback is, of course, vital, and BPL uses independent service providers to assess performance. Aside from the daily client-supplier interaction that occurs at an operational level, customer-service surveys are undertaken biannually, and regular customer meetings also provide meaningful feedback.

Part of BPL's service offering is comprehensive warehousing solutions, and here, says Smith, the relationship with the customer is every bit as important. "Customers nowadays require enhanced flexibility and increased visibility into their supply chains, so we're introducing business-intelligence tools and integrating with customers' systems.

This provides a live view of operations in the warehouse that encompasses receipts, storage, picks and dispatches, and it's all aimed at enabling the customer to make informed decisions based on ever-changing needs." BPL also analyses stock turn and provides advice to customers on slow-moving products, Smith adds.

### **Understand and embrace**

Customer-centricity as a business philosophy only works when it's understood and embraced by employees at every level of a business. "If a business is genuinely customer-centric, then adherence to this philosophy needs to run throughout the organisation, from the exco to the lower operations or business units," says Thoresson. "A business isn't truly customer-centric, and is unlikely to be seen as customer-centric if some business units are making decisions with and for their customers, but others are doing this based on other criteria."

The right questions need to be asked, says Thoresson: What does the customer want? What impact would this have on our customer as opposed to what we're able to offer? And what impact would this have on our cost of production?

"In essence, a customer-centric business tailors its entire organisation, from services and products, delivered, to the processes followed, and even to policies and culture within the organisation, to giving the customer a sense that their needs are being met every single step of the way," he says.

For more, visit: <https://www.bizcommunity.com>