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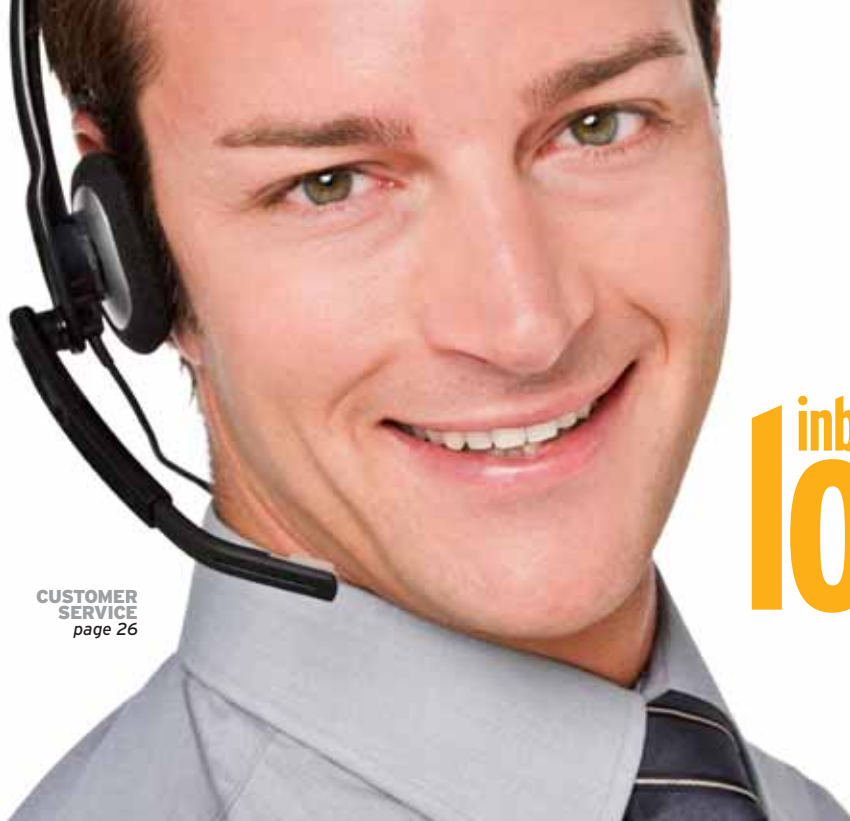


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In logistics, good customer service is reactive and proactive; it is both a means toward a long and successful business relationship and an end in itself. Increasingly, it's personal. For companies that demand premium customer service, there's a willing ear on the other end of the line and on the other side of the table that's ready to listen.



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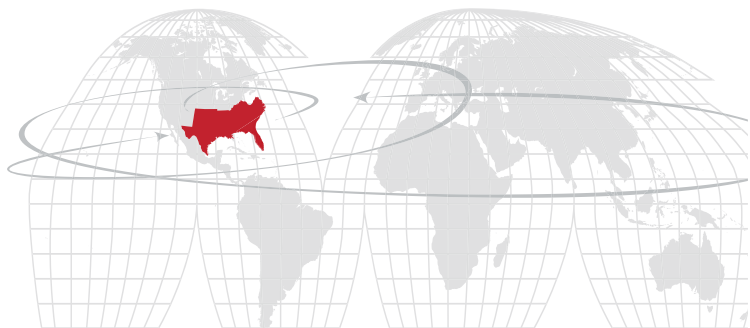
Symptoms such as erratic billing rates, supply closet vertigo, and constricted inventory flow have healthcare facilities prescribing efficient supply chain management as the cure for what ails them. To improve their condition, they need a dose of TLC from suppliers and service providers.

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Professional logistics and supply chain associations tout their benefits to potential members, focusing on how joining helps advance professional development. But are the networking and educational advantages as great as the groups claim?



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CHECKING IN

Felecia Stratton

by Felecia Stratton | **Editor**



Macro? No, Micro Economics

"The economy is bad so we'd better make cuts that hurt customer service." OK, no business would set out with this goal, but often the results are the same. And the consequences of poor service in today's economic climate are irrevocable. While the macro economic news is bad, customer service is all about managing *micro* economics—the relationship you have with your customers. Defensive tactics—eliminating resources, cutting personnel, using less-effective solutions—have a discernible and negative impact on operations, morale, and profitability. While good products pull consumers in droves, poor customer service ensures an equally swift exit.

In our *Top 10 3PL Excellence Awards* survey (July 2008), 80 percent of shipper respondents reported they value customer service above price—and most else—when assessing logistics partnerships. Comparatively, only 45 percent of surveyed logistics providers identified customer service as top priority for their customers. Put two and two together and that adds up to a problem. Customers want price reductions, but they assume good service will accompany them.

A demand-sensitive attitude is gradually manifesting itself in the way businesses embrace customer service within their corporate folds—not simply as a way to keep customers and attract new ones, but also to identify change and grow services and value propositions more intuitively than competitors. It's not enough to invest in technologies that gather and communicate information. Engaging customers in a more personal way sparks trust, kindles relationships, stokes innovation, and fuels gain sharing.

It's why GENCO Supply Chain Solutions' CEO Herb Shear helped a customer by correcting a snafu in a competitor's warehouse.

It's why Evans Distribution Systems insists on face-to-face meetings with prospective customers to understand their unique service requirements before even bidding on the business.

It's also why *Inbound Logistics* has added a "customer service" issue to our editorial lineup. Turn to page 26 to learn why companies such as Unilever, Hitachi Data Systems, Technicolor, and others appreciate service providers that boost customer service when most everything else is falling.

No matter what falls around you, focus on your customers. "Yes, you should wake up every morning terrified with your sheets drenched in sweat, but not because you're afraid of competitors," says Amazon CEO Jeff Bezos. "Be afraid of customers; they are the folks with the money."

Think of good customer service as a demand-driven requirement. When you enlist your customers in that realignment process, you are better equipped to liberate silo thinking, speed and streamline inventory, and reduce overall costs. Most of us don't have the power to improve the economy in a macro way. So stay focused on what you can improve—your relationship with your customers. ■

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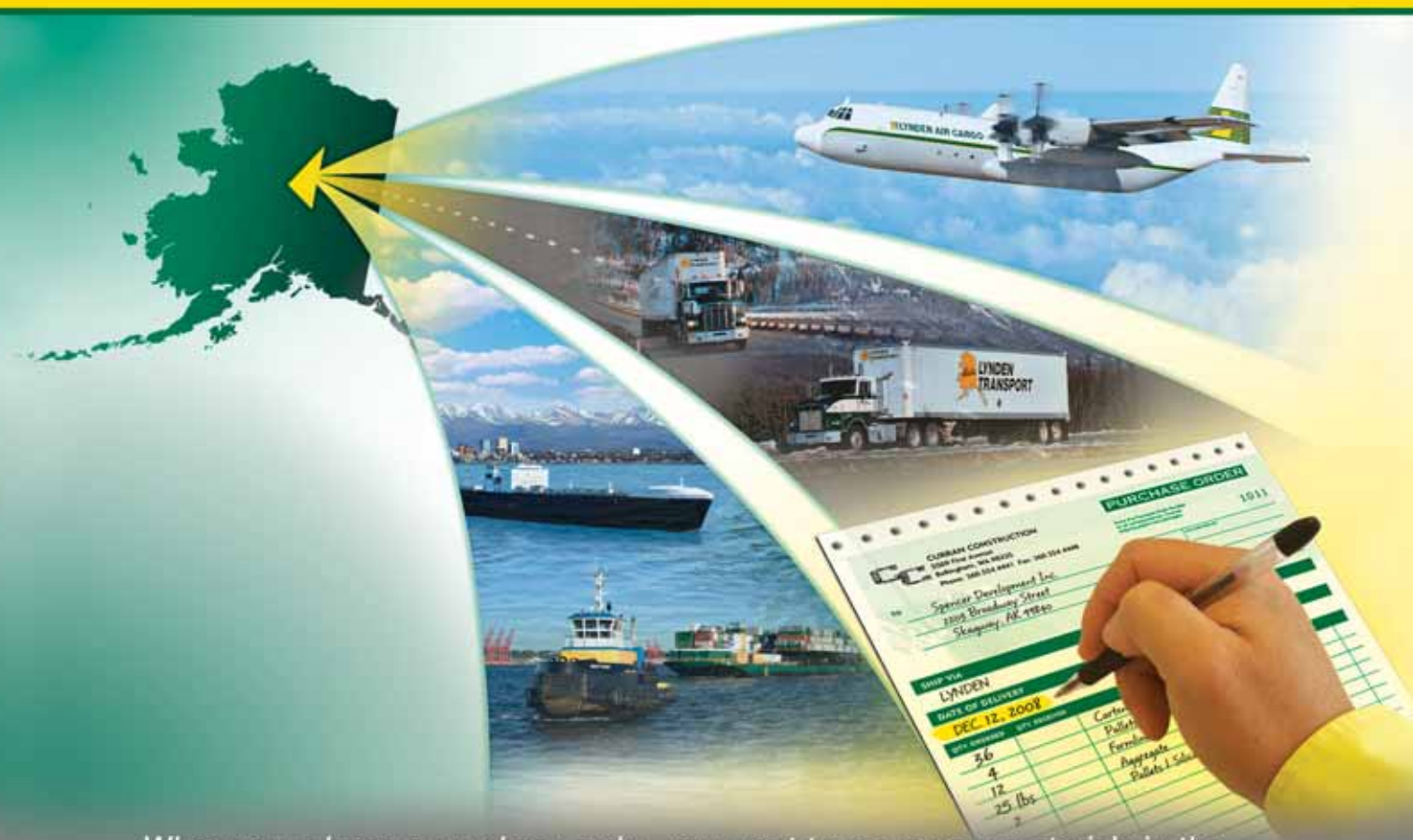
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10TIPS

STEP-BY-STEP SOLUTIONS

by Deborah Catalano Ruriani



Choosing Voice-Directed Technology

Voice-based warehousing can result in high productivity and accuracy rates, safe working conditions, and a boost in worker morale. It can also have a positive impact on your organization's bottom line. Paul Lightfoot, CEO and president of Rockaway, N.J.-based solutions provider AL Systems Inc., offers advice for selecting a voice-directed technology vendor.

1 Analyze your needs. Voice-directed technology is best used for low reach density items that have few reaches per unit of travel or are rarely picked. For high reach density items, light-directed technology is a better choice.

2 Make sure your voice-directed technology vendor understands warehouse and distribution center operations. Your potential vendors need to be familiar with these types of operations, not just the hardware or software they're offering. Be sure they know what your associates do on a daily basis and understand the efficiencies you are trying to create.

3 Don't buy more than you need. No vendor should require that you change your current shipping, receiving, and warehousing processes.

Don't make these alterations unless they improve operational efficiency and productivity.

4 Explain the uniqueness of your warehouse operation. Not all picking, packing, and receiving operations are the same, so the vendor must be able to accommodate your warehouse or DC. For example, is your warehouse climate-controlled? Are items shelved, containerized, or on pallets? Do you provide cross-docking services, and will the voice-directed equipment work in these areas? The vendor should consider these factors when planning your solution.

5 Take stock of mobile computing devices. If you are happy with your current hardware, ask if the voice-directed solutions provider allows you to keep and utilize it. Be sure you can still leverage your existing vendor relationships.

6 Consider the ease of integration with existing systems. How well will the voice-directed systems integrate with your warehouse control system, warehouse management system, and other solutions? What if one of those systems changes? Make sure you can easily integrate systems now and in the future and

are not limited by custom integration software.

7 Ask for references. As with any service provider, find out how the vendor treats its customers and handles problems.

8 Investigate the company's financial stability. Make sure the vendor will be able to meet your warehouse needs now as well as in the future. Ask about profitability, current and prospective customers, future plans, and customer service.

9 Look for excellent voice-recognition technology. Choose a vendor that offers high-quality systems, and make sure the technology can filter out background noise. The voice-directed technology must be able to "hear" and distinguish the speaker's voice over all other noise.

10 Don't let language become a hurdle. You can select speaker-dependent solutions and get core vocabularies in a variety of languages. If your workers comprise multiple ethnicities and speak several languages, make sure the voice-directed technology will understand what they say. ■



The Final Piece of Your Logistics Puzzle

The success of your organization rests on the ability to meet customer expectations with reliable service providers. Of the many pieces in the logistics puzzle, you should be confident that the carrier qualification processes used by your transportation management partner are above reproach. As you focus on acquiring market share with innovative products and services, be certain that the experts at BNSF Logistics verify each carrier's viability, proactively monitoring and reporting changes in operating capabilities to mitigate your risk of a critical service failure or cargo loss.



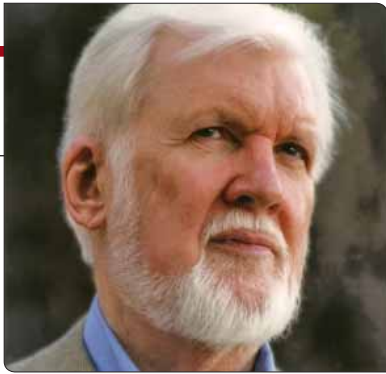
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[SCPERSPECTIVES]

BY ROBERT A. MALONE

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Managing Data One Byte at a Time

Increasing connectivity and mounting economic pressures place a premium on gathering and acting on information. Companies that poorly judge intelligent data put their supply chains at risk.

Increasing connectivity, largely a result of the Internet and the facility with which we collect data, has changed the pace and relationships of business. To a great extent, local business no longer exists, as all commerce and trade is tied together by information. This is evident as the world's economy stumbles.

Business is, quite simply, acting like a single organism, where each element impacts the other. We appear to lack understanding in regulating data within the business process. Specifically, global supply chains are at risk because companies poorly judge intelligent data.

To take action we need to know infinitely more than we used to know. We need three things: more data (when a specific container passes security in a Los Angeles seaport); more reliable data (secure, clear, and non-redundant information); and better systems for processing that data (a combination of good software and hardware).

CRUNCHING DATA

Years ago, we lived quite comfortably with megabytes of information, and were rather astounded when we crept up to gigabytes. Today, many of us reside in a flush of data numbered in terabytes.

The world of data consists of more than terabytes. There are petabytes, which lead to petaflops or the

processing capacity of supercomputers manufactured by IBM and Cray Inc. These data dynamos run more than one quadrillion calculations per second.

Such scale may be difficult to comprehend, but this staggering connectivity to myriad processes and information presents a tremendous business upside. Connectivity in big bytes is a competitive differentiator.

Google, a great data hog, uses tens of thousands of servers to digest 20 petabytes of data daily. That's a lot of searching and video playing. More and more businesses are consuming this level of data, whether they like it or not.

The capacity to gather information, and act on it, is relevant to transportation and logistics, on smaller scales. A truck used to simply fill up on gas, oil, and air. Now it fills up on data, much of which connects the driver's work and the vehicle's behavior to broader supply and demand flows. Today, a truck is nothing less than a moving data warehouse.

This flood of information will only continue. Beyond petabytes, the world of exabytes, or one quintillion bytes, now looms. Five exabytes, according to the UC Berkeley School of Information, would contain all the words ever spoken by people (including presidential candidates).

The very notion of exabytes is terrifying, and a new word—exaflood—has been created simply to describe the coming data torrent. The sum tide of collecting, processing, and saving these raging rivers of data is connectivity.

ARE WE READY?

But the question remains whether we are prepared to manage this connectivity. An ounce of prevention is worth a pound of cure, but are we anticipating the need for new levels of data management?

The downside of connectivity is that we are obligated to use these vast amounts of data, often at a great waste of time and money. Data management carries three responsibilities: making sure it's necessary, managing it expeditiously, and using it wisely.

This is a tall order, because regardless of how well we collect data, garbage in is still garbage out. It is all a matter of accessing more data intelligently. And that is no small matter. ■



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READER PROFILE

by Merrill Douglas

Wake Up and Smell the Coffee

Coffee drinkers in certain regions of the South should raise their cups in salute to Charles Graffeo, Sr. At Community Coffee Company in Baton Rouge, La., Graffeo is responsible for the whole process chain—purchasing, logistics, manufacturing, and distribution—that takes coffee from bean to cup. Graffeo joined Community Coffee in 2006 as general manager of manufacturing. This year, the firm promoted him to director of supply chain.

Founded in 1919, Community Coffee sells its products to grocery stores and provides coffee service to restaurants, convenience stores, and

offices in Louisiana, Texas, and the Southeast. It sells direct to consumers through its Web site and operates CC's Community Coffee House shops in Baton Rouge, Lafayette, and New Orleans.

Coffee beans from Brazil, Guatemala, Colombia, Mexico, and other locations start their trip to Community Coffee by barge, via the coffee ports of Houston and New Orleans. Then they move by truck to a third-party warehouse or to Community Coffee's manufacturing facility in Baton Rouge. Four times along the way from origin to distribution, the company "cups"

WHAT'S BREWING?

NAME: Charles Graffeo, Sr.

TITLE: Director of supply chain, since 2008

COMPANY: Community Coffee Company, Baton Rouge, La.

PREVIOUS EXPERIENCE: Eighteen years at Sara Lee Coffee and Tea, starting as an operator in manufacturing, advancing to processing manager, production manager, operations manager, plant manager, and general manager; general manager of manufacturing, Community Coffee Company

EDUCATION: BS in business administration, University of Phoenix, 2007; currently working on an MBA at University of Phoenix; certificates in Six Sigma and lean manufacturing



The Big Questions

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

My hobbies are golf and basketball. I spend most of my free time with my kids; on weeknights, I teach them basketball and soccer.

Ideal dinner companion?

Abraham Lincoln. He achieved success even after numerous failures throughout his career, and I would like to know what drove him despite those failures.

What's in your briefcase?

A computer, budgets, calculator, business cards from other companies and suppliers, and articles on supply chain and logistics.

What's your idea of a great day on the job?

When our employees complete their work efficiently and safely. We cannot take employee safety lightly; without our employees, there is no company.

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

I would love to be an entrepreneur and help manufacturers, especially in the CPG industry, overcome their deficiencies or bottlenecks. I'd help them put programs and procedures in place to make their processes more efficient.

its coffee, brewing a sample to taste for quality.

A champion of lean processes, Graffeo is always looking for ways to reduce his company's supply chain operating costs. That has been a key to coping with an unstable economy and high fuel prices. One important strategy is to find more efficient ways to manage the company's fleet of more than 400 vehicles, used by its sales reps, delivery drivers, and technicians.

"We're trying to optimize utilization and fuel efficiency," Graffeo says. "We're also looking at the age of our fleet." If maintenance costs start to climb after

a vehicle turns six years old, for example, the company might trade it in for a newer model.

Community Coffee also uses automated vehicle location (AVL), with global positioning system (GPS) units on the vehicles, to boost fleet efficiency. "We examine drivers' routes for obstacles or congestion," Graffeo says. "We can detour them to a more efficient route if necessary."

Dispatchers also use the AVL to determine which of the company's field technicians is best positioned to respond to a customer's call for coffee machine service.

One improvement Graffeo would like to introduce is the use of bar-code scanning in the warehouse. "If products are bar coded, all we have to do is scan them on a forklift to take them out of warehouse inventory and add them to the truck inventory. That expediency will improve the process," he says. The most important benefit would be getting product to customers more quickly.

Making improvements of that kind are all part of Charles Graffeo's continual effort to fulfill Community Coffee's mission statement: "Enrich the lives of consumers with great coffee experiences, every day." ■




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TRENDS



by Joseph O'Reilly

Is Intermodal Losing its Mooring?

Pacific Coast ports have anchored U.S. trade during the past two decades, but shifting globalization and sourcing tides are altering domestic transportation currents. These changes are gradually recasting the U.S. intermodal footprint with potentially long-lasting implications, suggests a recent report by Drewry Supply Chain Advisors.

Intermodal routings linking major West Coast port gateways with the U.S. interior are under threat as container volumes drop and inland transport providers fail to properly invest in resources and infrastructure to support future growth, according to the London-based consultant's whitepaper, *U.S. Intermodal Today and Tomorrow*.

Intermodal shippers face a dramatic reduction in the total size of the system, even as railroads increase their investments.

"Faced with a tightening market and rising demand, the railroads have chosen to up their prices rather than invest in more capacity, in the mistaken belief that they have a captive market," says Philip Damas, director of Drewry Supply Chain Advisors.

Drewry drilled down the total transport costs of shipping containers to and from U.S. interior points via the West, East, and Gulf Coasts and the expected fall in vessel-related costs following the Panama Canal's



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TMS Market Steps Up

With so much attention paid to reducing transportation costs amid fluctuating fuel prices and patchy demand, it's little wonder that the transportation management systems (TMS) market has once again exceeded growth projections, rising nearly 10 percent in 2007 to almost \$1.2 billion (see *chart below*), according to ARC Advisory Group's latest report. The market continues to show positive momentum in the first half of 2008, with more than two-thirds of surveyed TMS vendors reporting increased sales and larger pipelines compared to the first half of 2007.

"2007 was a banner year for almost all TMS vendors," says Adrian Gonzalez, director of ARC's Logistics Executive Council and author of the study, *Transportation Management Systems Worldwide Outlook*. "Although there were some changes in market share rankings, the reality is that most vendors continue to grow their revenues and client bases. In short, there are plenty of TMS sales opportunities available in the market for all vendors to benefit."

ARC forecasts the TMS market to exceed \$1.6 billion by 2012, representing a compounded annual growth rate of 7.4 percent during that period. But some unresolved factors might limit growth moving forward.

The financial crisis, coupled with a slowing economy, is by far the biggest threat facing the TMS market in the coming year. "It is unclear at the moment which path TMS buyers will take next year," says Gonzalez. "On the one hand, companies often look to reduce costs during weak economic times, as a way to boost net income and earnings per share. Transportation is a natural target because most C-level executives still view it as a cost center and low-hanging fruit opportunity to add hundreds of thousands, or even millions of dollars, to the bottom line. Therefore, from this perspective, the economic environment could benefit the TMS market.

"On the other hand, companies also have a tendency to delay IT investments during tough economic times, so it's highly probable that TMS vendors could see longer sales cycles in 2009, at least during the first half of the year," he surmises.

Transportation Management Systems Total Shipments (\$ Millions)

The market for transportation management systems continues to arc upward as companies recognize the value of reducing inefficiencies and costs in transportation operations. Moving forward, however, growth expectations may slacken as businesses temporarily table IT investments.



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expansion. For many destinations in the eastern United States, West Coast port routings are much more expensive than all-water service elsewhere.

Given the rising importance of intermodal transportation in the United States and industry's ongoing courtship with Asia sourcing, it remains to be seen whether this trend has legs. Still, economic forces and infrastructure improvements favor continuing growth of Gulf and East Coast port routes for Asian trade, and the swing away from the West Coast could intensify in the decade to come.

"Intermodal costs are certain to keep rising, while all-water costs will continue to fall, which means that the land-bridge route will become less economic than the all-water route except for very time-sensitive goods," Damas concludes.

'Stock' Compensation

Here's an incentive for warehouse employees: Salaries are trending up, according to the Warehousing Education and Research Council's (WERC) 2008 *Warehousing Salaries and Wages* study.

The survey, which WERC conducts every two years, provides an ongoing look at compensation trend lines for warehouse positions, as well as up-to-date statistics across the industry.

Among exempt employees, median salaries for traffic managers, general managers, and office managers increased 17.9 percent, 17.6 percent, and 16.5 percent, respectively. By contrast, compensation for sales positions at all levels declined by as much as 16.2 percent, in part due to a loss in bonuses.

Warehouse workers enjoyed the highest percentage gain among hourly employees, with a 7.1-percent increase in median wages. Customer service representatives' pay rose 5.4 percent, widening the gap nearly 30 cents per hour between their compensation and the second-highest paid position—shipping and receiving clerks.

Supply Chain Reciprocity: The Merits of Being Nice

Sometimes it's not what you say that's important—it's how you say it. In an industry powered by the exchange of goods and information, the secret to long-term success may lie in the emotional interplay among supply chain partners. Incentivizing performance can be as simple as sharing a laugh with your business associate. Conversely, a hard-line approach to negotiating contracts can create a culture of antagonism that is counter-productive and enduring.

A recent report, *Social Preferences and Supply Chain Performance: An Experimental Study*, authored by Christoph H. Loch of INSEAD and Yaozhong Wu of the National University of Singapore Business School, underscores the importance of social behavior as a "dangling carrot" for successful supply chain collaboration. Social preferences have a significant impact on supply chain decision-making, as competing for friendliness often triggers a circle of reciprocity that exceeds contractual bounds.



"People's actions in economic transactions are determined not only by incentives; incentives alone may cause people to be calculating rather than oriented toward a win-win," Loch and Wu write. "Behavior is also influenced emotionally by social preferences. In particular, people care about status (how much do I have relative to you?) and reciprocity (if you were nice to me, I want to reciprocate; if you were not nice, I want to retaliate)."

Loch and Wu conducted an experiment where individuals repeatedly interacted in a price-sensitive supply chain situation. They found that when status considerations matter, partners act more competitively, trying to out-do the other side.

"If reciprocity considerations are important, the partners can start a 'virtuous cycle' of establishing a pattern of win-win actions, sustained over time," they note.

These results suggest that supply chain managers should not rely on financial incentives alone to drive performance. Instead, compensation can be bolstered by a commitment to building mutually constructive relationships. Poorly framed contracts, by contrast, may destroy collaboration by emphasizing "winning," thereby pitting people against each other.

Can outsourcing your supply chain be a source of more income?



TRENDS

◀ CONTINUED FROM PAGE 15

The Power of One

When times are hard, businesses often contract with a herd-like mentality, delaying investments and sticking to core operations. Some enterprising companies, however, are shepherding innovation and economy by taking a similar, albeit proactive, approach to consolidate purchasing power.

In an industry decimated by the current economic crisis, Wabash National, a Lafayette, Ind.-based truck-trailer manufacturer, has launched the Transportation Equipment Purchasing Consortium (TEPC) to drive more collaborative sourcing.

"The main objective of TEPC is to identify and increase efficiencies and economies of scale in the procurement of raw materials, component parts, and services, therefore creating an economic benefit for its members," says Steve Miller, Wabash National's vice president of supply chain management.

Each member of the consortium is a manufacturer or other business associated with the transportation industry that can benefit from a herd approach to strategic sourcing. Other members include Kentucky Trailer, a manufacturer of custom moving vans; Utilimaster, which custom builds walk-in and parcel delivery vans and truck bodies; Federal Signal, a designer and manufacturer of products and total solutions that serve municipal, governmental, industrial, and institutional customers; and VT Specialized Vehicles, a manufacturer of specialized truck bodies and trailers.



Electronics Industry Unplugged

Of all the industries impacted by a spreading economic malaise, the high-tech and electronics industry has the potential to be hit the hardest, especially as consumers spend less on expensive and luxury items. A recent industry group survey canvassing the market indicates that shippers and service providers are generally optimistic about their industry, yet wary of areas that need improvement.

Survey respondents—including executives from Philips, Tyco Electronics, Cisco, DHL, Maersk, and NYK Logistics—are generally pleased with their companies' outlook, with 86 percent of shippers and 95 percent of service providers ranking their performance as "good" or "excellent."

Surprisingly, 21 percent of all companies report that the high-tech and electronics industry is faring better than other sectors, while

61 percent believe that it has fared the same as other industries.

When it comes to supply chain improvements, cost is the first item on most executives' minds. In a tight economy with fluctuating fuel prices,

Despite consumer reluctance to buy luxury goods, **82 percent of shippers and service providers** say the electronics sector is faring as well as other industries.

making supply chains as lean and cost-effective as possible is a recurring concern for both shippers and solution providers.

For shippers in particular, fuel prices represent the largest portion of cost increases at 40 percent, followed by lack of synchronization (33 percent), and lead-time variability (13 percent).



Transportation-related costs and lack of visibility remain primary concerns for both electronics manufacturers and service providers.

Survey respondents were equally candid about areas that need improvement. Issues that shippers cite as having the worst effect on their supply chains are higher carrier prices (80 percent), lack of visibility (67 percent), data integration and synchronization (53 percent), and new product introductions (20 percent).

By contrast, service providers report lack of visibility (78 percent), data integration/synchronization (77 percent), lack of collaboration with partners and higher carrier prices (both 59 percent), and tight capacity (54 percent) as outstanding concerns with the worst potential impact. ■

↑ UP THE CHAIN

PEOPLE ON THE MOVE

Diversified industrial manufacturer **Eaton Corporation** has named **Craig Reed** ▶ senior vice president, supply chain management. In this role he will be responsible for global sourcing and supply chain management. Reed joins Eaton from MeadWestvaco's consumer solutions group, where he served as vice president, global sourcing, and was responsible for the procurement and supply management of more than 50 production plants around the world. ⚡ **Henry Schein**, a healthcare products provider, has appointed **Axel Pfitzenreiter** managing director of supply chain for the company's Central European operations. He will oversee purchasing and logistics functions throughout Europe. Prior to joining Henry Schein, Pfitzenreiter worked for Lufthansa Cargo and DHL Express, where he was responsible for developing and managing transatlantic overnight service from Europe to North America. ⚡ **Beth Ford** has been named executive vice president, head of supply chain for **International Flavors & Fragrances**. Most recently COO for Hachette Book Group, Ford will develop end-to-end supply chain strategies that enhance customer service, increase plant productivity, and reduce costs. Before joining Hachette, she was a senior vice president of global operations and information technology for Scholastic. ⚡ **AnnTaylor Stores** has tabbed **Paula Zusi** to serve as chief supply chain officer. She will lead all aspects of the company's sourcing and logistics activities to support its multi-brand business. Zusi previously worked as corporate vice president of global sourcing and manufacturing for Liz Claiborne.



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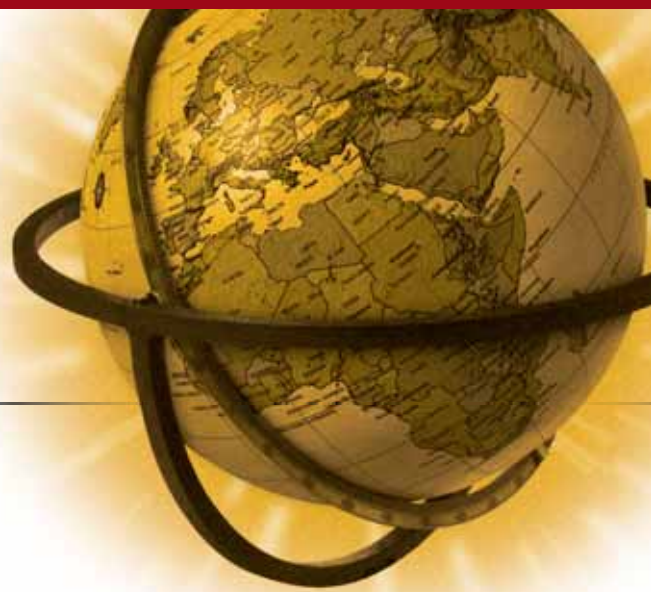
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GLOBAL LOGISTICS

by Joseph O'Reilly



Telstra Recharges Procurement Plan

Imagine what it would be like to slice inventory in half, cut out 2,000 suppliers, and whittle almost \$500 million in total costs from your supply chain. With the help of IBM's Integrated Supply Chain organization, Australia's leading telecommunications player, Telstra, is bringing this demand-driven vision to reality.

In September 2006, Telstra entered a strategic seven-year partnership with IBM to overhaul its procurement operations in an effort to capture greater control, visibility, and internal compliance and reduce total supply chain costs.

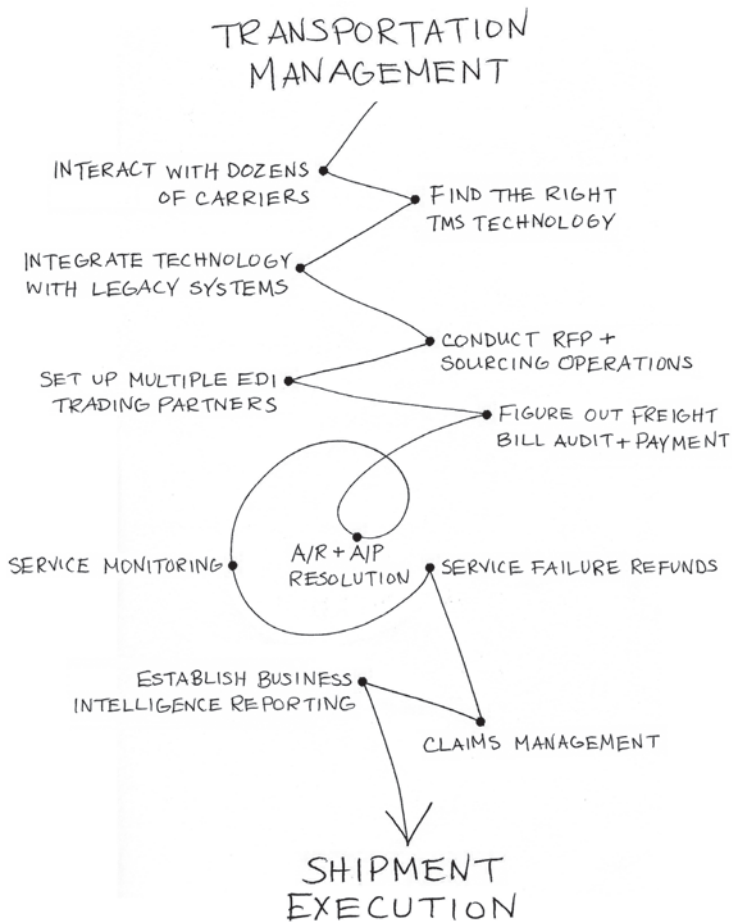
For Australia's largest telecom company, procurement is a sizable operation. It accounts for \$7 billion annually, and involves approximately 8,000 suppliers across 46 different commodity families—from ordinary office supplies to mission-critical network hardware.

Given the scale of its purchasing operation and the number of vendors in its network, visibility was variable, redundancies were rampant, and costs were out of control. To support a broader end-to-end corporate transformation strategy, Telstra made the decision to outsource procurement to IBM.



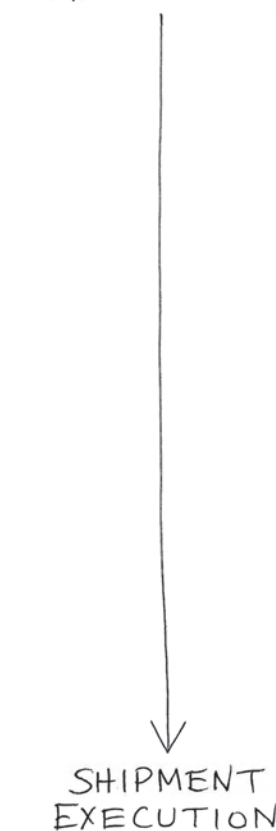
In an effort to overhaul its sourcing operations and initiate a demand-driven supply chain transformation, Australian telecommunications company Telstra has outsourced its procurement functions to IBM.

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GLOBAL LOGISTICS

CONTINUED FROM PAGE 18

The three-phase project began as Telstra built the necessary procurement infrastructure and automated end-to-end processes to support the transformation. Phase II, which started in late 2007, is the truly significant part of the project from a business standpoint, according to Ian Wheatley, executive director for Telstra procurement.

"In Phase II, IBM will provide a single, end-to-end view of our inventory supply chain and enable us to deliver the right part, to the right place, at the right time—improving customer service and reducing costs," he says.

This phase entails improving Telstra's efficiency in ordering, managing, and delivering telecommunication parts to technicians and engineers in the field.

Currently, Telstra's technicians visit inventory stations to source parts. As the company moves toward a demand-driven supply chain, it will deliver supplies directly to technicians' homes.

The third phase of the project will introduce demand and supply chain planning to fully optimize end-to-end supply chain operations.

"Our supply chain was once seen as a back-office function," says Wheatley. "Now it's a competitive advantage."

Middle East Hot Despite Global Freeze

While much of the world is consumed by the current or looming reality of an economic chill, the Middle East sits squarely in the middle of a logistics infrastructure flare up. Sparked by the Iraq War's supply and demand surge, and countries such as the United Arab Emirates (UAE) expanding their economic footprints beyond oil production, transportation and logistics activities are heating up—and grabbing the attention of service and manufacturing industries alike.

Logistics business in the region is expected to grow by nearly 20 percent annually, according to Matthew Derrick, general manager of Momentum Logistics, speaking recently at the company's official launch in Dubai.

Aptly named, the newly christened 3PL is building on the momentum of this anticipated growth to cement a position in the Middle East market. A subsidiary of international port management company Gultainer, Momentum Logistics is based out of the Sharjah Inland Container Depot (SICD), the future site of the company's International Logistics City—a 2.3-million-square-foot development that will feature



The growth of ports such as the Khorfakkan Container Terminal (pictured) has boosted the Middle East's reputation as a distribution crossroads.

Turn Ahead: TexMex Manufacturing

Much of the ongoing discourse about American companies bringing manufacturing back to the United States has proven to be more rumor than reality. Companies heavily invested in areas such as Asia might find it strategically prohibitive to pull out now—especially as some begin targeting offshore markets as new sell-in opportunities.

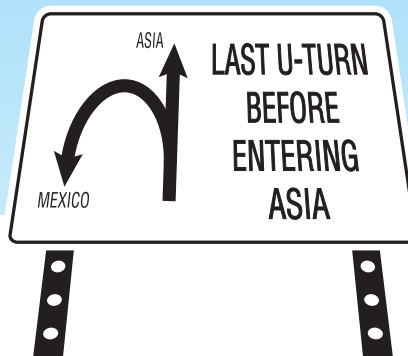
In light of rising transportation costs and speed-to-market demands, pressures to balance sourcing strategies by nesting some manufacturing and value-added logistics activities closer to home are manifest.

A new federally funded study spearheaded by the Texas Engineering Extension Service, in concert with Texas A&M University's Global Manufacturing and Distribution Research Initiative,

explores the critical success factors necessary to make nearshoring a reality along the Texas-Mexico trade corridor.

The *South Texas Trade Corridor Competitiveness Study: Leading Global Supply Chain Throughput in South Texas* focuses on the role of the region's ports, transportation routes, and maquila industries in establishing trade corridors for targeted industries.

Initial results suggest that Asia-sourcing manufacturers struggle with quality issues, increased inventory, and other risks due to lengthening supply chains. The question remains whether this creates opportunity for developing manufacturing along the Texas-Mexico border and whether U.S. businesses will look toward Mexico as more than a "maquila factory."



Momentum's first 82,000-square-foot distribution center.

In close proximity to the Khorfakkan and Sharjah container ports, the SICD is quickly growing into the primary transshipment point for east-west trade bound for markets in Dubai, Sharjah, and Abu Dhabi on the Arabian Gulf Coast.

Outside the Middle East eye, global companies are also ramping up investment in the region, looking to capture a piece of burgeoning container trade between the West and Far East as well as growing consumer demand in the UAE and Saudi Arabia.

Danzas AEI Emirates, part of DHL, a leading provider of logistics solutions, recently opened a 260,000-square-foot multi-purpose logistics facility in Dubai's Jebel Ali Free Zone, further consolidating the company's Middle Eastern footprint.

"The Gulf is ideally positioned, with access not just to Europe, Africa, and Asia, but also to the fast-developing Indian subcontinent and its huge manufacturing output," observes Hermann Ude, CEO of DHL Global Forwarding, Freight. "This is combined with the future benefits of operating from the only free zone in the world to be located between an airport and a seaport."

As companies with DHL's clout and service capabilities continue to penetrate the Middle East market, they open up opportunities for U.S. businesses to make further inroads in the region.

To point, Kraft Foods' Middle East and Africa operation has shown strong growth in the region, reporting a 19.4-percent increase in operating income during the third quarter of 2008. Successful investments in the region, including increased local production of Kraft Foods Power Brands in beverages, cheese, and biscuits, as well as increased efficiencies in local manufacturing and logistics, have driven significant volume, revenue, and profit growth across the region.

The U.S. food and beverage company currently operates six manufacturing facilities in the region, producing a variety of Kraft products. It also has contract manufacturing and license agreements in the UAE, Saudi Arabia, Egypt, and South Africa.

As established global service providers such as DHL and upstarts like Momentum Logistics grow their market share in the region, the Middle East's allure as a transportation, sourcing, and selling hot spot will draw the interest of expanding global businesses. ■



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ECODEV

ISSUES AFFECTING ECONOMIC DEVELOPMENT

by Eugene A. Conti

Establishing a Successful Industrial Park

Despite a rocky start, the North Carolina Global TransPark (GTP), a state managed and financed multi-modal transportation park, is thriving today. Conceived 20 years ago as an aviation-centered global assembly and distribution point, the 2,400-acre business park, located in the state's southeastern quadrant near Kinston, encountered its share of problems before landing its first significant tenant, Spirit AeroSystems, a Wichita, Kansas-based aircraft structures supplier.

The secret to the GTP's success lies in the valuable lessons its organizers learned during their efforts to establish the park—lessons that can provide insight for states, municipalities, and other business park developers, as well as potential tenants such as manufacturers and warehouse/DC operators.

LESSON 1: BEWARE THE HYPE

When the GTP site was selected in the early 1990s, highly inflated claims were made about its potential job creation and economic impact. One planning document estimated creating 50,000 jobs within the first five to 10 years.

Those unrealistic figures made it easy for opponents to ridicule the idea of creating an economic engine for eastern North Carolina by establishing a global logistics hub in a rural region.

LESSON 2: BUILD A STRONG FOUNDATION

Don't swing for the fences until you warm up. The GTP had two near-hits: the FedEx hub that eventually went to Greensboro, and the Boeing 787 Dreamliner production facility, which stayed in Washington. In both cases, the GTP team made a solid effort, but the park simply didn't have the infrastructure FedEx and Boeing sought.

The GTP looked just right to three other tenants, however. The park's fixed base operator, Segrave Aviation, has grown into a national charter/avionics service. Engineering firm Spatial Integrated Systems and Commerce Overseas Corp., a supply chain solutions provider for military aircraft customers, have also taken off. While these firms employ only a few hundred people, their location at the GTP has established an aviation base upon which to build.

These firms also established a simple but critical fact: that companies could succeed in the GTP. When the park's organizers started discussions in late 2006 with Spirit AeroSystems, its physical infrastructure was solidly in place. The GTP also had experience putting together the kind of training packages that would enable Spirit to find capable workers across the region.

True, it took the GTP 15 years to

land its first major tenant. But it took the state's other business park success, Research Triangle Park (RTP), 15 years to land its first anchor, IBM. Who can say where the GTP will be when it, like RTP, reaches its 50th birthday?

LESSON 3: CREATE SOLID PARTNERSHIPS

The GTP's early years were fraught with confusion—and at times, hostility—about the roles the region's various development institutions would play in establishing the park. Each competed for funding or favor with state and national governments or other institutions. None of these development institutions realized their full potential in pulling eastern North Carolina up by its bootstraps until cooperation triumphed over confrontation.

And never overlook the importance of local and state government. Without the involvement and commitment of North Carolina's departments of commerce and transportation, its community college system, and the Golden LEAF Foundation, the GTP could not have brought Spirit to North Carolina.

Organizers expect Spirit's presence to solidify the GTP's growing niche as an aerospace hub, and that other players will join in building new facilities and connections to this global industry. ■

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CARRIERS CORNER

by John Costanzo

Do Your Logistics Partners Value Customer Service?

The most dreaded phrase in the English language just might be: "Please hold for the next available operator." Good customer service experiences have become few and far between, with more companies either entrusting their customer outreach to computerized voice-prompted systems, or worse, outsourcing to call centers that have little knowledge about the companies they represent.

Businesses in the market for a third-party service provider should include customer service in their selection criteria. Choosing a logistics provider involves entrusting your shipments—and your customers—to a company that claims it can deliver your goods on time and cost efficiently. One breakdown in the process can have costly, time-consuming, and reputation-shattering consequences for your business.

When it comes to customer service, there are vast differences among logistics providers. Good logistics providers will:

- Check in with you regularly about new developments in your business and fill you in on their new services.
- Understand—and even anticipate—your business needs, and be a good source of solutions and options for your transportation challenges.

■ Offer creative solutions to help you better serve your customers.

■ Give you the same level of service as an established customer as they did when courting your business.

If providers work to build strong relationships with you, you'll feel more comfortable trusting them with your customers' needs.

WHO YOU GONNA CALL?

Many logistics providers make the mistake of investing in customer service technology tools as a way to reduce headcount and other costs. If you bristle when you get an automated response, you're not alone.

Fifty-eight percent of respondents to a 2006 survey by Accenture global business consultants were "not at all satisfied" with automated telephone customer service, while 85 percent indicated some degree of satisfaction with live customer service over the phone. Make sure you can address concerns with a member of your prospective partner's customer service department when you need to.

But just getting an operator on the line isn't enough. Be wary of providers who bounce your call to multiple operators, and customer service agents who have little to no expertise in the subject

areas for which they are receiving calls. These are signs that customer service isn't up to par. When you call your provider's customer service department, they should deal with your issue professionally, accurately, and quickly.

While automation has greatly improved the industry's ability to track packages, schedule pick-ups, and oversee billing, a computer simply cannot replace some functions. It cannot reroute a shipment at the 11th hour, intercept a mislabeled pallet before it reaches the border, or understand the unique needs of a particular shipment. Only customer service agents can do that, and logistics providers who fail to see this are doing you a disservice.

The resources a logistics provider puts into its customer service efforts are immediately apparent. A provider who values its customers, wants to exceed expectations, and is committed to being in the game for the long term understands that quality customer service costs money, and needs to be nurtured.

Businesses have an interest in ensuring that their logistics provider is committed to consistently available customer service. Logistics providers ignore customer service at their own peril because, believe me, shippers will notice. ■

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*- Gerald Birin, **CEO, MHKnitwear Inc.***

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- MIS: Inventory Management
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CUSTOMER SERVICE GETS PERSONAL

by Joseph O'Reilly

Businesses today face the unenviable task of reducing supply chain costs while increasing front-facing service to end customers. Technology and automation help integrate and expedite service, but they don't allay the problems and emotions—good, bad, and indifferent—that befall poor execution or unforeseeable exceptions.

The business-to-consumer universe is rife with examples of customer service gone awry, or simply, beep and “no reply.” Manufacturers and retailers that fail to meet basic consumer expectations are destined

to leave business at the door; and transportation and logistics service providers that similarly can't deliver invariably join the line.

For all the benefits technology wields in a world driven by connectivity and speed, it also abstracts the human interface: the firm handshake that instills confidence in a new partnership; the calm voice that offers reassurance when a shipment is missing; the steely eye that shows determination and perseverance in reducing inefficiencies and costs.

Good customer service is reactive and proactive; it is

both a means toward a long and successful business relationship and an end in itself. Increasingly, it's personal.

For companies that demand premium customer service, it's there for the asking. For some, there's a willing ear on the other end of the line and on the other side of the table that's ready to listen.

An Arm's Length Relationship Does Not Go Deep Enough

There is a common and sometimes very real perception that when the economy tightens, customer service slackens. The pressure to squeeze out supply chain costs often lends itself to cutting assets, cutting labor, and cutting corners.

But consistent customer service can

a collaborative partnership is a timeless cost-cutting strategy.

"Cost pressures will always exist," says Fred Berkheimer, vice president of logistics for Unilever Health and Personal Care North America. "But you have to take a long-term view of customer service to reduce costs. Day to day, sound customer service is more important than ever. We look at our relationships with service providers and ask, 'how can we become more efficient together?'"

The consumer product manufacturer, which has U.S. headquarters in Englewood Cliffs, N.J., expects as much and more from its third-party logistics providers. In April 2002, the company found an eager partner in GENCO

performance is to get up close and personal with customers—and companies such as Unilever expect nothing less from themselves and their partners.

"We need to be open with our contracted service providers," says Berkheimer. "An arm's length relationship with a 3PL does not go deep enough. It will not reach that necessary level of collaboration."

The First and Most Important Step is Listening

While supply chain partnerships grow increasingly more complex, and the underpinnings of successful collaboration reach deeper and further back in the supply chain, on the surface, customer service is reactionary. Whether it's identifying a supply chain exception and initiating a response, or managing day-to-day operations, there is a cause and effect.

Reactive is not a pejorative assessment, according to Randy Marshall, director of operations for Technicolor, a CD and DVD replication company based in Camarillo, Calif. "I tell my staff it's like a fire drill; don't be surprised when the alarm rings," he says. "I need to know that I have people and partners in place who are prepared and ready to act."

Melvindale, Mich.-based Evans Distribution Systems currently provides a variety of 3PL capabilities for Technicolor, from transportation and warehousing to other value-added services.

"For Evans to respond quickly to our changing needs, direct communication is necessary," Marshall adds.

That's why Evans places a premium on listening. The 3PL has crafted a nine-point system that outlines its approach to customer service, says Leslie Ajlouny, vice president of business development for Evans.

"This system helps us to ensure not only successful operations, but successful relationships," he says. "The first and most important step is listening. This is critical at the first customer meeting and remains our top priority throughout the relationship."

For some companies, a customer service representative who is attentive

“We strive to stay one step ahead, anticipating our clients’ requirements to counsel them on best practices that can help improve their business.”

—**Michael Katz**, CEO, Choice Logistics

“During Hurricane Ike last summer, Choice provided regular updates on the availability and status of certain depots, and whether there were any delays. We communicated updates to our sales and service staff and let them know when we could get back online and deliver.

—**John Peterson**, vice president of logistics, Hitachi Data Systems

also be a path toward reducing costs and therefore a priority in good times and bad. Third-party logistics and carrier partners that focus attention on the customer bundle more value in the total cost of doing business and ultimately differentiate themselves in the marketplace.

"When your purchasing power diminishes, customer service provides the highest return on your limited resources," says Catalina Munoz, senior warehouse account manager for CaseStack, a Santa Monica, Calif.-based 3PL. "Setting yourself apart becomes even more essential to the entire value package for the customer."

Shippers, too, recognize that building

Supply Chain Solutions.

GENCO currently manages Unilever's entire distribution network, including three facilities totaling 1.7 million square feet. Beyond its operational capabilities, the Pittsburgh-headquartered 3PL has built a corporate culture that thrives on communication and collaboration.

"It's nice to say that you drive value for your customers, but you have to be able to back that up and measure it," says Herb Shear, GENCO's CEO. "My job is to be oriented to our customers' business and stay engaged with them. Finding out where customers are going strategically, and what they're looking for, is an important part of what I do."

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“The first and most important step is listening. This is critical at the very first customer meeting and remains our top priority throughout the relationship.”

—**Leslie Ajlouny**, vice president of business development, Evans Distribution Systems

“Evans goes to great lengths to understand unique project requirements. Rather than focusing on price from the start, it determines what we need.”

—**Randy Marshall**, director of operations, Technicolor

and outgoing makes a world of difference. Michael Bojorquez, distribution manager for Air Liquide Electronics, a distributor of compressed gases based in Fremont, Calif., likes the fact that when he calls his motor freight carrier, Con-way Freight, its agents go the extra mile in making time to answer his questions.

“When I call Con-way, I don’t have to identify myself. They know who I am and who I need to talk to,” he says. “If someone doesn’t have an answer, they get back to me—on the phone. They are persistent and go out of their way to contact me.”

For others, fielding phone calls from the CEO is an expectation, not an exception. “Herb Shear is the only CEO I work with who might not call me for one month. He spends the time to find out how we think. When he asks questions, he creates value for Unilever,” says Berkheimer.

Building a corporate culture that places a premium on “listening” requires customer-facing employees who are prepared to answer and respond to questions and problems that arise. Companies that value the importance

SERVICE BY EXCEPTION

Not every company warrants a heavy dose of human communication. In some industries, removing the personal element is key to driving better efficiency and this translates to customer service as well.

“In mission-critical logistics, we try to take the person out of the process and remove the human touch,” says Alan Burks, director of logistics for Hitachi Data Systems (HDS). The Santa Clara, Calif., company manufactures high-performance storage systems used by banks, airlines, and financial institutions that operate in-house data centers. In 2000, HDS partnered with Choice Logistics as its spare parts replenishment and distribution provider in North and South America.

“We sometimes go six months without calling anyone at Choice. Our systems are so automated and integrated, they run on their own,” Burks says. “We contact Choice only when we have issues or service failures.”

HDS has a senior representative at Choice on call all the time, but rarely has to contact him. “It just doesn’t happen,” says Burks.

The value-add that Choice brings to the equation is a proactive approach to driving innovation and sharing best practices. HDS hosts quarterly business reviews with Choice to engage in discussions about new ideas, or stocking locations it is exploring.

“While it is a given that service providers should expeditiously react to customer needs and their ever-changing business environment and challenges, being proactive is essential to becoming an invaluable asset,” says Michael Katz, CEO of Choice Logistics. “We strive to stay one step ahead, anticipating our clients’ requirements to counsel them on best practices that can help improve their business.”

Customers such as HDS value this perspective.

“We take advantage of the collective experience and knowledge presented at these meetings to evaluate our business,” says John Peterson, vice president of logistics for HDS.

“Choice is very capable of managing the process and equally candid about what it can and can’t do,” adds Burks. “It holds agents accountable.”

Beyond service-level agreement requirements, HDS also appreciates that Choice acts as its “eyes and ears” when supply chain exceptions loom large.

“For example, when Hurricane Ike hit Houston last summer, Choice provided regular updates on the availability and status of certain depots, and whether there were any delays,” says Peterson. “We communicated updates to our sales and service staff and let them know when we could get back online and deliver shipments.”



Hitachi Data Systems values the visibility Choice Logistics provides as its extended “eyes and ears” – sharing updates on depot closures during hurricanes, for example.

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“My job is to be oriented to our customers’ business and stay engaged with them. Finding out where customers are strategically going and what they’re looking for is an important part of what I do.”

— **Herb Shear**, CEO, GENCO Supply Chain Solutions

“Herb Shear is the only CEO I work with who might not call me for one month. He spends the time to find out how we think. When he asks questions, he creates value for Unilever.”

— **Fred Berkheimer**, vice president of logistics, Unilever Health and Personal Care North America

of customer service unequivocally support and empower their staff in a similar manner.

“Training experienced and new team members is an ongoing, never-ending process,” explains John Hockmuth, vice president of sales for Burris Logistics, a Milford, Del., refrigerated warehouse and distribution company. “The more each team member knows about their individual job and the internal customers they serve, our product—which is service—will be delivered to our customer more consistently.”

Conceptualizing service as a commodity perhaps abstracts the emotional value implicit in human communication and collaboration. But it does capture the gravity “service” providers place on not just delivering the goods, but delivering on promises, and often times delivering above and beyond what is required. This is when communication escalates, and where personal touch becomes a value-added differentiator.

Personal Relationships are Much Stronger Than a Contract

“When we need a Herculean effort—60 trucks out to manage a retailer’s promotion, for example—it’s not unusual for GENCO’s people to work day and night to make it happen,” offers Unilever’s Berkheimer.

When the going gets tough, transportation and logistics providers really show their mettle; and what doesn’t break the chain only makes relationships that much stronger.

For Cephalon, an international biopharmaceutical company headquartered in Frazer, Pa., GENCO is very much a

part of the corporate fold—beyond its role managing reverse logistics and returns management. “It’s all about building relationships and treating vendors as an extension of the enterprise. GENCO is Cephalon,” says Randy Bradway, vice president of commercial operations, Cephalon.

“As with any operation, when people are involved, mistakes happen,” he adds. “The process of dealing with the ‘oops’ is what makes relationships work. GENCO is touching our products and customers every day. How do you provide incentives to people doing your work outside the enterprise? Open and constant communication is key to building this type of collaborative culture.”

Tony Cerro, senior logistics planner for Irving Tissue, a Philadelphia tissue product manufacturer, shares a similar appreciation for its warehousing and distribution partner—Shippers Warehouse of Georgia, based in Jonesboro.

“Shippers Warehouse moves a lot of BJ’s Wholesale Club volume for us, which requires multi-stop loads and coordinating with club stores to schedule and accept deliveries,” says Cerro. “In the few instances when problems occur—a driver oversleeps or a truck breaks down, for example—Shippers Warehouse is there to reschedule shipments and turn things around.”

In worse case scenarios, personal-ity makes a big difference. “Cracking jokes during a resolution helps avoid the blame game,” he adds. “We bring a positive approach to dealing with our customers and service providers and Shippers Warehouse buys into that.”

General Electric Appliance (GEA)

shares a comparable bond with its third-party logistics provider, TMSi, Fernandina Beach, Fla. As a “team” they make site visits to customer facilities, and have customers visit their facilities.

“There’s nothing fancy about it, but this connectivity is important,” says Todd Greener, manager, parts operations for GEA, Louisville, Ky. “Key customers come to our warehouse and meet with our site leadership team and they can’t tell the difference between GEA and TMSi. The partnership is transparent.”

Such transparency is often manifest in how organizations as a whole communicate with customers. At GENCO, everyone—from top to bottom—is involved in customer relationship management.

“We survey customers proactively every quarter to measure progress,” says Shear. “Many companies execute a similar Q&A review, but outsource it to a third-party provider.

“We believe it’s important for senior management to actively engage and interact with customers during this process. Otherwise it’s too easy to get diverted,” he adds.

Involving senior management in the process also helps eliminate bureaucracy so that when a problem occurs, everyone knows about it.

“At GENCO, customer service starts at the top and runs through the entire organization,” says Bradway. “All employees have religiously adopted Herb Shear’s customer service culture and they take it personally. Personal relationships are much stronger than a contract.”

When push comes to shove, empowerment and responsiveness are often

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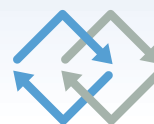
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key factors in managing supply chain exceptions quickly and efficiently. Mark Menotti, traffic manager for Southwire Company, a Carrollton, Ga.-based manufacturer of residential, commercial, industrial, and utility wire and cable products, knows this well.

Southwire has been working with A. Duie Pyle, West Chester, Pa., since the mid 1990s and the LTL company is a preferred provider in its carrier alliance program. Menotti recalls sending a shipment out for next-day delivery and overlooking a 24-hour call for appointment provision on the bill.

"At 11 p.m. I realized the problem. So I called A. Duie Pyle and spoke with a night shift worker who said the shipment was indeed waiting at the terminal. He authorized the shipment to move without the consignee's approval," says Menotti.

People, Not Technology, Identify Trends

For many companies, customer service is as much a part of anticipating demand as it is reacting to change.

Technicolor's Randy Marshall appreciates the fact that Evans insists on face-to-face meetings when bidding on new business.

"Evans goes to great lengths to understand unique project requirements," he says. "We meet face to face, it emails back an assumption of the requirements, I verify and/or correct that assumption, then Evans bids on it. Rather than focusing on price from the start, it determines what my company needs."

By assessing requirements in advance, there is less risk that a project will grow beyond the allotted budget and that Technicolor underbids a customer.

The ebb and flow of communication among supply chain partners also facilitates better strategic planning and innovation. Service providers rely on customers to share information so they can anticipate shifts in demand and evolve their services to account for these changes. Shippers, too, value the objectivity their partners bring to the table when assessing broader business trends and challenges.

Cephalon's Bradway enjoys the quarterly "brain dump" meeting with GENCO. "We throw our cards on the table, pull out our crystal ball, and look into the future to see how we can work together to avoid problems and manage change," he says.

Because GENCO serves multiple customers in the pharma industry, it is privy to emerging trends that it shares with Cephalon.

"GENCO may see a high volume of product returns coming from one pharma chain, a specific geographic location, or a group of manufacturers. It tracks cross-industry or cross-manufacturing patterns. People, not technology, identify trends," adds Bradway.

Then there are examples where customer service is both proactive and reactive, and where competitive hubris surrenders to outsourcing altruism. Unilever's Berkheimer recalls a failed technology installation at one of its 3PL facilities.

"A WMS conversion at a third-party facility went awry," he says. "We were

a day-and-a-half late with shipments, trucks were waiting, and retailers were screaming. Our third-party logistics provider couldn't fix it. Herb Shear called, asked if we needed help, and that was that."

GENCO shipped a busload of people to the facility. They worked in shifts, and in 10 days they fixed the conversion problem in a competitor's facility.

"We understand Unilever isn't going to give us 100 percent of its business, so we're there for the customer. It's about building a long-term relationship," observes Shear.

Sometimes that requires separating emotions from business. "We look at the outsourcing process holistically with every part in mind. The idea is to raise the tide and float all boats," adds Berkheimer.

It Blows Silo Thinking Right Out the Door

For transportation and logistics service providers, customer service plays a critical role in their evolving value proposition. A proactive approach enables

them to anticipate need, scale investments in technology and services, and better match resources to demand.

"The more we communicate with customers, and understand how their business is trending, the better off we all are for it," says Shear. "If a customer tells us business will be off 20 percent next year, we need to identify areas where we can pull costs out and make operations more efficient."

This attention to detail, continuous interaction, and inquisitiveness is nothing less than grassroots demand-driven logistics. Customer service breaks down walls and foments supply chain synergies beyond contractual obligations.

"Our management structure with TMSi encourages broader thinking," says Greener. "Traditional 3PL relationships often focus on labor costs and basic customer service metrics. But warehousing has a tremendous impact elsewhere on transportation and quality control."

The trust that GEA and TMSi have built opens up new avenues for collaboration and innovation. "Establishing this

type of relationship blows silo thinking right out the door," says Ron Cain, CEO of TMSi.

As a whole, customer service is an expectation. Sometimes it's difficult to place a value on something that is ephemeral, evolving, and emotional. Only when problems arise, or challenges present themselves, are these expectations satisfied or spurned.

Businesses that approach customer service as a core competency, and deliver beyond what is expected, instill these values in their employees, then empower them to act. The human component is paramount.

In this sense, customer service is a marriage of ideas and a contract without license. It is expressive when it needs to be and felt when it's supposed to be. When customer service is lacking, it's glaringly visible. When it's apparent, it's discreet, and everyone benefits.

"Our goal is to be an extension of our customer but transparent in everything we do," says Hochmuth. "If our customers succeed, then we have succeeded." ■

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Hospital Logistics Gets a Check-Up

Symptoms such as erratic billing rates, supply closet vertigo, and constricted inventory flow have healthcare facilities prescribing efficient supply chain management as the cure for what ails them. To improve their condition, they need a dose of TLC from suppliers and service providers.

by Lisa Harrington



Healthcare facilities suffer from logistics headaches and hemorrhaging budgets, symptoms complicated by a pre-existing condition: an economic model that doesn't provide a predictable revenue stream.

"Hospitals receive most of their revenue from insurance or Medicare/Medicaid payments," says Jake Groenewold, vice president, supply chain for the University HealthSystem Consortium (UHC) of Oak Brook, Ill., an alliance of 102 academic medical centers and 191 of their affiliated hospitals. "Third parties are continually scrutinizing hospital operations, driving an imperative to operate as efficiently as possible."

There's a fly in the ointment, however: billing rates and reimbursements don't always balance. "We can send an invoice for \$3, but with our mix of managed and governed care, we might get back only 80 cents on the dollar," Groenewold notes.

"For example, my 75-year-old mother fell and broke her hip," he continues. "She went to the hospital on Saturday, had surgery on Sunday, and was in the surgical unit for three days. That is considered an 'episode of care.' Medicare reimburses the hospital a certain amount for that time period, regardless of the actual cost. The costs are usually more than what the hospital is reimbursed for, so in many cases, the hospital loses money."

Because they never know what percentage of billed costs they will actually collect, hospitals rarely know what their net revenue will be. "Hospitals don't operate

like McDonald's, which can forecast that it will sell one billion hamburgers at \$1 each, then actually bring in that revenue," Groenewold points out.

Given this underpinning of economic uncertainty, healthcare facilities are finding relief in well-managed procurement and supply chain operations. Hospitals and their suppliers are prescribing a number of logistics treatments to relieve supply chain aches and pains.

PATIENT: University HealthSystem Consortium
DIAGNOSIS: Supply Selection Short-Sightedness
TREATMENT: Collaborative Purchasing

Doctors and administrators who don't consider supply chain issues when selecting the best value on supplies for their hospitals could have impaired vision.

"Physician preference drives certain supply decisions," Groenewold explains. "The hospital doesn't employ the physician, yet he prescribes, for example, the artificial hip he wants to use. The hospital has to order it; if we buy a lower-cost hip, the physician won't use it on the patient."

Typically, supplies represent 22 to 25 percent of a hospital's costs, but could jump to 50 to 70 percent of the expense for an individual episode of care as a result of

doctor-specified orders. Many hospital organizations, including UHC, struggle to work through these issues.

"Employees with clinical backgrounds work with administrators and doctors to evaluate which products will best meet the physician's needs," explains Groenewold. Often, the hospital is able to purchase an item that saves money while meeting the doctor's requirements.

On a larger scale, hospitals use organizations such as UHC to leverage members' collective purchasing power and reduce supply costs. UHC has negotiated a portfolio of supply contracts through which its members can buy.

Additional help comes from Novation, established in 1998 when two national healthcare alliances, VHA and UHC, consolidated their supply-contracting functions. Based in Irving, Texas, Novation acts as the contracting services company for members, associates, and affiliates of both alliances to help them manage and reduce supply costs. In 2007, Novation represented \$33.1 billion in annual purchases. Managing contracts and supplies through Novation gives UHC a better view of its supply chain options.

PATIENT: Nebraska Medical Center
SYMPTOM: Supply Deficiency Disorder
TREATMENT: Inventory Management Therapy

Many hospitals turn to automation to improve supply processes and reduce costs. Such is the case for the 689-bed Nebraska Medical Center, the University of Nebraska's teaching hospital. Located in Omaha, it is the state's largest healthcare services provider, with more than 4,900 employees and 1,000 physicians on staff. In fiscal year 2007, the Nebraska Medical Center treated more than 26,000 in-patients and 445,000 out-patients.

Prior to transforming its logistics model, the Nebraska Medical Center managed inventory in a manual "stockless" environment. Under this system, staff members went to different areas of the hospital each day and assessed what stock was used. They manually keyed that information into the inventory/order management system and placed an order with a wholesale distributor. The material was delivered the next day for the staff to put away and restock.

The hospital used charge stickers to manually track supply consumption. When nurses used a product, they would remove its sticker and place it on the patient's chart. The sticker information was later keyed into the medical center's patient billing system.

The process created many opportunities for error. Staff could enter inaccurate information during inventory or ordering. Clinicians could forget to remove stickers from products or attach them to charts, or the stickers could fall off.

The cure for the Nebraska Medical Center's inventory



Automated Pyxis inventory cabinets from Cardinal Health help the Nebraska Medical Center's staff track medical and surgical supplies at the point of use.

disorder proved to be a responsibility transplant. The center now outsources its financial and supply chain management responsibilities to Dublin, Ohio-based Cardinal Health, one of the nation's largest healthcare wholesale distributors.

Although the Nebraska Medical Center is a huge consumer of medical/surgical supplies, it does not own or manage its inventory. Instead, Cardinal Health fulfills the medical center's supply needs—both to the central storeroom and to the hospital floors and operating areas, managing the inventory at optimum levels.

Cardinal Health utilizes Pyxis inventory management systems to automate the center's logistics. Pyxis is a combination of automated, computer-linked inventory cabinets and remote open-shelf technology dispersed throughout the hospital that tracks the use, reorder, and issue of medical and surgical supplies at the point of use.

"Our supplies management is completely automated," explains Tom Strudl, the Nebraska Medical Center's director of resource control. "The cabinets hold and manage the inventory. When clinicians need a product, they access the system, identify the patient, select the item and quantity, and remove the product. The Pyxis system keeps track of inventory and, when a quantity on hand gets low, the system automatically



reorders it when an extract is run.”

Cabinets are replenished either from the central hospital stockroom or from Cardinal Health’s regional distribution center. Orders are processed through an EDI interface to the Cardinal warehouse. A snapshot is taken at 5 p.m. and the required replenishment materials are delivered and put away early the next morning.

Pyxis also simplified the medical center’s billing process. “The machines and systems are linked to our charge master system so as we consume a supply, it’s processed and billed accordingly,” Strudl says.

In addition to managing inventory reorder points, if an item’s inventory level drops below a predetermined threshold, the unit automatically sends a “critical low” message to the supply room, asking for replenishment. Or, if there is a stock outage, the cabinet requests immediate action.

“The system allows us to manage supplies proactively rather than reactively,” Strudl says.

3PLs Monitor Shipment Vital Signs

Because they deal with products that affect patients’ health and well-being, healthcare industry suppliers often require special freight-handling processes. Niche third-party logistics service companies such as **Priority Solutions International** of Swedesboro, N.J., and **NAL Worldwide** of Addison, Ill., have **developed services tailored especially** for this market.

“Increasingly, customer shipments require temperature monitoring,” reports Tim McClatchy, director of sales for Life Science Services at Priority Solutions International. “They don’t necessarily need cold chain service, but they want us to ensure that their product doesn’t get warmer than 40 degrees Celsius. To do that, we have to monitor the top-end temperature.”

NAL Worldwide serves a number of companies that manufacture or supply larger hospital equipment ranging from beds to diagnostic imaging machines. “Because the equipment



Priority Solutions International’s specialized healthcare freight handling and monitoring processes keep medical personnel smiling.

is of such high value, our customers look to us for the ability to track serial numbers,” notes Don Armstrong, NAL Worldwide’s director of marketing. “They want to know the moment a piece of their hardware comes into one of our logistics centers—and they want to know the specific model and serial number of that unit. The same applies to outbound deliveries.

“Inventory accuracy is a big issue,”



Armstrong continues. “Our customers want to know that the item they’re moving is where we say it is when they log into our asset management system.”

Additionally, delivery times are often critically important. “This is the only sector we work in where delivery can be a matter of life or death,” Armstrong notes. “We are affecting whether a hospital has the equipment it needs to treat patients.”

"And we have been able to enhance product standardization because the staff does not have the ability to order outside the system's parameters.

"One of the biggest benefits is that product is available at the point of use when we need it," he continues. "When a nurse goes to a shelf to get an item, it's there 99 percent of the time. Because product is easier to find, we have reduced the number of storeroom requests. Now, we use the central storeroom to hold product that has low usage volume, but we can deliver it quickly when needed."

The logistics initiative has helped reduce the medical center's net supply cost. The center has operated under supply budget every year since implementing the system in 2003, and continual improvement efforts add to the savings.

A new products committee, comprised of clinicians, procurement, and supply distribution staff, reviews and approves products for use. "As part of our team, our logistics partner presents opportunities to standardize and looks at our buying patterns to identify areas for cutting expenses," Strudl notes.

By outsourcing its supply chain and reducing inventory carrying costs, the Nebraska Medical Center significantly cut spending. At the same time, nurses and physicians have the supplies they want where and when they need them—all of which improves patient care.

PATIENT: Harvard Drug Group

DIAGNOSIS: Data Tracking Strain

TREATMENT: Warehouse Operations First Aid

Not only do hospitals face challenges in keeping supply inventory steady, they also have legal obligations to track some of those supplies at the item level. Manufacturers and suppliers play a vital role in ensuring that these regulations are followed.

Several years ago, California passed a law requiring that the entire healthcare supply chain use electronic product pedigrees and serialize product line tracking in order to deter pharmaceuticals diversion and counterfeiting. Under this sweeping ePedigree law, the following requirements apply to the pharmaceutical supply chain:

- Pharmaceutical products must be serialized at the smallest package or immediate container level.

- Serialized electronic pedigrees must be initiated at manufacturing and managed at change of ownership points throughout the supply chain.

- Pedigrees must be produced for nearly all product lines.

- Pedigrees must be transferred in an interoperable electronic format.

- Returns to the wholesaler or pharmacy must be included on the pedigree.

Other states are likely to follow California's lead by instituting similar ePedigree regulations.

"The problem with ePedigree regulations is that every state's requirements are different," says Dale Swoffer, senior vice president of information technology for the Harvard Drug Group, a wholesale distributor based in Livonia, Mich. "We hope the California law will act as a blueprint for regulation across all 50 states."

Serialization will place a tremendous data collection strain on the healthcare industry. It shifts the onus for lot tracking to the manufacturer, as opposed to the wholesale distributor. The industry faces a significant change in operations, the costs of which will likely be passed along to hospitals and healthcare facilities.

The following areas of concern were identified by the Healthcare Distribution Management Association in research sponsored by global software provider SAP.

- **Serial Number Management:** For serialization to work, every number applied to an item, case, or pallet must be unique. Companies applying serial numbers must keep track of what numbers have been used, and must allocate numbers to various manufacturing plants and distribution centers in non-overlapping number ranges. A related requirement is that standard numbering formats be used so that trading partners can read them.

- **Business Process Execution:** Manufacturers, distributors, retailers, and hospitals that handle serialized product will need to integrate serialization steps into normal business processes. Serialization affects business processes such as packaging, receiving, picking/packing/shipping, kitting, repackaging, and inventory movements and adjustments.

Today, each of these business processes operates without serialization. For example, items are typically picked and shipped against an order document. Serialization adds tasks to capture



Locking Up the Medicine Cabinet

On the federal compliance level, the U.S. Drug Enforcement Administration (DEA) has been cracking down on wholesale distribution of controlled substances. In October, for example, **Cardinal Health**, one of the nation's largest distributors of pharmaceutical drugs, agreed to pay \$34 million in civil penalties for allegedly violating its obligations under the Controlled Substances Act.

Cardinal Health, which operates 27 DEA-registered distribution facilities, failed to report suspicious orders of hydrocodone, the generic form of a prescription painkiller classified under federal narcotics law as a Schedule III controlled substance. Cardinal distributed the drugs to pharmacies that filled non-legitimate prescriptions originating

from rogue pharmacy Web sites.

The seven U.S. Attorneys Offices that brought the suit alleged that the orders Cardinal received from these pharmacies "were unusually large, unusually frequent, and/or deviated substantially from the normal pattern." According to the DEA, Cardinal's conduct allowed the "diversion" of millions of dosage units of hydrocodone from legitimate to non-legitimate channels. DEA regulations require all manufacturers and distributors to report suspicious orders of controlled substances.

"The onus is on the warehouse distributor to determine if an order is suspicious," explains Dale Swoffer, senior vice president of information technology for wholesale distributor Harvard Drug Group. "The DEA is telling warehouse distributors

to look at their customers' buying patterns and determine whether an order is suspicious, then put the order on hold. But the DEA doesn't define suspicious."

During its investigation, the DEA stripped three of Cardinal's DCs of their licenses to distribute controlled substances. Those licenses were reinstated under the settlement agreement. In addition, a fourth distribution center at which the company voluntarily suspended distribution services was re-opened in September.

In addition to paying the settlement, Cardinal has expanded its training processes, installed new technology that automatically sidelines potentially suspicious orders for further investigation, and expanded its compliance management team.

serial numbers and make sure they are aligned and consistent with orders. Workers must also check that the count of serial numbers scanned matches the order quantity.

"In summary, accuracy and granularity must go to a new level," SAP reports. "It is not sufficient to have accurate inventory counts. It is also required that each individual item is correctly identified."

These requirements intensify the demands on distributors such as Harvard Drug Group. "We currently push 15,000 lines a night out of our Michigan facility," Swoffer reports. "If an order consists of 20 pieces, each piece must have a unique identification. The volume of data grows quickly and exponentially."

To cope with burgeoning data management

requirements, Harvard Drug Group installed Manhattan Associates' warehouse management system (WMS) and a Vocollect voice-directed picking system in 2005.

"We needed a system to track lot numbers and expiration dates throughout the distribution process, to interface with the pedigree system and keep us compliant," explains Swoffer. "We moved from an old legacy system to a sophisticated WMS."

In doing so, Harvard Drug Group rewrote all its operating processes during the 18 months of systems implementation. The hard work paid off, however. In addition to providing the ability to track inventory, the new system allows Harvard Drug Group to increase its hourly work output.

"At our small parcel facility in Livonia, we have a very short pick window," Swoffer notes. "We pick from 4 to 9 p.m., and the FedEx truck leaves at 9:01. Without the WMS and voice-picking system, we would have had problems meeting information requirements and processing orders within that short window."

The WMS also gives Harvard Drug Group visibility into warehouse inventory and expiration dates. "Today, we can easily identify short-dated products and get them out the door so they don't lose value," Swoffer says.

Healthcare cost management is challenging because of the nature of the business. Hospitals and medical facilities are realizing, however, that their supply chains offer tremendous opportunities to take out cost while improving service. Working collaboratively with suppliers and service providers, healthcare facilities have made considerable advances in improving their health. ■



Harvard Drug Group upgraded its warehouse management and picking systems to maintain efficiency while complying with ePedigree guidelines.



PROFESSIONAL ASSOCIATIONS

STANDING OUT *in the* CROWD

Whether you're a rookie warehouse operator, a mid-level transportation manager, or a veteran logistician, industry associations can help you make a name for yourself. **by William Atkinson**

Professional logistics and supply chain associations tout their benefits to potential members, focusing on how joining helps advance career development. But are the networking and educational advantages as great as the groups claim?

That's what *Inbound Logistics* asked six supply chain association members, and their collective answer was a resounding "Yes!" Among the benefits they reaped from signing up, these card-carrying members listed: access to industry experts, opportunities to influence legislators, exposure to best-practice resources, and insight into logistics roles outside their own. Read on to discover why association membership is a good move.

What better way to learn about new supply chain developments than to spend some time with fellow logisticians? This line of thinking makes networking one of the primary reasons to join a professional association.

Just ask Jim Lewis, executive vice president and chief supply chain officer for Itasca, Ill.-based workspace products manufacturer Fellowes Inc. Lewis has been a member of the Council of Supply Chain Management Professionals (CSCMP) for three years.

"I joined because I had recently taken over full supply chain responsibility for Fellowes and was looking for a professional organization where I could connect with others in the field," he explains. "CSCMP members are working on the same issues, challenges, and opportunities that my company faces."

Like Lewis, Larry Corrigan, vice president of operations for Medline Industries, a Mundelein, Ill.-based healthcare supplies manufacturer, values the networking opportunities he has capitalized on since joining the Warehousing Education and Research Council (WERC) in 1997.

"WERC brings together all facets of distribution and warehousing," Corrigan says. "If I need to find out more about warehouse management systems, conveyors, site selection, or labor management, my WERC contacts put me a phone call away from an answer."

Connect with the Players

Not only do professional association members make widespread contacts throughout the logistics segment, they also connect with supply chain's most influential players. Curt Warfel, who has been a member of the National Industrial Transportation League (NITL) under two different employers since 1986, experienced this high-powered networking firsthand.

"NITL was one of the organizations that logistics professionals 'had to' belong to, particularly in the 1980s," explains Warfel, manager, logistics and distribution, at manufacturer Eka Chemicals, Marietta, Ga. "Access to

peers and the ability to rub shoulders with the 'big boys' made League membership a must."

Gerry Bundle, a 20-year member of the Institute for Supply Management (ISM), concurs. "Through ISM, I've connected with Norbert Ore, C.P.M., chair of the Business Survey Committee, which compiles and publishes the Supply Manager's Index, one of the country's most important leading economic indicators," says Bundle, managing director and principal consultant for Standhope Advisory Services. "The *Wall Street Journal* quotes Ore at least monthly; the chair of the Federal Reserve contacts him for information on where the economy is going. My conversations with Norbert are always enlightening."

Get Smart(er)

In addition to the professional contacts they make, association members expand their industry knowledge, both as it relates to their own jobs and logistics as a whole.

"I've attended sessions on all aspects of distribution center operations—people, processes, and facilities," says Corrigan. "The sessions that offer the greatest value focus on hiring, training, developing, and retaining a great workforce."

Corrigan also appreciates WERC's educational mailings and online resources. "The value of the education offsets the cost of membership tenfold," he says.

The associations' educational opportunities help logistics newbies and seasoned veterans alike stay current and gain insight.

"Young logistics professionals joining CSCMP can find out the best practices of companies in different industries," says Lewis. "These days, what separates exceptional performers from average performers is the knowledge they can attain on the outside and bring back into their companies. Being a CSCMP member provides this opportunity."

Lewis also arranges for Fellowes employees to attend CSCMP workshops to get "deeper dive" data, as well as to obtain benchmarking information. "CSCMP provides access to the right

measurement practices so we can calibrate performance trends and identify areas for improvement," he explains.

Warfel agrees that professional associations are great resources. "With the changes in the transportation industry during the past two decades, more people working in supply chain have backgrounds in finance, accounting, or sales," he says. "Many of them don't have institutional supply chain knowledge, but as members of NITL they can get up-to-date information on regulations and trends."

For Bill Duff, corporate manager of Toyota Motor Sales USA Inc.'s environmental coordination office, membership in the Council on Safe Transportation of Hazardous Articles (COSTHA) has provided access to valuable resources.

Duff joined COSTHA because Toyota had questions about hazardous materials guidelines. "We found the regulations confusing, and we wanted to better understand them," he recalls. "Initially, we joined two or three organizations, but COSTHA was the most informal and held open discussions. The meetings provide opportunities to talk to agency representatives, so I'm able to learn more about hazmat regulations."

Instead of spending hours on the phone with the Department of Transportation, Duff uses COSTHA as the single source for all the information he needs. That insider knowledge has paid off handsomely.

"As a result of our involvement in COSTHA, Toyota has saved millions of dollars, and been violation-free for 10 years," Duff reports.

Certified Benefits

In addition to seminars and meetings, some professional organizations, such as the American Society of Transportation and Logistics (AST&L), offer career development in the form of transportation and logistics certification programs.

"AST&L is the only organization that provides a global certification process for transportation and logistics," notes Mark Holmes, vice president, global solutions for OHL (formerly Ozburn-Hessey

Logistics), a Brentwood, Tenn.-based third-party logistics provider. He joined the AST&L 15 years ago.

Established in 1948, the Certification in Transportation Logistics (CTL) is granted to logistics professionals who successfully complete six exam modules on topics such as general management principles and techniques, transportation economics management, and international transport and logistics.

Conference Highlights

For many professionals, a highlight of membership is attending the association's conference, where members from around the world gather to participate in educational sessions, panel discussions, and committee meetings.

Warfel finds NITL's TransComp conference valuable because of the number of vendors exhibiting there.

"It's efficient to have so many suppliers 'under one tent' and see what products are available," he says. "My company uses a railroad-pricing model software almost daily, but the only time I have a chance to meet with the vendor's principals is at TransComp."

In conference sessions and meetings, Warfel gains valuable information on fuel cost reduction plans and infrastructure funding. But conferences aren't all business, all the time. This year's TransComp conference also provided Warfel with the chance to meet a personal hero: Don Shula, former coach of the Miami Dolphins, who spoke at the closing session.

"Because Shula coached the first NFL game I ever attended back in 1969, and is still the only NFL coach to lead his team to an undefeated season, being able to meet and have my picture taken with him was a thrill," Warfel notes.

With so much institutional knowledge gathered in one place, members of professional logistics organizations carry a degree of clout.

"The most important reason for being a NITL member is that you become part of an organization that influences the direction of the industry, rather than just coming along for the ride," Warfel

says. "You are a player rather than a spectator."

For example, Warfel's company is currently implementing a new tank car security procedure, based on best practices.

"The best practices information resulted from an inquiry I made to several members of the League's rail committee," he says. "Based on my questions, Doug Kratzberg, rail committee chair, created a presentation on securing tank cars and shared it at the committee meeting last August."

Warfel's input may now influence tank car security guidelines.

Duff has also tied his association membership to his job responsibilities. Through his involvement in COSTHA, he helped Toyota form a North American hazmat group for auto companies to focus on challenges in the industry. Next, Toyota got involved in a number of COSTHA committees and gathered the information necessary to put together an industry position.

"Then we got involved in the regulatory process, including public comment," says Duff.

COSTHA has also begun working closely with the federal Department of Transportation, which is making an effort to partner more with industry. In addition, because COSTHA is international in scope, it has gotten involved with the United Nations.

"Attending U.N. meetings has been priceless to our company," says Duff.

Warfel agrees that it's important to help make the logistics sector's voice heard in government.

"A lot goes on in Washington on the various boards related to trucking, rail, and ocean transport," says Warfel. "Actively participating in an organization such as NITL provides us with a seat at those tables and a say in the results."

Giving Back

It's one thing to join an association, pay dues, attend meetings, and pull what you can from it. It's quite another to donate your own time to make the association a better one and ultimately help

Standing OUT

Meet the six professionals who shared their experiences as members of logistics-related associations:



Gerry Bundle, managing director and principal consultant for Standhope Advisory Services LLC

(Chandler, Ariz.), member of the Institute for Supply Management (ISM).



Larry Corrigan, vice president of operations for Medline Industries Inc. (Mundelein, Ill.), member of

Warehousing Education and Research Council (WERC).



Bill Duff, corporate manager of the environmental coordination office for Toyota Motor Sales

USA Inc. (Torrance, Calif.), member of the Council on Safe Transportation of Hazardous Articles (COSTHA).

Mark Holmes, vice president, global solutions, for OHL (formerly Ozburn-Hessey Logistics)

(Brentwood, Tenn.), member of the American Society of Transportation and Logistics (AST&L).



Jim Lewis, executive vice president and chief supply chain officer for Fellowes, Inc. (Itasca, Ill.),

member of the Council of Supply Chain Management Professionals (CSCMP).

Curt Warfel, manager, logistics and distribution, for Eka Chemicals Inc., an Akzo Nobel Company (Marietta, Ga.), member of the National Industrial Transportation League (NITL).

Association STATION

Here are just six of the hundreds of logistics professional organizations available. With a little research, you will find the association that best meets your goals.

American Society of Transportation and Logistics (AST&L)

202-580-7270

www.astl.org

A group of industry leaders founded AST&L in 1946 to ensure a high level of professionalism in promoting continuing education in transportation and logistics. In 2002, AST&L became affiliated with The National Industrial Transportation League (NITL) to enhance the educational component for the organization and its members.

AST&L's mission is to facilitate education and certification in transportation, logistics, and supply chain management. AST&L members include shippers, carriers, educators, consultants, and intermediaries.

Council on Safe Transportation of Hazardous Articles (COSTHA)

703-451-4031

www.costha.com

Founded in 1972, COSTHA is one of the largest trade associations devoted to promoting regulatory compliance and safety in the hazardous materials transportation industry through dangerous goods courses and consultation.

COSTHA is involved in international harmonization efforts on dangerous goods and hazardous materials transportation. It also holds official observer status at the United Nations Committee on the Transport of Dangerous Goods.

COSTHA is designed for shippers, carriers, manufacturers, trainers, consultants, and trade associations with members involved in hazardous materials transportation.

Council of Supply Chain Management Professionals (CSCMP)

630-574-0985

www.cscmp.org

CSCMP's mission is to lead the evolving supply chain management profession by developing, advancing, and disseminating supply chain knowledge and research.

It provides opportunities for supply chain professionals to communicate in order to develop and improve supply chain management skills, identify and conduct research that adds to the knowledge base of supply chain theory and practice, and create awareness of the significance of the supply chain to business and the economy.

Institute for Supply Management (ISM)

480-752-6276

www.ism.ws

ISM was founded in 1915 and is the world's largest supply management association. Its mission is to lead the supply management profession through its standards of excellence, research, promotional activities, and education.

ISM's membership base includes more than 40,000 supply management professionals with a network of domestic and international affiliated associations.

National Industrial Transportation League (NITL)

703-524-5011

www.nitl.org

The National Industrial Transportation League is an association of companies that conducts industrial and/or commercial enterprises throughout the United States and internationally, and are concerned with the transportation of goods in both domestic and international commerce. The League has approximately 700 separate company members and is one of the oldest and largest associations in the United States representing freight transportation professionals.

Warehousing Education and Research Council (WERC)

630-990-0001

www.werc.org

WERC is the only professional organization focused on warehouse management and its role in the supply chain. WERC allows distribution experts to come together to share practical knowledge and professional expertise, with the aim of improving individual and industry performance.

Through membership in WERC, seasoned professionals and those new to the industry can stay in the forefront of innovation, master best practices, and establish valuable professional relationships.

WERC focuses on practical operations within the context of strategic global matters, such as technology, globalization, infrastructure, workforce management, and legislation. It offers members access to educational events, practical research, and peer-to-peer knowledge exchange.

other members. Why are some members so willing to give of themselves? Because they find that they get back as much as they give.

Bundle started donating his time to ISM from the very beginning. Until recently, he was a member of ISM's Committee on Social Responsibility, and he's currently involved with the organization's professional certification program. Both he and the organization benefit from the time he contributes.

"My ISM work helped build my team and leadership skills, and gave me a place to put them into practice," he says.

For Corrigan, a member of the WERC board and director of the 2009 conference, volunteering can have bigger implications. "The organization's success can ultimately have a dramatic impact on how I do my own job," he says.

Many companies acknowledge the benefits of employees' participation in professional organizations. As president of COSTHA, Duff takes part in numerous meetings, both in person and via conference calls, but his employer understands the importance of his commitment.

"Part of Toyota's culture is giving back to the organizations to which we belong," says Duff, who, with other COSTHA leaders, is spearheading an effort to encourage the organization's members to share best practices.

Contributing can be time-consuming, though. Holmes, who is president of AST&L's Boston chapter and will soon be the organization's global chairman, estimates that he spends 10 to 20 percent of his time on AST&L.

"I'm involved because AST&L is so influential to the logistics sector," he explains. "The organization makes things happen."

Duff echoes this sentiment. "Membership helps improve your professional image," he says. "It provides the opportunity to bring some value back to your company."

Involvement in professional supply chain and logistics associations offers limitless career development opportunities for their many members. Shouldn't you join the club?



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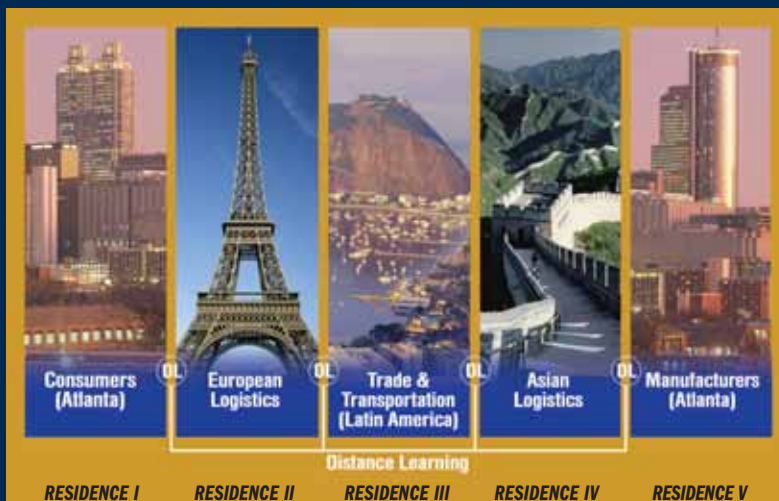
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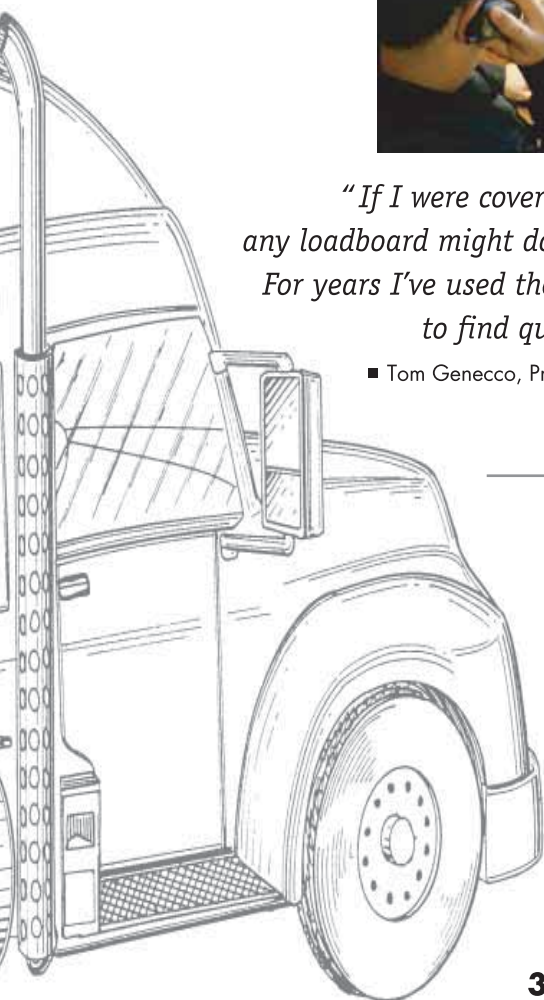
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I.T. Toolkit | by Dan Calabrese

Athletic equipment manufacturer Easton-Bell Sports scores big airfreight savings with an assist from UltraShip's transportation management system.

Airfreight Costs Touch Down

Customer service scores big points at Irving, Texas-based Easton-Bell Sports, which manufactures a wide array of sports equipment, including Ridell football and hockey helmets; Easton baseball bats and gloves; Bell bicycle parts and equipment; and a variety of racing, fitness, and yoga products. Easton-Bell's brand names have been well-known in the sports world for more than 80 years, and the manufacturer continues to post big numbers on the board, with current annual sales totaling more than \$600 million.

The sporting goods company's customers range from community sports leagues to the National Football League, from mom-and-pop shops to major retailers such as Toys 'R' Us. Easton-Bell's customers often order large quantities of equipment, and they frequently want it as quickly as possible.

Eager to please customers, Easton-Bell sales representatives have traditionally been happy to ship orders via air freight. And while the company wants to compromise nothing in the area of customer service, mounting airfreight costs caused Lewis Hornsby, Easton-Bell's head of global transportation and logistics, to wonder if it

was possible to meet customer expectations more cost-effectively.

The answer was yes, thanks to Elmwood, N.J.-based Ultra Logistics. The solution provider's transportation management system, UltraShip TMS, now gives Easton-Bell's logistics managers network visibility and control over inbound and outbound transportation.

CLEARING THE AIR

Easton-Bell ships goods from a variety of locations, including warehouses in Salt Lake City; York, Pa.; Alyria, Ohio; Rosemont, Ill.; and Los Angeles—as well as two Mexican operations in Tijuana and Torian. The



company also warehouses through partners in Shinjin, China; France; and Manchester, U.K.; and operates a supply chain office in Hong Kong. The manufacturer typically uses between 15 and 20 airfreight providers to ship from these locations to destinations around the world.

With annual shipping costs reaching \$50 million, Easton-Bell realized it needed to better manage transportation decisions. While air freight is the most expensive transport mode, a more cost-effective option often could get the job done just as well.

"Purchasers and inventory managers made airfreight decisions at the buying level," Hornsby says. "But they were focused on putting inventory where they needed it, regardless of transport mode. As a result, they often made transportation decisions without considering the cost impact on the product."

PUTTING CARRIERS IN THE VIP SEATS

Easton-Bell wanted to continue working with its list of preferred airfreight carriers rather than making each project a subject of public bidding. The company was able to add its established service providers to UltraShip TMS's carrier list and limit bidding to that pre-selected group.

Once Easton-Bell makes a load available, carriers submit bids that come back through the secure system to a single screen. The decision-maker can then review those bids and make transportation selections according to the parameters defined by customer needs.

The ability to limit bidders is a crucial difference between UltraShip TMS and its competitors, according to Joe Librizzi, who headed Easton-Bell's UltraShip installation team.

"UltraShip is not a public auction site; it's a secure connection among parties," Librizzi says. "The system connects shippers to their selected group of carriers, and provides advance notification of shipping requirements so carriers

can offer the most cost-effective rate for moving shipments within the required delivery times."

UltraShip designed the system so users can customize not only the list of potential vendors, but also how shipping decisions are made.

"Users can automatically select the lowest-cost shipping option, or they can allow a central control person to make the transportation decision based on other factors," Librizzi says. "Users get an automatic tender of the shipment after they select the mode, as well as ongoing updates through their airfreight partner."

As a result of using UltraShip TMS, Easton-Bell now tenders only about 50 percent of the shipments it gets airfreight quotes for, and has shaved a total of \$2 million off its annual shipping expenses. The system also saves Easton-

Bell considerable time.

"We receive rate information quickly; it no longer takes days," Hornsby says. "We give service providers 12 hours to submit a price, enabling us to make most of our transportation decisions within one day of posting the bid request."

Easton-Bell also saves money internally because different staff members can use the same information simultaneously.

"Everyone works on the same system," Hornsby explains. "They can input all the information we need to bid a shipment in less than one minute, and that information is visible to everyone. Before we implemented UltraShip, we did not have access to a lot of that information."

The system has improved communication among Easton-Bell's departments. Hornsby offers the example of shipping



A TEAM EFFORT. By huddling with its software vendor, sporting goods company Easton-Bell scored a TMS that tackles airfreight costs and kicks up visibility.

2,000 helmets from Hong Kong to Salt Lake City.

"Before we implemented UltraShip, a sales rep might have ordered all 2,000 helmets to ship by air," Hornsby says. "But now, the rep has to key the order into the system so the transportation team can consider the cost impact of the move."

"Let's say the air shipment costs \$5,000," he continues. "That's \$2.50 per helmet. If our margin is only \$1.85 per helmet, we lose 65 cents on each one. We can't justify the air-freight expense."

The system's ordering flexibility can also create considerable cost savings.

"Suppose there's a nine-day lead time on an order for eight pallets of product, but you only need one pallet to meet your immediate needs," Librizzi says. "UltraShip provides the ability to ship one pallet via air, and move the remaining products via ocean or truck. That substantially reduces transportation spend."

COMPETITIVE SPIRIT

Users can seek carrier bids on specific shipments, but preset parameters identify how much air freight is required to satisfy customer demands. UltraShip limits the volume of products that can move by air, and arranges to ship the rest via ground or ocean at a significant cost savings.



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each other," Hornsby explains. "Before, a competitive situation did not exist. We're still spending more than I want to spend on air freight, but I feel we're getting the best available rates."

The amount Hornsby wants to spend on air freight is zero, and he's told his airfreight providers that. That goal is not achievable, of course, but the providers understand they have to come through with bids representing exceptional value to earn Easton-Bell's business. The speed and visibility of information generated by the UltraShip TMS mandates that.

HOLDING THE LINE

It's not a one-way street, however—Hornsby returns something of value to his airfreight providers as well. He is determined to hold the list of providers in the system to a limited number. Fewer carriers makes the system more cost-effective to operate, and allows Easton-Bell to get more value out of the relationships it has already built. "We could open the system to 75 providers; they are always knocking on the door," Hornsby says.

In addition to moving shipping activity to ocean—often by consolidating material in containers set to ship from Hong Kong—the TMS also encourages carriers to submit more accurate bids.

"They know they're competing against

But they're not getting in, and Easton-Bell's current airfreight providers know they have to deliver consistent service, at competitive rates, to hold on to the business. After all, that's the name of the game.



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Burris Logistics

WHAT'S NEW: New and expanded temperature-controlled distribution facilities.

THE VALUE: Burris Logistics added more than 24,000 square feet to its Lakeland, Fla., distribution center, bringing its available space to 113,395 square feet with about 17,000 pallet positions. In Rocky Hill, Conn., Burris opened a 265,000-square-foot refrigerated and frozen food distribution facility with 30,000 pallet positions. This DC located near I-91 and I-84 is less than 100 miles from New York, Boston, and Albany.

✪ www.burrislogistics.com © 800-805-8135

American Airlines Cargo (AA Cargo)

WHAT'S NEW: An increased per-piece weight limit on Priority Parcel Service (PPS).

THE VALUE: In an effort to provide U.S. shippers with additional options for time-sensitive packages, AA Cargo increased the PPS per-piece weight limit from 70 pounds to 100 pounds for shipments within the United States and to and from San Juan, Puerto Rico. PPS shipments require no advance

NEWSERVICES

◀ CONTINUED FROM PAGE 57

booking, providing shippers and couriers with same-day Next Flight Out service.

✉ www.aacargo.com ☎ 800-CARGO AA

Southeastern Freight Lines (SEFL)

WHAT'S NEW: Expanded operations in Mexico.

THE VALUE: For its new international operations in Mexico, regional less-than-truckload carrier SEFL offers border-only, door-to-door, and one-stop-shop services, plus the option of clearing customs at the destination. To assist in its expanded operations, SEFL opened a 30,000-square-foot, 46-door service facility in Laredo, Texas.

✉ www.sefl.com ☎ 800-637-7335

MHF Logistical Solutions

WHAT'S NEW: A trucking and drayage terminal in Jacksonville, Fla.

THE VALUE: MHF's trucking and drayage division offers services ranging from local pick-ups and deliveries to highway services, including over-the-road, regional, premium, and door-to-door. All services are supported by an operations and customer support center providing local dispatch, customer interface, and management.

✉ www.mhfholdingscompany.com ☎ 866-699-9394

Westfalia Technologies

WHAT'S NEW: An adjustable conveyor.

THE VALUE: The Drawbridge Conveyor lowers across a crane aisle to transfer pallets through an existing material flow area, then returns to a raised position in approximately 30 seconds.

✉ www.westfaliausa.com ☎ 717-764-1151

ATC Logistics & Electronics (ATCLE)

WHAT'S NEW: Expanded operations in Mexico.

THE VALUE: Located in Matamoas, ATCLE's 56,000-square-foot facility near Brownsville, Texas, offers repair, kitting, and packaging services.

✉ www.atcle.com ☎ 800-466-4202

Successful Quality Systems (SQS)

WHAT'S NEW: A warehouse in Bayamon, Puerto Rico.

THE VALUE: The 40,000-square-foot pharmaceutical warehouse offers strict inventory control, high-level security policies, and a sophisticated

temperature and humidity-monitoring system that complies with all pharmaceutical industry guidelines and the U.S. Food and Drug Administration's Good Manufacturing Practices requirements.

✉ www.sqswarehouse.com ☎ 787-275-2424

Horizon Lines

WHAT'S NEW: A refrigerated container tracking and shipment monitoring system.

THE VALUE: Designed for refrigerated containers moving between the continental United States and Puerto Rico, ReeferPlusGPS combines GPS-enabled real-time container tracking; in-box sensors reporting temperature, atmosphere, and security updates via the Web; and remote reefer conditions monitoring and adjustments.

✉ www.horizon-lines.com ☎ 877-678-7447

MARQ Packaging Systems

WHAT'S NEW: A carton erector and labeler.

THE VALUE: The MARQ HPE-NS case erector with dual labelers accommodates three carton sizes at one time and switches between sizes without operator intervention.

✉ www.marq.net ☎ 800-998-4301

IJS Global

WHAT'S NEW: The launch of Vietnamese operations.

THE VALUE: Headquartered in Ho Chi Minh City with a branch office in Hanoi, IJS Global Vietnam offers full transportation, warehousing, distribution, and brokerage services, particularly for the fashion/apparel, chemical, electronics, and plastics industries.

✉ www.ijsglobal.com ☎ 203-504-9760

Bringer Lines

WHAT'S NEW: Ocean service from Port Everglades to Brazil's Amazon region.

THE VALUE: Shipments move on two

Storopack

WHAT'S NEW: A high-speed paper dispensing system.

THE VALUE: The PAPERplus Shooter dispenses recycled, reusable Kraft paper for void fill at up to 350 feet-per-minute. Available in tabletop and floor stand models, the PAPERplus Shooter increases packaging efficiency by eliminating folding and crumpling.

✉ www.storopack.com

☎ 800-827-7225



YOUR BUSINESS LOGISTICS RESOURCE

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

500-TEU vessels between the free trade zones at Manaus and Port Everglades. Other ports of call include Savannah, Ga., and Vila do Conde, Brazil.

✉ www.bringelines.com ☎ 305-592-1977

Port Everglades

WHAT'S NEW: A tarpless fumigation system to eliminate insects from fruits and vegetables in the port's foreign-trade zone.

THE VALUE: The new system's air-tight portable container door attaches directly to the closed cargo container, eliminating the need to wrap a tarp around the container and open the container door. The tarpless system saves time, and more containers can be fumigated simultaneously. Additionally, because the container door stays closed,

interior temperatures remain stable and produce stays fresher.

✉ www.porteverglades.org ☎ 954-765-4620

GoCargoClaims

WHAT'S NEW: A cargo claims resolution service.

THE VALUE: GoCargoClaims files,

negotiates, and collects loss and damage claims. The service is designed for shippers or brokers seeking to contract out or augment their claims resolution operations to improve outcomes and/or free up personnel to focus on other responsibilities.

✉ www.gocargoclaims.com ☎ 800-569-0254



Battery Filling Systems (BFS)

WHAT'S NEW: A low-profile forklift battery watering system.

THE VALUE: The BFS system facilitates safe, efficient battery maintenance to save warehouses and distribution centers time on forklift care. The low-profile design keeps working parts above the battery cell, extending equipment life.

✉ www.batteryfillingsystems.com ☎ 877-522-5431

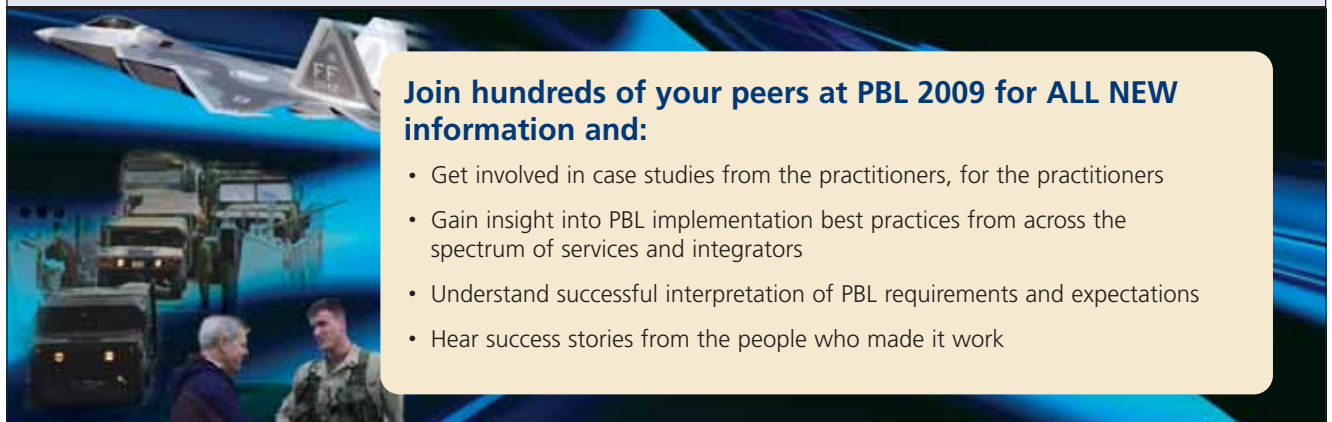


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Zebra Technologies

WHAT'S NEW: Two mobile bar-code and RFID printers.

THE VALUE: Zebra P4T and RFID-enabled RP4T mobile printers were designed for indoor and outdoor manufacturing, transportation and logistics applications, and mobile field service. The Zebra RP4T is shipped with RFID functionality while the P4T is RFID upgradeable.

✉ www.zebra.com

☎ 800-452-4056

partnerships

Erudite Inc. and VeriTainer Corporation

WHAT'S NEW: A maritime solution that detects nuclear shielding materials.

THE VALUE: Synchronous Vibrational Cargo Imaging (SVCI) combines VeriTainer's VeriSpreader crane-mounted scanning solution and Erudite's SVCI to detect nuclear materials hidden in cargo containers.

✉ www.erudite.net

☎ 253-272-8542

✉ www.veritainer.com

☎ 707-963-0606

EDS and Apriso

WHAT'S NEW: An agreement to create a Manufacturing Operations Management (MOM) solution.

THE VALUE: EDS uses Apriso's *FlexNet* as the foundation for its new MOM solution, which integrates a manufacturer's plant floor, warehouse, and quality operations with its enterprise resource planning and product lifecycle management systems.

✉ www.eds.com

☎ 800-566-9337

✉ www.apriso.com

☎ 562-951-8000

NAVTEQ and ORTEC

WHAT'S NEW: An agreement to use NAVTEQ's digital map data solutions with ORTEC's resource planning and optimization tools.

THE VALUE: Using NAVTEQ's mapping data, ORTEC can expand its vehicle routing and dispatch operations into the Middle East, Australia, Asia, Africa, and South America.

✉ www.navteq.com

☎ 312-894-7000

✉ www.ortec-online.com

☎ 865-482-4411



hardware

SATO

WHAT'S NEW: A series of high-volume desktop bar-code printers.

THE VALUE: Designed for use in logistics, manufacturing, and distribution, the D500 series direct thermal printers are suitable for a variety of applications such as shipping/receiving, compliance labeling, and product ID labeling.

✉ www.satoamerica.com

☎ 704-644-1650



web

Prophesy Transportation Solutions

WHAT'S NEW: An online store offering Prophesy trucking software products.

THE VALUE: Private fleet operators and trucking companies can demo, review, and purchase Prophesy's solutions, such as driver log auditing, freight

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

billing, and fuel tax reporting tools.

✻ <http://estore.mile.com> ☎ 800-776-6706

Amerijet International

WHAT'S NEW: An enhanced Web site.

THE VALUE: The new site provides a communications portal allowing shippers to obtain air, ocean, and trucking quotes; reserve and book freight; and gain access to a wide range of administrative and accounting functions.

✻ www.amerijet.com ☎ 954-320-5300

LOG-NET

WHAT'S NEW: A Web-based Importer Security Filing (ISF) service.

THE VALUE: From any location, shippers, importers, and their agents can file directly to U.S. Customs the 10 importer data elements required to comply with the new 10+2 customs regulations.

✻ www.log-net.com ☎ 732-758-6800

rfid/wireless

Avery Dennison

WHAT'S NEW: A durable RFID tag.

THE VALUE: With expanded memory and long read-range capabilities, the rugged, impact-resistant AD-902 is well suited to storing product lifecycle verification data such as e-pedigree applications.

✻ www.rfid.averydennison.com

☎ 866-903-RFID

software

Robocom Systems International

WHAT'S NEW: Enhanced labor management software.

THE VALUE: The new release of *R-Labor* software (formerly *Warehouse PLUS*) features work reporting tools that

deliver labor cost savings in warehouses and distribution centers with fewer than 50 employees.

✻ www.robocom.com ☎ 631-753-2180

Logistic Dynamics Inc. (LDI)

WHAT'S NEW: A less-than-truckload (LTL) rating application.

THE VALUE: Using *LDI Ratelink*, shippers can compare rates and service standards from LTL carriers nationwide.

✻ www.logisticdynamics.com

☎ 800-554-3734

Next Generation Logistics

WHAT'S NEW: The addition of export documentation functions to transportation management software.

THE VALUE: Adding *NGLEXPOTDoc* to the *FreightMaster TMS* suite eliminates the need to manually type

export documentation, improving efficiencies and reducing costs by preparing all export documents in-house. *NGLEXPOTDoc* includes pro forma and commercial invoices, bills of lading, certificates of origin, declarations, and international trade documents.

✻ www.nextgeneration.com ☎ 847-963-0007

JDA Software

WHAT'S NEW: Enhancements to JDA transportation and logistics management software.

THE VALUE: The new release provides integrated enterprise transportation planning optimization and execution, including global optimization and visibility, shipment execution, contract administration, freight audit and payment, and performance management.

✻ www.jda.com

☎ 800-479-7382

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SITE SELECTION

Joplin Chamber of Commerce • www.joplincc.com

Thinking of Joplin, Mo., as the next site for your headquarters or distribution center? Your first stop should be the Joplin Area Chamber of Commerce's Web site. You'll find a complete business profile of Joplin, including population, location, infrastructure, labor, education, real estate and cost-of-living statistics. The Joplin Area Chamber of Commerce is a private, not-for-profit organization of business and professional people committed to improving the economic prosperity and quality of life in the Joplin area. Member of NASCO.



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What They Said

About Last Year's MATTECH:

What were your primary reasons for exhibiting this year? "Open up our market in Latin America" How likely are you to exhibit at this event next year? "Good" How would you rate your exhibiting experience? "Good"

— Jamco Canada

What were your primary reasons for exhibiting this year? "To pick up South American Customers" Did you meet your exhibiting objectives? "Yes"

Absolute Lift Parts

What were your primary reasons for exhibiting this year? "Develop new customers" Did you meet your exhibiting objectives? "Yes" How likely are you to exhibit at this event next year? "Very" How would you rate your exhibiting experience? "Good"

— Wholesale Forklifts

UPDATE: Last year they had 2 booths in Mattech. They have already taken 3 for 2009!

What were your primary reasons for exhibiting this year? "Exposure to the Export Market" How likely are you to exhibit at this event next year? "Very Likely" How would you rate your exhibiting experience? "Very Good" Did you meet your exhibiting objectives? "Yes"
— Andersen & Associates

UPDATE: They had 1 booth in MATTECH last year and just reserved 6 booths for 2009!

How likely are you to exhibit at this event next year? "Yes" Did you meet your exhibiting objectives? "Yes — GREAT JOB!"

Ace Racks & Shelving Co.

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— Battery Filling Systems

What were your primary reasons for exhibiting this year? "Start distributor network in USA" How would you rate your exhibiting experience? "Good"

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www.agilitylogistics.com 714-513-3000

■ Averitt pg. 3

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■ BNSF Logistics pg. 7

BNSF Logistics puts your logistics pieces in place so you can focus on business. Combining expansive knowledge with integrated technology systems, BNSF streamlines your organization.

www.bnsflogistics.com 877-853-4756

■ Corporate Traffic pg. 61

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■ DB Schenker pg. 15, 17

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www.dbschenker.com 800-225-5229

■ Dupré Logistics pg. 71

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www.duprelogistics.com 800-356-3659

■ Echo Global Logistics pg. 19

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www.echo.com 800-354-7993

■ Jacobson Companies pg. 31

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www.jacobsonco.com 800-636-6171

■ Lynden pg. 5

When it comes to moving your shipments to, from, or within Alaska, all transportation companies are not alike. Lynden provides the most extensive coverage with integrated air, marine, and truck services.

www.shiptynden.com 888-596-3361

■ National Retail Systems (NRS) pg. 29

NRS delivers the West Coast cost advantage with a compliant Clean Truck fleet and 1.2 million square feet of distribution facilities 10 miles from the Port of Los Angeles.

www.nrsonline.com 877-345-4-NRS

■ Platinum Logistics pg. 25

Platinum Logistics strives to build long-term relationships one customer at a time by providing unparalleled customer service, one-on-one freight support, and competitive prices.

www.platinumlogistics.com 619-661-8020

■ PSS Warehousing & Transportation pg. 9

PSS offers a world-class network of strategically located distribution centers so you can position inventory within minutes of your clients' doors.

www.pssdistribution.com 800-777-8754

■ Regal Logistics pg. 33

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■ **SDV International Logistics pg. 13**

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■ **Total Transportation Services Inc. pg. 11**

TTSI is led by a group of individuals with a combined industry experience of more than 75 years in third-party logistics. Each of TTSI's three divisions has its own expertise in drayage, transportation, and warehousing.

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■ **American Public University (APU) pg. 47**

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■ **American Society of Transportation and Logistics (AST&L) pg. 48**

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■ **Baruch College pg. 48**

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www.baruch.cuny.edu/caps

646-312-5000

■ **California State University, Long Beach pg. 48**

For a Master of Arts or a professional designation in global logistics, check out the University College & Extension Services from California State University, Long Beach.

www.uces.csulb.edu/citt

562-296-1170

■ **Columbus State Community College pg. 51**

Columbus State Community College provides certificates for supply chain management professionals. Each certificate offers an in-depth review of the subject and is taught by practitioners with current and relevant knowledge of the field.

www.cscs.edu

800-621-6407

■ **Georgia Tech, Executive Masters in International Logistics (EMIL) pg. 51**

Offering real-world education for world-class executives, EMIL is an 18-month master's program that keeps key employees on the job while teaching them practical techniques for reducing logistics costs and improving supply chain efficiencies across the globe.

www.emil.gatech.edu

404-894-2000

■ **Georgia Tech, Supply Chain & Logistics Institute pg. 49**

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■ **Global Executive Solutions Group pg. 49**

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www.globalesg.com

330-666-3354

■ **Institute of Logistical Management pg. 50**

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■ **JobsinLogistics.com pg. 50**

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■ **The Judge Group pg. 50**

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■ **Shey-Harding Associates pg. 49**

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■ **Syracuse University, Whitman School of Management pg. 49**

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www.whitman.syr.edu/scm 315-443-3751

Events

■ **Green Supply Chain Forum pg. 56**

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<http://business.fiu.edu> 305-500-5761

■ **Logistics 2009 pg. 65**

Presented by the Retail Industry Leaders Association, Logistics 2009 will be held Feb. 8-11, 2009, in Dallas, Texas. At this event, you'll develop strategies to drive supply chain performance in a volatile economic environment and a rapidly changing world.

www.rila.org/logistics 703-841-2300

■ **MATTECH 2009 pg. 63**

Held Aug. 5-6, 2009, in Miami Beach, Fla., the International Material Handling, Manufacturing

and Packaging Technology, Logistics and Supply Chain Expo offers manufacturers a one-stop shopping marketplace for every step in the supply chain.

www.mattech.us 941-320-3216

■ **Performance-Based Logistics (PBL) 2009 pg. 59**

Join hundreds of your peers March 16-19, 2009, in Washington, D.C., to gain insight into PBL implementation best practices and requirements at this event hosted by the Institute for Defense and Government Advancement.

www.idga.org/us/pbl 800-882-8684

Healthcare Logistics

■ **UPS Healthcare Logistics Cover 4**

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www.ups.com/healthcare 800-333-7400

Lift Trucks

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THE LAST MILE

27

Number of days between Thanksgiving and Christmas this year—the second-shortest span possible

5:00am

Time at which 25% of shoppers were at stores on “Black Friday”

\$630.⁸⁵

Average amount adults plan to spend on gifts for family, friends, and co-workers

\$119.⁸³

Average amount adults plan to spend on themselves

\$470,400,000,000

Projected sales for the 2008 winter holidays (a 2.2% increase over last year)

85 million

Number of people who planned to shop online on “Cyber Monday” (up from 72 million last year)

\$24.9 billion

Projected gift card sales (down 6% from last year).

33.6%

Percentage of holiday shopping consumers plan to do online.

Counting Down the ‘Holidaze’

The build up to the holiday season always brings its share of anticipation and apprehension as consumers rummage for gifts within—and often beyond—their means, and retailers stretch their supply chains to make ends meet.

The stakes are raised considerably higher this year given extenuating economic strains, so brick and mortar retailers and Internet vendors are pulling out all the stops to lure shoppers in and spread a little more holiday cheer.

Months ago companies busily crunched their sales forecasts; now they’re checking inventories—twice—to guarantee consumers find what they’re looking for.

While the cards are stacked against many in the retail space, gift cards are all the rage. A recent drop in gas prices may fuel more discretionary spending. Shoppers who forego long lines at discount stores can count their pennies online. For all, the holiday season is a numbers game.

SOURCE: National Retail Federation (NRF)



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*Based on 2008 information. †Brake life projection based on 5,000-mile independent test on 2008 models.

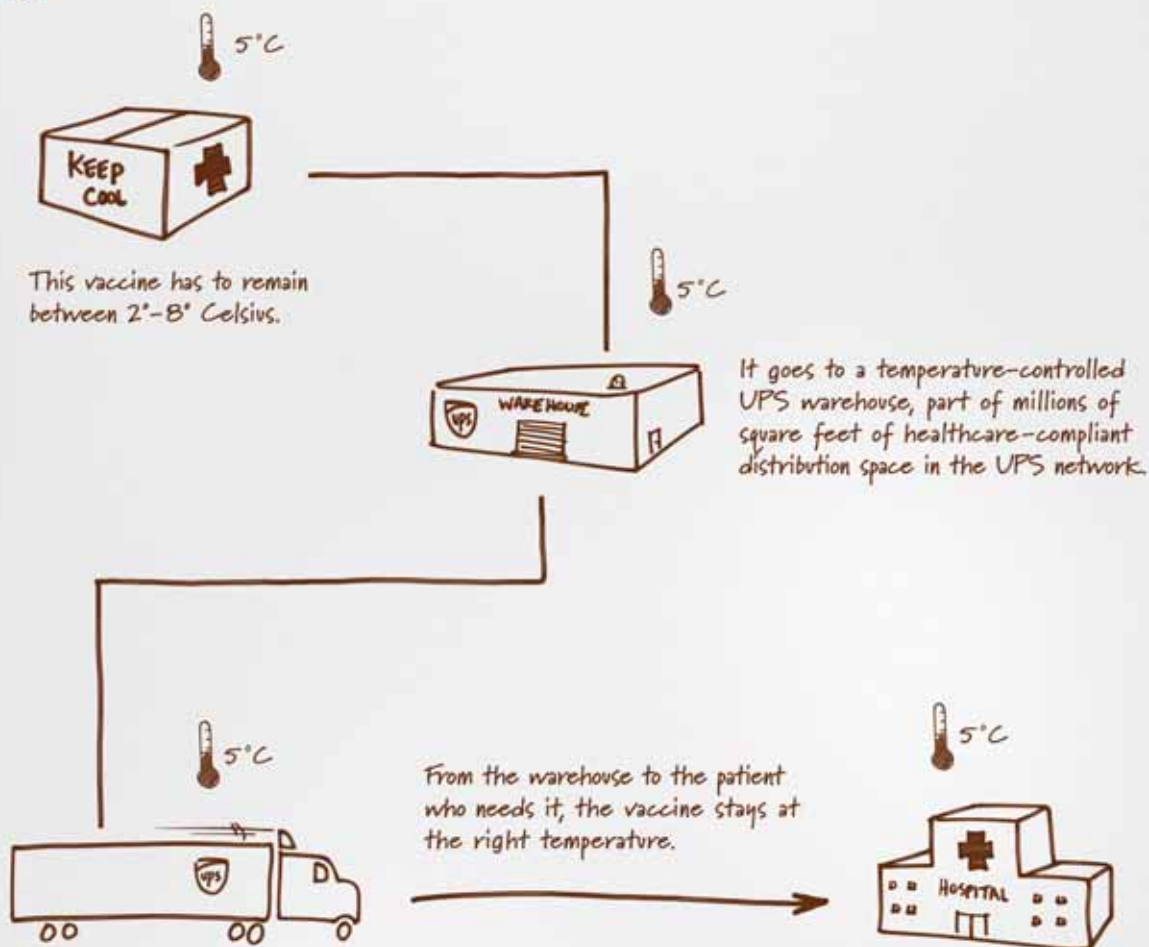
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