

# 10 Steps to a solution

## How to leverage the power of a 4PL

Here are 10 steps that all companies can take to begin leveraging the power of a fourth-party logistics partner in today's volatile, uncertain logistics and transportation environment.



Uber Freight

Logistics  
MANAGEMENT

**A**fter a few years of disruption and uncertainty, logistics and supply chain managers are rethinking their approaches and reimagining their supply chain operations. From labor constraints to growing e-commerce order volumes to ongoing supply disruptions, vulnerability has become the status quo in the current freight market.

To both manage their current challenges and plan for the future, more organizations are enlisting the help of fourth-party logistics providers (4PLs). Using this operational model, companies outsource their complete logistics and supply chain management operations to a single, external partner. The 4PL controls these and other operations (e.g., transportation spend analysis, carrier performance tracking, reverse logistics, etc.), leaving the manufacturer, distributor or retailer to focus on their core businesses.

With a 4PL in their corner, organizations gain a trusted advisor that's always on the lookout and ready to step in and collaborate to solve problems as they surface. "In this business environment, you can only do so much by yourself within your existing network but having a 4PL provider that helps you see across multiple shippers, industries, carriers and geographies can drive synergy across all of those players," says Chuck Papa, head of transportation management sales at Uber Freight. "It's not just about the shipper itself anymore. To succeed in this market, companies have to be able to extend beyond their own networks."

As the logistics, supply chain and transportation markets continue to experience high rates of change and volatility, companies need help managing the rapid speed of change. Uber Freight is a 4PL that blends logistics technology and transportation management services. It gives companies data-enabled control tower views of their supply chains across their warehouses, freight forwarders, modes of transportation, shipping companies and shipping agents.

With these insights at their fingertips, companies can collaborate effectively, share best practices and leverage capabilities across their entire supply chain networks. The 4PL provides important advantages in an environment where the situation changes daily, and not always for the better. Here are 10 steps that all companies can implement to start taking advantage of the wide range of services and support that 4PLs specialize in.

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**Step 1: Know what's broken and where you want to go.**

1

Start with a basic operational assessment that looks at your organization's current processes, systems, software, personnel, inventory mix and other key elements of your operation. Use this early exploration to identify your biggest pain points, opportunities for improvement and what changes you'd like to make. For now, at least, focus less on solving the issues and more on identifying them and getting ready to share them with your 4PL.

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**Step 2: Take the time to conduct due diligence.**

2

Just like you would with any business partner, take the time to do your research, explore the 4PL's range of offerings, ensure that it has the right technology systems in place and that it can scale up right along with your organization as it grows. Find a 4PL with experience in your specific industry and talk to some of its current or past customers (preferably within your industry) about their experiences working with the 4PL.

Take the time to learn more about the 4PLs you're considering working with, versus just making a snap decision. Then, find one that matches your industry and that can meet your needs, including those related to your shipping operations—domestic, international or both.

### Step 3: Set your baseline during the discovery engagement process.

3

During the discovery engagement process, Uber Freight does an assessment to help prospective customers validate and uncover any other needs that may not have surfaced during Step 1 (above). “We work to find out what the true issues are,” says Papa. “We conduct a current state discovery session on how the organization is operating today, what its pain points are and what the company is trying to solve.”

This is also the time to gather your data, which the 4PL then uses to establish a baseline. This data should be shared with the provider before it even comes onsite for a visit. “We use the data to create an assessment of what their network looks like,” says Daymon. You should also be ready to identify the key subject matter experts (SMEs) and stakeholders that the 4PL will be engaging with. “This is important because the data doesn’t tell you everything,” he adds.

For example, the data won’t always reveal exactly how trailers move about the yard and to and from docks during shipping and receiving. It’s important to include subject matter experts (SMEs) not just from operations, but also from your customer service, production, IT and finance departments. “Those particulars need to be understood and the data doesn’t tell you that,” says Daymon. “Someone has to be able to translate for us or walk us through a ‘day in the life’ of their operation.”

### Step 4: Set up a site visit for a deeper dive.

4

With the challenges identified, baselines established, and data shared with your new 4PL, it’s time to set up a site visit that includes all the SMEs and stakeholders who will be involved with the process. During this visit, Uber Freight thoroughly delves into the order-to-cash lifecycle of the company’s entire process.

“It’s really important to learn not just the ‘happy path’ that might be part of a process flow, but also what’s actually happening on the ground,” Papa explains. “That way, we can see the process and action; learn from the users where their pain points are; and understand what their individual needs are.”

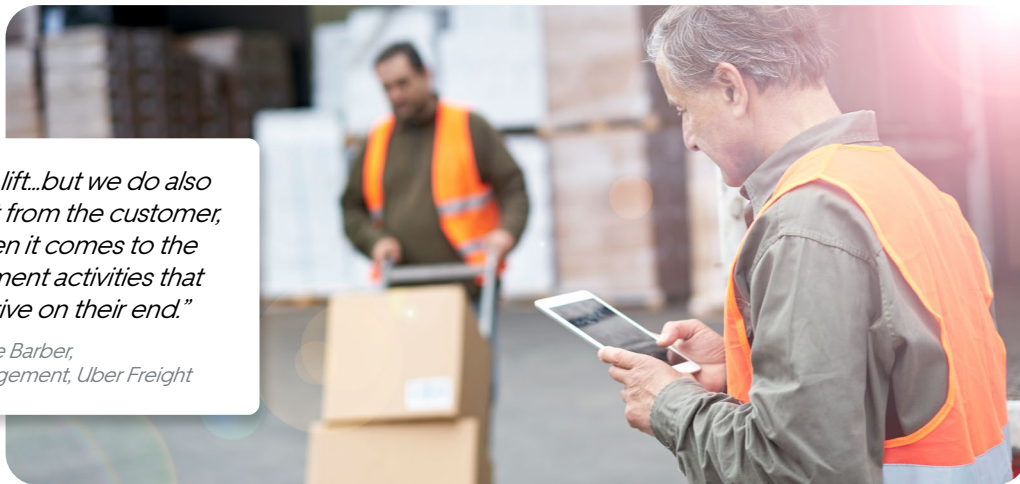
**Step 5: Look for gaps that you didn't notice before.**

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This is the point where Uber Freight can readily detect a failing or faltering process that hasn't shown up on any other radar screens. "Don't assume that just because you have a process flow, that's exactly how it operates," Papa cautions. "Many times, what a company provides us with is a process flow that is not exactly what's happening on the ground."

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— Steve Barber,  
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**Step 6: Nail down the return on investment (ROI).**

6

Once the 4PL has the data it needs and has conducted a site visit, it will get to work on an ROI estimate to determine whether the project really should be put in "go-forward" status. It will also further hone in on the scope of the work that the company wants to tackle and talk about the budget with the prospective customer.

From the provider's corner, Uber Freight brings a team, project management, operational experts, account management, finance leads and IT to the table. "We do the heavy lift," says Steve Barber, VP of product management at Uber Freight, "but we do also need engagement from the customer, and primarily when it comes to the change management activities that they'll have to drive on their end."

**Step 7: Set timelines and expectations for both sides of the relationship.**

7

At this point in the onboarding process, Uber Freight documents the future state vision and process and shares it with all stakeholders. This ensures high levels of understanding and engagement in the vision and supports a successful transition over to working with a 4PL.

“There may be some intense periods during this process, where testing and data loads and training are all critical path items that we manage and call out,” says Barber, who sees commitment on the customer’s part to deliver the necessary resources and/or data as one of the most important keys to success at this stage of the game.

“If we don’t get the right resources and data in a timely fashion, the project may be delayed,” says Barber. “The key to success is managing the timeline and making sure that you’re delivering the data, information or resources at the expected dates and times.”



**Step 8: Get all stakeholders on board.**

8

Make sure all your internal stakeholders are aligned, and with a particular emphasis on the operational areas that your transportation management system (TMS) is going to touch. That includes IT for integration support, the finance team for understanding the back-office process that needs to be planned for, and frontline operators that know the current processes inside and out.

“Those frontline operators can ensure that all the Is are dotted and Ts are crossed,” Barber points out. “Their engagement will vary based on their role in the process, but you’ll benefit from their buy-in from a change management standpoint.”

**Step 9: On go-live day, plan for a marathon (not a sprint).**

9

Using the objectives, goals, strategies and measures (OGSM) framework, Uber Freight works to establish a clear definition of what success looks like very early in the implementation process. It then ensures that the right metrics are put in place at go-live to determine if the project is on track both in terms of customer expectations and the 4PL's common understanding of the typical success criteria.

"We test thoroughly to ensure that there are no integration or technical problems on day one," Barber explains, adding that in most cases, the success of the integration and implementation are best measured a week after go-live. "Everyone wants to do high fives at 8:00 AM on go-live, but that's just the starting point. What's even more important is your company's performance against the metrics over the following weeks and months. It's a marathon, not a sprint."

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**Step 10: Focus on continuous, positive change management.**

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As part of the onboarding process, Uber Freight also develops "current state" mapping and then revisits it regularly to ensure continued success of the 4PL relationship. "This gives the customer the opportunity to validate what they have today," says Daymon, "as well as what they're going to get tomorrow."

The 4PL also provides relentless, continuous improvement and client engagement that assures the delivery of continuous value through execution. It also helps companies pinpoint future value and tap into Uber Freight's ability to continue delivering value savings year-over-year. Because of this, having a high level of change management aptitude generally translates into more positive results and ongoing success of the partnership. "To be most effective for the long-term," says Daymon, "the shipper-4PL relationships will rely heavily on continuous, positive change management."

*This article is for informational purposes only. The conclusions drawn are based on our own analysis and the Uber Freight marketplace.*

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