American Shipper

Former POLB exec Slangerup aims to help shippers, one supply chain at a time

Jon Slangerup, the former executive director at the Port of Long Beach, is now leading the charge at Atlanta-based American Global Logistics, a cloud-based technology provider focusing on customized and proprietary fourth-party logistics (4PL) technology.

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Jon Slangerup has moved from the most macro-supply chain issues to the most micro over the last year.

Slangerup, a longtime executive with FedEx who served as executive director at the Port of Long Beach from 2014 to 2016, has been helming Atlanta-based American Global Logistics (AGL) since April.

After leaving his position at the Southern California port in fall 2016, Slangerup was already serving on the management board at AGL, having been involved with the private equity group that owns a majority share the logistics company. He was asked to serve as chairman and chief executive officer when predecessor Jim Briles stepped down to spend more time with family, a move AGL announced in late July.

"The thing I noticed running the port was the importance of building an information backbone driving visibility from origin to destination," Slangerup said in an interview with *American Shipper*.

That macro view of the industry at large now has to be translated into helping AGL's customers get better at managing that same issue, one supply chain at a time.

AGL's customers are generally smaller to mid-sized international shippers who have a certain degree of inherent complexity in their networks. Slangerup referred to what AGL is doing as providing its customers "custodial control," similar to what big box retailers or the parcel integrators enjoy.

"Smaller players don't have that," he said. "We provide that end-to-end visibility and comfort to see and know where their shipments are. If you think about the 80-20 rule, we're focusing on the 80 percent moving 20. That's our focus. If you go up and down that value chain, you look at those customers that are growing and have information needs, and you sell them on opportunity to function like a big guy. They don't have ability to influence contract rates, or the economies of scale to do this themselves."

AGL's approach is based on technology and is entirely proprietary and customized, said Slangerup. Rather than apply an off-the-shelf software and tweak it the unique needs of its customers, AGL tailors solutions for each customer. That might not scale as efficiently as a multi-tenant approach where each customer is basically using the same software, but it has other advantages.

"The technology out there is good but it has a one-size-fits-all feel," he said. "The bottom line is that much of our business is referral-based. When we get into a vertical, we become known as a solution to that vertical. When conversation is new, typically sometimes people don't know what they need. They know what their problems are. We focus on a discovery process with every customer we talk to, understanding their workflow and their processes, demands from their customers. We overlay that workflow that we develop with them and come back with a proposal and say this is how we can optimize your workflow. The intent to listen and intent to develop something unique to them."

In that way, Slangerup said AGL has evolved from a traditional third-party logistics (3PL)/non-vessel-operating common carrier (NVOCC) model to more of a fourth-party (4PL) model.

“With the intensity and competitive nature of pricing in logistics, customers are looking for every single way to deal with cost reductions,” he said. “We’re looking for every way to lower cost of services. For instance, ocean is a highly volatile pricing environment. We try to take some of the lumps out of that, so it’s really about value, not necessarily about price.”

The way AGL attempts to do that is through its technology platform.

“The basic philosophy of the business was to be tech-enabled,” said Slangerup. “As price has become more and more the driver, the choices in the marketplace were tradeoffs on quality versus customer service. The model that works is of you don’t sacrifice quality and customer service for price. Technology is about eliminating waste. The movement of goods from A to B is about visibility and streamlining the handoff points and a means to optimize the entire system.”

The 10-year-old company’s initial strength was in the furniture industry, essentially due to connections the founders had with companies in that vertical. Among the core sectors listed on its website are apparel, electronics, food and beverage, raw materials, and tire and automotive.

Customers include Igloo, Bassett Furniture, Western Pottery, and Diamond Comic Distributors.

Furniture and tire and automotive collectively account for around three-quarters of AGL’s business today, but Slangerup has designs on diversifying the customer base as its solutions diversify.

“Growth is coming from a broader base of consumer products,” he said. “Companies that have complex supply chains that are really small are perfect for us. Furniture is crucial to us, but quite frankly, diversification of solution suite and types of verticals is where the company is focused.”

The Asia-to-U.S. West Coast trade lane is the company’s largest, which reflects the relative strength of the U.S. economy.

“It’s probably 90 percent today, but diversifying quickly,” he said. “We’re moving into all the markets and all gateways. Where you follow the growth on the inbound U.S. gateways, you look at their growth and that’s where our growth is. It’s a changing marketplace and we don’t really care where it’s coming in. What we care about is where our customers need us and how we can help them.”