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MARKET WATCH

Unlocking Growth: PLG's 8-Step Process for Transforming Underperforming Logistics, Supply Chain and Transportation Companies

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Paul Tonsager, a 25-year global logistics and supply chain veteran, brings executive leadership experience from A.P. Moller-Maersk, CN Worldwide, and Patriot Rail and Ports. During his tenure, he launched and operated the industry's first rail-based Non-Vessel Operations/Logistics unit, creating a new $110M business line across four continents focused on import/export supply chain effectiveness and efficiency. As former VP of North American Procurement at Maersk and President of CN Worldwide Inc., Tonsager specializes in ocean freight, intermodal operations, and strategic network optimization, with expertise in driving operational efficiency through major business transformations and acquisitions.

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EXECUTIVE SUMMARY

In today's dynamic business environment, supply chain and logistics excellence have become the cornerstone of corporate success. While mergers and acquisitions often capture headlines, forward-thinking companies recognize that sustainable growth stems from strategic logistics optimization. Well-focused logistics-centric businesses maintain a holistic and realistic view of the marketplace, understanding that operational efficiency drives competitive advantage. Organizations can accelerate their transformation and gain a decisive edge by bringing in seasoned thought leaders with diverse expertise. PLG Consulting exemplifies this approach through its comprehensive 8-step process, which systematically guides companies—from established logistics and transportation firms to emerging tech startups—through strategic restructuring and optimization to achieve lasting success.

THE POWER OF PRECISION: PLG'S 8-STEP APPROACH

SOURCES: PLG Consulting, November 2024

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SUCCESSFUL TRANSFORMATION REQUIRES A SYSTEMATIC APPROACH TO ASSESSMENT AND IMPLEMENTATION

1. ISSUE ASSESSMENT: LAYING THE FOUNDATION

The journey begins with a thorough evaluation of the business. PLG experts analyze factors such as:

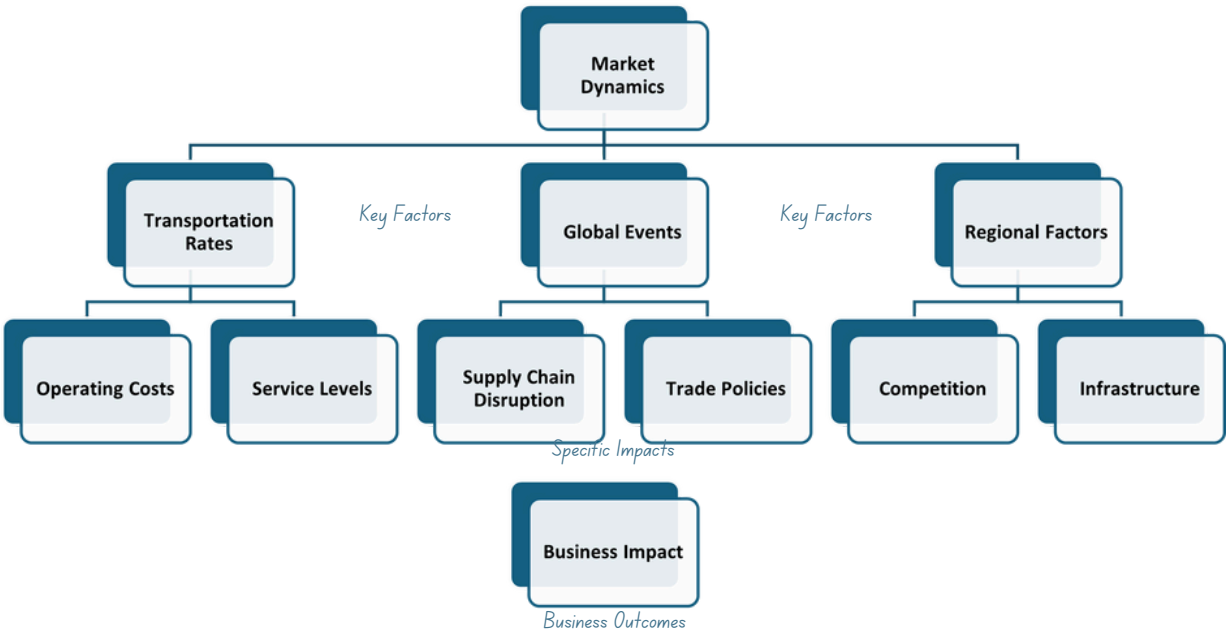
- What is the current strategy, and how aligned is the company (growth, cost-cutting, M&A)?
- Where is the business best-in-class?
- How does the revenue stream break down, and where can they be integrated or leveraged?

2. MARKET TRENDS: READING THE ECONOMIC TEA LEAVES

Understanding the broader market context is essential for long-term success. PLG's analysis includes the following:

- Current transportation rates and how to take advantage of them
- Global and political issues such as the Suez Canal, tariffs, and political unrest
- Supply chain dynamics affecting the region

Market Factor Dependencies & Impacts



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SUCCESSFUL TRANSFORMATION REQUIRES A SYSTEMATIC APPROACH TO ASSESSMENT AND IMPLEMENTATION cont'd

3. CONNECTIVITY: HOLISTICALLY MAPPING THE TRANSPORTATION NETWORK

The strength of looking at broad options. PLG examines:

- Access to Class I and Short Line railroads
- Routes to key markets and ports
- Intermodal and transload capabilities

4. COMMODITY AND EXISTING CUSTOMER ASSESSMENT: KNOW THY NEIGHBOR

Understanding the local ecosystem is crucial. PLG's team:

- Analyzes asset flows in your region
- Identifies existing customers/competitors and their needs
- Pinpoints potential synergies and complementary businesses

5. TARGET MARKET DEEP DIVES: FINDING YOUR NICHE

To ensure long-term viability, PLG conducts in-depth analyses of potential target industries. This includes:

- Growth projections and market size
- Industry-specific logistics needs
- Regulatory and economic factors affecting each sector

By identifying the most promising sectors, businesses can focus their efforts and resources effectively.

6. TRANSPORTATION LADDERING & COMMUNICATIONS STRATEGY: BUILDING RELATIONSHIPS

Success with transportation suppliers requires strong partnerships. PLG's approach involves:

- Mapping key decision-makers within Class I railroads, Trucking, Warehousing, Technology
- Developing a strategic communication plan
- Facilitating introductions and ongoing dialogue

These relationships are vital for ensuring smooth operations, and the intelligence gained provides growth opportunities.

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SUCCESSFUL TRANSFORMATION REQUIRES A SYSTEMATIC APPROACH TO ASSESSMENT AND IMPLEMENTATION cont'd

7. OVERALL SWOC ANALYSIS: CHARTING THE COURSE ***A comprehensive Strengths, Weaknesses, Opportunities, and Challenges (SWOC) analysis provides a clear picture of the current state and rips the band- aid off. PLG's experts consider:***

- Industry advantages and limitations
- Market opportunities and competitive threats
- Regulatory and economic challenges

This step synthesizes all gathered information into actionable insights.

8. CRAFT THE VISION: PAINTING THE FUTURE & MAXIMIZING ASSETS

With a deep understanding of the company's potential and market dynamics, PLG helps stakeholders create a compelling vision for the project, including:

- Driving maximum asset utilization, whether physical assets or human capital. Asset optimization is the primary success metric for transport companies.
- Optimal mix of rail-served, truck, barge and marine
- Projected capacity and throughput
- Unique selling propositions for potential candidates

A clear, well-articulated vision is a guiding star for subsequent business efforts.

THE PLG ADVANTAGE: EXPERTISE MEETS EXPERIENCE

PLG's 8-step process is more than just a checklist – it's a comprehensive approach that leverages decades of industry experience and cutting-edge analytics. Whether you have a seasoned business or need unbiased looks, PLG can offer value. By following the proven methodology, companies can:

Turn Around Underperforming Businesses

- Minimize risk and maximize return on investment
- Win with the 'right' technology
- Create long-term business strategies
- Engage with realistic, practiced experts
- Drive actionable results with follow-up

Core Principles for Sustainable Success

- Maintain healthy skepticism about technology promises and costs – focus on proven solutions with demonstrable ROI
- Stay in your lane – succeed with what you know; only add integrable pieces
- DO due diligence – don't just say you have

Let's start the conversation

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