

## EFFECTIVE CHANGE MANAGEMENT IS THE KEY TO SUCCESS IN OUTSOURCING TO A 3PL PARTNER

Shippers can identify many benefits to relying on an experienced third-party logistics (3PL) provider to manage their transportation and logistics processes, including full network visibility, route optimization, carrier management, access to performance benchmarks and metrics, and more.

Making the change, however, can be daunting, and shippers should ensure they choose an experienced partner—one who understands that having a detailed change management plan can mean the difference between a successful transition and a complete disaster.

Ruan's experts have identified three keys to effectively managing a transition to an outsourced transportation management solution.

### Build a Foundation of Trust

The key to any successful partnership is trust. Our goal is to cultivate close relationships with our customers to understand what matters the most to them—their pain points, their goals for success, their key competitors, long-term goals, and more. By understanding their business, we are able to propose valuable process improvements to advance their operations. Ultimately, we strive to understand a customer's business as if it were our own.

Equipped with this foundational knowledge, we design managed transportation solutions using a shipper mindset. Ruan's transportation management system (TMS) platform was made for shippers, which allows our expert solutions engineers and analysts to execute

a customized plan optimized to meet the shipper's goals. When our proposed solutions demonstrate an understanding of a shipper's pain points and goals for success, they are more likely to entrust us with their business and allow our experts to guide them through the implementation process.

### Broad Customer Engagement

Ruan's sales, operations, and project management teams engage with a prospective customer arm-in-arm during the analysis and design phase to identify the right data collection process, along with the right people process. We work with each potential client to ensure that the correct subject matter experts are in the room early on—it's critical for a shipper to involve their teams up front to clarify why they are considering partnering with a 3PL and, most importantly, why it is the right move for the company to make.

After a prospective customer has selected Ruan as their 3PL partner, we conduct joint application design (JAD) sessions to make decisions around transportation planning, execution, event management, back-office functions, and reporting and analysis. JAD sessions are held not only with the transportation teams, but also each company's functional teams like customer service, finance, operations, production, procurement, information technology, and more. Each party has a voice as we drill down to determine micro-level details. For instance, when discussing freight audit and payment, we want to gain alignment between each company's finance and accounting teams before the start-up.

**"We come to an agreement early on to a very granular level about how the business will be executed, then we build the system around that,"** said Ruan's Sr. Vice President of Supply Chain Solutions Paul Jensen. **"And then, because we created awareness and broad engagement from the earliest stages, both parties are invested in it and are willing to support it. When challenges arise, as they do in transportation, the shipper's front-line teams are willing to help solve the problem—not just point out the problem—because we're all invested in a true partnership."**



## Start-Up Management

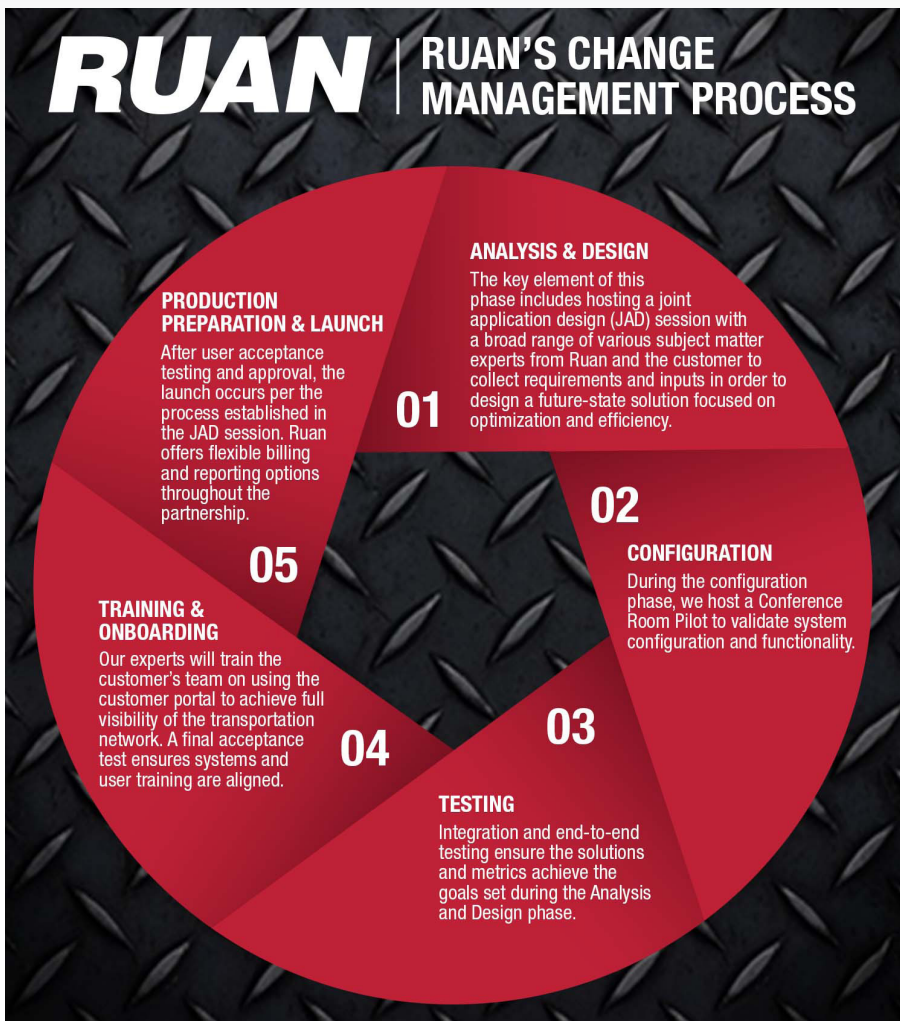
When Ruan onboards a new client partnership, our teams ensure that the start-up is as seamless as possible so our customers can continue business as usual. Once the start-up team has received notice that the business has been awarded to Ruan, we'll determine the best start date and assign a project manager who organizes the business implementation from start to finish and coordinates tasks among all the parties involved. As part of this transition, Ruan will walk hand-in-hand with the customer to facilitate internal and external communications, whether the customer is transitioning from using another 3PL or from managing the transportation network internally.

Overall, we aim to execute our start-ups with precision and manage the process efficiently so the transition is smooth and all risks are mitigated. Leading up to launch, we host a Conference Room Pilot session, which includes the same parties who participated in the JAD session, to help ensure we have alignment on how things will work and validate that the process and

integration designs will support the business. A successful Conference Room Pilot is the project milestone that marks the completion of the Configuration phase before the team moves into more robust and detailed testing.

**“The Conference Room Pilot is a critical milestone for mitigating risk since it gives everybody an opportunity to bring up the ‘what about this?’ scenario,”** said Director of Integrated Solutions Graham Page. **“Together, Ruan and the customer will develop a contingency plan to account for any unforeseen situations, like an incumbent 3PL not exiting the business gracefully on the scheduled cutover date. We know the potential risk points, and we can prepare against them.”**

Throughout the start-up, Ruan will demonstrate a detailed orientation process, focus on standardization, timeline accountability, and concern for account performance and optimization—all critical aspects to ensuring we build a solid foundation for our long-term partnerships.



If your business is considering outsourcing the management of your transportation but you are overwhelmed about how to do it, we understand. Following a tried-and-true change management process is the key to success—and Ruan has an excellent track record.

Contact us today for a free transportation spend analysis at [Solutions@ruan.com](mailto:Solutions@ruan.com) or (866) 782-6669.