

Structuring, comparing and managing Logistics Procurement

How to create resilient and manageable warehouse and transportation logistics structures



1. Executive Summary

WHY LOGISTICS PROCUREMENT STARTS BEFORE PRICE COMPARISON

In many companies, outsourced logistics only becomes a management issue when costs rise, a critical provider change is approaching, or existing structures no longer work. In such situations, price is often seen as the primary lever.

In practice, however, the problem rarely lies in the price itself. What matters is the structure on which prices are requested, offers are evaluated, and services are later managed.

In many business models, transport and warehousing costs account for a significant share of total costs. Every euro saved therefore has a direct impact on the bottom line. However, this effect is only sustainable if logistics procurement is set up on a sound structural basis.

5 elements of the tendering logistics

- 1 Scope of services**
Which services and quality standards are required from the logistics provider?
- 2 Volume structure**
Which volumes, fluctuations, peaks, and special cases determine the required effort?
- 3 Pricing architecture**
Which cost blocks need to be transparent and manageable in the price proposal?
- 4 Evaluation logic**
How are price, quality, risk, and feasibility made comparable?
- 5 Governance**
How will performance be measured, managed, and adjusted after contract award?

If structural clarity and a solid tendering basis are missing:

Offers become difficult to compare, potential remains untapped, and the collaboration starts at a disadvantage.

The consequences are higher costs, operational inefficiencies, and missed opportunities across the entire supply chain.

A professional tender process creates the basis for transparency, competition, and sustainably better results.

Good logistics procurement starts before price comparison.

A solid tendering basis, clear pricing logic, and forward-looking governance make outsourced logistics more robust, more comparable, and easier to manage over the long term.

2. Why logistics procurement often fails

WHEN TENDER PROCESSES START BEFORE THE STRUCTURE HAS BEEN CLARIFIED

In many companies, logistics procurement is formally well organized. At the same time, day-to-day operations often reveal symptoms that contradict this claim: additional costs increase, escalations become more frequent, and management becomes more difficult.

Very often, the root cause lies in the company's own starting point: services are not defined precisely enough, volume structures are not prepared according to operational effort, pricing sheets are not designed for manageability, evaluation logic compares unlike elements, and effective governance mechanisms are missing after contract award.



The result is a false sense of precision: offers appear comparable but are based on different assumptions. In such cases, the best solution is not necessarily selected; often, the provider with the best interpretation of the documents prevails – and the real problems only become visible after contract start.

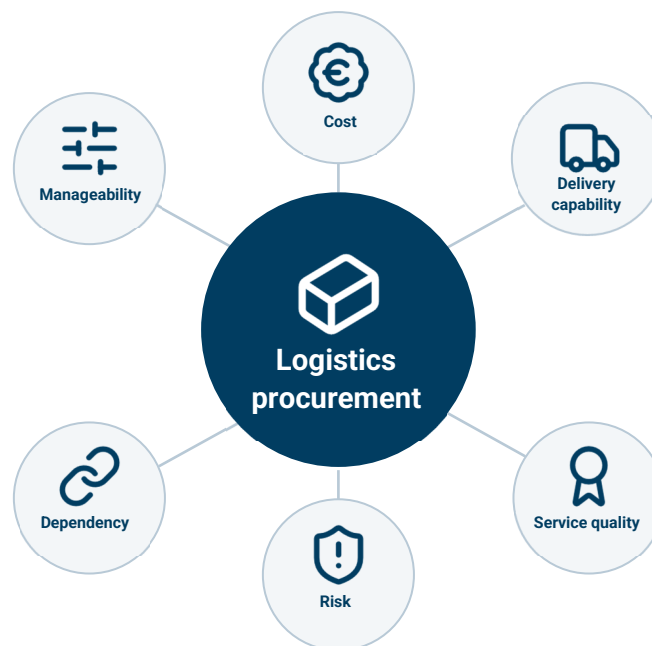
Many tender processes fail to deliver the desired results because the target picture, scope of services, and evaluation logic were not sufficiently clarified.

In such cases, the mistake does not necessarily lie in the choice of provider. Often, the tender was launched before the target picture, scope of services, and evaluation logic had been sufficiently clarified.

3. Logistik ≠ Commodity

WHY LOGISTICS PROCUREMENT IS MORE THAN PURCHASING

Transport and warehousing services are not merely a cost block. They are a structural and governance issue that has a long-term impact on business performance. Outsourced logistics influences delivery capability, customer satisfaction, inventory availability, operational stability, and dependencies. For top management, logistics procurement is therefore not merely a purchasing detail, but a strategic decision about the design of supply chains.



1

Structured re-tendering

Existing contracts are expiring or need to be replaced. Scope of services, pricing logic, ancillary services, and governance need to be redefined.

2

First-time outsourcing

When transport or warehousing logistics are outsourced for the first time, the core issue is the transition from internal control to external service delivery. Mistakes in scope, contract mechanics, or transition have long-term consequences.

3

Structural improvement without changing provider

Existing provider structures remain in place, but the service scope, pricing logic, ancillary services, or governance mechanisms no longer match operational reality. In such cases, the focus is not on changing providers, but on targeted structural refinement.

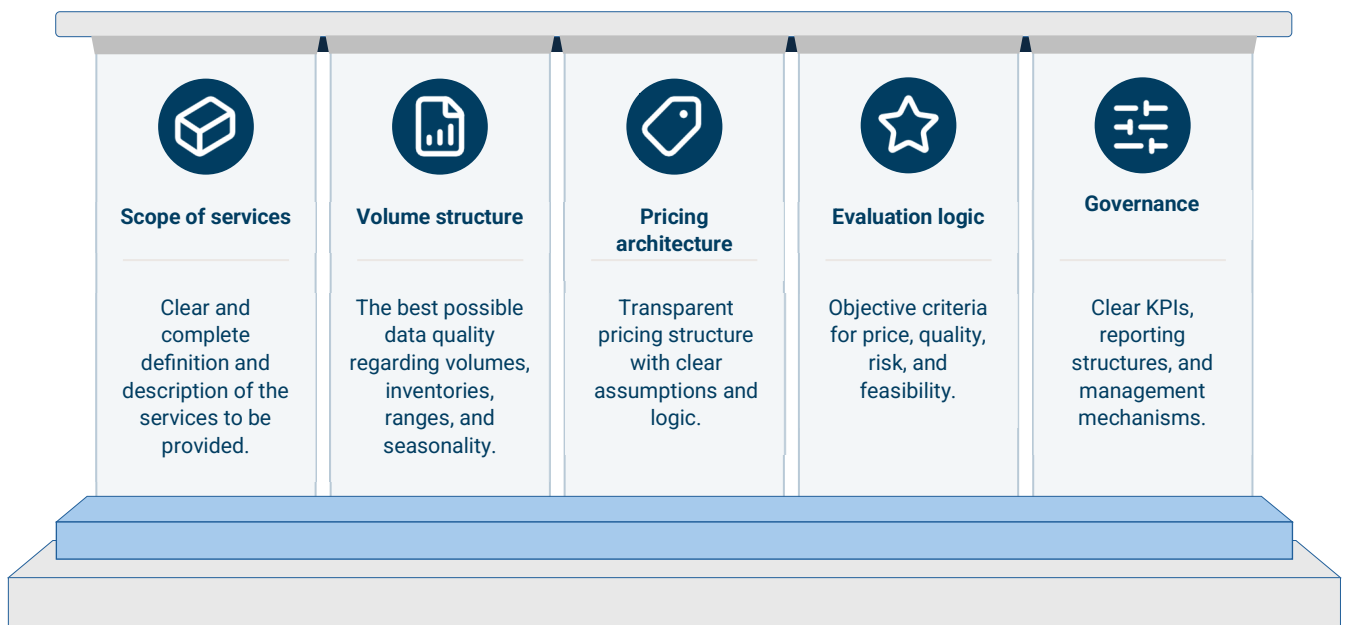
Price matters – but it is not everything.

The value of logistics services only becomes evident when service delivery is robust and proves itself in different situations.

4. Elements of a tender process

THE FOUNDATION FOR COMPARABILITY AND MANAGEABILITY

A robust tendering basis consists of five elements that must fit together. If one of these elements is missing or only partially developed, gaps in interpretation arise.



When these elements are clearly defined and aligned with one another, a solid tendering basis is created.

- ✓ Providers can calculate on a reliable basis,
- ✓ offers become comparable,
- ✓ performance can be effectively managed after the award.

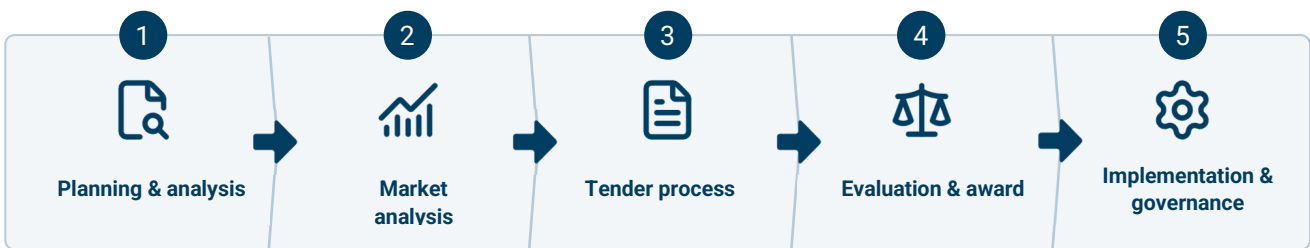
A tender process is only robust when the underlying fundamentals fit together properly.

Unclear services, weak volume structures, or unsuitable pricing logic lead to offers that are only apparently comparable.

5. The approach

FROM ANALYSIS TO GOVERNANCE IN FIVE PHASES

Robust logistics procurement follows a clear sequence of defined phases. What matters is not the formal nature of the process or the tendering platforms used, but the quality of preparation and the consistency of execution.



Each phase focuses on different objectives, outputs, and typical mistakes:

Phase	Objective	Typical output	Typical mistakes
1 Planning & analysis	Internal clarity	Requirements profile, objectives, and framework	Unclear objectives and insufficient stakeholder involvement
2 Market analysis	Suitable provider list	Market overview, longlist, qualified RFI shortlist	Too broad a provider spread, premature focus on preferred candidates
3 Tender process	Comparable offers	RFI, tender documents, concepts, and offers	Inconsistent requirements and lack of comparability
4 Evaluation & award	Robust decision	Weighted evaluation matrices for each round, site visits, award recommendation	Non-transparent evaluation and unclear decision logic
5 Implementation & governance	Effective operation	SLA documentation / specification sheet, implementation plan, governance	Insufficient documentation and lack of alignment

Robust logistics procurement is created through a consistently structured process.

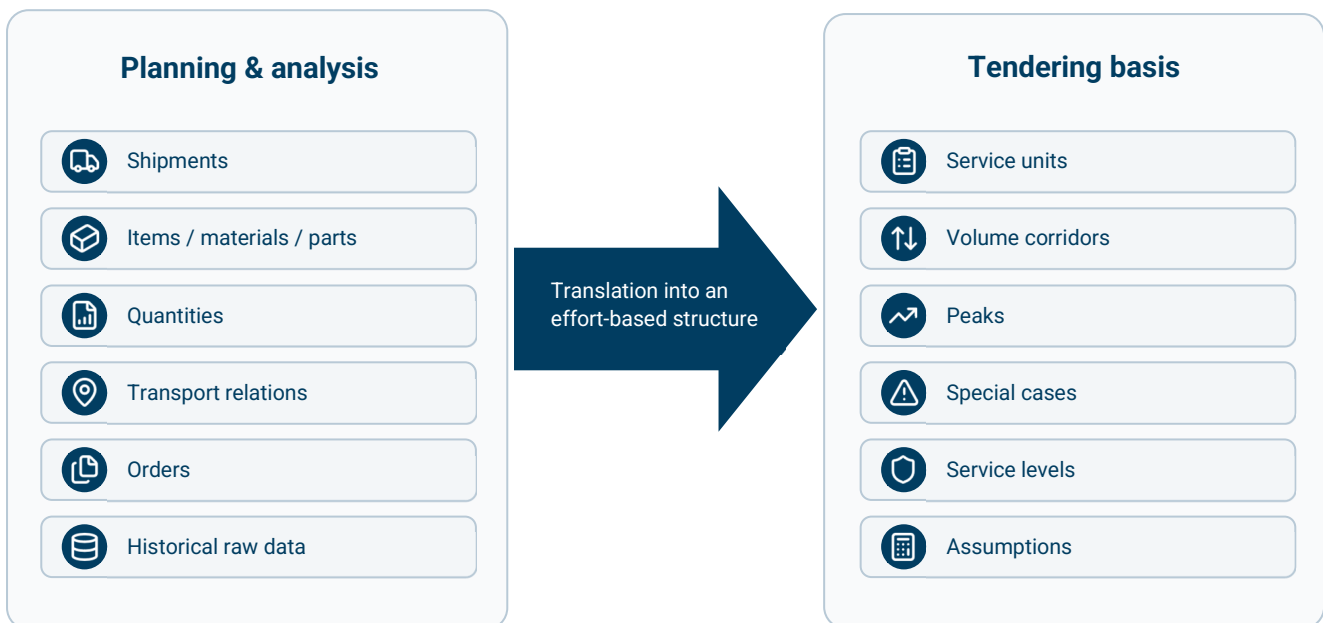
Each phase creates the basis for the next. If data collection and planning foundations, market analysis or tender structure are shortened, the exact prerequisites needed later for a robust evaluation, award decision and implementation will be missing.

5.1 Phase 1: Planning and analysis

THE SERVICE SCOPE MUST BE CLEAR BEFORE APPROACHING THE MARKET

The foundations for successful logistics procurement are laid before the market is approached. In this phase, it is clarified which service is to be procured, which data is reliable for that purpose, and which requirements providers will later need to calculate and fulfil. What matters is not the quantity of available data, but its translation into a service that can be calculated reliably.

Data export ≠ tendering basis



Key questions

- Which internal departments and external partners need to be involved?

- Which volumes, fluctuations, and peaks are to be expected?

- Which services are required?

- Which service requirements are business-critical?

- Which risks exist in operations, transition, and contract?


- Welche internen Bereiche und externen Partner müssen einbezogen werden?

5.2 Phase 2: Market analysis

NOT EVERY SERVICE PROVIDER FITS EVERY STRUCTURE


Structured provider scouting ensures that suitable providers are identified and filtered efficiently. A clear distinction must be made between transport logistics and contract logistics.

Dimension	Transport	Contract logistics
Provider base	broader	narrower
Switchability	higher	lower
Contractual commitment	shorter	longer
Investments	limited	often relevant
Ramp-up risk	moderate	high
Due diligence requirement	commercial-operational	operational-strategic



Transport services

- Broader provider base
- Capacity, network coverage, flexibility



Contract logistics

- Stronger partnership logic
- Stronger partnership logic

Inviting a large provider field is not a quality criterion.





A broad provider field is only helpful if the providers fundamentally fit the task and the requirements. Personal contact in advance often helps improve response quality and response rates.

5.3 Phase 3: Tender process

COMPARABILITY IS CREATED THROUGH CLEAR SERVICE DESCRIPTIONS, PRICING LOGIC, AND EVALUATION BASIS

The tender documents determine the quality of the offers. All providers must be able to understand the requested service in the same way, calculate on the same basis, and submit their offers in a comparable structure.

Comparability check

Requirement	Without structure	With structure
 Service	unterschiedlich interpretiert	einheitlich beschrieben
 Price	nicht sauber vergleichbar	gleiche Preislogik
 Risk	hidden	made visible and evaluated
 Governance	discussed after the fact	defined upfront

Typische Schwächen

-  unclear service definition
-  data without structure
-  hidden ancillary services
-  imprecise service levels
-  isolated solutions and silo-based thinking

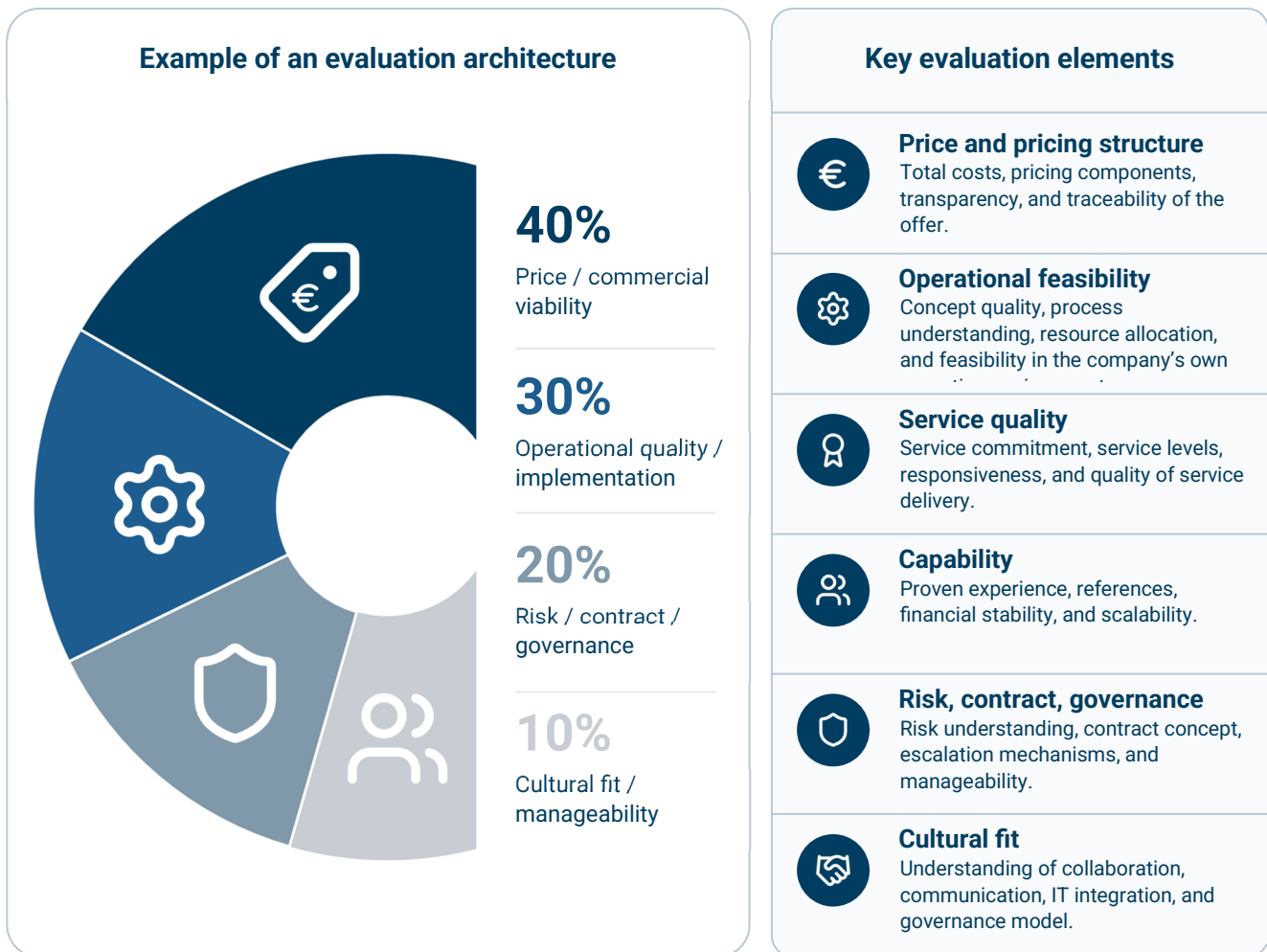
Missing clarity has consequences later

Unclear service boundaries, weak data structures, and undefined ancillary services do more than make offers difficult to compare. They shift key issues into the award phase – or into later implementation.

5.4 Phase 4: Evaluation and award

A ROBUST AWARD DECISION REQUIRES PREDEFINED EVALUATION CRITERIA

The question of how a decision will be made does not begin when the offers are received. This logic must be defined beforehand. Only when criteria, weighting, and evaluation standards have been established in advance can price, operational feasibility, risk, and manageability be combined in a transparent and consistent way.



Weighted evaluation systems help make decisions traceable and easier to justify. It is important that the criteria are defined before the offers are submitted.

Evaluation requires a fixed standard

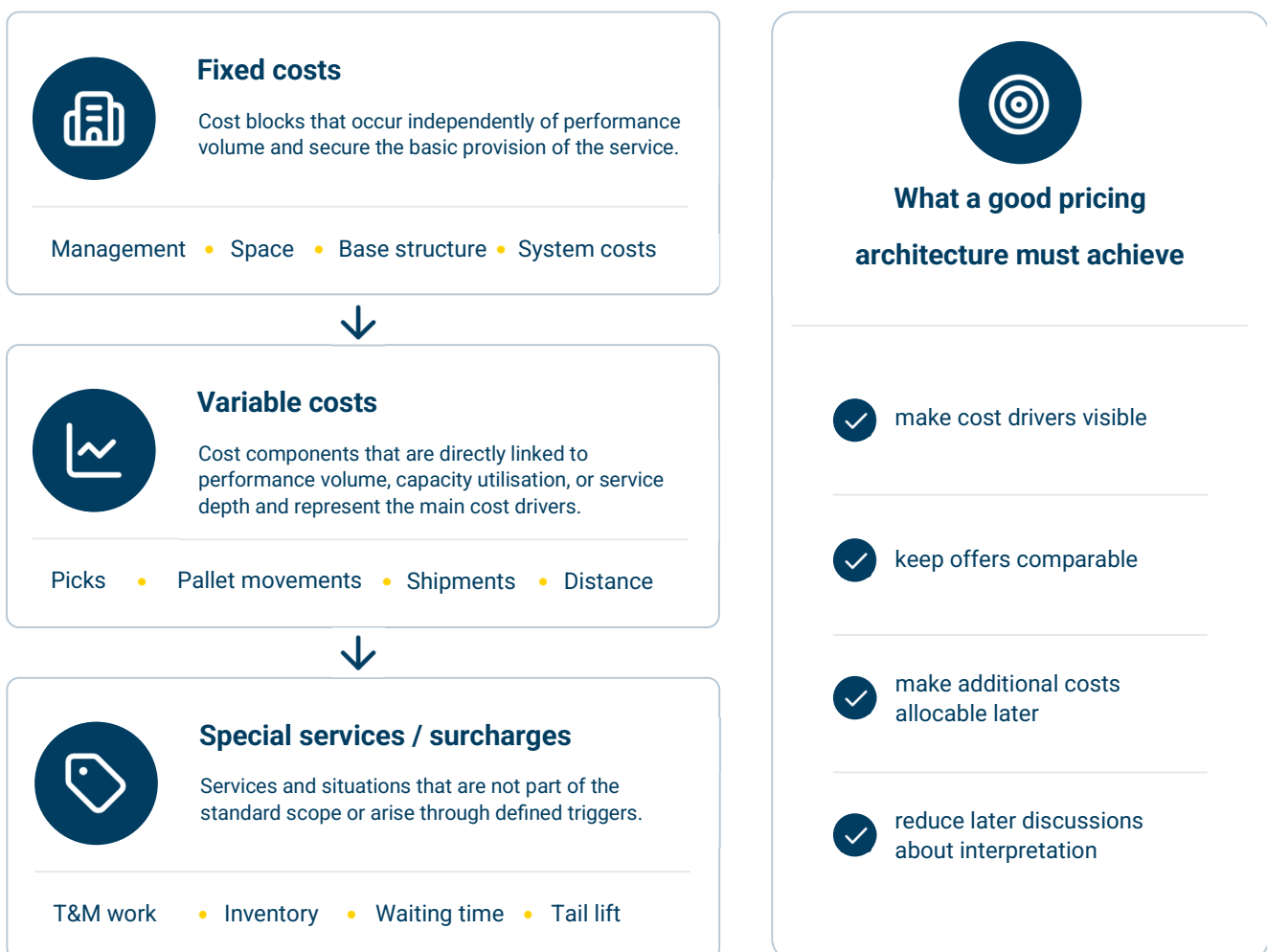
Without predefined criteria, offer evaluation can quickly become a retrospective justification of the preferred decision. A clear evaluation architecture creates transparency – internally as well as towards the providers.

6. Pricing architecture

WHY THE STRUCTURE OF THE PRICING SHEET MATTERS

The pricing sheet is not merely a form used to submit an offer. It defines which cost components providers calculate separately, which assumptions become visible, and which costs can later be allocated and managed in a transparent way.

If this structure is too broad, too detailed, or incomplete, robust price and cost comparisons become more difficult. At the same time, additional clarification requests arise, and later discussions about interpretation become more likely.



What is not clearly defined in the pricing sheet will become an issue later

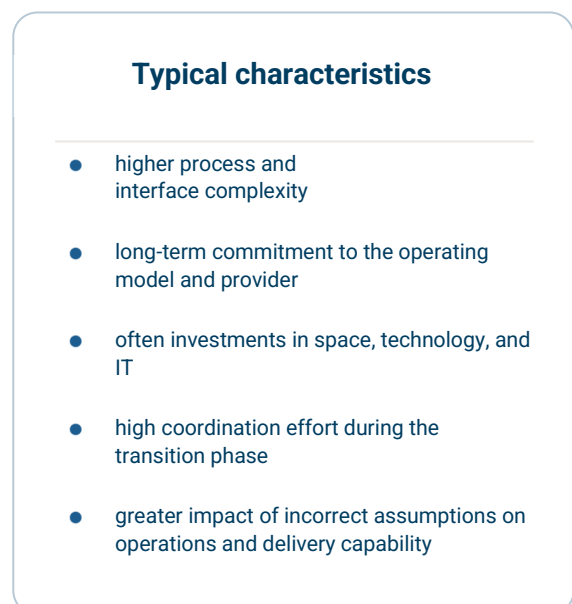
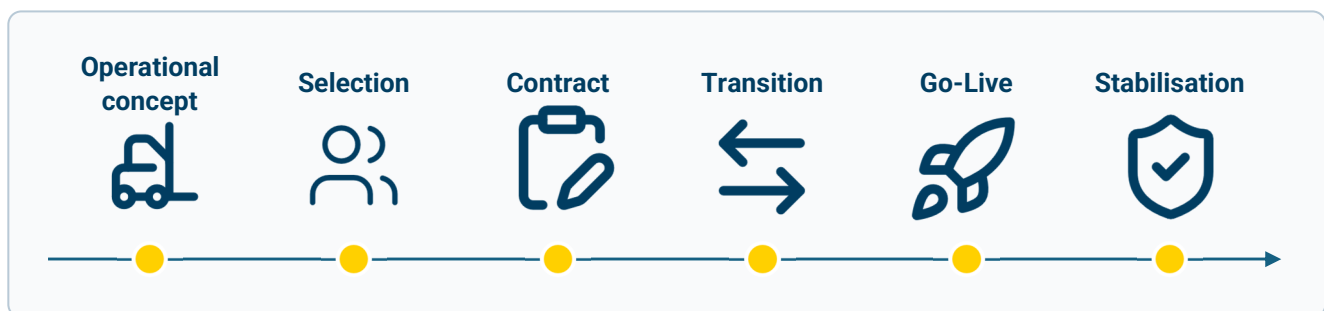
The pricing architecture does more than support comparability during the evaluation process. It also determines whether additional costs that arise later can be explained, allocated, and managed in a transparent way.

7. Specific characteristics of contract logistics

RISK, STRATEGIC DEPENDENCY, TRANSITION, AND LONG-TERM COMMITMENT

A contract logistics project does not concern individual services alone. It defines a lasting operational model. Space, personnel, processes, IT, inventory, and governance mechanisms are closely interlinked. The consequences are therefore significant if the scope of services, transition, or contract logic are not properly prepared.

Especially in re-tendering processes or first-time outsourcing projects, the later quality of collaboration is shaped before go-live – through the tender process, provider assessment, contract design, and transition.



In contract logistics, provider selection, transition, and the governance model shape later performance.

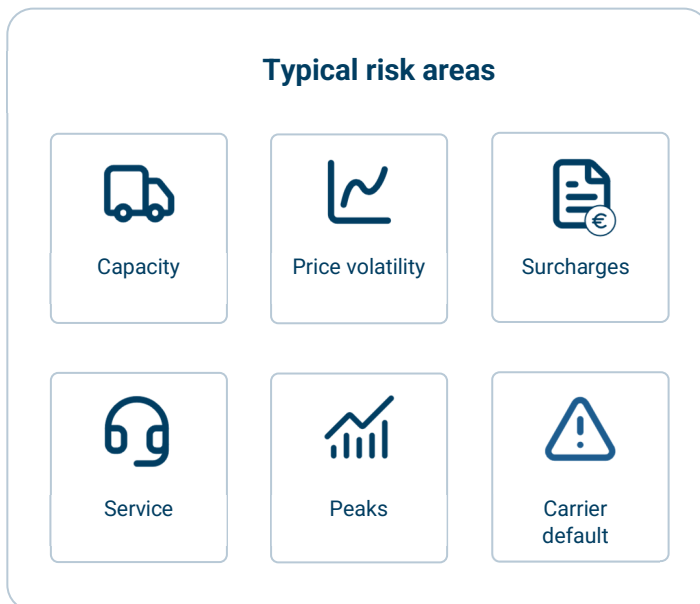
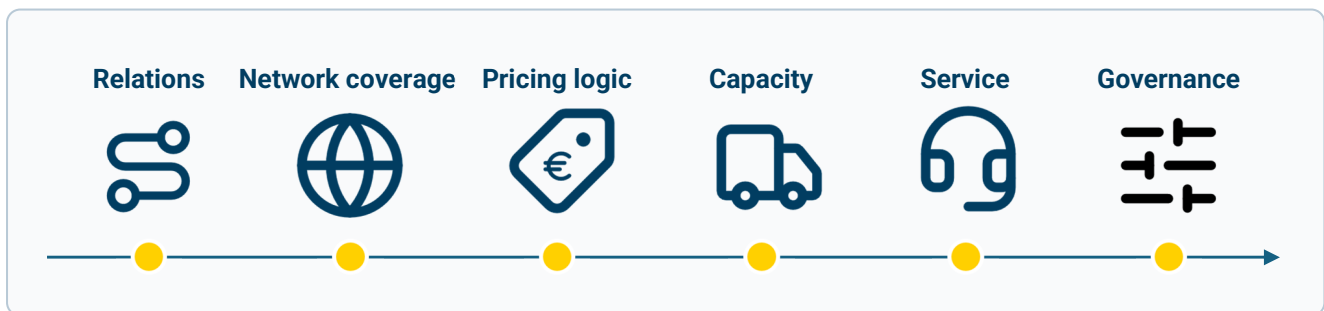
In contract logistics, the right partner is identified through an intensive selection process. Later performance depends to a significant extent on how well the operating model, transition, and governance approach are prepared before go-live.

8. Specific characteristics of transport logistics

CAPACITY, PRICING MECHANICS, AND FLEXIBILITY

Transport logistics is usually more short-term, more volatile, and more strongly affected by market and capacity fluctuations. Unlike contract logistics, the focus is on network coverage, flexibility, pricing mechanics, and operational performance.

Mistakes can often be corrected more quickly – but they have an immediate impact on costs and service.



Transport prices require more frequent adjustment




Relations, capacities, and cost mechanisms change much faster than in contract logistics. A robust tender process is therefore not enough on its own. Companies also need structures that allow services, prices, and the provider portfolio to be reviewed and further developed reliably during ongoing operations.

9. Procurement platforms in logistics procurement

WHERE DIGITAL PORTALS CAN SUPPORT – AND WHERE THEY REACH THEIR LIMITS

Many companies use established procurement platforms and standardised sourcing and ordering processes. For raw materials, commodities, or clearly standardised requirements, this can work very well. In logistics procurement, however, this logic can only be applied to a limited extent..

What matters is whether the platform and the procurement object actually fit together. General procurement systems are usually not able to sufficiently reflect the transport-specific requirements of a tender process – such as relations, lot structures, pricing logic, surcharges, or the evaluation of extensive freight rate tables. For transport tenders, specialised transport tender systems can support offer submission, evaluation, and comparability in a meaningful way and can create significant time savings in the process. For the evaluation and award of contract logistics projects, however, there is no meaningful platform-based solution.

Area	Benefit for strategic procurement	Limitations
 Contract logistics	Very limited Platforms can support individual process elements, such as document exchange or communication. However, they cannot support the design and award of an individual operating model.	Not standardisable Site, processes, personnel, IT, investments, transition, ramp-up, and governance cannot be meaningfully forced into a portal-driven procurement logic.
 Transport tenders	Useful – with specialised systems Specialised transport tender systems can support structured offer submission, the evaluation of large pricing files, version control, and the comparison of incoming offers.	Does not replace preparation No platform provides the volume structure, relation logic, pricing structure, or evaluation architecture. The evaluation standards must be defined beforehand.
 Spot market	Useful for operational capacity placement Platforms make short-term available capacities visible and enable individual shipments to be placed quickly in the market.	No strategic context This is about the short-term marketing of available loads. Very useful if the operational framework conditions have been established.

The portal is not the decisive factor

General procurement systems reach their limits in logistics tenders where relations, pricing logic, and large freight rate structures need to be processed and made comparable. Specialised tender systems can reflect this logic. In contract logistics tenders, procurement platforms reach their limits more fundamentally, because individual concepts are being tendered.

10. Quick wins and structural improvement

SHORT-TERM RELIEF DOES NOT COME FROM TOUGH PRICE NEGOTIATION

Not every improvement in logistics procurement begins with a full re-tender. Especially within existing contract and provider structures, short-term levers can often be identified that reduce costs, increase transparency, or reduce unnecessary friction in day-to-day operations.

01

Billing and surcharge review

Which additional costs occur regularly? Are waiting times, tolls, diesel, notifications, special transports, or ancillary warehousing services clearly regulated and invoiced in a transparent way?

02

Alignment of contract, pricing sheet, and actual service delivery

Does what is actually being delivered today still match the agreed services and pricing structures? Or have processes, volumes, and ancillary services changed without the contract and pricing logic being adjusted accordingly?

03

Analysis of recurring exceptions

Where do special solutions, manual coordination, or escalations regularly occur? These points often show where operational reality no longer matches the originally agreed structure.

04

Review of volume structures and price tiers

Do volumes, seasonality, and price tiers still reflect current reality? Especially in structures that have grown over time, silent misalignments often arise here.

	Point-specific correction	Structural improvement
Lasting effect	<ul style="list-style-type: none"> Clarification of individual service boundaries Resolution of recurring special cases Targeted refinement of operational rules 	<ul style="list-style-type: none"> Rebuild the data basis Revise the pricing architecture Sharpen governance and KPI logic Clearly define service interfaces
Short-term effect	<ul style="list-style-type: none"> Invoice review Surcharge clean-up Correction of incorrect individual items 	<ul style="list-style-type: none"> Alignment of contract <-> actual service delivery Correction of unsuitable tier structures Refinement individual ancillary rules

Short-term cost reduction through targeted measures

Short-term effects can often be achieved by specifically cleaning up existing billing, surcharges, or pricing logic.

11. Conclusion

GOOD LOGISTICS PROCUREMENT REDUCES UNCERTAINTY – BEFORE THE AWARD DECISION AND IN DAY-TO-DAY OPERATIONS

A logistics tender is well prepared when it does not merely lead to formally complete offers, but to a decision that also works in day-to-day operations. It is not enough to request prices and compare providers. What matters is whether the requested service has been described precisely, the data basis has been prepared in a way that allows providers to calculate reliably, the pricing logic has been structured for manageability, and the later collaboration has already been considered in the award process and in the design of the tender.

This is where it is decided how robust a tender result actually is. Unclear service boundaries, weak volume structures, or ancillary services that are not clearly regulated do not disappear when the contract is signed. They reappear later – as claims for additional costs, coordination effort, conflicting objectives, or operational friction.

Structured logistics procurement reduces this uncertainty. It not only creates better comparability between offers, but also improves the quality of the decision itself: because assumptions become visible, risks can be evaluated, and governance does not have to be improvised only after the contract has started.

 <p>Less room for Interpretation</p> <p>Scope of services, volumes, and special cases are described more clearly.</p>	 <p>More robust offers</p> <p>Providers calculate on a traceable and comparable basis.</p>	 <p>Better award decisions</p> <p>Price, feasibility, risk, and later manageability are systematically brought together.</p>	 <p>Less need for corrective action after contract start</p> <p>Critical points are clarified earlier – not only during ongoing operations.</p>	 <p>More effective collaboration</p> <p>Contract, KPIs, and governance fit together better and create a stable basis for operational management.</p>
---	--	--	---	--



About Papenhoff Consulting

Papenhoff Consulting supports companies in structuring the award of external warehousing and transport logistics and making them permanently manageable. The focus is on robust tendering foundations, clear pricing and evaluation logic, robust contract structures, and governance models that work in day-to-day operations.

Marc Papenhoff combines more than 30 years of operational and strategic logistics experience with a clear focus on award, pricing, and governance structures in external logistics.