

Smash the System - Accountability Sinks in the 3PL Business



Modern technology, systems integrations, AI, automation and the like all have incredible potential to improve the logistics business. Today it is relatively simple to integrate multiple, complex sales channels with a third-party logistics provider so that your stock, orders, and returns can be handled by others. With great integration you can see what is going on with your stock and orders, make changes and interventions, and report to your customers.

All this modern tech means that it is entirely possible, and indeed quite common, for business owners to outsource entirely the warehousing, pick pack and delivery parts of their business. Even businesses with complex multi-channel sales networks with a combination of drop shippers, B2B stocks, multiple on-line marketplaces, and direct B2C selling can be easily integrated with a modern 3PL provider. This means that business owners don't need to touch the products they sell, this frees them to focus on sales, marketing, product development and the other value generating activities they are good at. And technology is at the heart of this.

All this opens up an incredible marketplace of opportunities for entrepreneurs. It has never been easier to start up an on-line business and succeed. But, with this tech powered business revolution one might be forgiven for focusing on the technology as the most important thing. We at The Fulfilment People think that this is a grave error. Understanding why this happens - and how to prevent it - is essential for any 3PL provider serious about service.

The problem with technology, integrations, and automations is that they are not human beings. The world is incredibly complex and when things go wrong no system, no matter how well designed, can cope with novel problems. But, worse than this, when "the systems" is given primacy, when it is the main selling point or feature of the 3PL offering, it can become an excuse for poor service. This is the phenomenon of an "accountability sink" outlined in detail in *The Unaccountability Machine* by Dan Davies.

What is an accountability sink?

This is where "the system" replaces human accountability. The system can be a set of processes, automated IT, integrations anything that replaces human judgement. When things go wrong the system is blamed and the human beings operating the system remain blameless and unaccountable. So, when an error occurs with an order both the customer and the people working in the supplying company are victims of "the system". Everyone is a victim; no one is accountable and there is no easy solution. This is summed up beautifully by the phrase "computer says no".

Accountability sinks are not designed to be this way. It is not intentional, but it is something that emerges when processes, IT system, integrations and the like are put first and foremost. The intentions are always good, remove human error, standardise everything so errors are reduced, and if we get good inputs with a good system there should be no bad outputs. All very laudable. But the unintended consequence of this can be that no human being is actually accountable anymore.



What happens when accountability sinks get out of control

If you have ever dealt with a company where:

- No one gets back to you when you have an issue
- You never seem to be able to speak to anyone who can actually do anything
- Complaints get lost in a black hole of customer service
- All you get is blame shifting

These are all signs that the system is in control rather than accountable humans. If you ever get that feeling that the poor person you are complaining to in customer service is just completely powerless and just there to absorb your anger rather than do anything more useful then, you are dealing with an accountability sink problem. They are very common in all sorts of business - anyone who has tried to resolve a dispute with a bank or utility company will recognise the pattern immediately.

There have been some high-profile problems of this type in our business, 3PL. If you look at the website <https://fulfilmentfrustrations.com/> you will see a catalogue of problems listed. Most of which can be chalked up to accountability sinks. The main source of anger is that no one takes responsibility for sorting out problems. We all accept that things go wrong from time to time. The real sin is not that an error happened it is the failure of the company to deal with the error quickly and correct it. That is when customers get really annoyed.

Errors occur, couriers mess up, things are delivered late, no system will ever prevent this entirely. A good system will reduce errors, but it is utterly naive to think that all errors will be eliminated by any system no matter how good. When, however, the entire sales pitch of the company is on how great their system is then they can delude themselves into thinking that errors will be so low that they won't matter.



As such any errors that do occur are not dealt with well because the system is assumed to be perfect and all personal accountability has been absorbed by the system. This is when the horror stories of poor customer service start. As soon as accountability is subsumed by the system it is only a matter of time before the stories of shoddy customer service mount up.

So how do we avoid this?

Obviously, we do want all the benefits of having these amazing integrated systems. They are just far too useful to ignore so how do we get the benefits without creating an accountability sink? Well, it's quite simple really. We need to remember that "the system" no matter how clever, modern, integrated, and "perfect" is just a tool. It is something to be used by human beings to get a job done for other human beings. The human operating the system must not only be able to break the system when necessary but must be obliged to do so. They must be accountable for the end outcome and never be able to utter the words "computer said no" or the "the system messed up there was nothing I could do". The very best companies have all the latest techno wizardry but do not confuse this as being something that replaces human relationships or accountability.

As mentioned above some companies do forget this and generate accountability sinks within the business. The human beings within their organisation have very little power and even less actual accountability. This is all very comforting because now no one is to blame. It's the system's fault not mine? Oh I could not possibly sort your problem out right now because that would buck the system? Computer says no!!

We need to remember that 3PL is first and foremost a service business. And that service relies on human beings being accountable to each other. The way we do this at The Fulfilment People is to have all the great systems and integrations in place but to have our account managers to be the people that are actually using the system i.e. our account managers all do picking and packing for their customers. They work the same small set of accounts everyday and are the main point of contact, they get to know their customers, they build a relationship with them and most importantly they are accountable to them.

What this means is that when something goes wrong it is their responsibility to solve the problem. They don't get to "blame the system" that is never an excuse, and they have the power and authority to move outside the system when necessary. It is their responsibility to make the customers they know can care for happy. With that level of accountability "the system" can be used properly and when it breaks for whatever reason the fault can be detected and solved.



But even more than that, with this human accountability the system itself becomes more robust overtime because that oversight allows for the process itself to be adapted. If the same problems occur often the humans involved will change the system. In this way the system self improves.

Without wanting to get to philosophical or political this is precisely how government systems should be viewed. When managed by caring people the systems can work well for the benefit of all, but when they system takes over, oppression and misery inevitably follow. So, basically, power to the people is the message here!

Conclusions

Integrations and having great technologies are vital for any 3PL provider. When combined with good processes this gives the 3PL business the ability to take on and manage even very complex, multi-channel ecommerce operations with relative ease. When they work well these integrated systems should deliver very good results and give almost complete visibility to the end customer.

But the reality of the world is that it is complex, and things go wrong. No system can change this fundamental fact about the reality of business. If “the system” is given primacy and bowed down to then it may make solving these problems harder and, more importantly, may give an excuse to avoid accountability. The very best systems work when there is an accountable human overseeing the system and who can overrule the systems when needed. This is the way we avoid the accountability sinks that plague so many industries, this is how we deliver truly excellent service.

There is a truism that many great companies live by: “The true test of a great service is not how well a company does when things run according to plan, but how well they deal with problems and mistakes.” If “the system” is in charge, then problems and mistakes will not be handled well. If accountable human beings are in charge, they will be - precisely because there is someone with both the authority and the motivation to act. No algorithm can apologise. No integration can exercise judgement. But an accountable human being can do something no system ever will. They can care.

