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THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS • AUGUST 2009



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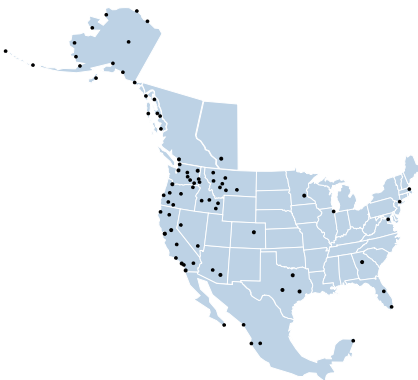




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# CHECKING IN

*Felecia Stratton*

by Felecia Stratton | **Editor**



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**logistics**  
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## Shades of Green

Inbound logistics is green – as a mission *and* as a magazine. Matching demand to supply, our founding principle, is an evergreen strategy that eliminates waste: energy, money, and time. By embracing demand-driven practices, companies optimize transportation, reduce warehouse inventory and costs, increase transparency, and trigger countless efficiencies elsewhere in the enterprise.

Executing on demand, and specifying inbound moves, also pushes accountability upstream in the supply chain. So inbound logistics not only captures the essence of sustainability, it also acts a catalyst for bringing others into the fold.

As a magazine, *Inbound Logistics* answers a similar calling. From our inception, we have always supported the business case for sustainability and the conservation of corporate assets by helping shippers eliminate waste and space from source to shelf. At your request, we are planting a new annual in our editorial lineup with the debut of *25 Green Supply Chain Partners* (page 49).

Industry at large has pledged itself to the environmental cause. But there are some companies truly breaking new ground and cultivating greater awareness. They are seeding innovation among customers, partners, and peers; they are sinking capital and resources into more efficient equipment and energy sources; they are composting squandered assets and littered processes and capturing new cost savings. Simply, our G25 companies are leading by example. Like anything good and green, this list will grow in the future.

Transportation and logistics service providers are not alone in their quest for sustainability. Their customers—you—are making an impression as well. In *What a Difference a Day Makes* (page 81), you can read about how Grand & Toy, a Canadian office supplies retailer, is working collaboratively with customers to challenge the next-day delivery paradigm and reduce its carbon footprint.

Walmart, never one to shirk its responsibility as a leading corporate citizen and supply chain visionary, is plowing ahead with plans to introduce a worldwide index that establishes a single source of data for evaluating the sustainability of products (*Big Box Takes on Big Green Index*, page 14).

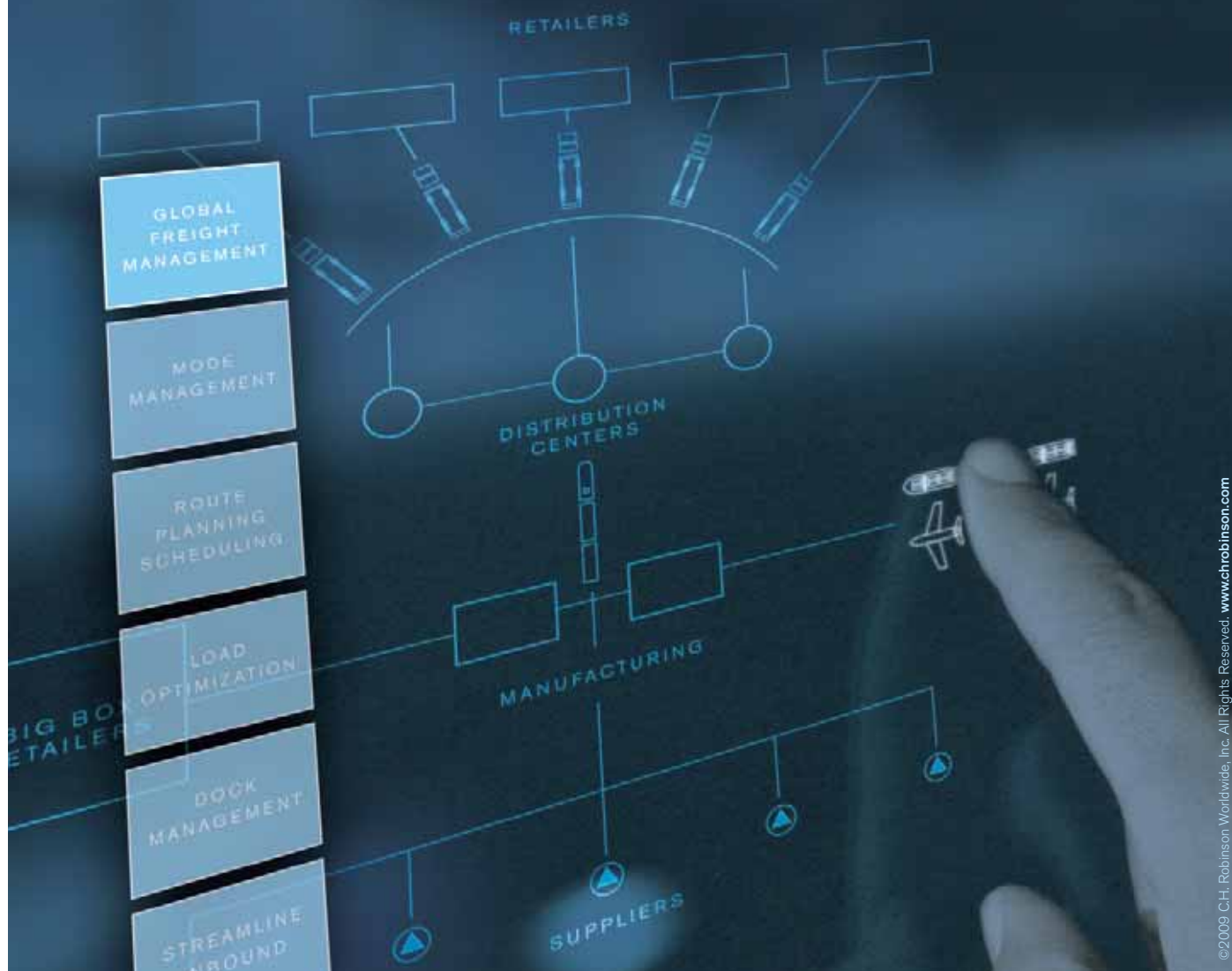
Public utilities, too, are plugged into the growing importance of renewable energy sources. *Power Brokers* (page 57) illuminates how energy companies have become conduits between economic development and logistics site selection, and beacons for green power innovation.

Finally, as you flip through these pages, consider for a moment where *they* came from. Our printer and paper suppliers join us in affirming this pledge to the environment we, and you, rely on:

*"Inbound Logistics supports and encourages sustainable logistics. Our mission is rooted in helping companies match demand to supply, eliminating waste from the supply chain. As a magazine and a partner, we are dedicated to growing awareness about green best practices. This magazine is printed on paper sourced from renewable timber, which removes atmospheric carbon at an accelerated pace."*



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# DIALOG

## LETTERS TO THE EDITO



### Divide and Conquer, Correctly

We just read *Inbound Logistics'* May 2009 article, *Divide & Conquer—A Guide to Sortation*. You did a great job on this sortation guide, and we thank you for including GBI's cross-belt sorter and photo—except for one oversight.

The "Features" statement for our cross-belt sorter should read: "Sorts articles of varying weights (up to 100 pounds), shapes, and sizes at rates up to 200 pieces per minute, per load station"—instead of 100 pieces per minute.

You may have picked up this incorrect sort rate from our Web site, which describes the sort rate at 100 pieces per minute for a specific installation that did not require faster speed.

**Mark Wolkenfeld**, vice president, GBI Data & Sorting Systems



insures trucking and logistics companies and it provides great information for him. I just wanted to say thank you.

**Barbara Torzon**

I learned a long time ago that I am never too old to stop learning. I subscribed to *Inbound Logistics* a few years back and it keeps me up-to-date on the trucking industry. I highly recommend it.

**Mike DePaul**, Regent Products

I just passed along your subscription URL to 75 of my colleagues.

**Bill Paul**

**Editor's Note:** Help us pass along the love: [www.inboundlogistics.com/free](http://www.inboundlogistics.com/free)

### Righting the Wrong

Your June *Checking In* column, *The Wrong Street Journal*, was outstanding. The *Wall Street Journal* might be great for its political or economic expertise, but its "executive audience" is underserved by the uninformed daily newspaper's level of supply chain knowledge. It's a sad note for business. But the fact is, the knowledge base of the editorial teams at the daily press and general business journals serving the "C" suite just doesn't understand the nuances of the marketplace and real life in the world of work.

Like the "drive by" media, the typical business press just doesn't get it. When

media is disengaged they should run from trying to be industry experts. The trade press may be looked down on by the dailies, but usually specialists know more about what they know than generalists know about what they know. They just don't know what they don't know. When was the last time a general practitioner performed brain surgery?

**Dennis M. Grim**,

Business to Business Communications

### IL Lets You Count the Ways

I love the magazine. In fact, my son, who just joined a new company, is also using your publication because he

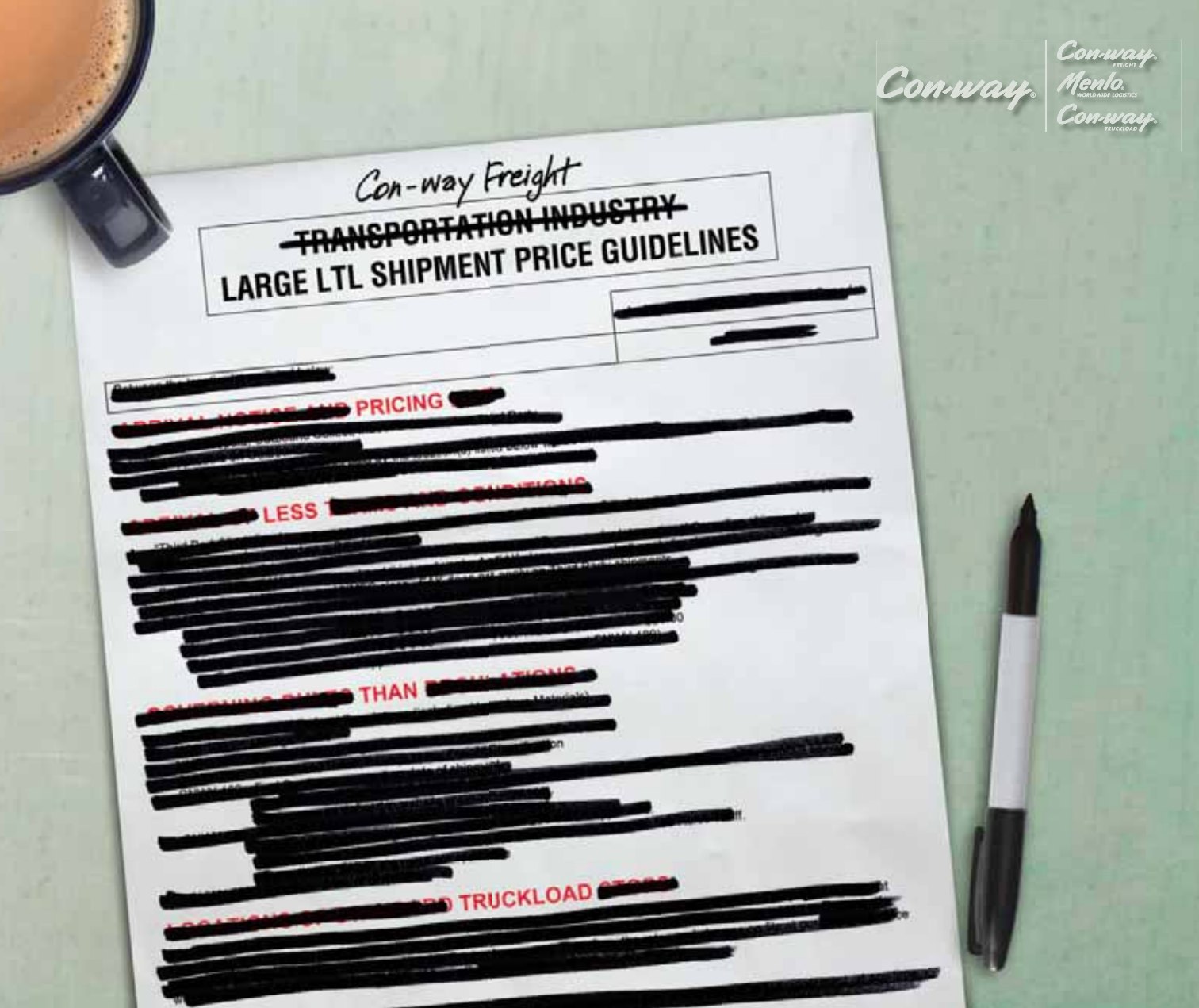
### Career Advice

I have used your résumé service. Even though there were no positive results, I believe having the ability to distribute information through the *Inbound Logistics* network is a valuable and "marketable" tool that very few other magazines offer as a free service.

I will forward this to my contacts and have already added it to my LinkedIn account.

**Jim Bird**, Reliant Manufacturing

**Editor's Note:** If you are looking for a job, or need to fill a position, post information at: [www.inboundlogistics.com/careers](http://www.inboundlogistics.com/careers)



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# 10TIPS

## STEP-BY-STEP SOLUTIONS

by Deborah Catalano Ruriani



## Becoming an Indispensable Logistics Manager

**S**upply chain costs are a leading business expense, and these days CFOs are taking a closer look to get this spending under control. The logistics manager who communicates effectively with corporate management and deftly manages freight costs will be a valuable employee. George Muha, regional sales manager for Mass.-based Logistics Management Inc., offers his advice for becoming an indispensable logistics manager.

**1 Offer the sales department your insight.** Sales reps sometimes waive freight charges to incentivize a customer, without knowing the profit loss this causes. A logistics manager should supply all the relevant numbers to help establish profitable free freight deals.

**2 Get involved with price increases.** Companies often raise the prices of their products without considering freight as a factor. Logistics managers can help the company drive sales by presenting less costly shipping regions, weight breaks, and minimum orders to different parts of the country.

**3 Initiate quarterly meetings with company executives.** They may not be familiar with the intricacies of transportation, but corporate managers do

know it costs a lot of money. Let them know you're on top of where the money goes. Show how you are keeping cost per pound low, and how current figures compare to previous ones.

**4 Caution against inbound prepay-and-add programs.** Purchasing managers should have access to your freight rates so they can quickly calculate the difference between a vendor's prepay-and-add program and the cost of shipping collect.

**5 Help purchasing managers pick vendors in affordable shipping locations.** Use purchasing managers' skill at saving money to your advantage by pricing products from their vendors. If their potential vendors sell a similar product from two different parts of the country, show them the difference in pricing from a transportation standpoint.

**6 Create a vendor letter.** Draw up a letter for purchasing to forward to their vendors providing details on how you want to ship, your parcel account number, and your preferred carriers. The vendor letter also acts as an insurance policy if your vendor mistakenly ships by a carrier not on your routing guide. Having a signed letter allows you to charge vendors back for their mistake.

**7 Draw up a receiving policy.** Create a simple freight receiving checklist for dock workers. Explain how to inspect a shipment and note any exceptions or damages on the bills of lading. Help workers understand their rights when receiving shipments so they are not intimidated by hurried drivers.

**8 Get digital.** An inexpensive digital camera can be a powerful savings tool on the receiving and shipping dock. Have workers snap a picture of every order as it goes on or comes off the truck. Download and store the photos at the end of each day, and you'll be covered if damage claims arise.

**9 Create profit centers.** Saving money is great, but creating a new revenue stream is even better. For example, create an outbound prepay-and-add program. Be sure it is competitive enough to be attractive to your customers while earning a profit healthy enough to make your company's executives happy.

**10 Be open to using 3PLs.** Many 3PLs aggregate volume to secure aggressive freight rates, help administer invoices, and offer reporting tools that can help logistics managers present valuable cost-savings data to their companies. ■

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# READER PROFILE

by Merrill Douglas

## He's Got His Job Down Cold

**W**hen you tinker with a job that workers have been doing the same way for years, someone's bound to get upset. "Change management has always been one of the biggest challenges I have faced," says Gabriel Alcazar, supply chain manager at Sub-Zero Freezer Company in Phoenix, Ariz.

Consider what happened when Alcazar's team introduced a new procedure to gain a better view of inventory in the manufacturing plant. The company added bar-code labels to the storage racks, with each code representing a bin location. Now, as workers move parts and materials

from one place to another, they use handheld computers to scan the labels. The data they capture gives Sub-Zero a continuous, real-time view of all inventory in the factory.

At first, employees balked at this innovation.

### The Big Questions

#### What do you do when you're not at work?

My wife and I are involved with a local animal shelter; I'm currently president and she serves on the fundraising committee. We've also fostered and found homes for 22 dogs. I'm working on my production and inventory management certification through APICS, the Association for Operations Management, and I'm vice president of marketing for my local APICS chapter. I golf whenever I can, and I love my Xbox.

#### Ideal dinner companion?

Abraham Lincoln. His story is so compelling: the failures he faced, his ability to keep going no matter what, and the way he's remembered.

#### First Web site you look at in the morning?

The Drudge Report, because it gives different perspectives from various networks and news sites about what's going on in the world. I usually look at Google Finance as well.

#### If you didn't work in supply chain management, what would be your dream job?

Xbox game developer.

#### Business motto?

Pursue everything with passion and vision, look beyond the obvious, and find the positive in everything that happens.

### WHAT'S IN THE FRIDGE?

**NAME:** Gabriel Alcazar

**TITLE:** Supply chain manager

**COMPANY:** Sub-Zero Freezer Co., since 2007

**PREVIOUS EXPERIENCE:** Data analyst, Honeywell; logistics coordinator, Legris Inc.; logistics manager, Western Container Corp.; senior logistics analyst, Knox Company

**EDUCATION:** B.S., supply chain management, Arizona State University, 2001; M.B.A., business administration, University of Phoenix, 2006





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"They thought it created more work," Alcazar says. "And they were somewhat intimidated by the computer."

Workers unfamiliar with the handheld devices were afraid they'd make mistakes. But getting them to perform the new process correctly was essential. Increased visibility would translate into more efficient production and more accurate cycle counts.

Managing change of this kind is one aspect of Alcazar's job. Reporting to the corporate director of supply chain at Sub-Zero's headquarters in Madison, Wisc., Alcazar has six direct reports: the warehouse manager, the distribution manager, a material planner for purchased components, a fabricated components production planner, a maintenance, repair and operations (MRO) products buyer, and an inventory analyst.

"My job is to ensure that all those positions are in synch and that we support the needs of this facility," he says.

When it came to getting material handlers in synch with the new scanning process, one key tactic Alcazar used was lending a serious ear to their critiques. "We asked workers to tell us what they thought should change," he says. Now that the process is in place, Alcazar has created a cross-functional team to document it, so everyone knows exactly what's expected and the company can train employees to that standard.

Alcazar and his team are refining plant operations in other ways. One project is aimed at capturing component availability to help keep manufacturing on schedule. Another tackles weekly manufacturing capacity planning.

In addition to documenting the new bar-code scanning process, the team has started to record other supply chain procedures. Written documentation is important for getting new employees up to speed. "It also gives us an opportunity to audit our own procedures, to make sure we are doing what we say we should be doing," Alcazar says.

Tackling everyday challenges and making continuous improvements are aspects of his job Alcazar enjoys most. Another pleasure is the family feeling among his employees. "We support each other," he says. "Once we get together, there's nothing we can't do." ■

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# TRENDS



Suppliers, associates, and business leaders gathered to hear CEO Mike Duke (above, right) present Walmart's plan for establishing a worldwide product sustainability data source.



## Big Box Takes on Big Green Index

**P**resaging a major shift in how industry might approach sustainability efforts, Walmart hosted a Sustainability Milestone Meeting in July 2009 where CEO Mike Duke and other executives discussed how the company is establishing its global green footprint.

When push comes to shove, Walmart has the clout and wherewithal to bulldoze its goodwill on suppliers, partners, customers, and industries alike. And its sustainability strategy is no different.

Presiding over an audience of 1,500 suppliers, associates, and sustainability leaders, Walmart outlined plans to introduce a worldwide index that would establish a single source of data for evaluating product sustainability.

"Customers want products that are more efficient, last longer, and perform better,"

said Mike Duke, Walmart's president and CEO. "And, they increasingly want information about the entire lifecycle of a product so they can feel good about buying it. They want to know that the materials in the product are safe, that it was made well, and that it was produced in a responsible way.

"We do not see this as a trend that will fade," he added. "Higher customer expectations are a permanent part of the future."

The company plans to roll out the initiative in three phases, beginning with a survey of more than 100,000 suppliers around the

by Joseph O'Reilly





## can you find the future in this picture?

At first glance, you see a train gliding through a pristine forest. But look a little closer and you'll also see America's goods moving efficiently to market, creating less pollution while taking thousands of truckloads off our congested highways. It's just another example of how Norfolk Southern is carrying America into the future.





## Keeping in Step With the Regulatory Beat

The Obama Administration plans some major changes across myriad areas of the regulated community in the coming months. The Department of Labor anticipates hiring 1,000 new employees, including approximately 670 investigators. The Occupational Safety and Health Administration's budget alone is expected to increase by \$51 million during fiscal year 2009, with a lion share of dollars channeled toward the hiring and training of new enforcement officers. Labor-intensive logistics industries should perceive this increased emphasis on compliance and oversight as a wake-up call.

"In light of the diverse and varied initiatives on the legislative docket, it is in the best interest of the regulated community to be informed," suggests Ann Christopher, vice president and general counsel for Kenco Logistic Services, a third-party logistics provider based in Chattanooga, Tenn. "Now is the time to be politically engaged."

Here's her take on three significant regulatory issues that will affect the logistics sector:

**1** No labor legislation has received more attention over the past year than the

**Employee Free Choice Act** (EFCA). This card check legislation would provide a boost to organized labor as it facilitates union mobilization within the nation's workforce. In its original form, the proposed legislation would require union recognition based on authorization cards signed by a majority of employees in a workplace. This would eliminate the secret ballot union election process that is currently in place. When at least 50 percent of employees sign authorization cards in support of a bargaining unit, it becomes the exclusive bargaining representative of the employees without election. Furthermore, employee information regarding their position on unionization would no longer be private.

**2** As proposed, **Food Safety Legislation** (H.R. 2749) would require certain food facilities, including warehouses that store food products, to register and pay a \$1,000 annual fee on a per

location basis (such registration currently has no cost). Affected facilities include those that are required to register with the Food and Drug Administration in accordance with the Bioterrorism Act of 2002. In addition, registered facilities would be subject to inspection at a minimum of every three to four years, as determined by the Food and Drug Administration's risk-based schedule.

**3** The proposed **SAFE Truckers Act of 2009** (H.R. 2200) legislation is also security based. It would prohibit an individual from operating a motor vehicle in commerce while transporting a "security sensitive material" unless such individual has a valid transportation security card issued by the Secretary of Homeland Security. The draft legislation appears to place some accountability on shippers to confirm that the motor vehicle operator transporting the security sensitive material holds a valid transportation security card. One would assume that the definition of "security sensitive material" is likely to undergo intense scrutiny prior to the enactment of any legislation.

world. The survey includes 15 questions that allow Walmart's suppliers to evaluate their own sustainability efforts. The questions focus on four areas: energy and climate; material efficiency; natural resources; and people and community.

"The survey will include simple but powerful questions covering familiar territory, such as the location of our suppliers' factories, along with new areas such as water use and solid waste," added John Fleming, chief merchandising officer, Walmart U.S. "The questions aren't complicated, but we've never before systematically asked for this kind of information. The survey is a key first step toward establishing real transparency in our supply chain."

As a second step, Walmart is helping to create a consortium of universities that will collaborate with suppliers, retailers, non-governmental organizations, and government agencies to develop a global database of information on the lifecycle of products—from raw materials to disposal. Walmart has provided the initial funding for the Sustainability Index Consortium, and invited all retailers and suppliers to contribute.

"It is not our goal to create or own this index," said Duke. "We want to spur the development of a common database that will allow the consortium to collect and analyze the knowledge of the global supply chain. We think this shared database will generate opportunities to be more innovative and to improve the sustainability of products and processes."

The final step in developing the index will be to translate the product information into a simple eco-rating system that keys consumers into the sustainability of items they purchase, providing transparency into product quality and history.

While some suppliers within Walmart's universe, and others outside, will cringe at the expense and resources required to comply with this emerging green mandate and the new expectations foisted upon consumer product supply chains, others will likely see this as a major watershed in environmental awareness.

Whether consumers will buy into the new rating system remains to be seen—but Walmart suppliers will likely have no choice.

## Retail Volumes Remain Unsettled

The waves are rising, but ocean trade is still bobbing in a sea of uncertainty. In May 2009, import cargo volume at the nation's major retail container ports climbed back above the one-million mark for the first time in four months, but is continuing to see double-digit declines compared with last year, according to the monthly *Port Tracker* report by the National Retail Federation and IHS Global Insight.



"Monthly numbers are rising as we enter the back-to-school season, and will continue to rise as we build up to the holiday season. That's the cycle every year, whether the economy is good or not," says Jonathan Gold, vice president, supply chain and customs policy for the National Retail Federation. "The volumes are far below what we saw last year, however, and will stay that way until the economy begins to recover."

U.S. ports surveyed handled 1.04 million twenty-foot equivalent units (TEUs) in May, the most recent month for which data is available. A five-percent increase from April, the boost ended a three-month streak of numbers below one million TEUs—but was down 20 percent from April 2008. After February (839,492 TEUs), March (970,949 TEUs) and April (990,632 TEUs), the figure was the fourth lowest since the 901,497 TEUs seen in February 2004, and marked the 23rd month in a row to see a year-over-year decline.

The first half of 2009 is now forecast at six million TEUs, down 20 percent from the 7.5 million that passed through U.S. ports in the first half of 2008. The total volume for 2008 was 15.2 million TEUs, down 7.9 percent from 2007's 16.5 million TEUs and the lowest level since 2004. ■

### UP THE CHAIN

#### PEOPLE ON THE MOVE

**Harry Anderson** ► current vice president and controller for **Coca Cola**, has been tapped to lead the company's new global business and technology services organization. He will help Coca Cola deliver global business services such as compensation and benefits administration, accounting and financial reporting, and application development and support. Prior to this, Anderson served as chief financial officer of Coca-Cola North America and vice president and director of supply chain and manufacturing management.  **Force Protection**, a leading American designer, developer, and manufacturer of survivability solutions, predominantly ballistic- and blast-protected wheeled vehicles used by the U.S. military, has named **James Grazioplene** as its executive vice president, total lifecycle support. In his new role he will have direct responsibility for oversight and management of providing total lifecycle support to its fleet of fielded vehicles including service, spare parts, logistics, and maintenance. Prior to his employment in the private sector, the West Point graduate served in the U.S. Army for 32 years, achieving the rank of Major General.  **Falken Tire**, a Fontana, Calif.-based tire manufacturer, recently promoted **Ron Papcun** to vice president, operations. He joined the subsidiary of Sumitomo Rubber Group in 2002 as director of operations. In his new position, he is responsible for managing various teams within the company's four distribution centers and its logistics, facilities management, customer service, and supply chain functions.




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# GLOBAL LOGISTICS

by Joseph O'Reilly



## Brazil's Broken Track Record: Less Substance, More Lines?

**B**razil is a little late coming to the railroad turntable, a reality that has stifled transportation infrastructure and economic development dating back to the beginning of the 20th century. As rural and expansive as the country is, a major rail renaissance has been barely chugging along.

For comparison's sake, the United States (population 300 million), which is comparable in area to Brazil (population 200 million), has nearly eight times as much track. Germany (population 82 million), one-quarter Brazil's land size, has 12,500 more miles of track.

Difficulties connecting interior manufacturing pockets with more developed coastal distribution hubs and markets have long been a barrier to development and

are raising the alarm for both private and public sectors to take action. By some indications, the wheels are rolling.

America Latina Logistica (ALL), South America's largest independent logistics supplier, recently secured a fresh credit line worth \$1.1 billion from the Brazilian Development Bank to help fund rail capacity investment. ALL, which offers both rail and truck services, provides intermodal transport, port operation, and merchandise movement and storage throughout Brazil and Argentina.

ALL intends to use the loan to purchase 11,000 rail cars and more than 200 new or rebuilt locomotives, as well as to extend some trunk routes. The goal of these purchases is to increase cargo and container capacity for major agricultural and industrial export supply chains.

Still, even as available network capacity increases, Brazil's railroad is largely undeveloped, suggesting past and current investments may only have a cosmetic impact improving rail/intermodal service for the long haul.

Currently, the country has 18,203 miles of track, a length similar to railroad figures from the early 20th century,

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according to one Latin American source.

While bringing new equipment on line is assuredly increasing frequency, improving service and safety, and reducing cost for the short term, there may be added impetus for Brazil's railroads, government, and private sector to begin investing in and laying track to expand the country and the continent's connectivity and economic growth.

Further incentive and aid may come from an unlikely source: China. The Chinese government is increasingly reliant on South America for raw material sourcing to support its own industrial boom. China and Venezuela recently formed a joint venture valued at \$7.5 billion to build a new railroad connecting rural farm and oil regions in the latter.

Brazil also has a wealth of natural reserves such as iron ore that China is using to build its own railroads. Recently the

## Tracking Brazil's Progress (M = Million)

COUNTRY	POPULATION	LAND AREA	RAILWAYS
United States	307 M	6.1 M sq. miles	140,810 mi.
Germany	82 M	220,000 sq. mi.	29,959 mi.
Brazil	198 M	5.3 M sq. miles	18,203 mi.

Source: CIA World Fact Book

Red Dragon surpassed the United States as Brazil's top trading partner. Others may have their own incentive for investing in Brazil—which will likely create a much-needed stimulus for railroad development in the region.

## Swiss Fixings

McDonald's is making a run for the border—the Swiss border, that is. The Oak Brook, Ill.-headquartered fast food chain is moving its European operational base from London to Geneva, joining a swelling rank of U.S. companies that have relocated headquarters to Switzerland because of the country's preferential intellectual property tax laws. The Swiss tax regime, particularly for intellectual property, has become increasingly attractive for U.S. companies including Kraft, Procter & Gamble, Google, Electronic Arts, and Yahoo!—all of which have vacated the United Kingdom for less-regulated pastures.

The United Kingdom recently amended its tax rules on foreign profits from intellectual property rights, including patents and trademarks, which would have doubled duties assessed to companies such as McDonald's.

Belying the reality, McDonald's indicated its decision was a matter of strategic positioning rather than a reaction to changes in the UK taxation policies made by Alistair Darling, the country's finance minister. The company reports the move "enables us to conduct the strategic management of key international intellectual property rights, including the licensing of those rights to our franchisees in Europe, from Switzerland."

The fast food chain's European footprint is growing rapidly, and currently represents its largest region by sales, further justifying the continental move. But the seismic exodus of McDonald's and others out of the United Kingdom has left the government struggling to make reparations when its own economy is struggling to draw foreign investment amid global economic turmoil.

The misguided mandate to impose a worldwide tax on passive income has forced the UK Finance Ministry into reactive mode, with plans now to table the proposed tax reforms, according to the *Financial Times*. But the damage may already be done.

In fact, the country is now beginning to lose some of its own domestic businesses, with Regus, a temporary office supplier, and pharmaceuticals company Shire, among others, relocating their tax bases to the Netherlands and Ireland, respectively.

Switzerland's tax-friendly business climate, particularly for intellectual property rights, is luring U.S. companies such as McDonald's away from England where duties leveled on foreign profits have risen twofold.





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## Bringing Home the Bearings

**A**s businesses grow more attuned to benchmarking total landed logistics costs and evaluating supply chain performance from source to shelf, there has been recurring chatter about the merits of nearshoring contract manufacturing. For some, lack of visibility and loss of control over process have made the decision inevitable and immutable.

Heckmondwike, UK-based 600 Group recently pulled back from outsourcing production to China because of poor quality levels and consequent warranty claims. The company, which manufactures and distributes machining tools and ball bearings, opted out of sourcing from China after new CEO David Norman came on board and reassessed and restructured product procurement.

"When I was appointed, it was clear

that both the cost infrastructure of the Group and the machine tools supply chain needed urgent attention," says Norman. "Considerable action has subsequently been taken and continues to be required to effect transformational change within the Group's operations, while concurrently taking additional defensive actions in light of depressed market conditions."

The Group's prior strategy included outsourcing a large chunk of production and supply from China. But deteriorating quality levels and failed efforts to fix these issues, conflated by the costs of absorbing excessive claims, required a different course of action. In concert with the company's decision to unplug China from its offshore supply network, it has moved to a simpler business model

reinforced by manufacturing and supplying high-quality, customer-focused products.

This back-to-basics approach includes eliminating duplication and ensuring more consistency for customers. A single product management team now controls sourcing, working on behalf of the entire Group and its brands.

"Major restructuring and significant cost reductions have been necessary to ensure that 600 Group is in the right shape to weather the current market and has a strong platform from which to grow," adds Norman.

Under these circumstances, the Group's supply chain has been re-engineered and new outsourcing arrangements put in place, resulting in a return to historic levels of product quality. ■

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# VIEWPOINT

by Neil Collins

## Finding and Attracting C-Suite Leadership

**T**he days of fragmentation characterizing global logistics are drawing to a close. With globalization, more companies are striving to become end-to-end service providers for global customers. They see an opportunity to greatly improve profitability by offering higher-value services and gaining increased market share.

To get there faster, they will continue to pursue mergers and acquisitions at every link of the supply chain. This opportunity has also attracted the interest of new investors such as private equity firms and pension funds, which have changed the ownership landscape and introduced new business imperatives.

These trends dramatically alter the types of competencies that logistics companies will need in the C-suite and among senior management. By 2010, when the race will have been determined in many logistics markets, key skills likely to be found among executive teams of leading companies will include the ability to:

■ **View technology systems as a competitive differentiator, not a cost center.**

As companies move along the value chain and broaden their service propositions, they will no longer see IT as a

cost center but as a means of outflanking the competition. The modern-day executive must be able to use industrial technology as a strategic tool.

■ **Think like an investment banker.**

Operationally, companies that aspire to be end-to-end service providers need the financial agility required to move shipments through different countries, currencies, tax zones, and customs requirements. To compete effectively in an environment with a complex array of operating drivers and capital allocation issues, they also need superior analytical and problem-solving skills.

Strategically, the leadership team must be adept at evaluating and executing mergers, acquisitions, and divestitures. They need to thoroughly understand the financial engineering behind each agreement, and know what makes a good deal on both the buy and sell sides. In effect, they must think like investment bankers or private equity investors – whether they are working for them, selling to them, or buying from them.

■ **Build C-level relationships with customers.**

Selling outsourced services requires relationships with the customer at the C-level, where the ultimate authority to make these large commitments

resides. Logistics leaders need to be able to develop trusted advisor relationships with the top-level management of the customer base, and demonstrate to CEOs and their boards the strategic and operational value of the services offered.

■ **Leverage diversity.** Operating globally across a diverse customer base requires leaders who have lived and worked overseas, who understand the cultural nuances of different regions, and who have successfully managed multicultural teams.

As logistics companies become more global and diverse across the industry verticals they serve, their organizations need to reflect diversity – not only in their executive ranks but also among the board of directors.

■ **Develop a deep talent bench.**

Organizations require strong reserves to enable them to enter emerging markets by geography, type of service proposition, and industry vertical. They may also need to attract best-in-class talent from the industry and their customers across operations and functional positions including chief financial officer, chief information officer, chief marketing officer, operations leaders, and account management.





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Acquiring such talent takes more than today's casual networking methods. Instead, it requires a rigorous approach to talent management that includes benchmarking, performance reviews, succession planning, and skills development. Top talents expect such rigor and a clear career path; they are unlikely to join or stay with companies that lack that rigor.

Effective human capital management also requires leaders who can work successfully with labor unions, across different countries with various labor laws.

■ **Turn sustainability into a profit center.** Pressure will only grow more intense for global companies of all kinds to address sustainability—the social, environmental, and economic impacts of their operations. Leading companies not only comply with new regulations,

they make sustainability a competitive advantage.

Global diversified technology company GE, for example, is attempting an initiative entitled “Ecomagination,” which focuses on the environment in addition to sustainability and green business practices. By 2010, the companies best positioned for success will be those that have not only seen the writing on the wall but also the possibilities for a favorable bottom line.

Many logistics companies are

## Acquiring C-suite talent requires a rigorous approach that includes benchmarking, performance reviews, succession planning, and skills development.

beginning to seek executives with these competencies. But logistics executives who can lead across a more sophisticated service proposition are in short supply. Many companies will therefore look for talent among supply chain executives of global companies or among businesses that provide end-to-end outsourced B2B services.

Wherever the talent comes from, and whoever finds and attracts it first, will lead the way in logistics in 2010 and well beyond. ■



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# 3PLINE

by Robert Shellman

## Learning to Play by New Rules: Managing Logistics Through the Recession

**M**anaging a global business today is brutal. The collective business wisdom is being tested, and our organizations' hard work on strategy, lean management, and disciplined forecasting and operations planning can't wipe away current economic woes.

The global supply chain isn't broken, but we're dealing with a game-changing scenario. As the economy plays havoc with volume, trade patterns, and economies of scale, industry executives are realizing the old ways of doing business may not get us to the future. Put bluntly, survival is at stake.

### THE STRATEGIC VIEW

Restructuring is not simply cutting costs or consolidating organizations; we need a fundamental shift in how we leverage our strengths. For companies with extended global supply chains, logistics management is usually viewed as strategic—or at least proprietary. Despite massive enterprise resource planning (ERP) advances over the past decade—or maybe as a consequence of ERP implementations—logistics management largely remains a tactically driven, data-overloaded, but strategically starved operation.

Information is the key to making the shift to strategic logistics management. Industry managers at all levels need a platform to capture, connect, communicate, and control network operations data. It's the intelligence needed to operate strategically—and the opportunity to spend less time chasing down problem resolution. Following are some strategies to consider.

■ **Invest in data intelligence.** From simple visibility to comprehensive data integration, global business managers must have access to actionable information at their fingertips. Shipment data—real-time and active history—is powerful information for revenue-focused managers.

■ **Share your network.** Multi-enterprise networks offer businesses the efficiency benefits that only the largest enterprises typically capture, with little downside risk. Collaboration, even if limited to "overflow" freight volume, will drive cost reduction, innovation, and benchmark insight.

■ **Outsource what isn't essential.** Payroll processing was once considered a core business function—but not anymore. Specialized logistics functions, such as freight forwarding, have traditionally

been outsourced. Candidates for successful outsourcing are the data-driven, rules-based processes that impact multiple functions. Ironically, it's sometimes easier to manage continuous improvement when an outside influence keeps everyone honest.

Every company in every industry should look at these strategies with a fresh eye. Companies closer to the end user were first to embrace managed logistics alternatives. Now, out of necessity, those at the far end of the value chain need to as well.

### WHO MAKES THE DECISION?

Selecting the partner to manage the logistics business process is a critical step. True strategic partners are chosen based on a thorough and honest assessment of your organization's culture, capabilities, and customers. All logistics outsourcing should be a C-level or senior management strategic decision.

Complexity should not be a barrier to these business process management alternatives. From a CEO's perspective, the key questions are these:

■ Does my outsourced provider match my commitment to operational excellence?



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Companies often achieve greater control over the business logistics process—at lower total cost—after turning over day-to-day management and responsibility to a third-party logistics provider. And those that set up their ERP as the system of record have direct access to comprehensive supply chain information—whether they're in logistics, pricing, sales, or any other role—because transaction management data flows seamlessly from the outsourced logistics provider's platform into their system. It is actionable information at their fingertips.

Global companies realize the value of investing in enhancing core technology

capabilities to capture and intelligently manipulate data that is used to optimize execution across multiple modes and enterprises.

To stay on top of this complexity, freight specialist teams—experts in mode management and product handling—need to manage clients' entire transportation operation using a sophisticated technology platform and business process.

Service providers know how to push the limits to find more systematic efficiencies, without sacrificing quality. Sometimes they even discover and plug safety gaps in client operations, significantly reducing their risk profile. Logistics providers know how to help carriers increase asset utilization—and understand how to increase shipment quality performance. The combination

reduces cost at the front end and gives outsourcers the information they need to manage in very dynamic market conditions.

## STRENGTHENING THE CORE

It comes down to business leaders realizing that they need to focus intently on what they do best and remove all distractions. In the end, companies will increase their profitability by concentrating on their core competencies, knowing that their logistics will be well-managed and continually monitored to uncover savings and trim costs.

In an economy where companies seem to be fighting a losing battle with keeping logistics costs in line, a managed service provider could offer a solution to keeping products moving while saving time, money, and overhead. ■

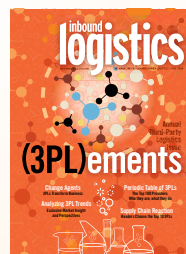
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REFASHIONING



SUPPLY CHAINS

**By Merrill Douglas**



## Whether they're pooling loads or promoting best practices, retailers tag consolidation and collaboration as powerful strategies.

In a tough economic climate, as consumers hold tight to their wallets, many retailers draw inward. The market contracts as strong players buy weak ones, and the weakest close their doors. Chains cut back on expansion plans, shutter under-performing stores, and cut payrolls. A department store might shrink its furniture department, while a restaurant chain deletes some menu choices, all to focus on the products that the market wants most.

This kind of contraction and consolidation looks like a sign of distress in hard times. But in many cases, pulling inward or pulling together makes companies stronger.

"Retailers have talked about collaboration for years," says Frank Williams, vice president, contract logistics operations at Transplace, a transportation and logistics management services vendor based in Frisco, Texas. In the past, though, little of that talk led to action. Now, consolidation and collaboration are gaining traction.

For example, shippers running private or dedicated fleets are more willing to adjust their schedules to pick up backhauls from other companies, and Transplace has started matching customers to talk about sharing warehouse space. The company also combines less-than-truckload (LTL) shipments from different customers to obtain favorable truckload rates.

"As a result of the economy, companies are more open to working together and trying to drive results for shareholders and the business," says Mark McEntire, Transplace's vice president of operations.

Whether they're pooling resources to streamline supply chains or promoting ideas to develop better practices, retailers can consolidate and collaborate in positive ways to achieve greater success, as you'll see on the following pages.



## CONSOLIDATE AND SAVE



Department store company Stein Mart has made consolidation a central theme as it re-engineers its supply chain to better meet the needs of its growing retail footprint. Stein Mart, which bases its appeal on a blend of upscale ambience and discount prices, started as a single store in the early 1900s. Since then, it has expanded to 273 locations in 30 states and the District of Columbia.

Until recently, Stein Mart's vendors throughout the country delivered their products directly to stores, using parcel carriers. "A UPS or FedEx truck would back up to the store and drop off between 100 and 150 cartons, every day of the week," recalls Richard Schart, vice president, supply chain at Stein Mart in Jacksonville, Fla. "Employees had to cut a packing slip off each carton, enter that information into a receiving system, then do a carton count verification."

If tickets or hangers were missing, store employees keyed in that information as well. The process was labor-intensive. And because no one knew how much merchandise would turn up on any given day, it was difficult to schedule staff.

In 2008, Stein Mart brought in a team of consultants to review its business processes. One consultant recommended implementing a traditional pull-point and consolidation network from vendors to stores.

Since then, Stein Mart has started using facilities owned and operated by third-party logistics providers to support the movement of goods from vendors to stores. These facilities include three consolidation centers in Atlanta, Secaucus, N.J., and Compton, Calif., and three store distribution centers (SDCs) in Atlanta, Compton, and Dallas. Oakland-based APL Logistics provides the facilities in Atlanta and Dallas; National Retail Systems, North Bergen, N.J., runs the centers in Secaucus and Compton.

Stein Mart expects to have all the locations, except the

Compton SDC, up and running by the end of September 2009. The five facilities will handle about 80 percent of the company's supply chain volume. The transition to the Compton SDC will take place after the December holidays. "We don't want to implement a change in store delivery procedures during peak season," Schart explains.

Under the new process, Stein Mart assigns carriers to pick up shipments from vendors and deliver them to the three consolidation centers, which re-sort the products and ship them to the three store DCs. At the DCs, workers attach tickets as needed, and check for missing hangers.

"We now have a way to notify a store that a particular carton has a hanger issue," Schart says. "That helps the stores during their receiving process."

The DCs then ship product to stores, with each retail location receiving one or two regularly scheduled shipments per week.

The first gain that Stein Mart expects from this consolidation strategy involves transportation savings. "We get the benefit of lower rates inbound from vendors to consolidation points via LTL or truckload, as well as savings from moving shipments in truckload quantities to store distribution centers," Schart says.

The second benefit is greater store efficiencies. "This strategy allows for much larger consolidated store deliveries, which lets us schedule receiving staff in a more focused way," he says.

Stein Mart estimates that the initiative will save \$20 million in 2010.

Although Stein Mart has co-located its consolidation and store distribution operations in Atlanta and Compton, network modeling dictated that it should split the third consolidation-distribution pair between Secaucus and Dallas. The idea was to locate the consolidation centers close to the largest concentrations of vendors – in the Northeast and Southeast and on the West Coast – and site the DCs near the retail locations.

At the same time it began revamping its distribution network,

Stein Mart started building a supply chain team. Schart, the team's first member, came on board in late 2008. In addition, the company recently expanded its use of electronic data interchange (EDI) so it can receive advance shipping notices (ASNs) from vendors. It's also launching a program to monitor vendor performance.

Stein Mart has added new technology to its shopping list. It is currently evaluating options for a transportation management system to pre-route vendor shipments. "We are also focused on building a system to provide full visibility into every shipment in the pipeline, from the time we cut a purchase order to the time the merchandise hits the store floor," Schart says.



**Retail company Stein Mart estimates a new supply chain initiative wrapped around consolidation strategies will boost efficiency and save \$20 million in 2010.**

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## MOVING IN WITH A SISTER



or Barbeques Galore, the chance to cut costs through consolidation arose when one of its vendors – Taiwanese grill manufacturer Grand Hall Enterprises – acquired the company in August 2008. Barbeques Galore, based in Carlsbad, Calif., sells high-end grilling and outdoor living products through 39 retail stores in California, Arizona, and Texas. Barbeques Galore carries products manufactured by Grand Hall as well as merchandise from other manufacturers.

Soon after the acquisition, Barbeques Galore made two changes to its logistics operation. First, it contracted with Transplace to manage outbound transportation from its Arlington, Texas, DC. The DC supplied product to all the company's stores, except for fast-moving items bound for outlets in the Los Angeles and San Diego DCs. That inventory moves through two smaller "hub" DCs in those California markets.

While Transplace took charge of those deliveries, Barbeques Galore started cooking up plans for a DC consolidation. Grand Hall USA, a sister company that

manufactures parts for gas grills, was operating from a DC of its own in Garland, Texas, about 50 miles from Arlington. "With current economic conditions, it made sense for us to use a shared facility that the company already owned," says Chuck Lightfoot, vice president of supply chain for Barbeques Galore.

The move took place at the end of November 2008. Transplace coordinated inventory shipments from Arlington to Garland, a tricky task because Barbeques Galore also had to keep supplying its stores in the high-demand period around Thanksgiving. "We made sure trucks went to the right location, while still pulling product and giving it to the stores for the retail operation," Lightfoot says. By December 2008, Barbeques Galore had moved its Texas operation entirely to Garland.

To a large extent, the retailer and the parts company simply live side-by-side in their shared space. Although some overlap is possible, the companies employ separate warehouse crews and operate separate information systems.

The two companies have, however, combined their customer service operations and co-located warranty parts, which expedites customer service. And, by joining forces with its corporate sister, Barbeques Galore nets better inbound transportation deals by leveraging the larger container volume.

The consolidation also gives Barbeques Galore a direct fulfillment advantage. Say a customer buys a grill from a store in California, takes it when he moves to Wisconsin, then orders a grill accessory. "We process the order through Grand Hall



**When grilling products company Barbeques Galore moved in with corporate sister Grand Hall USA, it cooked up transportation and warehousing savings.**



USA's system and ship it with their products," Lightfoot says. Because Grand Hall USA fills nearly all its orders via parcel carrier, it earns much better pricing than Barbeques Galore could obtain on its own.

Lightfoot hasn't calculated the savings realized by moving in with Grand Hall USA. "But the simple fact that Grand Hall owned the building outright made the move a no-brainer," he says.





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## PULLING TOGETHER



iven their fierce competition, collaboration among separate retail firms sounds about as likely as a Coke-Pepsi recipe swap. But sometimes retailers do put their heads together for mutual benefit.

One vehicle for that kind of collaboration is the Vendor Compliance Federation (VCF), based in South Plainfield, N.J. Formed primarily to foster collaboration between retailers and vendors, VCF also offers a forum where members can

pool information and develop best practices.

Mary Lou Woods, a consultant in Des Moines, Iowa, benefited from VCF in her previous role as vice president of vendor relations at Saks Inc. "Only a few people at Saks were in vendor relations," recalls Woods, a retail veteran who also has worked for Hallmark Cards, R.H. Macy's, and the May Company. "VCF allowed me to talk to peers and gain perspective." Retailers use VCF and other industry organizations to add value and quality, and to collaborate, educate, and generate solutions, she notes.

Through VCF, for example, Woods took part in a task force focused on ASNs. Retailers were frustrated about not getting the data they needed from EDI messages, so, together with vendors, they formed the group to try to improve their situation.

While not all vendor-retailer pairs had the same problems

with advance shipping notices, some recurring themes did emerge. "We recognized common goals we could accomplish as a group," Woods says.

Although retailers are careful not to share information that could harm their competitive advantage, they often collaborate in broader ways. "Sometimes competitors ask for advice on programs we have already implemented," Woods says. "I answer, for example, 'Make sure you keep your distribution center in the loop,' but I don't give details on how to accomplish that."

One new tool VCF has developed for collaboration among members is TPNexus, an online peer forum for the retail industry that launched in March 2008.

TPNexus is similar to the business networking site LinkedIn, but it's private, secure, and dedicated to the retail industry. Among other functions, members use TPNexus to collaborate on particular issues.

"Members can start their own group on TPNexus around a specific area of interest, say, luxury retailing," says Diane Berry, chief executive officer at VCF and its sister organization, Trade Promotion Management Associates. Members of the groups, called Communities of Practice (CoPs), can exchange messages, operate blogs, and hold meetings, both virtual and in-person.

One of the first CoPs to emerge concerns the Perfect Order Index, a tool for scoring a vendor's performance in delivering orders on time, error-free, with accurate communications and full documentation (*see sidebar below*).

"We foster collaboration among retailers and suppliers around that topic," Berry says. "We conduct research programs within a community, write whitepapers and publish research reports, and hold webinars to discuss and guide the industry in those best practices."

Other CoPs that have formed on TPNexus include one focused on forecasting accuracy and one on best practices for importers.

VCF also has tapped the collective wisdom of retailers to create the Global Compliance Protocol, a tool designed to

## ACHIEVING THE PERFECT ORDER

The Vendor Compliance Federation (VCF), a member organization facilitating retailer-supplier trade synchronization, recently released the results of a research survey conducted through its Perfect Order Index Community of Practice (CoP). To examine the use of the Perfect Order Index, the survey questioned retailers, manufacturers, and service providers on their use of the four measures – on-time, complete, damage-free, and with correct documentation – that comprise the Perfect Order Index (POI).

"Today's retail environment requires an ever closer focus on margins and on the measures that will foster and protect them, such as the Perfect Order Index," says VCF CEO Diane Berry. "Industry research supports a correlation between Perfect Order Index performance and financial measures such as earnings per share, return on assets, and overall profitability. The POI

Community explores issues associated with adoption of the Perfect Order Index in order to make its benefits available to more organizations."

The results of VCF's industry survey show how trading partners currently apply the Perfect Order Index, and the significance of including this measure in scorecards. Select survey findings include:

- Only 10 percent of retailers are using all four POI metrics as part of their scorecards, their measurement of supplier performance.

- On-time and complete orders prove to be the most important POI metrics for both retailers and suppliers.

- 45 percent of respondents continue to use spreadsheets to capture trading partner performance.

More information on the POI is available at [www.vcfww.com](http://www.vcfww.com).

make it easier for vendors to comply with the needs of their numerous retail customers.

"We worked to have retailers collaborate with each other on the form a compliance guidebook should take," Berry says. The result is a uniform guidebook structure, with chapter headings, subheadings, and indices. When retailers use a standard guidebook format, it's easier for vendors to find specific instructions and, therefore, to comply with those guidelines. That means fewer errors in the supply chain, and fewer vendor chargebacks.

Retailers also collaborate by giving VCF access to the vendor guidelines on their Web sites, so VCF can monitor changes to those guidelines and publish them in its Compliance Clearinghouse. Vendors who belong to VCF get regular updates alerting them to those changes.

"A supplier no longer has to have five people redundantly looking at different sections of their customers' Web sites for compliance guidelines," Berry says.

While serving as a safe place where competitive retailers can share ideas on issues of their choice is a key part of VCF's mission, experience at the organization's meetings shows that getting retailers together with their suppliers is even more productive.

In the past, at its annual fall conference, VCF devoted the first day to separate meetings for retailers and vendors. "The retailers would discuss issues important to them, and they didn't necessarily want suppliers to participate. The same was true on the supplier side," Berry says. The two constituencies then came together on the second and third day.

Over time, though, both groups started asking to reduce the time they spent apart. Now, retailers and suppliers meet in separate camps for just a few hours of the three-day event. That has been a productive change, Berry says.

"In past sessions, many challenges were discussed, but not necessarily solutions," she notes. "Today, the conversations are focused on solutions to challenges that everyone is facing."

That's one more testimony to the notion that in retail, pulling together makes great business sense. ■

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# Outpacing the Perils of

Haunted by the challenges of environmental unpredictability, safety



# Perishables

scars, and regulatory red tape, food shippers rely on supply chain efficiency to keep their cool.

By Amy Roach Partridge

August 2009 • Inbound Logistics 41

**P**erishable foods companies, along with their suppliers and providers, have an advantage in these tough economic times: Consumers' appetites are not dictated by the recession. "The good thing about being in the food business during an economic downturn is that everyone still needs to eat," notes Bud Floyd, director of produce marketing for C.H. Robinson, a global cold chain logistics provider based in Eden Prairie, Minn.

Though demand has softened with the economic downturn, food is still a necessary commodity. "Thanks to increasing consumer interest in health and wellness, the produce business, in particular, is holding up well," Floyd adds.

But the perishables supply chain—the producing/growing, storage, transportation, and delivery of perishable goods—has not been untouched by the economic downturn. Pricing, for example, has been pushed into the spotlight. Food shippers have experienced a drop in demand, but cannot increase prices for fear of deterring consumers from buying their goods. At the same time,

many refrigerated transportation carriers have raised rates to counteract their own shortfalls, slapping a double whammy on food growers and producers.

"Many truckers have cut back their fleets or gone out of business because of the economy," explains Gene Shvedov, vice president of business development for National Refrigerated Trucking, a Sayreville, N.J.-based carrier. "That leaves a gap in supply, forcing trucking rates for produce to rise substantially."

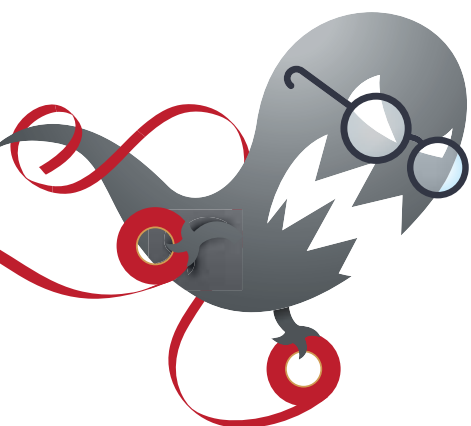
The loss of carriers has also impacted traffic patterns for perishables transportation. With the current drop in perishables demand, carriers are

struggling to find lucrative backhauls, and shippers have seen lead times increase.

"Freight moving from east to west has slowed drastically, leading some truckers to park their vehicles rather than running back to the West Coast at a loss," says Dan Vache, vice president of supply chain management for United Fresh Produce Association, an industry organization based in Washington, D.C. "There is no longer a balance of trade moving from east to west and west to east, which presents a challenge for perishables transportation."

#### **SAFETY ISSUES SPOIL APPETITES**

Another challenge for the perishables industry comes from Washington, where the Food Safety Enhancement Act of 2009 is taking shape. Recent food scares—including melamine in milk, tainted peppers, Salmonella in peanut products, and E. coli in spinach and beef—have made food safety top of mind for U.S. consumers. This legislation seeks to restore consumer confidence by granting the Food and Drug Administration more power and resources to protect the nation's food supply.



**"The food safety bill attempts to squeeze food production operations into one-size-fits-all regulations, which will stifle innovation rather than encourage companies to tailor food safety plans to fit their business."**

—Kraig R. Naasz, president and CEO, American Frozen Food Institute



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**“We needed  
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superior insulation  
qualities that allowed  
for second- and third-  
day delivery so we  
could avoid overnight  
shipping costs.”**

— George Purnell, vice  
president, Jubilations

Many cold chain participants are embracing these new standards as a way to convince consumers of their commitment to food safety. But the bill has its detractors who claim that it will increase costs and squash industry innovation.

“The bill attempts to squeeze food production operations into one-size-fits-all regulations, which will stifle innovation rather than encourage companies to tailor food safety plans to fit their business,” says Kraig R. Naasz, president and CEO of the American Frozen Food Institute, McLean, Va.

The food industry itself is also working on safety and traceability goals. The United Fresh Produce Association, along with the Produce Marketing Association and the Canadian Produce Marketing Association, for example, developed the Produce Traceability Initiative, which seeks to achieve electronic traceability

of every case of produce by 2012.

“The food industry has taken it upon itself to achieve case-level traceability,” explains Vache. “Product changes hands multiple times throughout the supply chain, so we need cold chain traceability that identifies those touches.”

Despite the long-term challenges and initiatives currently pending in the perishables industry, it is the daily handling of product across the supply chain that companies focus on. Here is a look at two perishables shippers and their strategies for cold chain success.

#### **A SWEET PACKAGING SOLUTION**

Born in founder Tammy Craddock’s kitchen, Jubilations Cheesecake now sells some 40,000 cheesecakes per year to local grocers, foodservice distributors, and mail-order customers around the country. But to achieve that success, the



**Custom-molded insulation from Sealed Air provides a dry-ice chilled, secure package for Jubilations’ cheesecakes – and makes second- and third-day shipping possible.**







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**“Product changes hands multiple times throughout the supply chain, so we need cold chain traceability that identifies those touches”**

—Dan Vache, vice president, supply chain management, United Fresh Produce Association

Columbus, Miss.-based company had to overcome its packaging obstacles.

Initially, Jubilations limited distribution to a regional level because the expanded polystyrene (EPS) foam package it used for shipping could only keep cheesecake cold for one day. Shipping anywhere outside the mid-South incurred expensive next-day-air costs—the company wouldn’t risk delivering a spoiled cheesecake.

“We couldn’t grow our mail-order business,” says George Purnell, Jubilations’ vice president. “We needed packaging with superior insulation qualities that allowed for second- and third-day delivery so we could avoid overnight shipping costs.”

In addition to better insulation, Jubilations wanted packaging that was durable—to keep cheesecakes from

shifting or crumbling in transit—attractive, cost-effective, and environmentally friendly. The company found its answer in Instapak TempGuard Cold Chain Packaging, a high-performance solution for shipping temperature-sensitive products, made by Sealed Air, an Elmwood Park, N.J.-based controlled-temperature packaging company.

Sealed Air’s Instapak polyurethane foam insulates more effectively than

EPS, so it keeps products colder for longer periods, allowing companies to choose more cost-effective shipping options.

Jubilations began working with Sealed Air on its packaging solution in 2007. Sealed Air custom-molded Instapak TempGuard Cold Chain coolers that include pockets for dry ice; allow customers to easily take the cheesecake out of the package; and contain a lid that fits perfectly over the dome of the cheesecake, reducing dead air space and preventing the dry ice from sublimating too quickly.

Switching to these coolers also improved the packaging process at the Jubilations plant. The Instapak TempGuard Cold Chain coolers arrive pre-assembled, so Jubilations packagers simply open the box, remove the lid and add dry ice, place the cheesecake in the box, put the lid securely in place, and seal the box.

“This is a much more efficient process than the original package, and has reduced labor time by one minute per package,” says Purnell.

Sealed Air’s customized solution actually costs Jubilations five dollars more per package than its old method, but because the company is able to skip next-day air delivery, it has still reduced overall shipping costs by 19 percent.

In addition, the packaging shift



**Sourcing apples close to production facilities allows Mott's to offer convenient packaged apple slices with an extended shelf life.**

has allowed Jubilations to expand its customer base to a larger geographic region—a change that netted the company a lucrative new cheesecake lover.

“More than three percent of our total 2008 sales came from a single new customer who we would not have been able to ship to with the old packaging because the transport costs were too high,” explains Purnell.

#### SLICING UP SOURCING

In today’s busy world, any product that combines convenience with fresh taste and health benefits is guaranteed to be a hit. That’s why Mott’s developed its Mott’s Sliced Apples product—apples that are cored, sliced, and ready to eat, sold in resealable bags and multi-packs. To develop this line, the 104-year-old fruit company partnered with C.H. Robinson.

Mott’s’ main goal while creating this product was supply chain efficiency, and the decision to produce and source apples regionally was a key component.

Because the new product was initially rolled out in the Northeast, where C.H. Robinson’s production centers are located, Mott’s Sliced Apples uses apple suppliers in New York and Pennsylvania, rather than traditional suppliers in Washington state. This helps reduce food miles and improves the product’s carbon footprint.

“We wanted to improve the supply

chain by moving production closer to the marketplace, which allows us to get fresher product into the stores more frequently,” explains Floyd.

With growers located near C.H.

consumers can buy a fresher product.

The strategy also reduces Mott’s’ transportation costs—one supply chain efficiency that will be helpful as the company attempts to penetrate new sales channels such as schools and other institutions.

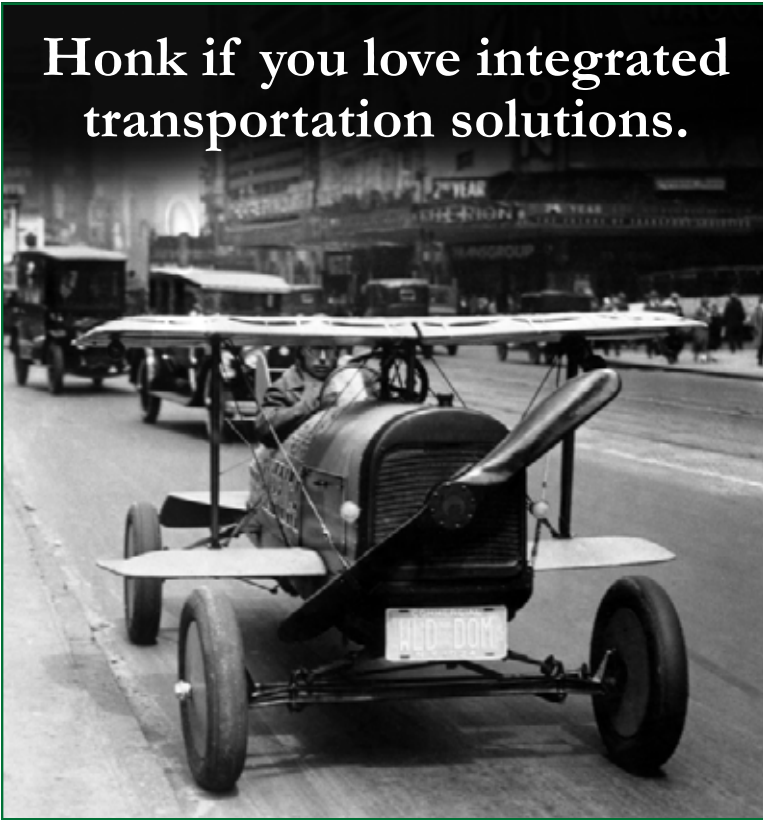
Its supermarket success to date—sales are up 129 percent over other sliced apple products in some supermarkets, according to Floyd—and smart supply chain approach bode well for expansion. C.H. Robinson is currently opening two additional production facilities to handle distribution of Mott’s Sliced Apples to southern and midwestern states, and is testing companion products for other fruits and vegetables.

“Regional sourcing has increased throughput for our supermarket customers and boosted acceptance of apple slices and sliced produce overall because of the Mott’s brand,” Floyd says.


Shipping food products can be a complex endeavor, thanks to the range of factors involved. Moving shipments quickly to ensure freshness can be expensive, and monitoring conditions such as temperature and humidity adds to the cost. At every step of the supply chain, from materials sourcing to packaging to

delivery, shippers make a variety of choices. Knowing that they’ve made the right ones helps them stay cool under pressure. ■

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Robinson production centers in Vineland, N.J., and Jessup, Md., Mott’s Apple Slices can be delivered to grocery stores three to five times a week, which means





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# G25

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In today's global business environment, it's not enough simply to be green. Companies need to be greener. Becoming sustainable requires a fluid process of constantly evaluating performance and efficiency, measuring inputs and outputs, and exploring better ways to produce and transport goods in a more earth-friendly manner. Otherwise, how can you benchmark progress and set goals if you don't know what you're capable of?

*Inbound Logistics'* inaugural 25 Green Supply Chain Partners (G25) presents a similar exercise in objectivity. Our list of sustainable supply chain visionaries offers a snapshot of what industry is doing to become more efficient and eco-friendly. This index

is by no means comprehensive, but there is no arguing the qualifications of these green leaders.

How did we select our G25? We picked companies that aren't just spinning green, they are living and breathing proof of the value sustainability brings to the enterprise. These companies aren't just creating carbon-less footprints; they're leaving a deep and indelible impression on industry and consumers alike.

The purpose of this index is twofold. We want to celebrate companies that are on the cutting edge of green; and we want to provide shippers with examples of how service providers are making the sustainability leap, and justification for why they are a cut above.

**G25**

INBOUND LOGISTICS'

**25 GREEN SUPPLY CHAIN PARTNERS**

## UPS

[www.sustainability.ups.com](http://www.sustainability.ups.com)

**MISSION:** UPS believes sound business practices and strategies can lead to a stronger, healthier environment. To that end, the company aggressively pursues technologies and processes that save energy and natural resources while reducing emissions and other waste products.

**ACHIEVEMENTS:** Selected to the 2008 Carbon Disclosure Leadership Index, released by the Carbon Disclosure Project. Also named to the Uptime Institute's Global Green 100 List.



Hybrid vehicle | UPS

**NOTEWORTHY:** UPS Worldport in Louisville, Ky., was designed to reduce the operation's environmental impact. Worldport's aircraft docks allow planes to park directly next to the facility, eliminating the need to run ground tugs, dollies, and other equipment required to load and unload aircraft parked on ramps.

## BNSF Railway

[www.bnsf.com](http://www.bnsf.com)

**MISSION:** BNSF lives by the belief that it is good business and good citizenship to minimize its impact on the planet, and contribute to the long-term sustainability of every community it serves.

**ACHIEVEMENTS:** BNSF is the only U.S. railroad to join the Global Environmental Management Initiative, a non-profit organization of 40 leading U.S. companies dedicated to fostering global environmental health and safety excellence.

**NOTEWORTHY:** In 2007, BNSF became the first railroad to pilot the use of low-emission, natural-gas hostler trucks to move containers at its Los Angeles Hobart Intermodal facility. The 10 new hostlers reduce nitrogen oxide and particulate emissions by 90 percent.

## CHEP

[www.chep.com](http://www.chep.com)

**MISSION:** Pooling—the combining and sharing of assets in a common effort—is by definition an environmentally sustainable concept because it maximizes asset utilization. CHEP has pooled pallets and containers since 1958. That's 51 years—and counting—of environmental stewardship.

**ACHIEVEMENTS:** CHEP was recently featured on an episode of the Discovery Channel's *Sustainable Planet's Eye on the Environment* series.

**NOTEWORTHY:** For 25 million CHEP pallets used annually at three trips each, an estimated 4.7 billion pounds of waste is removed from the system. If pooled pallets were used for all one-way and exchange pallet trips, disposal of wood pallets by burning or landfill would decrease by 6.1 million tons.



Pooled pallets | CHEP

## CSX

[www.csx.com](http://www.csx.com)

**MISSION:** "Safety and the protection of human health and the environment are fundamental to CSX's management principles and good business practices," says Michael J. Ward, chairman, president, and chief executive officer of CSX.

**ACHIEVEMENTS:** Since 2000, CSX has invested more than \$1 billion to upgrade its fleet with efficient, Tier II clean air locomotives. By 2009, an additional 1,200 CSX locomotives will be upgraded to further reduce emissions and lower fuel consumption by nearly 10 million gallons.

**NOTEWORTHY:** CSX's Environmental Crimes Unit (ECU) investigates and prosecutes environmental crimes conducted on company property. Since the ECU's inception, 300 incidents have been investigated; there have been 14 arrests with a 100-percent conviction record.

## NYK Line

[www.nyk.com](http://www.nyk.com)

**MISSION:** More than 600 vessels operate in each of the seven oceans, day in and day out. It is impossible for NYK Line to complete its mission to be a successful logistics integrator without ensuring the safe transportation of its vessels and environmental protection.

**ACHIEVEMENTS:** NYK achieved a 10.8-percent reduction in CO<sub>2</sub> emitted at its offices in fiscal 2008, compared with the previous year. In 2009, the liner is aiming for a five-percent reduction through more efficient operation of head office facilities, such as optimizing air conditioning and continual CO<sub>2</sub> reduction campaigns.

**NOTEWORTHY:** NYK is targeting the achievement of "zero emissions" by 2050 and has designed the concept vessel *NYK Super Eco Ship 2030* as a milestone for meeting this objective.

## American Airlines Cargo

[www.aacargo.com](http://www.aacargo.com)

**MISSION:** American Airlines is committed to complying with environmental laws and regulations; safeguarding the environment by adopting sustainable business practices, technologies, and procedures that take pollution prevention and conservation of natural resources into account; and establishing programs to communicate appropriate environmental information to all parties.

**ACHIEVEMENTS:** American claims to be the first U.S. carrier to test next-generation technology and procedures—dubbed the Atlantic Interoperability Initiative to Reduce Emissions (AIRE). The goal of AIRE—a joint initiative between the U.S. Federal Aviation Administration, the European Commission, and major airlines—is to reduce carbon emissions and fuel consumption.

**NOTEWORTHY:** American's Fuel Smart program saves about 60 million to 70 million gallons of fuel each year.

## GENCO Supply Chain Solutions

[www.genco.com](http://www.genco.com)

**MISSION:** To GENCO, creating a green supply chain means both adding more green to the bottom line and doing business in an earth-friendly manner.

**ACHIEVEMENTS:** GENCO has introduced a product liquidation solution called R-Log that maximizes the value of returned products through multiple liquidation channels. Depending on the customer's priorities, GENCO offers a variety of green disposition methods, including returning product to the vendor for credit, online auctions, reselling into alternative channels, donating to charity, or disposal.

**NOTEWORTHY:** One of the easiest ways to green the supply chain is through reverse logistics. GENCO Marketplace offers product liquidation services that return unwanted, repaired, and refurbished merchandise back into the sales cycle.



8-Series clean lift truck | Toyota

## Toyota Material Handling USA

[www.toyotaforklift.com/environmental\\_focus/](http://www.toyotaforklift.com/environmental_focus/)

**MISSION:** Toyota has made environmental accounting—a process that evaluates the effectiveness of environmental activities from the perspective of cost—a key aspect of corporate decision-making.

**ACHIEVEMENTS:** In 2006, Toyota introduced the 8-Series line, the world's cleanest internal combustion lift truck. The 8-Series features an exclusive emission system that not only surpasses 2007 federal EPA emission standards, but also meets California's stringent 2010 emission standards. The result: a lift truck that produces 70 percent less smog-forming emissions than the 2007 federal standard.

**NOTEWORTHY:** Toyota remains the only manufacturer to offer UL-listed, EPA, and CARB-certified Compressed Natural Gas-powered lift trucks.



Energy-efficient vessel | Maersk

## Maersk Line

[www.maerskgreen.com](http://www.maerskgreen.com)

**MISSION:** Maersk Line is committed to developing environmentally friendly solutions to environmental and climate change challenges. Not only does this commitment offer a competitive edge to Maersk's business, it also offers important benefits to the environment and climate.

**ACHIEVEMENTS:** From 2002 to 2007, Maersk reduced the average CO<sub>2</sub> emissions for container transport by 8.9 percent. Last year alone, the decrease was approximately three percent.

**NOTEWORTHY:** Maersk's Waste Heat Recovery System allows its vessels to save up to 10 percent of fuel at optimum conditions. The liner has implemented the technology on 30 ships, and has plans for 38 more. Combined with other efforts, Maersk is looking to cut up to 20 percent of fuel costs, which in 2007 were \$6 billion in the shipping business alone.



**G25**

INBOUND LOGISTICS'

**25 GREEN SUPPLY CHAIN PARTNERS**

## DB Schenker

[www.dbschenker.com](http://www.dbschenker.com)

**MISSION:** Acting responsibly and reducing carbon dioxide and environmentally harmful emissions are the cornerstones of DB Schenker's business strategy.

**ACHIEVEMENTS:** Between 1990 and 2007, DB Schenker reduced its specific rail transport carbon emissions—per passenger or ton of freight and kilometer—by nearly 40 percent. DB Schenker's specific rail freight transport carbon emissions have dropped by 44 percent since 1990.

**NOTEWORTHY:** DB Schenker offers a carbon-optimized transport chain under the umbrella of the lighthouse project "Green Logistics Networks." The aim is to reduce carbon emissions via an intelligent modal shift to less carbon-intensive transport modes, and by offering alternative transport services.



Fuel-efficient trucks | DB Schenker

## C.H. Robinson

[www.chrobinson.com](http://www.chrobinson.com)

**MISSION:** For C.H. Robinson, sustainability represents an overall approach to business—a way to add value, improve efficiencies, and invest in the long-term success of customers, contract carriers, growers, employees, and communities.

**ACHIEVEMENTS:** C.H. Robinson develops transportation and network optimization strategies for customers who realize savings through consolidation, resulting in fewer shipments and fewer transportation miles—with fewer greenhouse gas emissions.

**NOTEWORTHY:** C.H. Robinson's proprietary Our World Organics brand donates a percentage of its net profits each year to organizations dedicated to sustainable initiatives.



Low-emissions vehicle | YRC Worldwide

## YRC Worldwide

[www.yrcw.com/green/index.html](http://www.yrcw.com/green/index.html)

**MISSION:** The transportation providers of YRC Worldwide effectively and aggressively promote greenhouse gas reduction strategies, waste reduction, and conservation across their daily operations.

**ACHIEVEMENTS:** YRC limits truck speeds to 62/63 mph, makes extensive use of intermodal service, set limits on daily idling with over-the-road and city operations, uses environmentally efficient longer combination vehicles where allowed, and practices an aggressive tire pressure inflation and monitoring program.

**NOTEWORTHY:** YRC estimates the strategies it deploys to increase fuel efficiency and decrease emissions result in a reduction of one million tons of CO<sub>2</sub> annually.

## Con-way

[www.con-way.com](http://www.con-way.com)

**MISSION:** Con-way's goal is to make informed business decisions about sustainability that have a positive effect on the company, its operations, employees, and customers, while reducing its carbon footprint and improving the environment.

**ACHIEVEMENTS:** Con-way reduced the maximum governed speed of its 8,400-tractor fleet from 65 mph to 62 mph. This action is expected to reduce consumption of diesel fuel by nearly 3.2 million gallons annually while eliminating approximately 72 million pounds of carbon emissions.

**NOTEWORTHY:** Looking to the future, Con-way is implementing new recycling and waste reduction practices, has launched a major re-lamping project at its freight terminals to save electricity, and is piloting solar electric generating installations.

## Hub Group

[www.hubgroup.com](http://www.hubgroup.com)

**MISSION:** Hub's primary areas of environmental focus are centered around education awareness and goal development and measurement.

**ACHIEVEMENTS:** Hub Group was one of only three logistics companies to receive an Environmental Excellence Award from the U.S. Environmental Protection Agency SmartWay Transport Partnership. The award cites Hub Group for its continued leadership in conserving energy and lowering greenhouse gas emissions in the environment through its transportation management activities.

**NOTEWORTHY:** Since 2006, Hub Group has increased its SmartWay carrier usage by 400 percent, from 122 to 509. Hub also provides monthly updates to current vendors on methods for reducing their CO<sub>2</sub> footprint.

## FedEx

[www.fedex.com/us/promo/sustainability](http://www.fedex.com/us/promo/sustainability)

**MISSION:** To minimize its impact on the environment, FedEx has initiated a number of conservation measures to reduce the amount of energy it uses daily. The company has also teamed up with other leading organizations to develop green technologies that ensure trucks and offices operate as efficiently as possible.

**ACHIEVEMENTS:** Teaming up with BP, FedEx Freight installed solar-electric systems in two service centers in California. Combined, these systems are expected to reduce annual CO<sub>2</sub> emissions by 610 metric tons, or the equivalent of more than 69,000 gallons of gasoline.

**NOTEWORTHY:** FedEx Freight has worked in conjunction with the EnergyStar "Change the World" program to install energy-efficient lighting—including innovative LED lighting systems and compact fluorescent bulbs—in administrative offices and service centers across the country.



## Lufthansa Cargo

[www.lhcargo.com](http://www.lhcargo.com)

**MISSION:** Striking a balance between economic interests and environmental responsibility remains Lufthansa's guiding principle. This is well illustrated by the substantial investments the airline makes in its fuel-efficient fleet.

**ACHIEVEMENTS:** Since 1991, Lufthansa has provided 50 percent of its additional transport services in a carbon-neutral manner. The airline's future goals are ambitious: By 2020, it aims to reduce specific CO<sub>2</sub> emissions by 25 percent compared to 2006 levels.

**NOTEWORTHY:** In February 2009, Lufthansa hosted its first Cargo Climate Care Award Conference in Frankfurt, Germany, to discuss green challenges and opportunities facing the transport industry.

## Werner Enterprises

[www.werner.com](http://www.werner.com)

**MISSION:** Werner Enterprises recognizes the important environmental role that transportation providers play in emission reductions. It is fully committed to investing in the technologies, strategies, and policies that increase fuel efficiency and decrease carbon footprints.

**ACHIEVEMENTS:** Through numerous sustainability initiatives and capital investments of more than \$100 million in emission-reduction technologies, Werner is making great strides in improving fuel mileage and reducing emissions. As a result, the company purchased 12.4 million fewer gallons of diesel fuel during the last six quarters compared to 2007.

**NOTEWORTHY:** Werner is currently testing and implementing trailer skirting technology, which has helped improve fuel economy by 3.4 percent.

## Ryder

[www.ryder.com/aboutus\\_greenctr.shtml](http://www.ryder.com/aboutus_greenctr.shtml)

**MISSION:** Ryder is committed to supporting sustainable development, environmental protection, and pollution prevention in its global business.

**ACHIEVEMENTS:** Ryder recycled more than 3,800 tons of office paper and cardboard in 2008. Avoiding their manufacturing and disposal resulted in

a total reduction of more than 2,600 tons of greenhouse gas emissions.

**NOTEWORTHY:** Ryder performs remote monitoring at more than 400 locations, and compliance management for more than 1,800 storage tanks, 24 hours a day, 365 days a year through wholly owned subsidiary Ryder Fuel Compliance Services.



Energy Star building in Novi, Mich. | Ryder

## Swift Transportation

[www.swifttrans.com](http://www.swifttrans.com)

**MISSION:** Swift is dedicated to running one of the most fuel-efficient truckload fleets in the United States.

**ACHIEVEMENTS:** Two-time SmartWay Excellence Award recipient Swift Transportation employs the latest technology to reduce the carbon footprint of its 1,000-tractor Clean Fleet. Utilizing 2009 tractors, the fleet is fully exempt from port dirty truck fees, cutting costs for shippers.

**NOTEWORTHY:** The carrier uses special software to track miles per gallon and idling rates, holding every level of the organization accountable for performance improvements. This tracking program has led to a 30-percent reduction in idling time fleet-wide. Innovative extra cab fairings, high-tech tracking of trailers to reduce empty miles, and driver training and incentives saved more than 1.8 million tons of CO<sub>2</sub> in 2007.



Energy-efficient trucks | Schneider

## Schneider National

[www.schneider.com/sustainability/index.htm](http://www.schneider.com/sustainability/index.htm)

**MISSION:** At the heart of Schneider National's daily decision-making process is the belief that environmental sustainability, conservation, and protection, along with community advancement, can only be achieved by sustained economic progress.

**ACHIEVEMENTS:** Schneider began focusing on energy efficiency in 1978 when it pioneered driver incentives for idle reduction and fuel management. The program evolved in 1985 when Schneider included performance metrics

and driver compensation incentives based on their ability to more effectively manage fuel consumption.

**NOTEWORTHY:** Schneider's corporate office in Green Bay, Wis., and 210 facilities around the world are designed to maximize energy efficiency. Schneider's headquarters are cooled using an eco-friendly ice storage system, which reduces energy needs during peak consumption hours. The system cuts energy use by 30 percent and helps prolong the need for incremental power plant construction in Northeast Wisconsin.



Wind turbine transport | TransGroup

## TransGroup Worldwide Logistics

[www.transgroup.com](http://www.transgroup.com)

**MISSION:** TransGroup continually enhances its green initiatives by adding asset recovery and disposition services, as well as providing carbon footprint metrics.

**ACHIEVEMENTS:** TransGroup's Asset Recovery and Reverse Logistics service helps companies go green by managing the recovery and proper disposition of equipment and other value assets that have reached their end-of-lease or product lifecycles.

**NOTEWORTHY:** The company's TransNeutral opt-in program enables users to "green" their shipments and make a positive difference in the collective environment with every pound shipped. For every ton of CO<sub>2</sub> a TransNeutral shipment produces, another ton is taken away, or prevented – permanently and transparently.



## The Port of Long Beach

[www.polb.com](http://www.polb.com)

**MISSION:** Guided by its award-winning Green Port Policy, the Port of Long Beach is reducing harmful air emissions from port-related operations, improving water quality in the harbor, protecting marine wildlife, and implementing environmentally sustainable practices throughout its facilities.

**ACHIEVEMENTS:** The Port of Long Beach has launched a Clean Trucks Program that will reduce air pollution from harbor trucks by more than 80 percent by 2012.

**NOTEWORTHY:** The ports of Long Beach and Los Angeles have joined to adopt the San Pedro Bay Ports Clean Air Action Plan, a sweeping program aimed at significantly reducing the health risks posed by air pollution from port-related ships, trains, trucks, terminal equipment, and harbor craft.



Hybrid tug | Port of Long Beach

## Sealed Air

[www.sealedair.com](http://www.sealedair.com)

**MISSION:** Sealed Air focuses on more efficiently managing natural resources and the impact its products have on the environment.

**ACHIEVEMENTS:** In 2008 alone, the packaging company proved its “greenness”: Its package and design labs removed two million pounds of excess packaging, it introduced an improved line of high-performance shrink films that are 20 percent thinner, and it developed a new Jiffy Mailer product made from 100-percent recycled newspapers and kraft material.

**NOTEWORTHY:** Sealed Air is looking to reduce greenhouse gas emissions by 12 percent between 2006 and 2010.



Intermodal stack train | Norfolk Southern

## Norfolk Southern

[www.nscorp.com/footprints](http://www.nscorp.com/footprints)

**MISSION:** Norfolk Southern is committed to protecting the quality of the environment. The rail's Environmental Protection Department and Environmental Policy Council ensure that appropriate policies, procedures, and resources are in place to address environmental health and safety concerns across the system.

**ACHIEVEMENTS:** Norfolk Southern is investing more than \$100 million to upgrade its locomotive fleet. The company leads the rail industry with 73 percent of its locomotives already compliant with EPA emissions standards.

**NOTEWORTHY:** The railroad's Green Machine, a carbon footprint analyzer, allows businesses to estimate the emissions savings of choosing rail over other transportation modes.

## The Port of Seattle

[www.portseattle.org/community/environment/](http://www.portseattle.org/community/environment/)

**MISSION:** The Port of Seattle aims to be the cleanest, greenest, and most energy-efficient port in the nation.

**ACHIEVEMENTS:** One example of the Port's environmental record is its Pier 66 project. When the pier was redeveloped as a public-use area, concrete pilings replaced creosote-treated wooden ones and the structure was designed to provide more light and corridor improvements for salmon and other sea life. The project was awarded an Environmental Improvement Award from the American Association of Port Authorities.

**NOTEWORTHY:** The Port of Seattle and the Port of Dalian, China, have agreed to work with other public and private sector companies on an EcoPartnership to advance environmental and economic sustainability.

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**Across the country,  
public utilities are  
empowering local  
and state economic  
development while  
helping businesses  
amp up their site  
selection due  
diligence.**



# POWER BROKERS

**by Joseph O'Reilly**

WHEN YOU LOCATE AN APPLIANCE IN THE KITCHEN, the neat nook in the corner isn't always the perfect spot, the cheapest and easiest use of manpower doesn't always get the job done well, proximity to need doesn't always match Chef's discriminating tastes, and if there isn't a socket to plug into, all the planning and execution in the world can snap like a taut power cord.

Manufacturing and logistics site selection follows a similar course—culinary twists aside. Businesses set unique priorities when they decide how and where to locate facilities within their supply chain networks and consequently use

different criteria to evaluate new expansion opportunities. Every project has its individual wrinkle, and each wrinkle has its own threads.

Retail fulfillment values proximity to end demand and transportation density, in terms of infrastructure and service providers. Labor-intensive manufacturing industries prioritize workforce availability and costs. Financial service companies, less constricted by location and labor but heavily dependent on reliable energy capacity, look for public utilities that can support their electricity needs.

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**Affordable and renewable energy sources contribute to Nebraska's appeal for enterprising businesses. Its utility rates are below the national average and the state ranks among the top 10 in wind potential.**

To varying degrees, these factors are considerations in all site selection due diligence. But the role of public utilities in economic development and location “siting” is growing in importance, particularly as businesses assess their power needs with traditional and renewable resources, and as fuel and energy costs oscillate.

As elsewhere in the supply chain, companies are re-evaluating energy components and costs while they explore new locations and better ways to optimize efficiencies.

## THE CORE OF ECONOMIC DEVELOPMENT

Energy is at the core of all commerce. Even with demand, supply doesn't move without force. Most energy companies provide economic development services simply because of the nature of their business. PSE&G, the publicly owned gas and electric utility company that serves New Jersey, has been doing it since 1929.

“The utility's involvement in economic development began as an outgrowth of the railroad industry as carriers looked to generate business along their right of ways,” says Tim Comerford, manager of area development for PSE&G Area Development. “Like the railroads, utility companies can't pick up and move their service territory, so economic development helps to generate business.”

The utility serves a specific function for commercial business, says

Mike McKinney, director of economic development for Oncor, a regulated energy company that operates the largest distribution and transmission system in Texas.

“Oncor is unbundled, strictly a wire company,” he says. “We're the infrastructure, the energy dealer, the commodity broker. Wherever the customer buys energy, we're the common carrier.”

PSE&G and Oncor, like other energy companies spanning the country, serve their constituents in two ways: first, from a community perspective and what they can do to attract commerce and trade; second from a business point of view and what they can do to help companies locate sites in their respective areas.

“From a macro perspective, PSE&G works with various local and state jurisdictions to analyze major economic development issues and help them attract business,” says Comerford. “PSE&G also works with companies directly, providing an inexpensive source for information on siting a new location.”

Industries and companies that demand reliable power capacity consider energy partners a top priority. Utilities, in turn, are working to provide the best service at competitive rates.

Energy companies have dedicated geographic locations and distribution supply—in terms of energy and infrastructure—to reliably deliver electricity to data centers and mission-critical facilities.

“Service and a redundant power supply are critical,” Comerford says.

Data centers have unique, site-specific requirements. Systems that exist in one location may be considerably different than those at a site in close proximity—across the highway, for example. Distribution, transmissions, and sub-transmissions infrastructure are critical to these types of businesses.

Location relative to fiber mile distance is an important criterion for financial service companies that use these types of data centers because they will often look to coordinate computer systems among multiple facilities.

“Two sites may operate at 50 percent capacity and synchronize their usage with fiber optic cables. But this linkage is limited by distance, between 60 to 90 fiber miles,” adds Comerford. “It places a premium on location.”

## RURAL VS. URBAN

Rural areas experience competing fiber optic needs. These locations have limited electrical and communication infrastructure to support mission-critical facilities. They sometimes lack power redundancy and fiber networks, so companies are resigned to working with multiple suppliers of one-directional technology.

Urban areas, by contrast, often offer multiple service and communication options, and, in many cases, the systems have redundancy built in. PSE&G's service territory, for example, is a loop

design. Electricity is fed from multiple directions and circuits around, providing greater reliability.

"Service availability is very site-specific, so working early on with utility representatives is the most prudent method for site selectors to make sure quality matches need," Comerford observes.

### HUSKING FOR BUSINESS

Energy isn't the only part of the site selection equation. Businesses have varying requirements, often exploring locations that are close to end-user demand, or that provide suitable transportation networks, tax incentives, and competitive land and labor costs. But the utility is arguably the one constant in all location decisions. Businesses need power.

"Oncor may not always be captaining the site selection process, but we're generally in the mix. We're always there and always on," says McKinney.

Nowhere is this more apparent than in Nebraska, where public utilities and state and local economic development

interests have been collectively amping up efforts to attract new business.

Nebraska is unique in the United States because all its public utilities are publicly owned. "Energy companies don't have to worry about stockholder pressure to make a profit. Revenue is reinvested in the business," says Roger Christianson, director of economic development for Omaha Public Power District (OPPD), which delivers energy to more than 340,000 customers in all or parts of 13 counties in east and south-east Nebraska.

This is one among many reasons why companies such as Yahoo! and Novozymes, a Denmark-based manufacturer of bio-industrial products, have located data centers in the Omaha region. Nebraska's utility rates rank below the national average, providing yet more justification for high-energy-use companies to locate there.

Perhaps as a reflection of their "public" calling, Nebraska's energy companies are highly attuned to their utilitarian purpose.

"We provide low-cost, reliable energy and customer service to enhance quality of life," says Dennis Hall, economic development manager, Nebraska Public Power District (NPPD). "We prepare communities to seize economic opportunities that come their way."

As the largest utility in Nebraska, NPPD serves all or parts of 91 of the state's 93 counties. Like its Omaha peer, the utility has made a concerted effort to sell prospective pioneers on the entire state and all its beneficiaries.

NPPD works with various state departments, including workforce development and environmental authorities, as well as the railroads, notably Omaha-based Union Pacific, to market the state's location advantages. It's essentially a bundled economic development offering.

"Companies might contact NPPD looking for information. We answer their questions, then package that material in cooperation with local economic development areas," notes Hall. "We introduce companies to suitable agencies that can meet their criteria."

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Power sources aside, both NPPD and OPPD are working with customers to make energy efficiency a cost savings, not a capital bleed. Both utilities offer services that allow companies to retrofit their facilities and conserve energy.

"OPPD offers a continuous commissioning program where we work with customers to identify inefficiencies and efficiencies," says Christianson. "We put systems in place, then finance those investments with energy savings."

These efforts might include helping companies explore different lighting arrangements or heating/cooling duct placement—mundane considerations that have measurable impacts.

"NPPD offers incentives to help companies upgrade equipment to improve efficiency," reports Hall. "We often help warehouses and DCs improve lighting, assess how they can fix problems, then help subsidize those efforts financially."

The fact that Nebraska utilities don't make a profit adds power to their value

sources is creating a pull for like-minded energy companies. Recently, demand for green power has become a force to be reckoned with.

"A tremendous green energy push began about three years ago with the commercial industry and is just starting to penetrate the industrial sector," says PSE&G's Comerford.

The commercial industry has been building LEED-certified facilities for the past seven or eight years, well before the economic downturn, adds Comerford. The Leadership in Energy and Environmental Design (LEED) sustainable construction rating system, pioneered by the U.S. Green Building Council, creates a standard for building facilities in a green way.

It's still very much a socially driven mindset, minimizing carbon footprint, but topics such as waste disposal and water recapture are top of mind now when companies approach utilities.

"New facility constructions have the

generated energy. NPPD shares a similar mix. Both utilities are heavily investing in and purchasing wind energy while also experimenting with landfill/waste gas, solar energy, and fuel cell technology.

## THE WAY THE WIND BLOWS

But energy diversity can have a downside. "For example, OPPD doesn't build wind farms, we buy wind. There's a variable aspect because wind doesn't always blow. We still need a core energy base and supply," says Christianson.

That said, some states have no alternative. Governments are enacting renewable source index requirements to force energy diversity and further research and development. New Jersey is among the states adopting such mandates.

"Any company that produces or sells electricity has to source a small percentage from renewable resources, or buy credits from companies that do. So, if total capacity is 100 units, two units have to come from a renewable source such as solar, wind energy, or geothermal," says Comerford.

PSE&G is actively looking at investments in renewable energy resources, and exploring major offshore wind generation farms. The utility also recently received funding to begin installing solar units on top of utility poles throughout New Jersey.

Nebraska, too, is a leader in renewable energy capture. In terms of logistics, NPPD is focused on what wind energy might mean for Nebraska. Currently, the state ranks in the top 10 for U.S. wind potential.

This emerging energy niche has yielded its own economic development potential. Katana Summit, a wind turbine manufacturer, recently opened a new plant in Columbus, Nebr., building support for a new industrial base in the region. Texas has also seen an updraft in wind component manufacturers and suppliers locating in the state. Wind power is a renewable energy source with fixed economic development potential that will continue to blow.

For enterprising businesses, public utilities have a lot to offer beyond

**"Like the railroads, utility companies can't pick up and move their service territory, so economic development helps to generate business."**

—Tim Comerford, manager of area development, PSE&G

proposition. Customers know that their partners are doing what's in their best interest. "We want our customers to use as little energy as they can but as much as they need," Hall says.

This, in turn, catalyzes a process of economic enrichment and empowerment that flows from the end user through the state. "The idea is for companies to invest the money they save on energy costs in capital expenditures that expand business, create more jobs, and drive the state economy," Hall says.

In essence, energy efficiency at the enterprise level is padding the state's bottom line by creating a magnet for more industrial growth.

## THE GREEN PULL

In Nebraska and elsewhere around the country, the push for renewable energy

biggest impact because there are marginal costs to upgrading systems and it's cost effective to save kilowatt energy output," says Comerford.

Many businesses are quick to recall the fuel crisis in 2008 and mindful that energy costs will likely spike again. It serves as an equal reminder to utilities and customers alike that demand for renewable energy sources is here to stay.

"Demand for renewable energy has been largely customer-driven," says Christianson. "Companies weren't looking for green energy until a few years ago. Now OPPD is working to source 10 percent of its energy from renewable resources by 2020."

OPPD currently has a diverse supply of power: 65 percent coal, 20 percent nuclear, and 15 percent a mix of oil, natural gas, landfill gas, wind, and solar-





**As demand for energy diversity expands, utilities across the country are exploring new, earth-friendly technologies such as solar panels, as well as nuclear energy.**

energy. While some companies appreciate the core role their utility partners play, other verticals can similarly plug into their resources, if not their power.

“Many industries don’t look to utility companies as a source for site selection information. But PSE&G has been doing this type of work for years. We’re an untapped resource,” says Comerford.

Industry depends on utilities, and they, in turn, depend on customers to flip the switch. Business opportunity flows both ways and energy companies are conduits between economic development and logistics site selection, then execution.

“If our customers are successful in attracting business and industry, and if they are economically healthy, our

utilities will be, too. It’s the reason utility companies are involved in economic development,” says NPPD’s Hall.

If you’re looking for information about the best place to site a new facility, contact your local utilities. It’s what they do. In the kitchen, you’re on your own—but at the mercy of the power cord. ■

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**food and fuel to the city,**  
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**“Trade is a lifeline for our communities. As an agricultural, energy-producing rural area, we don’t have enough people here to buy the goods we produce, so we have to export—it’s vital to our success as a region,” says Michael Reeves, president of the Ports-to-Plains Trade Corridor Coalition.**

The region that Reeves refers to is the Ports-to-Plains Trade Corridor, a 2,333-mile economic area that stretches between Laredo, Texas, and Alberta, Canada, and includes nine U.S. states: Colorado, Montana, Nebraska, New Mexico, Oklahoma, North Dakota, South Dakota, Texas, and Wyoming.

The area is a major commerce hub, generating \$166.7 billion in trade with Canada and Mexico – nearly 20 percent of total North American trade. It is home to six cross-border ports, including North America’s second- and 15th-busiest crossings (Laredo, Texas-Nuevo Laredo, Mexico; and Sweetgrass, Mont.-Coutts, Alberta, Canada, respectively).

With such an emphasis on trade, it is not surprising that the region is laser-focused on promoting its transportation assets and improving its infrastructure deficits. “Transportation is the investment upon which all other investments rely,” explains Joe Kiely, the Coalition’s vice president of operations.

“All the major industries in the Corridor depend on efficient transportation,” adds Reeves. “Farmers need to get crops to market; the oil and gas industry has to

transport equipment and reach pipelines; and our emerging alternative energy companies need to transport the tools to build and service wind farms.”

#### GOING WITH THE WIND

Ensuring that transportation is available to further the development of wind farms is crucial to the City of Sweetwater, Texas, located just east of the Corridor off Interstate 20. Sweetwater is in Nolan County, West Texas, which is home to more than 1,200 wind turbines. The wind

industry accounted for 20 percent of the area’s workforce in 2008. Three years ago, GE Wind chose Sweetwater to locate a wind data collection center that employs 90 people – the first facility of its kind that GE has developed in North America.

“The Ports-to-Plains Corridor runs right through the center of the wind corridor, making the area a natural fit for wind energy development,” says Ken Becker, executive director of Sweetwater Enterprise for Economic Development.

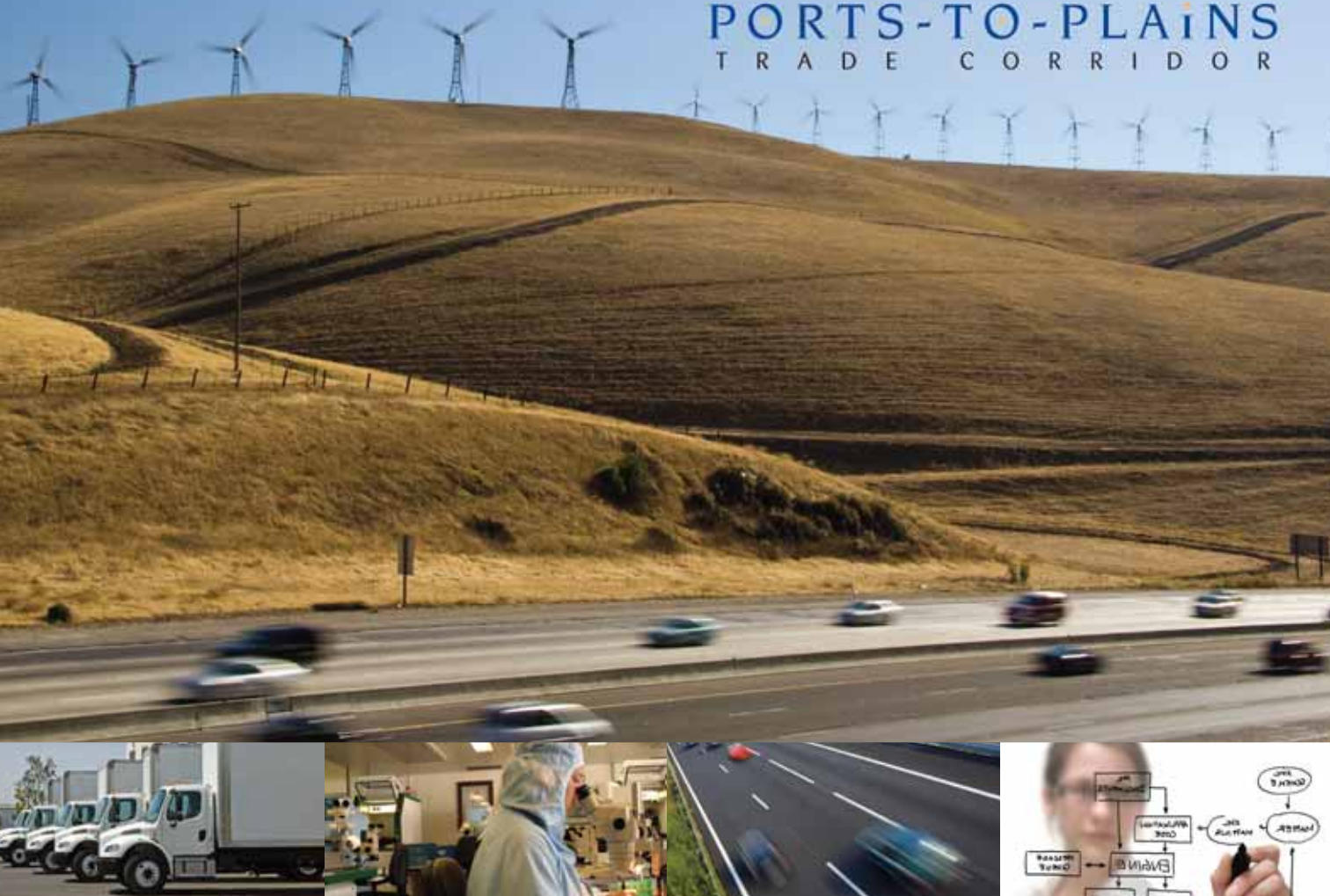
Transportation is a key component of

**Wind farms like this one in Alberta, Canada, continue to crop up along the Ports-to-Plains Trade Corridor.**





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Transportation creates jobs. It's been that way throughout history; be it seaports, rivers, railroads or the roadways of today, economic growth is a natural byproduct of our highways and byways. And that's what the Ports-to-Plains Corridor is all about - bringing new jobs and opportunities to communities throughout the region.

A global economy means a world of opportunities for the communities along the Ports-to-Plains Corridor, and our success invariably depends on our connection to these new markets. Ports-to-Plains aims to provide that connection, while also improving highway safety and creating a secure, efficient corridor in which to move freight.

By developing the infrastructure to support the region's growing renewable energy market, Ports-to-Plains will help lead the charge in reducing our dependency on foreign oil - an approach that will inevitably lead to more investment in wind energy and biofuels. That means more investment in our communities. The result? More jobs for the people of our region.

### The Corridor's Reach

Covering more than 2,300 miles, the Ports-to-Plains Trade Corridor spans from Laredo, Texas, to Alberta, Canada, and includes nine U.S. states and one Canadian province.



wind development. Because of the size of the parts needed to build and service wind turbines – 250-foot towers and 120-foot blades, for example – it takes eight to 10 trucks just to haul the major equipment for one wind turbine.

Since Nolan County began hosting wind farms in the early 2000s, some 12,500 trucks have traveled to and from the county, hauling wind turbine parts. “As wind towers continue to get larger, the trucks delivering them get larger,” Becker notes. “Having bigger, better roads throughout the Ports-to-Plains Corridor will help the wind industry grow.”

### TRANSPORTATION: THE REGION'S BACKBONE

Making those bigger, better roads a reality is where the Ports-to-Plains Trade Corridor Coalition comes in. Based in Lubbock, Texas, the Coalition began as a local government initiative to secure funding for Interstate Highway 27 in Texas. It has expanded to become a bipartisan, nonprofit organization that promotes the policy, trade, and investment priorities for the entire Ports-to-Plains region. Its members include economic development corporations; chambers of commerce; expressway associations, including the Theodore Roosevelt Expressway (see sidebar, page 70); corporations; and cities, states, counties, and provinces in the United States, Canada, and Mexico.

“Support for the Ports-to-Plains Coalition has really grown over the past 12 years,” says Duffy Hinkle, the Coalition’s vice president of membership and marketing. “The group began organizing in 1997 with a handful of members, and includes more than 150 members in nine states and the province of Alberta. Our supporting members are the lifeline of the Ports-to-Plains Alliance, and without them the organization would cease to exist.

“Several universities and colleges are Coalition members,” Hinkle adds. “We are beginning to team these institutions for assistance with additional research and studies that are necessary for future



# Growing the Great Plains Region



**Theodore Roosevelt**  
**EXPRESSWAY**



## The Theodore Roosevelt Expressway (TRE) is the Northern third of the Ports to Plains Alliance.

It runs from Rapid City, SD to Canada through the Port of Raymond in Montana, and flows through the cities of Spearfish, Belle Fourche, Bowman, Belfield, Watford City, Williston, Culbertson, Plentywood, and finally through the Port of Raymond into Canada.

TRE provides a transportation corridor for oil rigs, pipe, steel, and supplies from Edmonton, Calgary, and Regina to the north and Houston, Dallas, and Denver from the south. TRE is a collector corridor for six major east-west highway systems that service major oil development areas, and provides a safe and efficient highway for over 300 oil service companies and crew transport throughout the Williston Basin.

The TRE will stimulate transportation opportunities in a 100+ mile area on either side of the highway by improving trade efficiency, adding economic growth opportunities, and improving overall highway safety. The opportunities that this corridor will provide are invaluable to the future of this region.

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development of the Corridor.”

Many of the Corridor's roadways are currently two-lane thoroughfares that are not ideal for trade and transportation. One of the Coalition's major goals is to upgrade these roads to create a four-lane divided highway that runs the entire length of the Corridor. Once completed, this highway will help the area siphon traffic away from congested roadways, such as Interstate 35 in Texas and Interstate 25 in Colorado.

A major factor in achieving these goals is the upcoming reauthoriza-

region attract new jobs and businesses.

“Individually, these small cities have almost no national voice; but combine the impact of cities from Texas all the way to Montana, and into Canada, and elected officials begin to understand why the region is so important,” explains Kiely.

The Coalition also acts as a booster for economic development activity, working to help member communities attract site selectors. “We focus on providing members the tools they need to sell the Ports-to-Plains concept as a benefit for

its status as a cost-cutting day's drive to numerous metropolitan areas—3.5 hours to Albuquerque, and Santa Fe, N.M., as well as Oklahoma City; 4.5 hours to Denver; and 6.5 hours to the Dallas metro area. “The location makes us a natural stopping ground for truckers,” Running says.

The city also offers a trade area of 85,000 people, and a workforce of “blue-collar professionals who are prepared to take on distribution positions,” Running notes.

Another key part of Dumas' appeal is its rail access via Texas North Western, a shortline railroad that connects to BNSF.

“We have a great relationship with Texas North Western,” Running notes. “If a company is interested in our community but requires rail access, Texas North Western will say, ‘Tell us where and when.’”

Rail access is also a key selling point for the Ports-to-Plains-area city of Levelland, Texas. Situated 30 miles west of Lubbock, the city is served by Permian Basin Railways, a shortline railroad that connects to BNSF in Lubbock.

This connection is at the heart of the city's new Levelland Industrial Rail Park, a roughly 280-acre rail industrial park currently under development. The park will entice manufacturers and distributors with its combination of low costs and access to global markets via the connection to BNSF, says Dave Quinn, executive director, Levelland Economic Development Corp.

“We're lowering the barrier to entry for companies to ship and receive goods via rail,” Quinn says. “The park will allow smaller companies bringing in goods from Mexico or through the Port of Houston to rail ship to Levelland, then truck the goods within the 500-mile region.”

Two companies have already committed to building at the rail park—Tex-Rail Commodities, which ships cottonseed and other commodities; and a wood products manufacturing firm.

Quinn knows that part of Levelland's draw for new business development is its proximity to the Ports-to-Plains Corridor. “The Ports-to-Plains Coalition's



**MASS(IVE) TRANSIT:** Trucks transporting huge wind energy equipment are a common sight along the Corridor. It takes eight to 10 trucks just to haul the major equipment for one wind turbine, which might include a 250-foot tower and 120-foot blades.

tion of the Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU)—which authorizes federal surface transportation programs for highways, highway safety, and transit. “The Coalition is spending a great deal of time and effort to add programs and funding into the reauthorization bill that will support our goals,” Kiely explains.

### MORE THAN JUST A ROAD

But the Ports-to-Plains Coalition is not only about improving highway infrastructure—the group also acts as a common voice for its members, working to push policies and programs that can help the

companies interested in locating in their communities,” says Reeves.

“Coalition membership helps us recruit businesses to our area,” explains Mike Running, executive director of the Dumas (Texas) Economic Development Corporation. “Many companies are not aware that Dumas is near the Corridor. Mentioning that we are part of the Coalition helps them understand how our location can benefit their business.”

Dumas' location within the Ports-to-Plains Corridor—on Highway 287 just north of Amarillo, Texas—is the reason the city is actively courting companies in the distribution industry. It is pitching



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initiatives will have a significant impact not only on the towns directly in the Corridor, but on the outlying communities as well," he says. "We are positioning ourselves in the center so we can distribute goods in a local or regional market."

Distributing goods on a global scale is also part of the Coalition's plans. Stretching through all three North American countries, the Ports-to-Plains Corridor is a major player in North American trade. "The communities along the Corridor are

becoming the gateway to trade throughout North America," Reeves explains. "By increasing trade between Mexico, Canada, and the United States, all three nations will continue to see a rise in their regional mobility and economic status."

### NORTHERN PASSAGE:

## The Theodore Roosevelt Expressway

Making up the northern third of the Ports-to-Plains Corridor, the Theodore Roosevelt Expressway (TRE) runs from Rapid City, S.D., to Canada through the Port of Raymond in Montana. A collector corridor for six major east-west highway systems that service major oil development areas, the expressway conveys oil rigs, pipe, steel, and supplies from Edmonton, Calgary, and Regina to the north and Houston, Dallas, and Denver from the south. Each day, tens of thousands of barrels of daily oil production move on the TRE to tank farms for pipeline transport.

For the communities that lie along the TRE's path, the expressway is nothing short of a lifeline. One such community is Williston, N.D., located in the northwest corner of North Dakota, about 60 miles from the Canadian border. "As a natural resources- and commodity-based production region for the United States, we are even more reliant than most on adequate surface transportation to move our goods to market," says Williston City Commissioner Brad Bekkedahl. "We are an export economy that produces much more than our needs in terms of energy and agriculture."

Williston, and the region as a whole, stand to benefit greatly from the Theodore Roosevelt Expressway Association (TREA) and the Ports-to-Plains Coalition's efforts to improve the surrounding transportation infrastructure.

"A key to Bowman County's economic development is getting commodities moved from point A to point B safely and quickly," says Ashley Alderson, executive director, Bowman County Development Corp. "The Theodore Roosevelt Expressway not only moves people and product, but also enhances commerce and trade in the heart of our towns."

Members of the TREA seek to update the Corridor's current, standard two-lane route into a super highway by widening the shoulders, adding passing lanes on hills, and placing turn lanes at intersections. Once that goal is achieved, the association hopes to complete a four-

lane infrastructure that provides system continuity with the rest of the Ports-to-Plains Corridor, and offers capabilities to handle increased traffic demands that will be generated from the southern sections of the Corridor.

"Commonalities of agriculture, energy, manufacturing, and tourism represent the future for agricultural rural economic development for the Theodore Roosevelt Expressway and its alliance partners at the Heartland Expressway and Ports-to-Plains," says TREA Executive Director Cal Klewin. "It is our mission to promote infrastructure improvements along the north-south corridor that enhance those opportunities."

### ON THE ROAD TO GROWTH

With more than 300 oil service companies transporting product throughout the region, a lot is riding on the TRE. "Unlike most of the country, this area experiences a sustained, healthy economy that is much less volatile than the national economy," says Gaylon Baker, economic development executive vice president in Dickinson, N.D. "Our growing manufacturing base and oil production increases have boosted traffic and commerce here. We need the Theodore Roosevelt Expressway to help us secure delivery to markets and to connect us with our trading partners to the north and south."

Those trading partners are eager to see the TREA succeed in its goals. "The completion of more than 50 of the 85 miles of South Dakota's four-lane divided segment of the Ports-to-Plains Corridor have transformed our Black Hills communities in terms of population growth, business activity, and better access for residents, travelers, and trade," says Linda Rabe, president and CEO of the Rapid City, S.D.-area Chamber of Commerce.

"As the regional center connecting South Dakota's Heartland Expressway to Nebraska and the Theodore Roosevelt Expressway to North Dakota, our area is realizing the tremendous value of the trade corridor," she adds.

Improvements to the TRE are expected to elevate trade efficiency, add economic growth opportunities, and boost overall highway safety within the region.



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As the northern anchor of the Ports-to-Plains Trade Corridor, Alberta Canada is a diverse economic region where businesses flourish and individuals succeed. Alberta is an energy-rich province with a large agricultural industry supported by an excellent transportation network. Combined, these have helped Alberta become a prospering centre for commerce.

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# Ports-to-Plains



The economy of Del Rio, Texas, goes hand-in-hand with that of its sister city, Ciudad Acuña, Mexico, home to numerous factories manufacturing goods for U.S. trade (*above*). Del Rio is also committed to promoting activities that contribute to its overall quality of life (*right*).

For many southern U.S. border towns in the Ports-to-Plains region, economic development activity centers on manufacturing in the maquila plants—Mexican factories used by American companies to manufacture goods and high-tech

components for export back to the United States. The economy of Del Rio, Texas, for example, goes hand-in-hand with that of its sister city, Ciudad Acuña, Mexico.

“Ciudad Acuña boasts the highest per-capita concentration of maquilas between

Tijuana/San Diego and Matamoros/Brownsville, and has become the maquila mecca for the Ports-to-Plains Corridor,” says Fabio E. Angell, economic development director for the City of Del Rio.

Del Rio orchestrates U.S. distribution, logistics, and transportation support for companies such as Alcoa, GE, and Sunbeam, which use Ciudad Acuña’s maquilas—and have been doing so for 40 years. Del Rio provides these companies some of the fastest truck-crossing times along the border, while Ciudad Acuña offers manufacturers a workforce of some 30,000 skilled individuals and strong government-industry partnership opportunities for enhancing workforce development.

“We have worked in partnership with Ciudad Acuña to develop the different industries we have here today,” says Angell. “Together, we consider ourselves the first bi-national metropolitan statistical area in North America.”

It is this bi-national, bi-cultural outlook that Angell believes can be an asset to the communities along the Ports-to-Plains Corridor. Del Rio functions as a gateway into and out of the Latin American market because of its location on the U.S.-Mexico

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border. As a gateway city, Del Rio can help other cities and counties all along the Ports-to-Plains Corridor reduce dependence on goods manufactured in China.

"Within the next five years, we should be able to offer quality products that are made in Mexico and Latin America – instead of in China – and shipped along the Ports-to-Plains Corridor all the way to Canada," Angell says. "Instead of being flooded with Chinese goods, we need to nurture the North American trading bloc."

## NORTHERN EXPOSURE

The scenario Angell describes would work nicely for the province of Alberta, Canada, which became the Coalition's newest member in May 2009.

"Mexico can offer competitive prices for goods that we need; and we have

an excellent trading relationship with Mexico for oil and gas service, as well as equipment," says Doug Cameron, senior director, U.S. trade and investment for Alberta International & Intergovernmental Relations.

Like its Ports-to-Plains Corridor neighbors in the United States, Alberta's economy is centered on oil, natural gas, and agriculture, with a growing alternative energy sector. The province already trades these commodities heavily with the Ports-to-Plains Corridor.

The United States accounts for more than 80 percent of Alberta's trade volume, and Texas, Montana, Wyoming, Colorado, and North Dakota rank among Alberta's top 25 export markets. And, as a largely rural and agricultural region, Alberta shares some of the same challenges and

history as the states in the U.S. heartland.

"There are huge elements of our province's rural area economies that we want to involve in greater trade development," Cameron explains. "The Ports-to-Plains Coalition is one way to do that."

In particular, Alberta is focused on developing its oil sands, which contain one of the largest concentrations of oil in the world. While the natural resources are plentiful in Alberta, the materials and services needed to bring the oil from the sands to the marketplace are not.

"To build these multi-million-dollar oil sands plants, we need to import a large volume of materials," says Cameron. "The Ports-to-Plains initiatives for streamlining transportation infrastructure will help make that process more efficient."

The province's goal of competing in the

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alternative energy and clean technology fields will also be boosted by the infrastructure improvements that the Coalition is promoting.

And after all, becoming more competitive – both in the region and worldwide – is what the Coalition is about.

“The member regions’ goals go hand-in-hand,” Kiely says. “By improving the highway and increasing traffic through the Ports-to-Plains communities, we will encourage manufacturers to locate along the Corridor. That will boost economic development and create jobs and opportunities for all these cities and counties.” ■

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## Light Range ▲

**CAPACITY:** 11,000-20,000 lbs.

**POWER SOURCE:** Diesel

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## Medium Range ►

**CAPACITY:** 20,000-40,000 lbs.

**POWER SOURCE:** Diesel

Precise operation, sure handling, and high visibility are all hallmarks of Kalmar's line of 20,000- to 40,000-lb. capacity lift trucks. Advanced electronics are teamed with a unique power train and linked lifting functions that give the operator total control of maneuvering and load handling. The truck is easily adapted to fit a range of work needs. Options include intelligent functions that increase productivity even further, and lifting equipment with robust design and good visibility. A wide range of masts, forks, and attachments are available for a variety of applications. Combine all this with legendary Kalmar quality, durability, and easy maintenance and you've got the ultimate in lift truck efficiency and lifetime value.



## Heavy Range ▲

**CAPACITY:** 44,000-115,000 lbs.

**POWER SOURCE:** Diesel

Kalmar's heavy forklift trucks offer reliable and efficient handling for high productivity. These trucks are suitable for use in ports and terminals, at mills, for building materials handling, and other applications requiring lift power. The lifting system is developed by Kalmar and made from high tensile steel for a long life. All the available masts are designed for free visibility and the lift cylinders are positioned out of the operator's eye line. Fork carriages with hydraulic side shift and fork positioning are standard for the most convenient operation. Full lifting capacity is maintained in all positions.



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## E50XN ▼

**CAPACITY:** 5,000 lbs.

**POWER SOURCE:** Electric

**LENGTH:** 78.9"

**WIDTH:** 42.1"

**HEIGHT (FORKS LOWERED):** 88.5"

**APPLICATION:** General warehousing, food and beverage distribution, lumber and building material distribution



The Hyster electric E50XN features a remodeled operator compartment with increased foot and leg room, and a removable floor plate for quick maintenance solutions. The truck's ergonomically improved compartment has a relocated dash display for enhanced visibility and pallet control, while a redesigned hood provides maximum battery service access to reduce downtime. The entire line has been subjected to comprehensive environmental and electrical testing to ensure the trucks meet and exceed all international standards for industrial lift trucks.

## E40HSD ►

**CAPACITY:** 4,000 lbs.

**POWER SOURCE:** Electric

**LENGTH:** 69.8"

**WIDTH:** 42"

**HEIGHT (FORKS LOWERED):** 81.9"

**APPLICATION:** Retail distribution, food manufacturing and processing, general warehousing and manufacturing, storage, plastic products, and freight transportation



The Hyster E40HSD three-wheel StanDrive cushion tire stand-up lift truck is a versatile materials handling lift truck emphasizing ergonomics and increased productivity. The CANbus (Controller Area Network) electrical system reduces downtime and simplifies on-board diagnostics via in-dash display, while lift-off panels provide quick access to lift pump, drive motors, electronics, power steering pump, and motor for easy maintenance. The on-demand hydrostatic power steer system affords precise control with minimal steering effort, and the dual steer wheel assemblies provide 180 degrees of total steer angle.

## S50FT ►

**CAPACITY:** 5,000 lbs.

**POWER SOURCE:** LP/Gas

**LENGTH:** 89.8"

**WIDTH:** 42.1"

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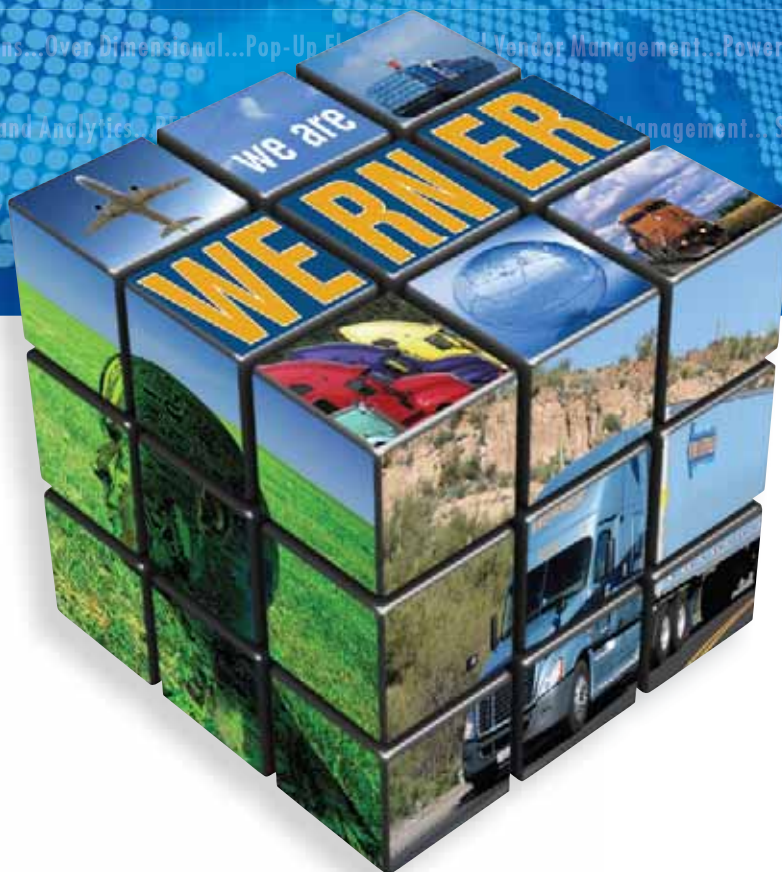
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**FACING LOGISTICS CHALLENGES? USE IL'S 3PL EXPERTS AND**

## Casebook | by Joseph O'Reilly

### SUPPLY CHAIN SUSTAINABILITY

## What a Difference a Day Makes

**G**reen leanings are manifest everywhere in the supply chain, from raw materials sourcing and product design to reverse logistics and asset recovery—and countless transportation and distribution touches in between. For some companies, such as Canadian office supply retailer Grand & Toy, using green to reduce costs, create new revenue, and attract customers is becoming a hallmark.

Toronto-based Grand & Toy has refashioned its corporate mission around sustainability. The company recently launched a “What a Difference a Day Makes” campaign to offer customers a more eco-friendly delivery option when placing orders.

On the surface, the new marketing gimmick is straightforward: allow businesses the opportunity to select 48-hour delivery instead of next-day service, thus improving order quality, shortening delivery routes, and reducing carbon footprint. But for Grand & Toy and its customers, the impact is far more penetrating.

The retailer operates one of the largest distribution networks in Canada, making 8.4 million deliveries in 2008 alone. This adds up to a lot of next-day

miles. Recognizing an opportunity to make a difference, Grand & Toy's supply chain and marketing departments worked together to brainstorm a customer-facing, value-added strategy underpinned by reducing carbon emissions.

A pilot program conducted in early 2009 proved the merit of offering customers a shipment priority choice. Grand & Toy anticipates it will ship 50 percent of all orders second-day by December 2009, with the long-term expectation that 48-hour delivery will become standard across its geographic footprint.

Before the retailer initiated the program, 48-hour and next-day delivery options were only available to online customers in certain populous regions.

Canadian office supply retailer Grand & Toy sells 48-hour delivery as a sustainable go-to-market philosophy. And customers are buying it.





Now, customers located within a six-hour radius of major trading areas will have the eco-friendly option.

"We were exploring ways we could make our supply chain more efficient. Now it's blossoming into a supply chain sustainability platform for our entire Canadian distribution network," says Kevin Edwards, vice president of marketing, Grand & Toy.

"Our biggest weakness is our carbon footprint," he adds. "Our trucks deliver to thousands of addresses every day. We offer a solution to our customers and they make that decision voluntarily. It creates a stronger sense of partnership around sustainability."

### CHALLENGING THE STATUS QUO

Posing such a simple question to customers has yielded overwhelming and surprising reception. Grand & Toy is essentially challenging the existing paradigm of next-day delivery.

"We had never looked at the operating rules of our business to determine whether they match those of our customers," says John Scheel, vice president of supply chain, Grand & Toy.

The company's green campaign creates a passive entrée into learning more about customers – their expectations, perceived demands, and actual needs. The intrinsic value of encouraging businesses to reconsider their purchasing needs and transportation requirements touches many points within Grand & Toy's enterprise as well.

"In terms of transportation, we offer 24-hour guaranteed delivery for next-day orders, so we have no alternative but to use 100 percent of our fleet to fulfill these shipments," adds Scheel.

With its second-day delivery option, Grand & Toy can add density to outbound transport movements, using other transportation options and partners as necessary, to be more efficient and productive.

"We were operating with a 100-percent fixed-asset base because of delivery need. Many customers who were already receiving UPS deliveries wondered why we didn't piggyback with them," says

Scheel. "Now we can optimize our private fleet when and where we need it."

In the warehouse, the advantages are equally transparent. By lagging inventory an extra day, Grand & Toy has batches ready to pick, instead of waiting for stock to incrementally build up. This allows the company to better allocate dedicated resources to manage more predictive flow. In some of its larger facilities, Grand & Toy has been able to eliminate an entire eight-hour production shift.

More than anything else, Grand & Toy is building mindshare with its customers and driving internal visibility and collaboration around its green marketing campaign.

the organization; everyone has a seat at the table; and "every dollar we save in the supply chain flows to marketing or the customer. That is how you grow your brand," says Edwards.

This communication also impacts other parts of the enterprise—for example, managing corporate policies across operating demographics. In the past, Grand & Toy handled returns inconsistently throughout Canada. It needed to make the process more predictable to better manage expectations and service levels.

"Sending a unified message was important," adds Edwards. "In partnership with supply chain and sales, we established and implemented procedures and

**"We're helping customers work toward a right-day delivery model as they think about how and when they place orders and maximize deliveries."**

—Kevin Edwards, vice president of marketing, Grand & Toy

"We're helping customers work toward a right-day delivery model as they think about how and when they place orders and maximize deliveries," says Edwards.

For some larger customers, Grand & Toy is able to capture ordering patterns and determine how to optimize future procurement with better planning.

Beyond that, the campaign stimulates a more productive conversation between the retailer and its customers. "If a client's RFP calls for 24-hour, full-service delivery, we can engage them with the 48-hour program," says Edwards. "The client can then look at its own purchasing and consider why someone is ordering a certain supply every day."

Another benefit is the communication cultivated among internal operating departments—business development, finance, marketing, and supply chain, among other areas. Everyone is looking at barriers to cost control throughout

training for our sales team. We all came together to help streamline the returns process and establish clearer guidelines for customers."

Increasingly, Grand & Toy and its many customers recognize the cascading impact and value sustainable efforts can bring to their respective supply chains. But it can't be static, and businesses need to continue pushing the green envelope.

"We don't put numbers up on the board and strive to meet them because that limits our potential. Who knows what those numbers can be?" says Edwards.

To that end, neither Edwards nor Scheel perceive Grand & Toy's sustainability platform as simply a root to better cost control. Instead they see it as a new underpinning for the brand.

"We've taken sustainability and brought it to life," Edwards says. "We're living green." ■



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# NEW SERVICES

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## **Agility**

**WHAT'S NEW:** A logistics hub in Malaysia.

**THE VALUE:** The 140,000-square-foot facility in Bukit Jelutong, Shah Alam, near Kuala Lumpur, has 12 loading docks; 14,000 pallet positions; and dedicated areas for pick and pack, kitting to line operations, consolidation and deconsolidation, cross docking, and reverse logistics. The hub, which now serves as Agility's Malaysian headquarters, is 45 minutes from North Port and Westport as well as Kuala Lumpur International Airport. Targeting the apparel, chemicals, engineering and industrial equipment, and telecommunications industries, the facility features a 54,000-square-foot bonded area and either LPG- or electrically powered materials handling equipment.

✆ [www.agilitylogistics.com](http://www.agilitylogistics.com)

☎ 713-452-3500

## **Associated Global Systems (AGS)**

**WHAT'S NEW:** Expanded residential delivery service options.

**THE VALUE:** AGS designed its home delivery service for companies that sell and ship products directly to consumers, require a single carrier for transportation and final mile delivery, and need flexibility to meet residential customer requirements. The new specialty offerings include unpacking and installing electronic equipment, furniture, and home fitness equipment.

✆ [www.agsystems.com](http://www.agsystems.com) ☎ 800-645-8300

## **Con-way Freight**

**WHAT'S NEW:** A capped pricing model for less-than-truckload (LTL) shipments.

**THE VALUE:** True LTL applies the pricing formula commonly used in

truckload shipping to LTL service and removes unexpected charges, such as the lineal foot rule, that shippers might face when moving large LTL freight. In addition, mixing small and large shipments decreases the number of trucks on the road—ultimately conserving fuel, reducing carbon emissions, and cutting down on traffic congestion. An online rate quote tool allows shippers to calculate an estimate for using the service.

✆ [www.con-way.com/trueltl](http://www.con-way.com/trueltl) ☎ 800-755-2728

## **Rite Hite**

**WHAT'S NEW:** An LED dock light.

**THE VALUE:** The Rite-Lite is designed to illuminate the entire length of a semi-trailer for improved safety and productivity, while reducing energy

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### 4Front Engineered Solutions

**WHAT'S NEW:** A line of edge-of-dock (EOD) levelers.

**THE VALUE:** Available under the KELLEY and SERCO brands, the new EOD levelers mount to the dock face and are an alternative to portable plates for moderate-traffic loading docks. They have an effective working range of five inches above to five inches below the dock, and a variety of activation systems—including mechanical, air-powered, and hydraulic-powered—are available to match the dock's operational needs.

☎ [www.4frontes.com](http://www.4frontes.com)

☎ 877-778-DOCK

costs. It consists of a die-cast aluminum light housing that contains five high-intensity LED emitters, with a custom-engineered beam for loading dock applications, and a heavy-duty steel pivoting arm that attaches to the dock wall. The 15-watt light delivers a minimum life of 50,000 hours and is always cool to the touch.

☎ [www.ritehite.com](http://www.ritehite.com)

☎ 800-465-0600

### Averitt Express

**WHAT'S NEW:** Locations in Michigan and Pennsylvania.

**THE VALUE:** Expanding its network to Kalamazoo, Mich., and Harrisburg, Penn., helps Averitt respond more quickly to local demand for truckload services.

☎ [www.averittexpress.com](http://www.averittexpress.com)

☎ 800-AVERITT

### Estes Express Lines

**WHAT'S NEW:** Expanded service in the upper Midwest.

**THE VALUE:** Managing inbound and outbound freight, the new seven-door terminal in Grand Island, Nebr., provides comprehensive direct service to central Nebraska and the upper Midwest region.

☎ [www.estes-express.com](http://www.estes-express.com)

☎ 804-353-1900

### Reliant Leasing Systems and Icebox Solutions

**WHAT'S NEW:** A partnership to provide refrigerated equipment leasing.

**THE VALUE:** The team offers short-term lease service and long- and short-term rental of refrigerated trailers for processors, distributors, shippers, and cold storage providers within the temperature-controlled and refrigerated transportation industry.

☎ [www.reliantleasing.com](http://www.reliantleasing.com)

☎ 713-672-6111

☎ [www.iceboxsolutions.com](http://www.iceboxsolutions.com)

☎ 845-551-5592

### MOL

**WHAT'S NEW:** Service between Cambodia and North America.

**THE VALUE:** MOL ships containers via river barge from Phnom Penh,







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◀ CONTINUED FROM PAGE 86

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Cambodia, to Ho Chi Minh's deep-water terminal, then loaded on MOL's line-haul vessels for direct service to North America and intra-Asia. The new service cuts transit times to the U.S. West Coast and Canada by two to 10 days, depending on destination.

✉ [www.molpower.com](http://www.molpower.com) ☎ 925-688-2600

### Choice Logistics

**WHAT'S NEW:** A denied party screening service.

**THE VALUE:** Designed to help shippers comply with U.S. Department of Commerce and Treasury Department regulations for exporting equipment and related components, Choice Logistics' new denied party screening service checks each incoming export shipment against two lists of various denied entities and parties, as

well as embargoed countries. In the event of a compliance issue, Choice's Global Trade Compliance Group advises shippers of the potential violation, and works with them to remedy the situation. These solutions range from correcting documentation and obtaining new licenses to taking legal measures to achieve compliance.

✉ [www.choicelogistics.com](http://www.choicelogistics.com) ☎ 800-593-2108

### DHL

**WHAT'S NEW:** A domestic transportation hub in Shanghai.

**THE VALUE:** Expanding its hub-and-spoke network to strengthen domestic road transportation services, DHL opened its Eastern China Domestic Hub in Shanghai. Situated at the Kangqiao Industrial Park in the fast-growing Pudong area, the

269,000-square-foot hub houses 53 loading and cross docks, and operates 24/7 to provide cross-dock operations, storage, multi-modal transfer, and data management for shippers. The facility also houses the fleet control and customer call centers.

✉ [www.dhl.com](http://www.dhl.com) ☎ 800-CALL-DHL

### Bison Transport

**WHAT'S NEW:** Fifty multi-temp trailers.

**THE VALUE:** The multi-temp trailers are equipped with multiple evaporator units and removable walls designed to divide the trailer space into different compartments, each with its own specific temperature.

✉ [www.bisontransport.com](http://www.bisontransport.com) ☎ 800-60-BISON

### TransGroup Worldwide Logistics

**WHAT'S NEW:** A station in El Paso, Texas.

**THE VALUE:** Located near the U.S.-Mexico border, the new station provides domestic (including trans-border) and international transportation services, as well as local warehouse services.

✉ [www.transgroup.com](http://www.transgroup.com) ☎ 800-444-0294

### Maersk Logistics

**WHAT'S NEW:** A supply chain carbon management solution.

**THE VALUE:** In partnership with carbon asset manager and global carbon offset provider First Climate, Maersk Logistics' SupplyChain CarbonCheck offering identifies opportunities for reducing carbon emissions as well as total supply chain costs.

✉ [www.maersklogistics.com](http://www.maersklogistics.com) ☎ 973-514-2136

### Audincork Logistics

**WHAT'S NEW:** Rail service on the Delmarva Peninsula (the Delaware, eastern Maryland and Virginia region).

**THE VALUE:** The service provides loading, unloading, and temporary storage services for boxcar shipments. Audincork also offers full truck-to-door services for rail shippers.

✉ [www.audincork.com](http://www.audincork.com) ☎ 302-593-3552

### Dematic

**WHAT'S NEW:** An integrated sortation sub-system.

**THE VALUE:** The FlexSort system offers single-source control for all sortation functions, including pre-merge, merge, gapping, linear sortation, and take-away. The system-wide, distributed, variable-speed control is based on how much product is being fed into and moving out of the system. Its high-speed, parallel-divert sliding shoe sortation automatically adjusts its speed incrementally as required.

✉ [www.dematic.us](http://www.dematic.us)

☎ 877-725-7500





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# TECHUPDATE

## THE LATEST IN LOGISTICS TECHNOLOGY



### Datamax-O'Neil and Motorola

**WHAT'S NEW:** Datamax-O'Neil portable printers now operate within Motorola's Mobility Services Platform (MSP) environment.

**THE VALUE:** Motorola's MSP can control up to 100,000 mobile devices across an enterprise's network around the world. Managed under an MSP environment, Datamax-O'Neil printers can be remotely provisioned, monitored, and managed to ensure optimal performance and maximize cost efficiencies. MSP also collects printer metrics, such as available total physical memory and battery level, and allows the updating of firmware, applications, and security to meet the latest IT compliance policies.

☎ [www.datamax-oneil.com](http://www.datamax-oneil.com)

☎ 800-816-9649

☎ [www.motorola.com](http://www.motorola.com)

☎ 866-416-8545

### software

#### Logistix Solutions

**WHAT'S NEW:** Enhancements to the *Logix* strategic planning application.

**THE VALUE:** The new version of *Logix* supply chain optimization, site location, and distribution network modeling software includes carbon footprint and greenhouse gas modeling and reporting functions.

☎ [www.logistixsolutions.com](http://www.logistixsolutions.com)

☎ 703-796-0141

#### Robocom Systems

**WHAT'S NEW:** A warehouse management system (WMS) for industrial products and supplies (IPS).

**THE VALUE:** The *RIMS-IPS* WMS tracks lot information and country of origin for all components anywhere in the supply chain, facilitating recall

response and sourcing requirements compliance. The solution features built-in interfaces to a variety of external material handling systems such as carousels, intelligent conveyors, and pick to light, and connectors to Robocom's voice picking and labor management tools.

☎ [www.robocom.com](http://www.robocom.com)

☎ 631-753-2180

#### Network Global Logistics (NGL)

**WHAT'S NEW:** A transportation management system (TMS).

**THE VALUE:** NGL's new TMS offering provides support for an array of transportation capabilities spanning all transportation modes, including parcel freight, LTL, truckload, intermodal, and air.

☎ [www.nglog.com](http://www.nglog.com)

☎ 888-285-7447

#### OHL

**WHAT'S NEW:** An Importer Security Filing (ISF) solution.

**THE VALUE:** The three-tiered ISF solution helps importers comply with the U.S. Customs and Border Protection's new regulations known as the 10+2 rule. The three service offerings support various levels of automation, ranging from a Web-based data entry option to a customized solution.

☎ [www.ohl.com](http://www.ohl.com)

☎ 615-401-6400

#### Sterling Commerce

**WHAT'S NEW:** Added functionality in *Sterling TMS*.

**THE VALUE:** A new lowest-cost mode selection capability builds on *Sterling TMS'* existing planning tools. It enables shippers to rate shipments across all



To learn more, contact these companies directly. Remember to mention this issue date and page to get the right information.

transportation modes and select the most cost-efficient mode that achieves customer service/delivery expectations.

✉ [www.sterlingcommerce.com](http://www.sterlingcommerce.com)

☎ 800-876-9772

### Lowry Computer Products

**WHAT'S NEW:** An inventory management and lot traceability solution for the produce industry.

**THE VALUE:** *Secure Visibility* allows users to capture relevant information pertaining to the produce supply chain in real time, using RFID or bar code. Once the data is captured, users have immediate visibility and both case- and pallet-level produce traceability.

✉ [www.securevisibility.com](http://www.securevisibility.com)

☎ 800-733-0210

### INSIGHT

**WHAT'S NEW:** A new version of *SAILS* supply chain management software.

**THE VALUE:** Enhancements to the latest release include manufacturing postponement options and a tool for representing inventory in a multi-period network model. This function allows users to enforce dynamically computed minimum/maximum ending inventory targets for a given period. *SAILS* version 4.5 also provides supply chain vulnerability analysis capabilities, including options for short-term crisis response planning.

✉ [www.insight-mss.com](http://www.insight-mss.com)

☎ 703-366-3061

### Accellos

**WHAT'S NEW:** Enhancements to the *Accellos One Warehouse* WMS solution.

**THE VALUE:** The new release includes functions such as voice-directed picking, advanced dock door scheduling, and multi-client configuration.

✉ [www.accellos.com](http://www.accellos.com)

☎ 719-433-7000



### web

#### Zenith Global Logistics

**WHAT'S NEW:** An updated Web site with an inventory and shipment tracking portal.

**THE VALUE:** The new Web site allows shippers to view both total inventory and allocated inventory, which helps manage customer orders. The portal also provides shipment visibility and event management.

✉ [www.zenithcompanies.com](http://www.zenithcompanies.com)

☎ 800-937-3876

#### Newcastle Systems

**WHAT'S NEW:** An ROI calculator.

**THE VALUE:** Newcastle offers an online tool for determining the potential savings of using mobile-powered cart workstations for tasks such as inventory

management, on-demand label printing, shipping, receiving, and cross docking.

✉ [www.newcastlesys.com/roi](http://www.newcastlesys.com/roi)

☎ 781-935-3450



### blog

#### Peach State Integrated Technologies

**WHAT'S NEW:** A supply chain engineering blog.

**THE VALUE:** Intended for logistics and distribution professionals, the blog provides information about strengthening, building, and improving supply chain and distribution operations, as well as commentary about current news, trends, and best practices.

✉ [www.peachstate.com/newsevents/blog](http://www.peachstate.com/newsevents/blog)

☎ 800-998-6517

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### 3PLs



#### ELM Global Logistics • [www.elmlogistics.com](http://www.elmlogistics.com)

ELM Global Logistics is a rail-served third-party logistics provider of warehousing and distribution services with locations in New York and Pennsylvania operating from one million square feet. The range of services includes pick/pack, cross docking, repackaging, kitting, assembly, reverse logistics, and Web access to inventory. All ELM facilities are supported with world-class supply chain management software solutions, which enable clients to readily engage in the e-commerce and business collaboration initiatives required today.

#### Jameson Logistics • [www.jamesonlogistics.com](http://www.jamesonlogistics.com)

Jameson Logistics partners with a select group of truckload, LTL, refrigerated, dry van, flatbed, and specialized motor carriers to offer customer-driven service and competitive pricing to help you be successful. As transportation managers, buyers, and sellers, the Jameson Logistics team is your source for truckload brokerage, specialized transport services, government logistics services, claims management, and transportation consultation services.



#### Key Factor Freight Management Inc. • [www.key-factor.com](http://www.key-factor.com)

A Canada freight expert since 1984, Key Factor services all shipping points between the United States and Canada on a direct door-to-door basis. Customer service staff monitors shipments 24 hours a day, seven days a week. Value-added services include: online load tracking, document imaging, and automatic e-mail notification messages. Equipment availability includes dry van, straight truck, and all types of flat decks, LTL, TL, and expedited service. For more information please call 1-800-263-7349 or e-mail [dispatch@key-factor.com](mailto:dispatch@key-factor.com)



#### Regal Logistics • [www.regallogistics.com](http://www.regallogistics.com)

Regal Logistics has a proven track record of accuracy, speed, and service. With more than 40 years of experience as a leading third-party logistics provider, Regal delivers innovative shipping solutions, state-of-the-art systems, lower costs, and better results. When you choose Regal Logistics, you'll be in good company with many other successful businesses that have increased productivity and reduced costs by working with us. Doing third-party logistics more cost-efficiently and with better quality outcomes has made Regal Logistics an industry leader, and The Company You Turn to When You Want it Done Right The First Time.





## IN THIS SECTION:

### 3PLs



#### Saddle Creek Corporation • [www.saddlecrk.com](http://www.saddlecrk.com)

Saddle Creek Corporation is a leading nationwide distribution services company that provides warehousing, transportation, and integrated logistics services. By focusing on selected commodities, geographic markets, and core services, we are able to develop 3rd Party 1st Class solutions that meet your unique needs. We provide distribution solutions through contract and public warehousing, along with specialty packaging, bar coding, inventory management, and logistics outsourcing. Whether you need in-store delivery, packaging, labeling, special retail packs, or store-ready pallets, we have the people, processes, technology, and experience to give you a competitive edge.

#### Strive Logistics • [www.strivelogistics.com](http://www.strivelogistics.com)

Founded in 1993 as a local cartage and warehousing company, Strive Logistics has evolved into a premier multi-modal transportation provider servicing companies from the Fortune 500 to small emerging businesses throughout the world. Strive Logistics is a uniquely positioned transportation provider, combining the best practices and resources of a 3PL with an asset-based fleet.

With both traditional and blended asset-based service offerings, customers have access to a wide array of solutions, no matter how complex the problem.



#### UTi Worldwide Inc. • [www.go2uti.com](http://www.go2uti.com)

UTi Worldwide Inc. is an international, non-asset-based, global integrated logistics company providing air and ocean freight forwarding, contract logistics, customs brokerage, and other supply chain management services including enhanced warehousing, transportation, manufacturing support, order management, and a host of other services. The benefit for your company is a totally integrated logistics solution that maximizes value along the supply chain from end to end.

#### Westgate Global Logistics • [www.westgate-global-logistics.com](http://www.westgate-global-logistics.com)

Westgate Global Logistics does more than just move freight; it provides economical solutions to your complex transportation problems. Offering all general and expedited transportation and logistics/warehousing services, Westgate Global uses its vast resources to give you seamless transportation virtually anywhere in the world. When you consider your company's transportation requirements, think of Westgate as your global logistics partner.





### AIR/EXPEDITED



#### EA Logistics • [www.ealogistics.com](http://www.ealogistics.com)

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Rinchem is a leading provider of chemical management services to the semiconductor, chemical manufacturing, and pharmaceutical industries. We are an asset-based logistics company that streamlines customers' supply chains, resulting in increased efficiencies and reduced costs. Since 1976, Rinchem has provided comprehensive services including chemical warehousing, chemical and waste transportation, waste stream management, and safety and regulatory training and consulting.



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Have your own Twitter site? Send us a direct tweet @ILMagazine or an email to [editor@inboundlogistics.com](mailto:editor@inboundlogistics.com).



#### [twitter.com/4WayLogistics](http://twitter.com/4WayLogistics)

4 Way Logistics Inc. meets a wide range of transportation management needs and specializes in solutions for small to medium-size companies. Whether you need an LTL trucking company, a truckload carrier servicing vans or flatbeds, or you have an oversize heavy-haul requirement, 4 Way Logistics can handle it.



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Eastern Connection is the largest regional express logistics provider on the East Coast. Its Express Delivery division is the only service in the Northeast able to deliver ground packages from Maine to Virginia in one day, at cost-effective rates. Eastern Connection offers personalized and unique services to meet every transportation need.

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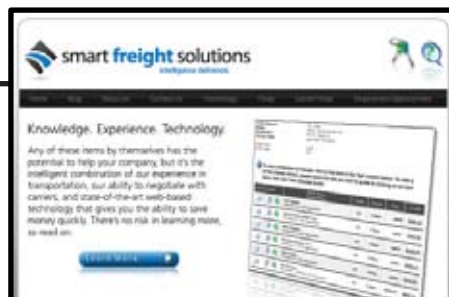
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## IN THIS SECTION:

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TMS solutions from the company that drives ground transportation in North America. Extensible, enterprise-ready software for companies that manage or provide transportation services – from shippers and logistics service providers to private and dedicated fleets to bulk carriers, LTLs, truckload carriers and pure, non-asset-based freight brokerage. It's not dispatch software, it's Enterprise Transportation Software, from TMW Systems.

**PORTS-TO-PLAINS****Alberta International & Intergovernmental Relations  
www.international.alberta.ca**

International and Intergovernmental Relations coordinates Alberta's relationships with various levels of government in Canada and around the world. Working on behalf of Albertans, the department enhances Alberta's national and international presence in areas such as export, trade development, and governmental relations.

**Levelland Economic Development Corporation  
www.golevelland.com**

The Levelland EDC's goal is to strengthen its local economy through creative and cooperative economic development initiatives. The Levelland EDC assists "primary" businesses – companies that primarily sell their products or services outside the local area, and do not compete directly with existing local businesses. In addition to offering aggressive business incentive programs for job creation – including cash grants, free land, interest-free loans, and a variety of others – the Levelland EDC works to build a positive brand for Levelland through innovative marketing, public relations, and partnership-building activities.

**Ports-to-Plains Trade Corridor Coalition • www.portstoplains.com**

The Ports-to-Plains Trade Corridor is a planned, multi-modal transportation corridor including a multi-lane divided highway that facilitates the efficient transportation of goods and services from Mexico, through West Texas, New Mexico, Colorado, and Oklahoma, and ultimately on into Canada and the Pacific Northwest. The Ports-to-Plains Trade Corridor provides a vast number of benefits for communities along the corridor and allow for the development of less-congested ports of entry along the Texas/Mexico border. In addition, it offers alternatives to other congested corridors that run through major metropolitan areas.





### Theodore Roosevelt Expressway • [www.trexpressway.com](http://www.trexpressway.com)

The Theodore Roosevelt Expressway is the northern third of the Ports-to-Plains Alliance, running from Rapid City to Canada through the Port of Raymond in Montana. The Theodore Roosevelt Expressway Association's (TREA) vision is to initially promote the updating of the Corridor's current two-lane format into a super two-highway format. Once super two construction has been completed, the TREA would promote the development of a complete four-lane infrastructure to help ensure complete system continuity with the rest of the Ports-to-Plains Alliance.

## SMARTWAY

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## IN THIS SECTION: TMS – WMS

### TMS



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### WMS

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**September 10-11, 2009, The National Private Truck Council (NPTC) 2009 National Safety Conference, Herndon, Va.** In presentations and discussion sessions designed to optimize attendees' return on investment, key government representatives, expert panels, and leading safety advocates and practitioners provide insights into implementing strategic safety programs and lowering the cost of risk.

703-683-1300  
www.nptc.org

**September 20-23, 2009, Council of Supply Chain Management Professionals (CSCMP) Annual Global Conference, Chicago, Ill.** CSCMP's annual event offers supply chain management practitioners opportunities to learn from global experts and network with thousands of colleagues. Sessions and events presented by industry leaders are categorized into 20 educational tracks such as process improvement, risk management, employee recruitment and retention, and current logistics research. Gary Maxwell, Walmart's senior vice president of

international supply chain, will present a keynote address focused on optimizing global supply chain performance while managing different infrastructures and other local conditions.

630-574-0989  
www.cscmpconference.org

**September 23-25, 2009, How to Lay Out a Warehouse or Distribution Center, San Diego, Calif.** This University of Kansas continuing education program on systematic layout planning techniques teaches how to improve warehouse and distribution facility performance; provide practical approaches to storage, order-picking, packing, material movement, and physical control; and streamline material flow in warehouses and distribution centers. Presented by internationally recognized planner H. Lee Hales, the program is suitable for warehouse and distribution center managers, logistics and supply chain planners, and leaders of supply chain and lean initiatives.

877-404-KUCE  
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**October 5-7, 2009, Parcel Forum 09, Chicago, Ill.** This conference arms logistics professionals with as much knowledge as possible so they'll be ready when the economic tide changes. Real-world-focused educational sessions are organized into five tracks: transportation fundamentals, advanced topics, operational efficiencies, technology applications, and managing change. A Q&A session allows attendees to tap the knowledge of transportation experts.

608-442-5063  
www.parcelforum.com

**October 14-16, 2009, Achieving Warehouse Success, Long Beach, Calif.** Warehouse supervisors and managers need a blend of state-of-the-art warehouse concepts, tried-and-true management techniques, and real-world applicability. This three-day seminar by the Warehousing Research and Education Council teaches ways to make the most of three basic resources—space, equipment, and labor.

630-990-0001  
www.werc.org

**November 14-18, 2009, NITL Annual Meeting and TransComp Exhibition, Anaheim, Calif.** In roundtable discussions, facility tours, business meetings, and education sessions, attendees explore in-depth the issues facing the supply chain and logistics sector. As a follow-up to last year's session *Wall Street's View of Transportation*, this year's conference kicks off in an interactive town hall meeting, *Freight Transportation One Year Later: The New View from Wall Street*, with John L. Barnes III, managing director equity research, transportation, RBC Capital Markets; and Thomas R. Wadewitz, analyst—airfreight and surface transportation, J.P. Morgan.

703-524-5011  
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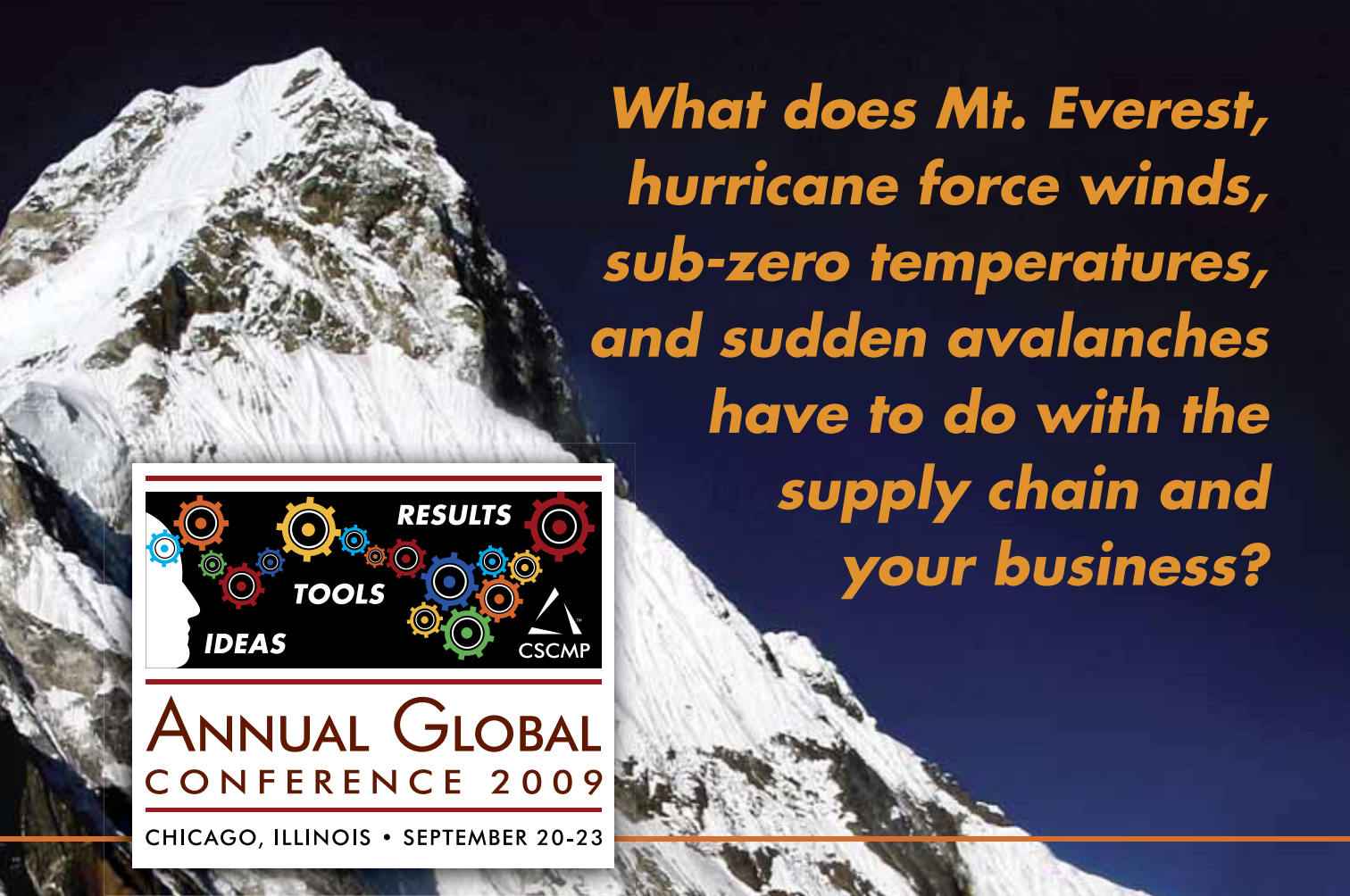
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