

# Finding a Logistics Partner Is Nothing Like Finding a Plumber (Or Is It?)



When you're in need of a plumber, or an electrician or similar professional help, my guess is you ask three questions in succession: 1) "Who do I know?" 2) "Who do *you* know?" and 3) "Who's out there who *knows*?"

Each of these questions aims to reduce risk. We're all a little terrified of the tradesman who botches the job or gouges us on the price, or both. So we start with "Who do I know?" Clearly, if you have someone you know and trust, questions 2 and 3 become irrelevant.

But if there's no one you call "my plumber," you'll move on to "Who do *you* know?" That's when you work the phone, text and email and ask family members, friends and neighbors for a recommendation. While personal referrals are not the same as your own experience, if Aunt Erma was satisfied, that counts for something.



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If it turns out that friends and family members all have perfect plumbing, that's when you move on to the third question, "Who's out there who *knows*?" Remember, it's still about limiting risk, so you're probably not yet ready to pull out the yellow pages, close our eyes and point. You want to go through a vetting process to uncover the best, most experienced plumber for your specific problem. So you scan the list of available plumbers, checking years of experience, license credentials and other criteria in an attempt to find the exact right fit for the job.

So what in the world does any of this have to do with logistics marketing?

I thought you'd never ask.

Remember, our three-question progression was about limiting risk. Well, buyers of logistics services and systems are about 1,000 times more risk averse than the homeowner with the leaky pipes (actually, it's 967% more, but I'm rounding up). So they are even *more* likely to look for ways to avoid choosing the wrong provider.

What if buyers of logistics services went through the same three-question progression? How might that impact your marketing?



## Who Do I Know?

Have you read any recent survey data on logistics outsourcing? Shippers are consolidating logistics providers, not expanding. They want to work with fewer, more strategic partners.

Many 3PLs report that 50% or more of their new business revenue comes from existing customers. Make sure you know about your customers' broad logistics operations. Create opportunities for strategic discussions where you learn all the touch points and pain points along their supply chains. This will put your current role in context and help you identify additional ways to create value. And that's a two-way street. Make sure your customers have an understanding of your company's full capabilities.

How about former customers and colleagues with whom you no longer have regular contact? When they ask "Who do I know?" does your firm come to mind?

Just as in our personal lives, we often lose touch with business friends and colleagues as career paths diverge. But good marketers and salespeople understand the value of staying in touch. Case in point: my 3PL salesperson friend, Dennis, reaches out a couple of times a year to a customer of a former employer. During a recent call, this colleague asked if Dennis could refer him to a company that could assist with container drayage. Since Dennis is now with a 3PL that manages drayage services, he bid on the business and won a large six-figure contract. Not bad for a 5-minute investment in cultivating a friendship.

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## Who Do You Know?

George Silverman, author of *The Secrets of Word-of-Mouth Marketing*, reports that people take action on 1 in 15,000 ads they see, but 1 in 3 recommendations they receive. Research for the annual Edelman Trust Barometer found that 84% of B2B purchase decision makers begin the buying process with a referral.

When buyers of logistics services canvass their network of contacts for recommendations on logistics partners, you want to be on the other end of these recommendations.

Who are these influencers? That will depend on your business. Certainly your customers are in this group. Make sure they know that you welcome referrals. Influencers could also include management consultants, logistics consultants, material handling equipment suppliers, software companies, commercial real estate firms, economic development and port executives, trucking companies, railroad and intermodal companies. Don't ignore the role of influencers in the buying process and carve out time to identify and cultivate relationships with these contacts.

### Social Media Prospecting

Ask the "Who do you know?" question to support your own company's prospecting efforts. Your LinkedIn connections, and those of your salespeople and executives, have their own contact networks, which you can see. Are there people within these networks who you'd like to be introduced to by your mutual contact? Almost certainly.

Prospecting via social sites can be effective, but be careful not to abuse the privilege. Before you ask for referrals from connections, be confident that you've earned the right.



## Who's Out There Who Knows?

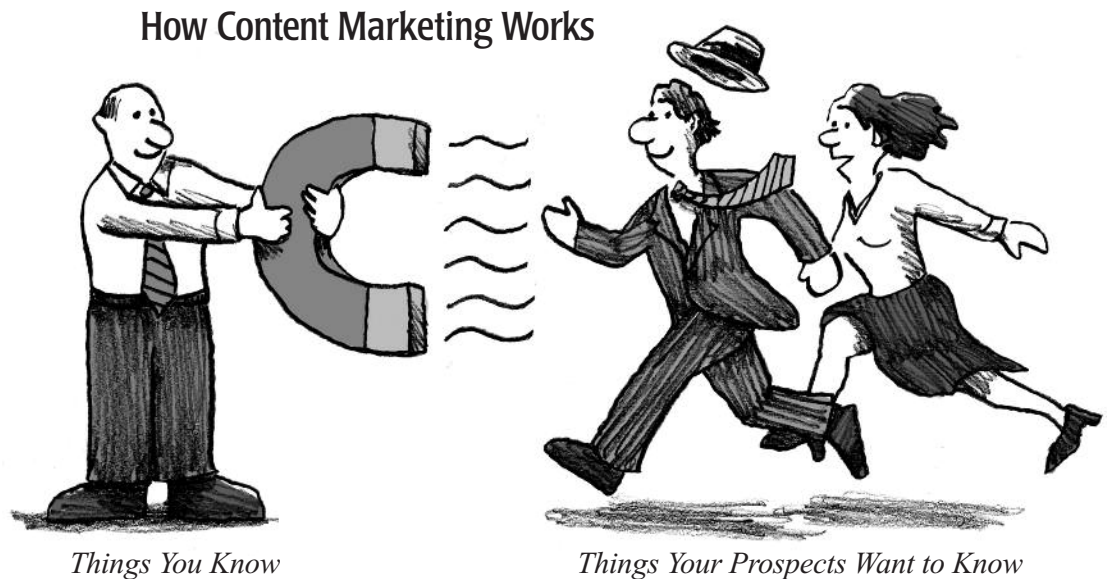
Today, high-value services are bought, not sold. Buyers are increasingly cynical toward one-way, sales-oriented messages and more inclined to independently gather objective information about challenges, solutions – and services.

What's the best way to get on their radar screens? Not with interruptive, sometimes annoying cold calls and unsolicited emails. The answer is to give prospects a reason to find you by creating informative content that positions your company as a thought leader – the ones who know. By posting and sharing this content on the web, your knowledge acts like a magnet to attract prospects actively searching for information on the subject.

Yes, it takes effort to create content such as white papers, eBooks, videos, how-to guides and blog posts. If you're too busy or not quite sure how, hire outside help to get it done.

An increased focus on content does not mean you avoid direct prospecting. Targeted selling is critically important. It's the shotgun telesales campaigns and email blasts you may want to rethink. Today's buyers are just too busy and won't make time for vague solicitations from people they don't know.

Want to win in this new environment? Quit *selling* to generate leads. Instead, look for ways to contribute to a knowledge exchange within your market. Share ideas. Express your opinion. Be heard. Be seen. Communicate information that helps prospects do their job better, faster and cheaper and you'll get their attention faster than telling them how many square-feet of warehouse space you manage.



## Apply the Three-Question Test

Marketers of logistics services need to be sensitive to the degree of risk involved in choosing a partner and the lengths that shippers will go to reduce this risk. Apply the three-question test to your own customers and prospects. If they went through this process, how would your company fare?

### About the Author

*Jim Bierfeldt has directed marketing for major third-party logistics providers and today is president of Logistics Marketing Advisors, a firm that helps logistics businesses define and communicate their value, and then translate that value into revenue. Who do you know that needs logistics marketing services? Have them contact Jim at [jim@logisticsmarketing.com](mailto:jim@logisticsmarketing.com).*

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*The 5 Deadly Sins of 3PL Marketing* examines common marketing mistakes made by 3PLs, and how to fix them.

