



No longer a straight line between logistics providers and shippers, **customer service in today's retail supply chain involves all players**—suppliers, manufacturers, 3PLs, and carriers. They are all connected, and they must all be satisfied. Here's how.

**W**hen pet food company WellPet received the 2008 Supplier of the Year award from the Pet Industry Distributors Association, the company had a long list of people to thank. At the top was its third-party logistics provider, Scranton, Pa.-based Kane Is Able.

"Before we began working with Kane, we would not have been considered for this award," says Beth Wilson, WellPet's vice president of operations. "The work we've done with our 3PL has made a big difference in the customer service we provide to our distributors."

WellPet turned to Kane Is Able in 2004 to help improve service to its customers, the network of distributors who bring the Tewksbury, Mass.-based company's four pet food

brands—Wellness, Old Mother Hubbard, Holistic Select, and Eagle Pack—to specialty pet retailers around the country. WellPet and Kane Is Able visited the operations teams at WellPet's distributors "to learn how we could improve our customer service by better understanding the distributors' warehouse strategies, how they handled WellPet products, and what they needed to service the pet stores most efficiently," Wilson explains. The Supplier of the Year award signals that these visits, and the service changes WellPet enacted as a result, paid off handsomely.

#### THE CUSTOMER SERVICE LOOP

WellPet and Kane Is Able's partnership exemplifies the importance of the "customer service supply chain"—the idea



that customer service is not a one-way street between logistics providers and shippers, but rather a group effort aimed at meeting and exceeding customer expectations for all players throughout the supply chain.

By providing reliable service, 3PLs play a key role in giving shippers the ability to provide stellar customer service to *their* customers. Indeed, 59 percent of shippers say that their use of 3PLs has a positive impact on customer service, according to the 2009 *Third-Party Logistics Study*, an annual report from the Georgia Institute of Technology.

Regardless of a shipper's distribution model—whether customers are distributors or intermediaries who bring their products to market, or end consumers who buy their goods or services—they often depend on upstream 3PL partners to make sure all parties in the downstream supply chain are taken care of. To be true supply chain partners, 3PLs must operate with a focus not only on their own customers, but also on their customers' customers.

"The best way to provide customer service for shippers is to understand their customers' pain points," says Mike Marlowe, vice president of customer development for Kane Is Able. "3PLs that can solve those pain points for them and for their customers will be successful."

WellPet's pain points included increasing warehouse efficiency and ensuring that orders to its distributors were filled accurately and received on time, without damage, so that distributors could fulfill their delivery promises to pet food retailers. Kane Is Able helped WellPet

implement a variety of changes aimed at meeting those goals.

"We restructured our pallet configuration because we learned it wasn't efficient for our distributors, or for us," Wilson explains. "As a result, we can now store more product in our warehouses using the same amount of space, and we can cube out our trucks more effectively, which reduces costs."

WellPet's distributors benefitted, too. "Changing the pallet configuration allowed our distributors to utilize their space more efficiently and to cube out their racking," adds Curtis Mendes, logistics manager for WellPet.

With an eye toward improving distributor satisfaction, Kane Is Able also helped WellPet switch to a paperless, RF-enabled warehouse management system that cut errors and streamlined order processes to reduce order-to-shipment cycle time by 24 hours.

"These changes have been a win-win for all parties, extending service benefits all the way through our supply chain," Mendes notes.

Making sure that everyone in WellPet's supply chain benefits was part of Kane Is Able's goal from the outset. The company seeks to engage its shippers on a strategic level and sees effective customer service as a means to that end.

"All Kane Is Able employees are, to some extent, customer service representatives," Marlowe says. "Our ultimate goal is to become a partner to customers."

### **A STRATEGIC ASSET**

That goal meshed well with WellPet's willingness to treat Kane Is Able as a strategic asset, sharing with the 3PL detailed information such as sales volumes and future sales projections, and plans for future corporate activities.

"We view Kane Is Able as an extension of our business," says Wilson. "Providing strategic information helps Kane understand our business so they can prepare to meet our future needs."

While divulging strategic business information to a third party is not always popular with corporate management, the willingness to treat 3PLs as true business partners and not merely vendors is crucial to helping shippers receive the customer service they need.

Taking the time and effort to ensure that providers understand your business and your customers is key to creating the successful shipper-3PL relationship that brings customer service excellence to the whole supply chain, says John Langley, professor of supply chain management at the Georgia Institute of Technology, and author of the *Third-Party Logistics Study*.

"When shippers and 3PLs create an open, strategic relationship, there is greater opportunity for the two companies to collaborate on the kind of service package they want to deliver," Langley explains.

Shippers understand the value these strategic relationships deliver to servicing customers and improving supply chain efficiency. Seventy-five percent of survey respondents say that a more strategic relationship with their 3PLs would reduce total landed and distributed costs, while nearly 60 percent indicate more strategic 3PL relationships would increase operational flexibility as well as cut capital and labor costs, and operational expenses.

"When shippers engage in a strategic relationship with a 3PL, the parties share effective dialogue and can resolve problems more quickly," Langley notes. ■