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INSIGHT

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INBRIEF

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INDEPTH

CHECKINGIN

Felecia Stratton

by Felecia Stratton | **Editor**

Less Lip Service, More Customer Service

When times are good, everyone says they are focused on customer service, but admittedly some of that is lip service. When times are bad, are carriers and service providers truly focused on providing you good customer service, or are they cutting customer service corners? Are you as concerned about customer service these days, or is it all just about price?

When I met with carriers, logistics service providers, and *Inbound Logistics* readers at two recent industry conferences, I heard repeatedly that in a challenging economy, customer service grows exponentially more important. It's too expensive for service providers to acquire new customers if they lose your business. As one provider told me, "It's time to hug our customers."

Carriers and service providers are showing the love in different ways. Some are increasing their use of shipment sharing. Even though they have talked about it in the past, service providers say in a down economy they are more willing to share to provide the best customer service. Others are continuing to invest in technology, despite tough times, to help them sort out all the variables.

And logistics partners are more actively managing vendors on shared distribution regimes. They are also more willing to invest in assets to get a project off the ground, such as strategically placed new facilities and project-specific technologies. And many are much more willing to own inventory and collaborate with shippers/vendors in their quest to provide great customer service.

It's not purely economic reasons driving you to demand a higher level of customer service from your carriers and service providers. As many 3PLs told me, today's business logistics managers are smarter and more sophisticated. You know more about technology and what you want it to accomplish. You're more aware of strategic concepts, such as managing demand, and insist on the service needed to accomplish those goals.

But customer service is not a one-way street. Getting good customer service from your carriers and service providers enables you to provide good service to your customers, as you'll learn in this month's cover article, *The Customer Service Connection (page 22)*. We call this the customer service supply chain, where buyers of your products can only get good customer service if you have received it from all parties in your value chain.

Carriers and service providers that demonstrate their commitment to customer service through these initiatives and others need your support and collaboration. If they want to hug you, it's time to hug them back by providing them access to information they need to keep their customer service commitments.

Then it will be more about customer service than lip service. ■

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10TIPS

STEP-BY-STEP SOLUTIONS

by Deborah Catalano Ruriani

Selecting the Right Port for Your Transport Needs

Ports around the country vie to be the first choice for shippers' supply chains by providing a wealth of intermodal connections, capacity, and distribution facilities. Various member seaports of the American Association of Port Authorities offer the following strategies for selecting a port to fit your specific shipping needs.

1 **Consider proximity.** You can cut transportation costs by using a port located near your trading partners. Also be sure there are warehouse, distribution, and transload facilities nearby that can accommodate your containers and other cargo loads.

2 **Examine workforce availability.** The port should have access to an experienced workforce with a reputation for reliability. Don't just shop price–reliability and good service are equally, if not more, important. Make sure port management has a good relationship with its existing labor force.

3 **Evaluate the port's investment in its infrastructure.** The port should be taking steps such as enhancing its navigation channel access, reducing landside congestion, expanding terminal capacity, and working on better intermodal options for improved goods movement. It should also have a plan for handling periodic increased ocean and intermodal volume.

4 **Know the port's restrictions.** Weight limits for various cargoes vary by city and region. Overhead obstructions (bridges, tunnels, pedestrian walkways) and dimensional restrictions (vehicle/trailer length, width, and height) can hinder port access, while routes into and out of ports might require trucks to encounter multiple traffic lights or drive through light commercial or residential areas.

5 **Look for a stable, predictable regulatory environment.** Consider a port that has a strong relationship with and proven record of collaborating with industry, regulators, and legislators–including on environmental issues–to benefit shippers. Make sure the port is compliant with federal security initiatives.

6 **Note Foreign Trade Zone (FTZ) access.** If you are involved in zone-to-zone transfers, exporting, international returns, or quality control inspections, select a port that has an approved and active FTZ to take advantage of the cost reductions associated with these activities.

7 **Prepare for the unexpected.** Consider a port that offers alternative services to container transport, such as an ability to handle traditional breakbulk cargo; oversized, over-dimensional project cargo; or roll-on/roll-off cargo ranging from automobiles and tractors to military equipment.

8 **Calculate the port's savings potential.** Determine if the port has processes in place to reduce overall transportation costs. For example, is there adequate capacity to eliminate congestion? Are procedures streamlined to reduce loading/unloading times and prevent delays? Ports with facilities for transferring fuel, food, water, waste materials, and supplies all in one place can shave hours off a vessel's time–and costs–at dock.

9 **Investigate the port's container and vessel tracking tools.** What kind of technology capabilities does it have? Can you also use those tracking tools for Internet access, e-mail, and text messages? Does the port provide a toll-free number?

10 **Check the operating hours.** Does the port have convenient operating hours to access port services? Investigate the dwell times between ship and rail. ■

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READER

PROFILE

by Merrill Douglas

Internal Combustion

One tricky aspect of Terri Sheely's work is the way her company, Altronic, manages inventory. "We don't carry a lot of finished products," says Sheely, purchasing and traffic manager at the Girard, Ohio, firm that makes ignition systems and digital instrumentation used in large engines that pump natural gas.

But when a customer places an order, Altronic needs to deliver fast. "We quote customers very short lead times," Sheely says. "Six to eight weeks is typical." The trick lies in the fact that it often takes six to eight months to get the components Altronic needs to build its products.

That means Sheely and the three buyers who work for her must predict which components they need to keep in stock to fill the orders they are likely to receive.

"We don't formally forecast," Sheely says. But based on experience, and with continual communication among themselves, the sales force, and suppliers, buyers usually manage to match inventory with demand. "Very seldom are we unable to honor a customer delivery," she says.

Throughout her career, Sheely has proven that she's determined to get product where it needs to go, even in the face of daunting obstacles. While working for Houston, Texas-based automotive supplier Eastwood Manufacturing, she once had to get parts to a plant in Oklahoma City quickly. She arranged for the parts to hitch a ride on a Lear jet, then drove them to the local airport, only to find that the plane was already taxiing for takeoff. So she drove her car onto the runway.

"The airport managers weren't too happy with

READY FOR IGNITION

NAME: **Terri Sheely**

TITLE: Purchasing and traffic manager, since 1988

COMPANY: Altronic, Inc., Girard, Ohio

PREVIOUS EXPERIENCE: Rate clerk, Commercial Lovelace Motor Freight; traffic department, General Motors, Lordstown, Ohio; rate clerk, White Star Trucking; traffic manager, Eastwood Manufacturing; instructor, Youngstown State University.

EDUCATION: APICS-certified in capacity planning and inventory control; lifetime ISM-certified purchasing manager and accredited purchasing practitioner.

The Big Questions

What do you do when you're not at work?
My husband and I usually have a "do-it-yourself" project in progress at home. We built a large garden shed last year and we're currently remodeling our kitchen. In addition, I teach classes at Youngstown State University for purchasing and supply chain professionals who are preparing for certification exams. I also like to travel.

Ideal dinner companion?
Albert Einstein. It would be interesting to find out his take on today's technologies.

What's in your briefcase?
My computer, documents, a crossword puzzle book, an iPod, and some pens and pencils.

If you didn't work in supply chain management, what would be your dream job?
Artist or landscape photographer.

Business motto?
Don't ever say "I can't" or "I won't."

me, but they did stop the plane and I got the parts on," Sheely says. She couldn't do that sort of thing in these less innocent times, she concedes.

More recently, a real criminal act nearly halted a shipment to one of Altronic's customers. A truck carrying critical parts from a Mexican supplier was stopped for inspection at the border. The load itself was fine, but inspectors found every hollow space in the cab packed with drugs.

"Inspectors threatened to hold the truck at the border for three or four months while they tore the tractor apart," Sheely says. The delay would have forced the customer, a large engine manufacturer, to shut down a production line.

Sheely worked with U.S. and Mexico Customs and the supplier to get the trailer released and hauled away by a different tractor. The negotiations took two weeks.

The customer got by during that period, though, and didn't impose any charges. "They understood that it was a hired truck and it wasn't the fault of anyone involved in the move," Sheely says.

The drug bust was dramatic, but Sheely anticipates adventures of a more conventional sort now that Swiss manufacturer Hoerbiger has completed its recent acquisition of Altronic. For one thing, the U.S. company will implement the same SAP enterprise resource planning system its new parent uses.

Having gone through the implementation of an enterprise solution before, Sheely says she looks forward to the experience, even if it's difficult. She's eager to use the new software.

"I've heard from many suppliers that if it doesn't kill you while you're implementing it, you will grow to appreciate the system's capabilities," she says. "There's nothing like a good challenge to keep things interesting." ■

d@ta point

"Manufacturing production growth will decline 11.3% this year before rebounding to 4.6% growth in 2010 and to 6% growth in 2011." — MHIA

WINNERS

Ocean Spray Cranberries presented **Exel Transportation** with its Special Services Carrier Award for exceptional service and on-time delivery performance. During the evaluation period, Exel delivered more than 3,800 loads as scheduled 98 percent of time.

Sears Holdings Corporation named **Menlo Worldwide Logistics** a 2008 Partner in Progress for the second consecutive year and third time overall. In addition to transportation management and garment inspection services, Menlo handled the seamless integration of five cross-dock operations.

SEALED DEALS

Car care products company **Turtle Wax** has chosen **LeSaint Logistics** as its warehousing, fulfillment, and transportation provider. The agreement will deliver cost savings to Turtle Wax through LeSaint's end-to-end supply chain solutions, backed by real-time inventory tracking and control.

Halfords, the U.K.'s leading retailer of car parts, bicycles, and travel solutions has selected **Manhattan Associates'** *Distribution Management* suite to support its growing distribution footprint, comprised of a new national distribution center and an existing DC in Redditch, which serve Halfords' network of nearly 500 stores in the United Kingdom, Ireland, and Central Europe, as well as fulfillment for its online business.

UP THE CHAIN

Organic Alliance, a grower and shipper of organic-certified, fair trade and conventional fresh foods, appointed **Christopher B. White** director of global supply chain development. White is charged with expanding the company's international producer network as well as managing contract negotiation, quality control screening, and export/import logistics.

SVP Worldwide, the world's largest sewing machine company, named **Rick Kerrigan** senior vice president of supply chain. Bringing experience from Owens Corning and Formica Corp., Kerrigan will be responsible for leading global operations and supply chain, including research and development, engineering, and quality.

Thomas Andersson is leaving Volvo to become executive vice president and head of the supply chain for **Husqvarna** – the world's largest producer of lawn mowers and chain saws. Previously head of the auto company's engine and transmission manufacturing department, Andersson will now oversee production, purchasing, and logistics.

MSC Industrial Direct, which distributes metalworking and maintenance supplies to industrial customers, has promoted **Douglas Jones** from senior vice president of logistics to executive vice president of global supply chain operations. He will now be responsible for product management and global sourcing.

John "Jack" D. Fish has been named senior vice president of global operations at the **Goodyear Tire & Rubber Company**. Joining the tire business from General Electric, Fish will oversee manufacturing and related supply chain activities throughout all of the corporation's global units.

GREEN SEEDS

Most companies are introducing carbon-reduction solutions without understanding their carbon footprint. Therefore, they are unable to measure the real impact those solutions have on their emissions. Only 10 percent of companies actively model their supply chain carbon footprints and have successfully implemented sustainability initiatives, according to Accenture survey findings.

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TRENDS

U.S. Domestic Intermodal: Stack'n The Box

by Joseph O'Reilly

Pacer International and Union Pacific (UP) have entered a multi-year arrangement that allows the intermodal company continued access to the railroad's network. That's welcome news to some rail users.

Foremost, the announcement puts to rest speculation about the company's tenuous financial position. Pacer will use the $30-million cash infusion received as part of the deal to reduce outstanding debt. In return, UP will receive preferential pricing for some of its business, and control management and pricing for Pacer's assets.

More telling, the partnership establishes a new rate structure for intermodal users while pressing Pacer to focus on integrated door-to-door services. This means the company will direct resources and services specifically toward retail channels rather than dually operating as an asset broker in the intermodal marketing company (IMC) space.

For its part, Union Pacific has been equally busy speculating new partnerships. In June 2009, Hub Group transferred the bulk of its containers to the Omaha-based carrier, making the railroad its preferred western intermodal carrier. Hub Group is in the process of migrating 8,400 boxes – 90 percent of its assets – from Burlington Northern and Santa Fe's (BNSF) network to Union Pacific. The remaining containers will stay with BNSF.

In an interview with *Inbound Logistics*, Hub Group President and COO Mark Yeager said he anticipates a general stabilization of intermodal rates for shippers as the railroad controls more intermodal equipment pricing and sells directly to IMCs and rail users.

Hub Group's own asset consolidation, which was previously split 60 percent/40 percent between BNSF and UP, will bring greater simplicity to customers, added David Marsh, chief marketing officer, Hub Group. "It creates operational efficiencies with fewer terminals, faster box turnaround, and better equipment utilization," he noted.

Both arrangements with UP augur an expected swing in U.S. domestic transportation. As more shippers make a concerted effort to transition over-the-road freight to rail, capturing economies of scale and reducing carbon footprints, intermodal momentum will build.

"Intermodal is a niche movement that is becoming mainstream," said Marsh. "Domestic demand has held up even though imports have been down."

Even while control over assets is becoming more centralized, the U.S. rail network is expanding–and intermodal's reach is downsizing. "Fifteen years ago, intermodal was appropriate for hauls longer than 1,000 miles," Marsh said. "Today, it's 500 miles or fewer. The mileage band for intermodal has shrunk as its footprint expands."

One question is whether more favorable rates from the railroads will match customer service expectations. The railroad's increasing monopoly over assets and access will likely raise other concerns, especially as some captive shippers lobby for more industry regulation. Alternatively, this shift will likely raise the profile of IMCs and rail-specific service providers that can fill this niche and provide value-added capabilities.

Leaning on More

Even with less freight in the supply chain and tepid consumer demand, companies are more inclined to keep inventories flush rather than lean, according to Walt Rakowich, CEO of Prologis, a Denver-based global provider of distribution facilities.

Speaking with journalists in New York City recently, Rakowich explained that despite recessionary tactics, Prologis customers are looking at their warehouse footprints to reduce total logistics costs.

"Companies are reconfiguring supply chains to generate savings," he said. "Some are increasing inventories and adding distribution centers, locating more inventory closer to the consumer and reducing transport costs."

This shift follows distribution decentralization, as shippers transition from fewer big-box warehouses to more, smaller facilities closer to demand.

Companies are reconfiguring supply chains to manage more inventory in smaller distribution spaces closer to demand.

"When the price of oil reached $140 a barrel, our customer base was dramatically impacted," added Charles Sullivan, head of global operations for Prologis. "Some realized they may not need one million square feet of warehousing space here, but rather 250,000 square feet here and there." ■

GLOBAL LOGISTICS

by Joseph O'Reilly

Electronics Manufacturing Switches Current

Outsourcing manufacturing to China remains a viable strategy for many global companies. But the country's developing economy, expanding consumer base, rising labor costs–and increasing global competition–has some industries reconsidering where they source product.

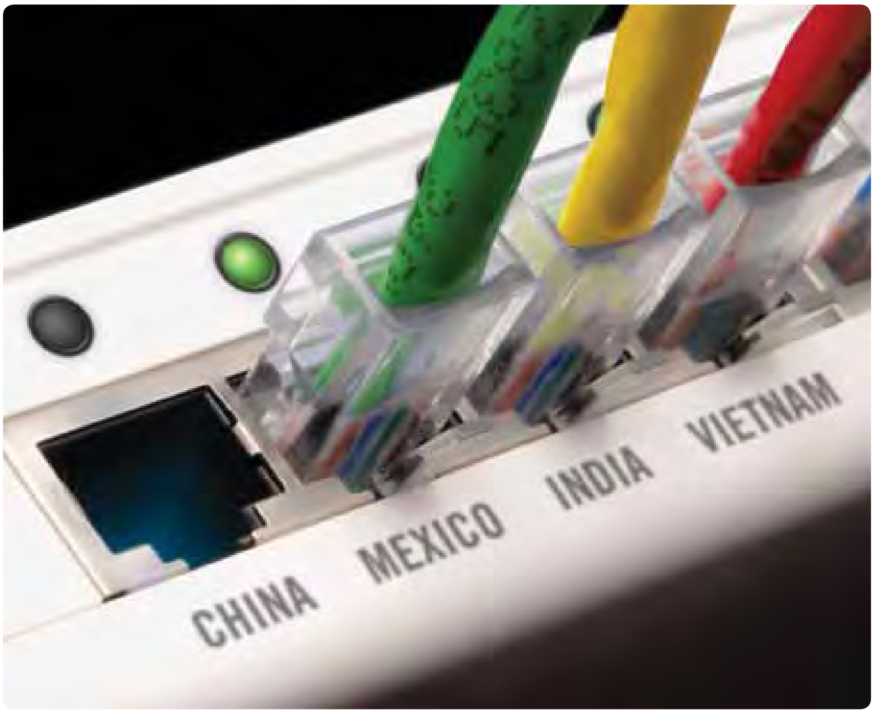
Labor costs, total landed costs, and insourcing by original equipment manufacturers (OEMs) are slowing the migration of high-tech production to China, suggests a recent report by Charlie Barnhart & Associates, a Kihei, Hawaii-based global electronics manufacturing think tank.

"The rising cost of labor in the most popular destination for electronics manufacturing outsourcing has resulted in other countries–notably Mexico, India, and Vietnam–becoming more cost competitive," says Eric Miscoll, principal, Charlie Barnhart & Associates. "Mexico should benefit from this trend, especially for goods destined for the U.S. market."

Electronics manufacturers are also becoming more proactive in considering the total landed logistics costs of shipping product longer distances. They are now evaluating labor along with transportation, inventory, and other metrics.

"A significant, yet still minor, industry trend is that some OEMs are returning to a degree of 'self-build,'" adds Miscoll. "Most OEMs maintained in-house manufacturing capabilities, even while outsourcing a majority of their printed circuit board assembly, which is the primary service of the electronic manufacturing services industry."

Charlie Barnhart & Associates doesn't expect the global outsourcing pendulum to swing back until 2012. By then, companies will likely be exploring low-cost countries such as India, Vietnam, Ukraine, Tunisia, and Macedonia.



Rising labor costs in China and pressures to bring manufacturing in-house are causing electronics companies to plug into new global outsourcing strategies.

CONTINUED FROM PAGE 12

Brussels Airlines Sprouts In Africa

Lufthansa subsidiary Brussels Airlines has found an unlikely growth market in an otherwise turbulent air cargo industry. The Belgian air carrier's freight business from Europe into Africa is showing steady progress compared to other international markets. In October 2009, the company recorded the second-highest monthly volume of cargo and mail traffic in its history.

Partnering with European Cargo Services (ECS), a French sales and services agent, allowed the carrier to generate 1,155 tons of southbound traffic—a 97-percent load factor—narrowly missing the previous highest monthly volume of 1,194 tons in October 2008. ECS sells belly hold cargo capacity on Brussels Airlines' Airbus A330-300 flights to 14 markets across Africa.

"Compared to other continents, Africa has been less affected by the economic crisis," says Guy Hardy, head of cargo sales for Brussels Airlines. "We expect final revenue for 2009—a year of damage control for the air cargo industry—to be close to 2008 results."

As soon as Brussels sees signs of a sustained economic recovery in 2010, it will explore bringing additional capacity into the African network by either opening new destinations or increasing frequencies on existing routes.

Hitching a Ride on the Green Train

Stobart Group's new intermodal service between Valencia, Spain and Dagenham, England isn't your garden variety. The weekly offering, operated in concert with German rail carrier DB Schenker, provides a low carbon alternative for retailers and consumers sourcing fresh Spanish greens and other produce.

The service, which covers 1,100 miles, offers a novel approach to transporting perishable shipments in a more sustainable manner.

"This service offers supermarkets and consumers a quicker and much lower carbon alternative than importing fresh fruit and vegetables from Spain by road," says Andrew Tinkler, CEO of Stobart Group. "We will start the new service with one train per week, but plan to develop this into a daily service, increasing the efficiencies and environmental benefits by a factor of five."

Stobart is also exploring opportunities to extend the train service from the current terminal in Dagenham to its multi-modal facility at Widnes, which is an ideal hub for distribution throughout the UK heartland.

"An extension of the train to this facility would take more trucks off Britain's crowded road network and increase the total carbon savings for the transport of oranges, lemons, and other Spanish fruit and vegetables," Tinkler says.

"At Widnes, we also have extensive chilled warehouse and distribution facilities, adding further synergies as part of our multimodal logistics offering to Stobart customers," he adds.

Green Thumbs Up

The Stobart Group's rail service between Spain and England features a number of notable achievements, including:

- The potential to eliminate 8.5 million miles of road journeys per year, equating to 9,507 tons of CO^2 emissions.
- The first fully refrigerated train service to transit the Eurotunnel.
- The longest train journey in Europe by a single operator.
- A faster journey time than over-the-road, with corresponding improvement in produce shelf life.

Stobart Group's new intermodal service between Spain and England offers a timely, cost-efficient, green alternative to moving perishable products over the road.

South Africa Struggles With Sustainability

While many countries and businesses around the world are debating the merits of climate change policies, and taking measured approaches to implementing green best practices, others haven't even approached the table. Failing to apply and comply with green supply chain best practices can stress economic growth and recovery, a reality that is unfolding in South Africa.

More than 40 percent of surveyed companies in South Africa are not implementing environmentally sustainable business strategies–potentially jeopardizing their own long-term sustainability, notes a recent study exploring cross-industry sustainability efforts.

The Supply Chain Intelligence Report (SCIR) 2009, conducted by Terranova Research, an England-based market research company, surveyed more than 200 senior company officials across all major industries in South Africa (*see sidebar below*).

Terranova's research reports that 41.3 percent of participating companies have no plans to incorporate metrics that measure their impact on the environment. The key performance indicators (KPIs) listed in the survey include energy consumption and carbon emissions from supply chain operations; water consumption from manufacturing operations; infrastructure simplification; and reverse logistics.

Green non-compliance hampers the country's competitiveness on a global scale, the study suggests. South African companies manufacturing products for export will find it increasingly difficult to escape international pressure–particularly from the United States and Europe–to monitor and report on their operations' environmental impact.

"The unwillingness of more than 40 percent of South African companies taking part in this survey to adopt new and important environmental KPIs is alarming, particularly in light of the country's precarious energy situation," observes Graham Terry, head of the Office of the Executive President at the South African Institute of Chartered Accountants.

South African companies that want to get ahead of the competition and position themselves for long-term growth urgently need to start thinking green and developing sustainable approaches to sourcing and supply chain management, adds Terry.

"The competitive realities of the current economic environment demand that companies proactively manage new customer needs and expectations, as well as increasing environmental regulations," he notes. ■

Environmental Compliance by Vertical

South Africa's well-entrenched natural resource industries are leading the way in terms of green best practices–but there is still much room for improvement. In terms of the percentage of respondents to Terranova's survey who are not, nor plan to start, measuring environmental key performance indicators, here is a rundown of how South Africa's key industries are performing:

51%	Mining and Quarrying
45%	Oil, Gas, and Chemicals
36%	Construction
36%	Retail
34%	Automotive
33%	Fast Moving Consumer Goods

Source: The Supply Chain Intelligence Report (SCIR) 2009, Terranova Research

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CARRIERS CORNER

by John A. Simourian

On the Road to Recovery: Strengthening Our Transportation Infrastructure

Although the Dow was recently flirting with 10,000, there is no celebration on Main Street. This is a jobless economic recovery, and without job growth there will be no sustainable economic recovery on either Main or Wall Street. Compounding the loss of jobs is the explosive economic growth of China and its ominous effect on U.S. debt, standard of living, and geopolitical influence.

While our government obsesses over health care, Rome is burning. President Obama and his advisors don't seem to understand that the overwhelming problem that needs to be fixed is the loss of jobs. Furthermore, they don't recognize the critical path to economic recovery, energy independence, and world leadership is bolting a national transportation infrastructure plan to a national energy plan. Like China, the United States needs to recognize the strategic value of a national transportation infrastructure and energy master plan.

In 2008, a minimum of $150 billion per year for the next five years was needed at all government levels to repair and improve bridges and roads, according to Department of Transportation and Association of State Highway and Transportation Officials estimates. In January 2009, Ernst & Young and the Urban Land Institute arrived at the same conclusion in their *Infrastructure 2009 Pivot Point* report. Despite these expert reports, however, the American Recovery and Reinvestment Act of 2009 includes only $27.5 billion for repairing bridges and roads.

SATISFYING THE SHORTFALL

Because the U.S. national debt will exceed $12 trillion by the end of 2009, the federal government will be constrained from printing money and increasing its debt load to plug the huge shortfall in funding bridge and road maintenance. The shortfall must be satisfied by increasing federal fuel taxes 50 cents per gallon in 2010 and, thereafter, an additional 15 cents per gallon to replace the one-time $27.5 billion provided in the Stimulus Plan.

National recovery is dependent on this tax increase, which will yield $120 billion per year. The current federal gasoline and diesel fuel tax is 18.4 cents and 24.4 cents, respectively, and generates approximately $35 billion. Neither tax has been increased since 1993.

A permanent fixed floor for fuel prices needs to be created with taxes in order to attract investment in alternative energy and new fuel-efficient technologies for motor vehicles. To be sensitive to consumer pocketbooks, this tax should be pegged to the price of oil, not the Consumer Price Index, so that when the price of oil goes up, the tax goes down and vice versa.

OUTLINING THE BENEFITS

Political opponents argue that increasing fuel taxes is a non-starter because of the state of the economy. But this recession is precisely the right time to raise taxes because fuel prices are the lowest they've been since 2002.

Increasing fuel taxes to fund infrastructure construction provides the

More than 35,000 miles of highways and interstates are in

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sanofi-aventis U.S. • Prudential
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New Jersey's strategic location—halfway between Boston and Washington, D.C.—means overnight delivery to more than 100 million consumers who purchase $2 trillion in goods and services annually.

Programs & Services

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- Permitting and Regulatory Facilitation
- State Program Coordination
- Export Assistance
- Financing, Loans & Loan Guarantees
- Incentive & Tax Credit Programs

Although companies locate in New Jersey for many reasons, the ability to ship goods to market quickly and efficiently is especially crucial. The state was recently ranked #1 in the country for transportation, warehousing and highway connectivity and #2 for railroad service.* New Jersey also has the largest port complex on the eastern seaboard with facilities in Newark and Elizabeth, supplemented by major ports on the Delaware River. These ports handle more than 620 million tons of freight, valued at over $850 billion annually. And, with two major airports—Newark Liberty and Atlantic City International—New Jersey serves as an intermodal gateway for trade across the country and around the world.

As the third largest industrial real estate market in the country (with nearly 800 million square feet of space), New Jersey offers a wide range of choices. The state has more than 23,000 establishments devoted to warehousing, logistics and distribution; 3,000 warehouse facilities have ceiling heights over 20 feet.

A number of major firms that store and move their products, as well as the thousands of logistics firms that serve them, are located in New Jersey. Contact us at 866-534-7789, we'll put you in touch with one of our Account Executives so you can learn more about why New Jersey is the right place for your business.

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Expansion Management Magazine

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CONTINUED FROM PAGE 16

foundation for a national transportation infrastructure and energy master plan that can produce enormous benefits, including the following:

■ The taxes will fund basic infrastructure requirements for the next five years.

■ Infrastructure construction will create more than six million jobs. Each $1 billion invested in infrastructure will create 35,000 to 40,000 direct construction jobs that will cascade into indirect jobs throughout the economy, according to Department of Transportation, Association of State Highway and Transportation Officials, and Ernst & Young estimates.

■ A permanent fuel tax increase will attract investment in fuel-efficient vehicles to help revitalize the U.S. motor vehicle industry and related manufacturing sectors. This will create additional jobs.

■ A permanent fuel tax increase will create a fixed floor for fuel prices, giving investors the confidence to invest in alternative energy: wind, solar, and especially nuclear. This will not only create more jobs, but will be the catalyst to wean the U.S. economy off oil and put it finally on a path to energy independence. It will also eliminate the need for complex cap-and-trade regulations.

A STRONGER TOMORROW

If the government explains a fuel tax increase in these terms, the American people will buy it enthusiastically. A 50 cents per gallon increase in federal fuel taxes will provide indirect benefits such as creating millions of jobs, reviving the economy, increasing housing values and alternative energy investment, boosting the stock market, recapturing lost retirement fund wealth, and reducing carbon emissions.

The United States rose to world leadership in the 20th century because we had confident leaders who understood risk, accepted responsibility for tough decisions, and made sacrifices that promoted the welfare of the country. Today's economic crisis presents a golden opportunity to rebuild our infrastructure, restart our economy, and execute a plan for energy independence and climate change. Now is the critical moment for our leaders to choose this strategic course to fix our economy and secure our world leadership in the 21st century. ■

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GREEN LANDSCAPE

SUSTAINABILITY IN THE SUPPLY CHAIN

by Rich Becks

Eco-operation in Action: Collaborating to Achieve Green Goals

As a company with tens of thousands of suppliers around the globe, Walmart's bold move to promote a sustainability index has planted new seeds across entire industries. It's a significant event for manufacturers, and has caused many businesses to take notice of new customer aspirations and re-think their supply chain designs.

Walmart's efforts to reduce carbon and resource footprints will drive a significant change throughout the industry and ultimately the world. Thanks to its many trade partnerships, the company has the opportunity to not only improve the quality of the products it offers customers, but also eliminate sources of unnecessary cost within its partners' supply chains.

SURVEYING THE FIELD

Consumer awareness and increased regulation are placing added demands on companies to drive green initiatives and efficiencies into their supply chains, according to a recent study among supply chain, finance, and operations professionals. In fact, two-thirds of companies surveyed expect their customers to ask for a product's carbon footprint within the next year.

The study, sponsored by industry group Acceleration of ECO-Operation, also indicates, however, that 60 percent of companies have marginal, very low, or no visibility across their supply chains, making carbon emissions or resource reduction programs seem like an incredibly daunting task.

The report offers insight into how supply chain executives are achieving greater environmental sustainability, and identifies how to help improve visibility, collaboration, and accountability across global value chains.

Survey respondents indicate they are beginning to embrace the benefits of better trading partner relationships by seeking ways to improve supply chain visibility and working with trading partners to reduce resource and greenhouse gas emissions.

The respondents note, however, that the implications for themselves and their partners are significant. For example: How will they collect sustainability data? What should they measure, and what really matters? How good is the quality of this data? How can they use the information to drive down costs and thereby recover their investments? Developing the answers to these questions remains an ongoing challenge.

A BRIGHT HORIZON

The rise of global environmental regulation and Walmart's timely announcement have raised concerns everywhere about the ability of supply chains to gain reliable access to the data customers require.

The technology is available today to help companies navigate multiple tiers of their supply chains to aggregate and manage their environmental footprints. This new way of balancing environmental challenges with core business execution involves using environmental metrics–such as water usage, hazardous materials, or carbon emissions–as drivers to achieve operational excellence resulting in lower costs.

With clear visibility into the whole value chain, companies can identify opportunities to eliminate waste, reduce costs, and orchestrate the network to achieve their customers' sustainability targets while also improving efficiency. Walmart's announcement to drive process transparency is yet another signal that the ultimate measure of sustainability is lasting profitability. ■

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THE CUSTOMER SERVICE CONNECTION

by Amy Roach Partridge

No longer a straight line between logistics providers and shippers, customer service in today's retail supply chain involves all players—suppliers, manufacturers, 3PLs, and carriers. They are all connected, and they must all be satisfied. Here's how.

When pet food company WellPet received the 2008 Supplier of the Year award from the Pet Industry Distributors Association, the company had a long list of people to thank. At the top was its third-party logistics provider, Scranton, Pa.-based Kane Is Able.

"Before we began working with Kane, we would not have been considered for this award," says Beth Wilson, WellPet's vice president of operations. "The work we've done with our 3PL has made a big difference in the customer service we provide to our distributors."

WellPet turned to Kane Is Able in 2004 to help improve service to its customers, the network of distributors who bring the Tewksbury, Mass.-based company's four pet food brands–Wellness, Old Mother Hubbard, Holistic Select, and Eagle Pack–to specialty pet retailers around the country. WellPet and Kane Is Able visited the operations teams at WellPet's distributors "to learn how we could improve our customer service by better understanding the distributors' warehouse strategies, how they handled WellPet products, and what they needed to service the pet stores most efficiently," Wilson explains. The Supplier of the Year award signals that these visits, and the service changes WellPet enacted as a result, paid off handsomely.

THE CUSTOMER SERVICE LOOP

WellPet and Kane Is Able's partnership exemplifies the importance of the "customer service supply chain"–the idea that customer service is not a one-way street between logistics providers and shippers, but rather a group effort aimed at meeting and exceeding customer expectations for all players throughout the supply chain.

By providing reliable service, 3PLs play a key role in giving shippers the ability to provide stellar customer service to *their* customers. Indeed, 59 percent of shippers say that their use of 3PLs has a positive impact on customer service, according to the 2009 *Third-Party Logistics Study*, an annual report from the Georgia Institute of Technology.

Regardless of a shipper's distribution model–whether customers are distributors or intermediaries who bring their products to market, or end consumers who buy their goods or services–they often depend on upstream 3PL partners to make sure all parties in the downstream supply chain are taken care of. To be true supply chain partners, 3PLs must operate with a focus not only on their own customers, but also on their customers' customers.

"The best way to provide customer service for shippers is to understand their customers' pain points," says Mike Marlowe, vice president of customer development for Kane Is Able. "3PLs that can solve those pain points for them and for their customers will be successful."

WellPet's pain points included increasing warehouse efficiency and ensuring that orders to its distributors were filled accurately and received on time, without damage, so that distributors could fulfill their delivery promises to pet food retailers. Kane Is Able helped WellPet implement a variety of changes aimed at meeting those goals.

"We restructured our pallet configuration because we learned it wasn't efficient for our distributors, or for us," Wilson explains. "As a result, we can now store more product in our warehouses using the same amount of space, and we can cube out our trucks more effectively, which reduces costs."

WellPet's distributors benefitted, too. "Changing the pallet configuration allowed our distributors to utilize their space more efficiently and to cube out their racking," adds Curtis Mendes, logistics manager for WellPet.

With an eye toward improving distributor satisfaction, Kane Is Able also helped WellPet switch to a paperless, RF-enabled warehouse management system that cut errors and streamlined order processes to reduce order-to-shipment cycle time by 24 hours.

"These changes have been a win-win for all parties, extending service benefits all the way through our supply chain," Mendes notes.

Making sure that everyone in WellPet's supply chain benefits was part of Kane Is Able's goal from the outset. The company seeks to engage its shippers on a strategic level and sees effective customer service as a means to that end.

"All Kane Is Able employees are, to some extent, customer service representatives," Marlowe says. "Our ultimate goal is to become a partner to customers."

A STRATEGIC ASSET

That goal meshed well with WellPet's willingness to treat Kane Is Able as a strategic asset, sharing with the 3PL detailed information such as sales volumes and future sales projections, and plans for future corporate activities.

"We view Kane Is Able as an extension of our business," says Wilson. "Providing strategic information helps Kane understand our business so they can prepare to meet our future needs."

While divulging strategic business information to a third party is not always popular with corporate management, the willingness to treat 3PLs as true business partners and not merely vendors is crucial to helping shippers receive the customer service they need.

Organic fruit and vegetable juice producer Biotta Inc. holds regular conference calls and face-to-face meetings with its 3PL to facilitate customer service and forge a deep and communicative relationship.

Taking the time and effort to ensure that providers understand your business and your customers is key to creating the successful shipper-3PL relationship that brings customer service excellence to the whole supply chain, says John Langley, professor of supply chain management at the Georgia Institute of Technology, and author of the *Third-Party Logistics Study*.

"When shippers and 3PLs create an open, strategic relationship, there is greater opportunity for the two companies to collaborate on the kind of service package they want to deliver," Langley explains.

Shippers understand the value these strategic relationships deliver to servicing customers and improving supply chain efficiency. Seventy-five percent of survey respondents say that a more strategic relationship with their 3PLs would reduce total landed and distributed costs, while nearly 60 percent indicate more strategic 3PL relationships would increase operational flexibility as well as cut capital and labor costs, and operational expenses.

"When shippers engage in a strategic relationship with a 3PL, the parties share effective dialogue and can resolve problems more quickly," Langley notes.

TALKING POINTS

Shippers continually cite effective and frequent communication with their 3PLs as keys to success in the customer service supply chain. But how best to achieve that goal?

Regular conference calls and face-to-face meetings has helped Biotta Inc., an organic fruit and vegetable juice producer in Carmel, Ind., forge a deep and communicative relationship with its 3PL, Indianapolis-based Langham Logistics Inc. Biotta points to this relationship as the catalyst for its customer service satisfaction.

"We talk with Langham regularly about our goals and how customers measure our performance," says Biotta CEO George Pappas. "We make sure we agree on our mutual needs, then we continually check in to make sure we are on target."

Biotta's customers – the distributors who ship its juices to specialty natural and organic food retailers – are demanding about orders being filled on time and complete, so Biotta depends on Langham to manage these demands on its behalf. By keeping in close communication with its 3PL, Pappas and his team know whether they are meeting their customers' fill rates, and what to tweak if they aren't.

"We have to be on the same page," Pappas says. "If Langham doesn't understand what metrics and services are important to our customers, how can they handle our business correctly?"

"For every shipper we work with, we clearly document roles, responsibilities, and expectations for both parties," says Cathy Langham, CEO of Langham. "Then we constantly review and evaluate what must be improved or changed to meet the needs of shippers and their customers."

Those clearly defined customer service solutions and processes for dealing with supply chain exceptions are what pharmaceutical giant Eli Lilly and Company (Lilly) sees as the keys to its strong relationship with Langham. The company's Elanco Animal Health division in Greenfield, Ind., depends on the 3PL to optimize its distribution network and handle transportation management.

"Langham listens to our requirements, and has tailored a solution that ensures our animal feed products are transported safely and securely," says Jonathan Brown, senior associate, procurement, Lilly.

Part of that solution was a procedure to quickly address and solve transportation issues. "Optimal transportation and logistics procedures are important to us, and should also be important to our logistics partners," Brown notes. He lauds Langham for adopting Lilly's approach to transportation management, which has helped solidify their relationship and provides data that allows the company to improve transactions throughout the supply chain.

For Eli Lilly and Company, great customer service comes in the form of a transportation management solution that Langham Logistics tailored to its specific requirements.

"On the back end, Langham provides us with visibility to our materials in transit, and effective reporting that helps us enact more effective decisions and makes us a better shipper for our customers," Brown says.

PARTNERSHIPS GET PERSONAL

For engine and generator manufacturer Briggs & Stratton, peace of mind comes from knowing its 3PL, GENCO, has a team dedicated solely to its business. This factor provides the logistics base for Briggs & Stratton's strategic, customer-service focused partnership with GENCO. It also ensures that a human response meets every call to GENCO's customer service department.

"Anyone in our supply chain who needs to contact GENCO–whether a supplier trying to coordinate a shipment, or a Briggs & Stratton employee seeking information–always reaches a live body," says Doug Sowatsky, director of corporate logistics, transportation, and compliance for Briggs & Stratton, headquartered in Milwaukee. "We also have a GENCO employee on site so we can work with a single point of contact."

A DIRECT LINE

Pittsburgh-based GENCO, which manages elements of inbound and outbound transportation, as well as carrier negotiation and freight tendering, for Briggs & Stratton's dealer network and mass retail market, believes this setup is key to its success as a customer service-driven 3PL. The company uses a peer-to-peer mapping strategy to create relationships between GENCO employees and its shippers' employees at every level–executives are aligned with executives and account managers with account managers, all the way down the line. As a result, shippers gain GENCO's executive perspective on business strategy, as well as its functional perspective on ways to improve or enhance the partnership.

GENCO's emphasis on customer service starts at the top of the organization and extends to every level. "We measure customer satisfaction religiously; it is core to everything we do," says Dave Mabon, GENCO's chief customer officer (CCO). "We even tie compensation to our customers' satisfaction."

The company's creative job titles are also a nod to its enthusiasm for customer service–rather than CEO, Mabon goes by CCO, and GENCO's top operations executives are called customer service vice presidents.

This elevated approach to customer service is what helps Briggs & Stratton improve its own service operations. "GENCO has the right attitude, its employees take ownership to handle issues that arise, and they suggest improvements for adjusting to our customers' needs," Sowatsky explains.

By using GENCO's transportation management system, for example, Briggs & Stratton has gained visibility of inbound materials down to the part level, enabling the company's planning and production control groups to plan for the goods en route and the materials its suppliers are planning to ship. "This visibility increases our production scheduling flexibility so we are more reactive to customers' needs," Sowatsky says.

On the outbound side, Briggs & Stratton counts on GENCO to provide its dealer network with accurate transit times, and to ensure those times are met. This strategy means that when dealers place an order with Briggs & Stratton, they know when they will receive the product, and can provide that information to customers farther downstream.

Engine and generator manufacturer Briggs & Stratton receives personalized customer service from its 3PL, which dedicates a team solely to its business.

"If a consumer wants to buy a particular unit from a Briggs & Stratton dealer, but it is out of stock, the dealer can tell the customer when they expect the unit to be delivered to the store," Sowatsky explains. "That is crucial for keeping customers loyal."

That scenario holds particular strength for Briggs & Stratton during winter storms or electrical outages, when its snowblowers and generators are in particularly high demand.

"When these events occur, we need to quickly ship goods, then switch gears to the inbound side so we can replenish inventory and keep making products," Sowatsky notes. "GENCO has been crucial in helping us manage those situations and maintain customer service."

THE IMPORTANCE OF METRICS

Despite all the good feelings and positive anecdotes generated by forging strong shipper-3PL relationships, quality customer service–and the efficiencies it brings to the supply chain–is a make-or-break aspect of logistics management. Some companies desire more concrete ways to ensure they are getting what they need from their 3PLs. Witness the rise in popularity of customer service metrics in the supply chain. Used to measure a wide range of key performance indicators (KPIs) that are essential to a shipper's business, metrics provide data that shows whether a logistics provider is hitting expected service levels.

Behind the rise in customer service metrics is the idea that the way a logistics provider measures its own internal success doesn't hold much weight with shippers, says Curtis Bingham, president of Littleton, Mass.-based Predictive Consulting Group. To determine if providers are meeting shipper needs, they should be measured by the shipper's standards.

Creating metrics that serve shippers'

interests and hold 3PLs to appropriate standards can be done in a few steps.

"When developing metrics, shippers and 3PLs must agree on the expected levels of customer service, and use that baseline to structure KPIs that are measurable and can be reported regularly," says Georgia Tech's Langley. "The second step is to create a process for capturing and sharing that information and discussing it routinely; the third step is continuous improvement."

Shippers and 3PLs should periodically revisit expectations to be sure KPIs keep up with changing business needs.

SAM'S CLUB SETS HIGH STANDARDS

"We expect a lot from our 3PLs. We hold them accountable to a long list of metrics–covering everything from operational efficiency to accuracy and quality," says Geoff Sease, vice president of logistics for Bentonville, Ark.-based warehouse retail chain Sam's Club. "We apply the same expectations to our 3PL-managed and self-operated DCs."

One area of performance that is crucial for Sam's Club to measure is how 3PLs assist with new store openings. "We depend on our providers to help us schedule deliveries to match the best flow of freight as we stock new Clubs with products," Sease explains. "Then, once a Club is up and running and we can gauge the sell-through, we need their support to maintain replenishment."

Sam's Club also holds its providers to high standards when it comes to carrier management. While Sam's Club develops and maintains relationships with its carriers, the retailer expects its 3PLs to ensure that those carriers are properly executing on delivery service to Sam's Club's DCs–and to take corrective action if they are not.

"On-time performance is a key customer service objective on the Sam's Club scorecard," says Marlowe of Kane Is Able, one 3PL that works with Sam's Club. "Every piece of the Sam's Club supply chain has to be synchronized or the end customer will not get a quality product, on time, and at a competitive price."

Complementing Sam's Club's long list of metrics is constant communication with its logistics providers–which Sease credits for achieving the collaborative service it demands. "A daily interactive feedback loop with our 3PLs ensures that everyone is executing on the plans we have laid out," Sease notes. "We don't wait for the end of the quarter or year to evaluate our metrics and take action."

BRIGGS & STRATTON DEMANDS DATA

"Without data, we can't run our company," says Briggs & Stratton's Sowatsky. "GENCO provides us with data down to the transaction level. I can tell you how

much it cost to ship one particular unit to one customer this year, and what it cost last year and the year before."

This type of data allows Sowatsky to keep a careful eye on cost savings, one of the company's most important logistics metrics.

"We analyze GENCO's metrics monthly and meet with GENCO representatives for quarterly updates on cost-reduction efforts," Sowatsky explains. To date, he says, GENCO has performed well on its metrics, exceeding its contractual obligations for cost-reduction efforts.

While customer service metrics in logistics are clearly a shipper-driven trend, forward-thinking 3PLs have embraced metrics as a method for proving the value of their services and as a way to clearly define issues and goals with their shipper clients.

"During our shipper meetings, we can use the metrics data to say, 'Not only did we provide you with good service at a competitive price, but here are some opportunities for improvement in other areas where we could boost efficiency or reduce costs,'" says Cathy Langham. "This helps us set and meet their future goals."

A similar attitude prevails at GENCO, where customer service metrics serve

To provide exemplary service to its customers, Sam's Club depends on its service providers to schedule deliveries that match the best flow of freight as it stocks new stores.

The transaction-level data Briggs & Stratton receives from GENCO helps the manufacturer keep a careful eye on cost savings and identify areas for improvement.

as the basis for regular meetings with customers, and as a way to incentivize internal employees. The company surveys its customers quarterly, asking them to rate GENCO on a wide range of issues, including how easy the company is to do business with; and how well it performs from a systems, operational, and budget perspective.

"We follow up on items that arise in that survey, and create processes to make sure we meet those promises by the next quarter," says GENCO's Mabon. "We then track those scores and use them to calculate bonuses for the GENCO employees whose work directly impacts those shippers."

INGREDIENTS FOR SUPERIOR SERVICE

GENCO's approach touches all facets of what Geoff Sease defines as the recipe for an effective customer service supply chain: relationships built on trust and communication; clear expectations that are measured regularly; and the integration of partners into your business.

"If these conditions are laid out for the provider, and the provider has those capabilities, you have all the ingredients for superior service and a great relationship," Sease says. "But if you are fuzzy on your expectations, and if you draw a formal line between yourself, your 3PL, and your customers–then you're going to have problems."

Keeping all players in the loop is the key to a strong–and unbroken–customer service connection. ■

SNAPSHOT
FOOTWEAR

[OVERVIEW]

Moving Shoes Is No Easy Feat

Dealing with shifts in global manufacturing, limited product lifecycles, and inventory complexity keeps the footwear supply chain on its toes. BY CINDY H. DUBIN

Apparel trends change rapidly, and each season spawns a new look. This is particularly true for footwear, a category of seemingly endless variety. From shearling-lined suede boots and bejeweled strappy sandals to retro-style sneakers and satin ballet flats, American consumers can't seem to get enough.

Shoppers' shoe addictions are good news for the industry, but for footwear logistics managers the demand can be hard to meet and specific obstacles hard to overcome.

First, footwear involves operating a global supply chain. Footwear manufacturers typically source raw materials overseas from a variety of suppliers, and manufacturing often takes place abroad. Second, the products go through short life cycles and many seasons. Third, the number of styles and variety of sizes add to the complexity.

To get a feel for how footwear companies are keeping pace with these unique supply chain challenges, come with us and walk a mile in their shoes.

Chinese Manufacturing on the Move

Like many industries, footwear manufacturers have chased low-cost labor, raw materials and capital, as well as tax incentives and low-interest loans promised by countries trying to attract new business. As a result, footwear manufacturing has migrated from Italy, the United Kingdom, and North America to Asia, particularly China, explains Gene Rider, president of Chicago-based quality and safety solutions provider Intertek. The Chinese government is currently working to shift manufacturing sites from the coastal regions to internal provinces, and is enticing manufacturers with various incentives.

Eighty-six percent of all footwear sold in the United States comes from southern China because huge ports located nearby can accommodate the ships and shipment

volumes, says Nate Herman, senior director of international trade for the American Apparel and Footwear Association (AAFA), Arlington, Va.

This move away from coastal regions will also impact outbound shipping, as it costs more to transport product from these provinces to ships bound for U.S. destinations.

"A move to north and west China creates a logistics challenge because the territories are farther away from ports and the transportation infrastructure doesn't exist," says Herman.

Transportation obstacles aren't the only concern related to the inland shift. "Adding new production facilities has a profound effect on product safety," warns Matt Priest, president of Footwear Distributors and Retailers of America (FDRA), Washington, D.C. "Keeping new factories updated on safety issues requires considerable effort."

Even in established factories, safety considerations require vigilance. "Footwear manufacturers need to ensure that production factories comply with certain specifications, and don't use hazardous solvents and adhesives," says Rider.

Step in Time

Inbound logistics plays a critical role when final footwear products arrive in the United States. "The footwear sector requires efficient supply chains that move product to shelves and consumers as quickly as possible," notes Priest.

Although 75 percent of the U.S. population lives east of the Mississippi, many products enter the country through West Coast ports, notes Bruce Mantz, executive vice president of Edison, N.J.-based third-party logistics (3PL) service provider ADS Logistic Services.

More manufacturers are starting to bring in product on the East Coast, however, which "makes more sense than bringing product to the West Coast and moving it across the country by truck," says Mantz.

Some footwear manufacturers are adopting a two-point

[CASE STUDY] Steve Madden Stays in Step

The world of high-end fashion promotes a sense of urgency in getting product to market as quickly as possible. "Speed to market is key in the footwear industry, where trendy styles and designs change constantly," says Sanjeev Sahni, senior vice president of logistics for shoe designer and manufacturer Steve Madden Ltd. "The countless inventory turns make it critical to stay on top of the supply chain."

And staying on top of the supply chain is what Sahni does, overseeing everything from inbound logistics to warehousing, distribution, and outbound shipments to retail stores. To achieve the necessary speed on the inbound side, Steve Madden works closely with its ocean carriers to ensure the fastest possible service from China, where the majority of its products are manufactured. "We use carriers that can get products to our West Coast warehouses faster," says Sahni. "We choose them specifically for their speed."

Meeting delivery schedules has not been a problem for Steve Madden, even during the economic slowdown. "Many carriers currently are moving less volume than in the past, giving shippers bargaining power," says Sahni. "In addition, we are a year-round product shipper, not a seasonal customer, so carriers want to do business with us."


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distribution system–bringing product in on both coasts to be closer to distribution centers and customers.

But no system is foolproof. "No matter how carefully we plan overseas transportation, complications arise," says Richard Kleinberg, vice president, national accounts for Gilbert USA, a 3PL in Chino, Calif. "Once product arrives, it has to turn quickly. 3PLs don't create the pressure situation, but, like firemen, we have to react to it and control it."

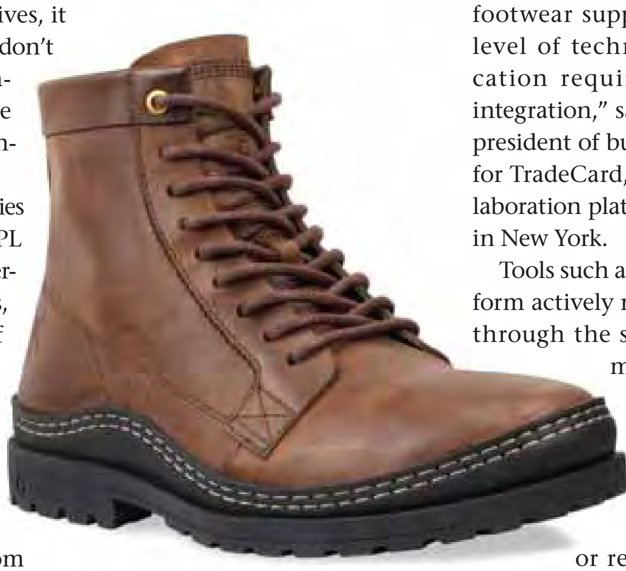
Many footwear companies benefit from hiring a 3PL that understands port operations, global regulations, and the critical nature of their shipments.

Tracking the Steps

In addition to working with knowledgeable 3PLs, footwear manufacturers can benefit from collaborating with supply chain partners. One way to achieve this goal is through Product Lifecycle Management (PLM).

PLM helps manage product information in one central location for real-time viewing by all footwear supply chain participants. "All partners gain visibility into when footwear goes into production, when it is shipped, and when it will arrive–all in an effort to meet established timelines," says Kathleen Mitford, vice president of insight and strategy for PTC, a PLM software provider in Needham, Mass.

PLM also reduces costs by removing supply chain inefficiencies. "In today's economy, footwear manufacturers can't raise prices, so they save money where they can," says Herman. "They use PLM to squeeze cost savings out of the supply chain, whether by consolidating a DC network or locating DCs closer to ports or major transportation crossways."



GREEN FOOTPRINTS. Wearers can disassemble Timberland's Earthkeeper boots for recycling.

"PLM's bottom line is savings; its top line is speed to market," says Michael Burkett, vice president of research for AMR Research, Boston. "Products get to market faster if shippers target their sourcing strategies, with fewer size and style variabilities. Less variability results in a less expensive supply chain.

"In addition, the more volume footwear shippers move, the more likely they are to get transportation discounts. And PLM helps avoid stockouts and overstocks," he notes.

Web-based solutions can also help global footwear supply chain partners stay connected and reduce costs. "The Internet evens the playing field, giving all parties in the footwear supply chain the same level of technological sophistication required for electronic integration," says Esther Lutz, vice president of business development for TradeCard, a supply chain collaboration platform provider based in New York.

Tools such as the TradeCard platform actively manage transactions through the supply chain across multiple parties. They also enable last-minute decisions, such as diverting shoes from one retailer to another, or rerouting stock from the United States to Europe, where a shoe might sell better.

"The goal is removing costs completely, rather than pushing them along the supply chain," explains Lutz.

The Product Trail

Another way footwear companies attempt to control costs is through radio frequency identification (RFID) systems. The footwear sector's critical product visibility requirements and the transient nature of inventory make it a prime market for item-level RFID and a

[CASE STUDY] Rack Room Shoes: The Right Fit

Just as children outgrow their shoes, retailer Rack Room Shoes, Charlotte, N.C., outgrew its warehouse space. In 1994, the company was operating 200 stores, and space in the warehouse was at a premium. By 2004, the Rack Room chain had doubled in size, with locations in 24 states, including New Jersey, Florida, and California.

Finally, in January 2006, Rack Room, a wholly-owned subsidiary of Deichmann Shoe of Germany, elicited help from a third-party logistics provider. It asked ADS Logistic Services, Edison, N.J., to take over all distribution operations from the 3PL's DC in nearby Gaffney, S.C.

"Footwear is a unique product comprised of four dimensions—color, style, size, and width," says Dale Patterson, vice president of systems and logistics at Rack Room. "ADS understood how to fulfill our stores' replenishment orders, giving them the right quantities of each dimension so they have the shoes customers want when they come into the store."

Ensuring the right shoe winds up in customers' hands, and on their feet, begins with an efficient inbound logistics strategy. Rack Room product generally arrives at West Coast ports from China, and moves by truck or rail to the ADS distribution center. Because Rack Room is primarily a Southeast company, however, this process can add transit time. Patterson says the company has been exploring a new strategy of bringing product into East Coast ports to cut transportation time and costs.

"Pair picking" at the DC lets each Rack Room store receive a customized set of sizes.

Once shoes arrive at the ADS facility, they are crossdocked to set a Today In-Today Out (TITO) process in motion. Small package carriers UPS and FedEx pick up the shoes at the ADS facility and deliver them to retail locations. The recipient's signature is proof that the shoes were delivered. "Proof of delivery is critical for us because shrinkage is a big problem in the footwear industry," says Patterson. "Tracking and tracing product from the DC through delivery has contributed to lowering our shrinkage rate."

While Rack Room's shrinkage rates are going down, pick rates are going up. Luckily, ADS offers the ability to "pair pick," allowing each store to receive a customized set of sizes. For example, if one store needs three pairs of size 10 shoes and another store needs two pairs of size 11 shoes, a tilt tray sorter cases each store's order in its individual lane and sorts by geographic region for delivery.

Automation is also speeding up turnover rates for Rack Room's northern-based Deichmann stores. "These stores require special attention because they are low price point, high-quality items," explains Patterson. "Customers know the products are a good buy, so inventory doesn't stay on the shelves very long."

Replenishing these stores requires ADS to receive orders daily at noon, process them, and have them ready for pickup by 7:00 that evening. "It's currently a low-volume operation, so ADS is able to handle it," says Patterson. "We'll see what the future brings."

Whatever the future holds for Rack Room, it's likely ADS will be involved. "Working with a 3PL allows us to expedite product in and out of the DC, so it's available for consumers before our competitors have it on their shelves," Patterson says.

breeding ground for product innovation, according to New York-based market research firm ABI Research.

"RFID can bring value to the footwear sector, which is fraught with inventory control issues," says Michael J. Liard, ABI's practice director of RFID. Initial RFID pilot testing at manufacturers including Nine West and New Balance, and retailers such as Rack Room, has been successful.

In one RFID pilot, Jones Apparel Group Inc. tested item-level RFID in two Nine West footwear stores during August 2008 to evaluate the technology's impact on productivity, customer service, and inventory accuracy. Results of the study include a 21-percent sales increase, a 91-percent conversion increase, and a 92-percent improvement in cycle time.

Charlotte, N.C.-based retailer Rack Room Shoes uses RF source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tagging for theft detection. The manufacturer places an RF tag inside the shoe as it is being made. A store sensor activates an alarm if someone leaves without deactivating the tag.

"This strategy is more cost-effective than having store personnel apply visible tags," says Dale Patterson, Rack Room's vice president of systems and logistics.

While RFID can be a competitive differentiator and enable business process improvement,

deployment in the footwear sector is slow going. The market for RFID in fashion apparel and footwear is expected to reach $45 million in 2009, with footwear adoption accounting for five percent or less of the total.

"In today's economic environment, it may seem counterintuitive to invest in technologies such as RFID," says Priest. "But the time to explore ways to improve is when volumes decrease."

Footwear's Footprint

Like most manufacturers, footwear companies are exploring ways to "green" their supply chains. These efforts include choosing environmentally friendly and recycled manufacturing materials. Premium footwear brand Timberland even offers a shoe that can be disassembled and recycled when the wearer is finished with it.

"Some products appear to be green, but a growing list of chemicals are not environmentally friendly to the manufacturing process," says Rider. "For instance, some companies use ethanol, which can either have a positive or negative carbon impact on the environment, depending on where it's sourced."

"Whether it's making rubber soles from tires, recycling packaging, eliminating hazardous chemicals, or ensuring the manufacturing process doesn't pollute the air and water, greening the supply chain is about brand reputation, and it's a differentiator," says Herman.

Addressing sustainability concerns, shifts in global manufacturing, rapidly changing demand, and inventory complexity requires some fancy footwork, but the footwear industry is staying in step. ■

INBOUND LOGISTICS
READERSHIP SURVEY 2010

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You can help *IL*'s supporters ensure their services are the best they can be by taking a few moments to answer these survey questions. All responses will be kept confidential. Your participation will help us continue to bring *Inbound Logistics* to you without charge.

As a thank you for your time and effort, three respondents will be chosen at random to receive a 14k gold Parker pen. If you want to enter the drawing, be sure to include your name, phone number and e-mail address when you submit the survey so we can notify you if you win. And be sure to pass this survey on to your team!

Thank you, as always, for your help and support.

Keith Biondo

Keith Biondo, Publisher

Save time and paper! Submit your answers online at
inboundlogistics.com/readsearch

Or fill out the form on the next page and fax it to us at
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2010

INBOUND LOGISTICS

READERSHIP SURVEY

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Or fill out this form and fax it back to us at
212-629-1565

1 Please indicate your title:

____

2 Please match your function (check the best one):

- ☐ Corporate Management
- ☐ Supply Chain / Purchasing / Supply Management
- ☐ Transportation / Traffic Management
- ☐ Logistics / Distribution
- ☐ Operations
- ☐ Other

3 Please indicate your company type (select best match):

- ☐ Manufacturer
- ☐ Retail/Wholesale
- ☐ Carrier/Transport Intermediary/ 3PL/Warehouse
- ☐ Services Sector or Government
- ☐ Other

4 Please indicate which transportation or logistics services you currently recommend, specify, approve, or purchase (check all that apply):

- ☐ Air Freight Services
- ☐ Ocean, Ocean Intermodal
- ☐ Small Package, Express Services
- ☐ Logistics Technology (WMS, SCEM, RFID, etc.)
- ☐ Warehousing Services
- ☐ Global Logistics
- ☐ Motor Freight Services
- ☐ Rail, Rail Intermodal
- ☐ Third Party Services
- ☐ Transportation Equipment
- ☐ Materials Handling
- ☐ None

5 Your best guess on how much your company spent on transportation and related logistics services and technology in the last year:

- ☐ More Than $50 Million
- ☐ $10-$49 Million
- ☐ $1-$10 Million
- ☐ $100,000-$1 Million
- ☐ Less Than $100,000

6 How many people are at your location?

- ☐ 1,000+
- ☐ 100-249
- ☐ 500-599
- ☐ 1-99
- ☐ 250-499

7 Please list three third-party logistics companies that excel in meeting your needs.

#1 ___________________________

#2 ___________________________

#3 ___________________________

8 Tell us why you think the 3PL companies you chose in the previous question merit industry recognition.

____

____

____

____

9 What are the most important challenges you face today? (select all that apply)

- ☐ Cutting Transport Costs
- ☐ Reducing Inventory
- ☐ Reducing Labor Costs
- ☐ Reducing Assets and/or Infrastructure
- ☐ Expanding to New Markets
- ☐ Quality Control
- ☐ Sustainability
- ☐ Business Process Improvement
- ☐ Vendor Management
- ☐ Improving Customer Service
- ☐ Technology Strategy and Implementation
- ☐ Security and other Compliance Issues

10 Which is a more important criterion for measuring 3PL performance:

- ☐ Cost
- ☐ Service

11 What is the number-one reason for a failed 3PL partnership?

- ☐ Poor Customer Service
- ☐ Cost
- ☐ More Competitive Options
- ☐ Loss of Control
- ☐ Cultural Dissimilarities
- ☐ Failed Expectations

12 Should companies generally partner with one 3PL or more than one?

- ☐ Just One
- ☐ More than One

13 Regions where your company is outsourcing (select all that apply)

- ☐ Asia
- ☐ Southeast Asia (including India)
- ☐ Middle East/ North Africa
- ☐ Eastern Europe/Russia
- ☐ Europe
- ☐ South America
- ☐ North America (US, Canada, Mexico)
- ☐ U.S. only

14 Name 3 publications that help you most in your job:

1. ___________________________
2. ___________________________
3. ___________________________

15 If you are an *IL* subscriber, approximately how many people read your copy of *Inbound Logistics*?

____

16 THANK YOU FOR YOUR HELP. Please provide your contact info below if you want to be entered into the drawing.

Name ___________________________

Phone ___________________________

Email ___________________________

17 Would you like to start/renew a FREE subscription to *Inbound Logistics*?

- ☐ Yes
- ☐ No

18 If yes, please enter your contact information below.

Name ___________________________

Address ___________________________

City ___________________________

State ______________ Zip ______________

WHERE ARE THEY NOW

A READER PROFILE REUNION

BY MERRILL DOUGLAS

Time flies, and careers evolve quickly. Since 2002, *Inbound Logistics'* Reader Profile column has introduced readers to more than 90 colleagues who work in logistics and supply chain management. Many of those professionals have since moved on from the jobs they held when we visited with them. Others still hold the same positions but have seen significant changes in their work. Let's catch up.

A CHANCE TO BUILD FROM THE GROUND UP

KIM BROWN

THEN: Materials manager, Hearth and Home Technologies, Lakeville, Minn. (profiled in March, 2004)

IN-BETWEEN: Continuous Improvement manager, Hearth and Home Technologies (2005-2006)

NOW: Director of distribution, Quality Bicycle Products, Bloomington, Minn. (since 2006)

When we last checked in with Kim Brown, she was materials manager at Hearth and Home Technologies, a manufacturer of fireplaces and other home heating products. While in that job, Brown was immersed in facilitating Continuous Improvement events at the company's manufacturing plants, distribution centers (DCs), and stores.

She got so involved, in fact, that Hearth and Home named her its Continuous Improvement manager. That experience serves Brown well in her current job as director of distribution at Quality Bicycle Products, a bicycle parts, accessories, and apparel distributor. Quality had already implemented a Continuous Improvement initiative when Brown arrived, but she brought new tools, such as value stream mapping, to the program.

At Quality, Brown is responsible for all aspects of distribution–receiving product from suppliers, filling orders from independent bike shops and distributors, and managing the DC.

Unlike many corporations in today's economy, Quality is expanding. Along with its current DC in Bloomington, Minn., Quality is strategically locating facilities around the United States to bring product closer to customers. "Our goal is to be two days away from all our independent retail detailers," she says. The expansion presents Brown with the exciting opportunity to build a network from the ground up.

Besides calling upon her skills in supply chain strategy and facilities management, the expansion also gives Brown a chance to exercise her interest in sustainable technologies.

The Bloomington facility was built according to the U.S. Green Council's Leadership in Energy and Environmental Design (LEED) standards and earned LEED Gold-level certification in 2007.

"I did not know about LEED before I came to this company," Brown says. Now, she's so well-versed she speaks about Quality's environmental initiatives to groups such as the Bloomington Chamber of Commerce. As the company develops its new DCs, she'll put that knowledge to work in multiple locations.

If Brown could change anything about her career, she says she would have gotten involved in the import/export process sooner. The 10+2 rule regarding security filings that importers must make to the U.S. Customs and Border Protection (CBP) agency is part of her work routine these days. So is Quality's participation in CBP's Customs-Trade Partnership Against Terrorism program. "I wish I could have gotten in on the ground floor of these initiatives," Brown says.

DREW ALEXANDER

THEN: Director of supply chain/logistics, Apex Digital, Walnut, Calif. (profiled in November 2004)

IN-BETWEEN: Director of supply chain/logistics, E&S International (2006-2008); CEO, Top Gun Distribution (2008)

NOW: Global logistics manager, Anthony International, Sylmar, Calif. (since 2008)

CRATE EXPECTATIONS

Drew Alexander is currently having fun on the job with packing crates.

We first spoke with Alexander in 2004, when he was working as director of supply chain and logistics at consumer electronics firm Apex Digital. In 2006, he left Apex for another consumer electronics company, E&S International (ESI). Then, in 2008, that job fell victim to the world economic downturn.

Eyeing an entrepreneurial opportunity, Alexander made plans to purchase Top Gun Distribution Services, a logistics firm based in Rancho Domingo, Calif. He was rounding up financing and already serving as the company's CEO when Top Gun's owner decided not to sell after all.

At about the same time, Alexander received a job offer from Anthony International, a manufacturer of glass doors for the freezer and refrigerator cases found in grocery stores, delis, and convenience stores. He accepted the job as global logistics manager, making him responsible for all imports, exports, and domestic transportation of materials and finished goods, and for the warehouse in Sylmar, Calif.

That's where the packing crates come in. At ESI, one of Alexander's favorite projects focused on enhancing the company's packaging by reducing cosmetic damage to TVs in transit, fitting more product into containers and trailers, and reducing the company's environmental impact.

Alexander worked with ESI's factory in China to design more compact TV boxes, reducing their volume by as much as 50 percent. "We almost doubled the amount of product we could fit in a container," Alexander says. He also found ways to use recyclable materials and soy ink in boxes without increasing packaging costs.

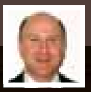
Now, he's pushing for similar results in his new job.

"I took the knowledge I amassed and the resources I'd networked with over the years, applied them to Anthony International's door crating, and revised the design," Alexander says.

The rugged glass in Anthony's doors rarely breaks in transit, but cosmetic blemishes are always a concern. "We try to avoid having them rub together," he adds.

The redesigned crates reduce the risk of damage, and switching from solid wood to plywood for parts of the crates reduces their environmental impact. Now, Alexander is helping the company further refine the new design, as well as exploring the use of reusable crates to make the packaging even more sustainable.

"This project is challenging and a lot of fun to think about," he says.



BRUCE CUTLER

TURNING CHAOS INTO CASH

THEN: Vice president of logistics, Star Furniture, Houston (profiled in May 2004)

IN-BETWEEN: General manager, Advanced Logistics Services, Houston (2006-2007); Director, home delivery logistics, Restoration Hardware, Corte Madera, Calif. (2007-2008)

NOW: Vice president, logistics and operations, Masterworks International, Houston (since 2009)

Bruce Cutler spent many years working at firms that put products together. Now he manages an operation that takes products apart.

In spring 2009, Cutler started a new job as vice president, logistics and operations at Houston-based Masterworks International, a Hewlett-Packard authorized distributor of HP computers and parts. Masterworks receives and breaks down obsolete, excess, and refurbished systems, identifies and tests the components, and sells those parts to value-added resellers. "We turn chaos into cash," he says.

Cutler is responsible for the flow of products into the warehouse and out to customers, and for the sorting and testing operations.

It's quite a change from his 2004 stint as vice president of logistics at Star Furniture, where employees in the DC assembled products before delivering them to consumers' homes. Leaving that job in 2006, Cutler became general manager of Advanced Logistics Services, a third-party logistics firm that provided dedicated services for the Houston-area operations of oil field services giant Schlumberger.

Then, in 2007, Cutler went to work as director of home delivery logistics for California furniture company Restoration Hardware. "I worked from home and traveled three or four days a week, visiting a different location almost every day," he says. Most of that time was spent managing the company's relationships with third-party delivery partners.

The economic downturn put an end to that job. Now, at Masterworks, Cutler has returned to his roots in the computer industry: he spent his early career at IBM, Computerland, and Compaq Computer. That background, plus a degree in engineering, provide a solid foundation for his new job. But so does his experience serving Schlumberger at Advanced Logistics.

"That was the first time I sat on the service provider side of the table instead of the shipper side," Cutler says. The experience taught him the nuts and bolts of providing dedicated service to a major client, knowledge he calls on today as he helps Masterworks satisfy HP's needs.

As a vice president at Masterworks, Cutler has the opportunity to hone new leadership skills. "I'm managing the operation under me, and I'm involved in strategic business decisions," he says. "I'm helping develop the company's supply chain vision and determining how to achieve our goals."

Changing jobs several times in the past few years has reinforced Cutler's belief in the value of flexibility, especially in a tough economy. "It helps that supply chain is a broad, horizontal function," he says. "Taking a broad approach makes it easier to weather this storm."

THE OTHER SIDE OF THE FENCE

Some of our Reader Profile alumni have moved on from in-house supply chain positions to roles on the service side. They've brought their talents to third-party logistics services providers, consultancies, new business startups, and academia. Here's what four of them have been up to.

When we featured his profile in February 2002, Michael Beaver was senior director of supply chain at Reichhold Inc. He left the job later that year to design, build, and operate a state-of-the-art beer distribution facility for a large Anheuser Busch distributor. He also was charged with planning and executing the consolidation of four existing facilities into the new DC. Completing that work in late 2004, he continued to operate the facility until 2005, when he was offered the chance to direct the operations of 23 DCs on the East Coast for Exel Direct. This business unit of Exel specializes in white-glove home and business delivery of large items such as furniture and appliances. In early 2006, Beaver moved to Exel Direct's business development team as senior director of business development. Although the current economic climate has created some of the biggest challenges of his career, he says, it also offers new opportunities, as more companies are coming to understand the benefits of working with a third-party logistics provider.

When we first met Wayne Paul in June 2002, he was serving as executive director of logistics at 7-11 Inc. Paul left 7-11 in October of that year to become vice president of transportation at The Home Depot. In 2003, with the aim of better balancing professional, family, and spiritual goals, he founded the Paulway Group, a boutique supply chain advisory services company. He also completed a second master's degree, in Biblical Counseling, and helped to start Christian Resource Occupational Support Services (CROSS), a ministry to support people going through mid-career job changes, unemployment, or underemployment, or looking for something they were no longer finding in corporate life. In addition, Paul serves as director of operations for Simons Branch, a non-profit organization that coordinates short mission trips, and he lends his expertise to Filter Pure Inc., an organization that brings clean water systems to people in developing nations.

Wayne Thompson was director of global logistics and distribution at Pacific Cycle in Madison, Wisc., when we profiled him in March 2005. Having earned an MBA from the University of Wisconsin, Madison, he left the company in 2007, first to consult and then to found a new company, Kind Bicycles. Thompson wanted to introduce new ideas about how to source, make, deliver, and market bicycles sustainably. He would use his logistics expertise to shorten the supply chain, reducing costs while limiting the company's carbon footprint. The recent credit crisis delayed plans for the launch, so Thompson has been teaching supply chain management, transportation, and other business courses at Blackhawk Technical College in Janesville, Wisc., while laying plans to bring bicycles to market in 2010.

Soon after we profiled her in January 2005, Cheri McCaslin left her job as domestic logistics manager at Academy Sports and Outdoors to work as a business analyst at Exel. In 2006, she became transportation manager, using her experience in analysis and operations management to help in the tactical execution of her customers' requirements and performance expectations. In 2007, Exel named her general manager, a strategic role focused on maximizing the performance of her team. Between 2006 and 2009, McCaslin and her team have helped to increase productivity for one customer by 40 percent and boosted carrier compliance from 60 percent to 99 percent. "Our current challenge," she says, "is to continue to provide new and innovative efficiencies to benefit our customers and our own organization, especially in light of current economic conditions."

MASAO NISHI

VIEW FROM THE CENTER

THEN: Assistant vice president, supply chain management, Sysco Corporation, Houston (profiled in September 2005)

NOW: Vice president, supply chain management, Sysco Corporation, Houston

Masao Nishi is still at Sysco Corporation, where we found him in 2005. During the past four years, he has seen his job evolve as the food service distribution company developed an enterprise logistics operation.

In 2005, plans to consolidate logistics for approximately 70 independent operating companies in the United States were just starting to unfold. Sysco completed the transition in 2007; it now manages shipments for all those companies from Houston and three regional facilities. Soon it will bring 18 operating companies in Canada under the same umbrella.

Centralization allows Sysco to better balance lanes and ship more full truckloads. The company can ship freight from multiple suppliers on single trucks, crossdock the freight and send full truckloads to the operating companies, or let one truck deliver to two companies in the same region. "We could not have employed that kind of strategy when each operating company was taking care of itself," Nishi notes.

Encouraging the companies to change their processes–getting two Sysco companies 100 miles apart to place orders with vendors on the same day, for example–is a challenge. The operating companies focus intently on the needs of their customers.

"Inbound transportation is not their top concern," Nishi says. "But changing processes on the inbound side can help keep costs down without affecting the customer at all."

Besides coordinating shipments, Sysco is working to better integrate inventory management with transportation management. For example, an operating company might place an order with a supplier every week and receive one-fourth of a truckload. "If we change that to ordering twice as much every other week, we cut transportation costs," Nishi explains.

Managing transportation centrally also helps Sysco save money by letting it put freight out to bid regionally and nationally, so carriers can compete for the lanes they want most.

With retirement looming in a few years, Nishi says he's glad that he came to Sysco only after playing a variety of other roles, including engineer and consultant, and working in several different industries. All that experience has been invaluable during Sysco's transition to a new supply chain model.

"I was able to leverage the knowledge and experience that I've accumulated throughout my entire working life," he says. "It was a benefit that I came to Sysco at this stage of my career, instead of right out of school."

3PLs

3PD • www.3pd.com

Each year, 3PD makes nearly five million deliveries (and counting) for some of the biggest names in business. That's a lot of deliveries, a lot of doorbell ringing, and a lot of focused last-mile logistics experience that we can turn into a competitive advantage for you.

ADS Logistic Services (ADS) • www.adslp.com

ADS Logistic Services (ADS) is an award-winning, full-service 3PL provider offering public and contract warehousing, distribution, and fulfillment services designed to move your product with maximum speed, accuracy, and cost efficiency. ADS proudly received *Inbound Logistics*' prestigious Top 100 3PL Providers award for many years. With more than 15 years of experience, ADS has the cutting-edge technology, extreme cost containment strategies, and high level of expertise required to solve any logistics challenge. Visit www.adslp.com or contact Bruce Mantz at sales@adslp.com.

ATC Logistics & Electronics (ATCLE) • www.atcle.com

ATCLE delivers 3PL services, specializing in forward logistics, reverse logistics, asset recovery, test and repair, kitting and packaging, and value-added services for high-value, serialized devices in the wireless, broadband, electronics, automotive, and medical industries. ATCLE's knowledge, expertise, IT capabilities, and 99.5-percent service and quality levels enable its customers to streamline supply chain efficiency and enhance growth and profit. ATCLE raises the standard for quality, service, and performance for customers including GM, LG, Nokia, Palm, Pantech, and TomTom.

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C.H. Robinson Worldwide, Inc. • www.chrobinson.com

Founded in 1905, C.H. Robinson Worldwide, Inc. is one of the largest third-party logistics companies in the world, providing multimodal transportation, fresh produce sourcing, and information services to more than 32,000 customers globally, ranging from Fortune 500 companies to small businesses in a variety of industries. For more information about our company, visit our Web site at www.chrobinson.com.

EDUCATION

Elmhurst College • www.elmhurst.edu/scm

Elmhurst College offers the Chicago area's only graduate program in supply chain management. In this program, you'll gain a sound technical foundation and hone skills that are absolutely critical for today's professional: communication, negotiation, team building, information technology, analytical thinking, working in diverse business environments, and sound business decision-making. All course work maintains a balance between current theory and its real-world application.

George Mason School of Public Policy • http://policy.gmu.edu/tpol

Earn your Master of Arts in Transportation Policy, Operations, and Logistics from George Mason's School of Public Policy. This degree takes a multidisciplinary approach to prepare graduates to work effectively in today's logistically integrated intermodal transportation systems. Students study such issues as "smart growth," congestion, supply chain management, and intelligent transportation systems. Our program offers broad training in finance, law, security, the environment, and policy-making that is required to advance in nearly every transportation organization.

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OCEAN
CMA CGM
CMA CGM added the new vessel *Christophe Colomb* to its fleet. The 13,344-TEU containership, one of the world's largest vessels, operates on CMA CGM's French Asia Line in partnership with Maersk Line. The ship integrates environmental technologies such as the Fast Oil Recovery System pollution prevention technique, a twisted rudder designed to reduce energy consumption and carbon emissions, and a hydrodynamic hull design.

www.cma-cgm.com 757-961-2100

3PLs
Simple Commerce Solutions
Laguna Hills, Calif.-based logistics services facilitator Simple Commerce Solutions announced a logistics services program targeted to help small and mid-sized businesses cut costs associated with order fulfillment, including inventory receiving, storing, and shipping.

simplecommercesolutions.com 866-537-2077

FreightCenter.com
FreightCenter.com, a third-party logistics provider and Web-based freight solutions company, launched a new brokerage logistics division, offering a larger base of carriers and enhanced solutions for truckload, air, intermodal, and international shipments.

www.freightcenter.com 800-716-7608

Exel Direct
Exel Direct, the Exel business unit delivering large items such as furniture and appliances to homes and businesses, opened two new facilities in Edison, N.J., and Hanover, Md. From these facilities, Exel Direct teams manage inbound and outbound inventory including unloading trailers; inventory management; and staging, inspecting, and repairing product prior to delivery. On the outbound side, Exel Direct delivery teams load trailers and execute home and business deliveries to end user specifications.

www.exel.com 877-272-1054

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The PackTiger Hybrid system produces a choice of custom-length, pad-like paper cushioning or void-fill material from sheets of single-ply kraft paper. The compact design of the table-top model allows it to be used on demand in decentralized table-top environments or online for increased efficiency.

www.sealedair.com 800-648-9093

SOFTWARE

Newgistics

Newgistics' *OneShip* warehouse control system now includes undeliverable shipment services, which provide dynamic change of address, address correction, move update, undeliverable mail handling, and forwarding services for shippers utilizing the United States Postal Service's Parcel Select ground delivery service.

www.newgistics.com 512-225-6000

FedEx Ground

A new FedEx Ground distribution facility opened in Medley, Fla. The 217,015-square-foot operation, which supports a workforce of more than 340 employees and contractors, is double the size of the facility it replaces. The new facility provides processing rates of up to 15,000 packages per hour, additional load and unload doors, and more scan tunnels and sorters.

www.fedex.com 800-GO-FEDEX

WEB

Management Dynamics

Management Dynamics launched Trade Wizards 10.0, a Web-based portal to trade content from 122 countries that facilitates the research of complex trade questions. The new release makes it easier for companies to classify products, calculate landed costs, and perform document determination at the Harmonized Schedule level.

www.managementdynamics.com 201-935-8588

HARDWARE

FreightScan

The new FS100P automated dimensioning system for cargo scanning was designed for small cargo and package operations that need to quickly capture dimensions and images. The FS100P can measure cargo in a scan area of up to four feet by four feet, accommodating smaller units such as skids, individual pieces, parcels, and conveyable freight.

www.freightscancargo.com 760-579-4044

EXPEDITED GROUND

Lone Star Overnight (LSO)

Lone Star Overnight, a Texas-based regional overnight package delivery company, introduced a multiple-package shipment rating option for packages weighing 100 pounds or more. Shippers may choose LSO's new Multi-Pak pricing for shipments destined for the same address. The Multi-Pak option is available on all qualifying ground domestic shipments throughout the LSO delivery area, which includes Texas; Oklahoma; western Louisiana; eastern New Mexico; and Texarkana, Ark.

www.lso.com 800-800-8984

January 19-20, 2010, SMC³ Winter Conference, Atlanta, Ga. Presented by SMC³, this event spotlights the latest economic, political, and business trends affecting supply chain and logistics professionals, with actionable ideas for 2010. A sustainability panel highlights how businesses are blending environmental impact initiatives with corporate responsibility policies to green their operations and bottom line. Attendees can connect with key decision-makers and peers at various networking functions.

800-845-8090
www.smc3.com

January 19-21, 2010, SCOR Users Seminar, San Diego, Calif. The SCOR Users Seminar is an annual event organized by the Supply Chain Council to share how the Supply Chain Operations Reference-model (SCOR) is used to streamline business processes. The educational event, designed for a broad supply chain audience including managers and directors with responsibility for all aspects of supply chain management, features speakers who are in various stages of implementing SCOR.

202-962-0440
www.supply-chain.org

January 20, 2010, Trade Asset Reallocation/Resource/Regulation Plan (TAR³P), Torrance, Calif. Doing more with less is the subject of TAR³P, the American Association of Exporters and Importers (AAEI) western regional seminar. The program includes two 10+2 panels, each comprised of government or industry representatives. It also includes export, import, and legislative updates.

202-857-8009
www.aaei.org

March 14-16, AirCargo 2010, ChampionsGate, Fla. This event, sponsored by the Air and Expedited Motor Carriers Association, the Airforwarders Association, and the Express Delivery and Logistics Association, includes sessions addressing topics such as branding, security, and business operations.

703-361-5208
www.aemca.org

March 30-April 1, 2010, U.S. Bank Financial Supply Chain Conference, Orlando, Fla. Attendees learn to maximize cost savings, automate payments, enhance working capital, improve overall visibility, reduce risk, and automate reconciliation and reporting.

866-274-5898
www.usbankconference.com

April 25-28, 2010, COSTHA Annual Forum and Expo, St. Petersburg, Fla. This year's Council on Safe Transportation of Hazardous Articles forum, *Beyond the Basics of Dangerous Goods Compliance*, includes information sessions on new and emerging technologies and regulatory requirements, as well as briefings and legal trends. In-depth seminars cover topics such as Canada trans-border compliance; European road regulations; and safe, compliant transportation of batteries.

703-451-4031
www.costha.com

April 25-28, 2010, NASSTRAC Logistics Conference and Expo, Orlando, Fla. Attendees at the National Shippers Strategic Transportation Council's annual conference get updates on the economy's impact on operations, service levels, and capacity from top executives with the leading trucking, expedited, intermodal, and maritime providers.

952-442-8850
www.nasstrac.org

April 26-29, North American Material Handling Logistics Tradeshow (NA 2010), Cleveland, Ohio. Sponsored by the Material Handling Industry of America, NA 2010 focuses on the productivity solutions provided by material handling and logistics. The educational program covers topics such as labor optimization strategies, storage equipment, network visibility, and supply chain risk. The conference spotlights several areas driving business change, including sustainability, workforce training, and the global supply chain. At the conference's trade show, more than 500 exhibitors demonstrate the latest material handling and logistics equipment, systems, and technologies.

800-345-1815
www.nashow.com

WEBINARS

Inventory Management
January 21, 2010
11 a.m. – 12 p.m. EST
Implementing best practices for receiving, labeling, storing, and picking. Presented by SmartTurn.
www.smartturn.com

Hazmat Compliance
February 2, 2010
11 a.m. – 1 p.m. EST
Assuring regulatory compliance when shipping lithium batteries (HMT C54). Presented by Lion Technology.
www.lion.com

Supply Chain Collaboration
February 24, 2010
12 p.m. – 1 p.m. EST
Developing internal and external strategies. Presented by TradeBeam.
www.scmworldlive.raptureworld.co.uk

POSITIONS WANTED

Ryan Friederich | **303-913-1571** | ryan.d.friederich@gmail.com

Up-and-comer seeking a Supply Chain Analyst or like position in the Denver area.

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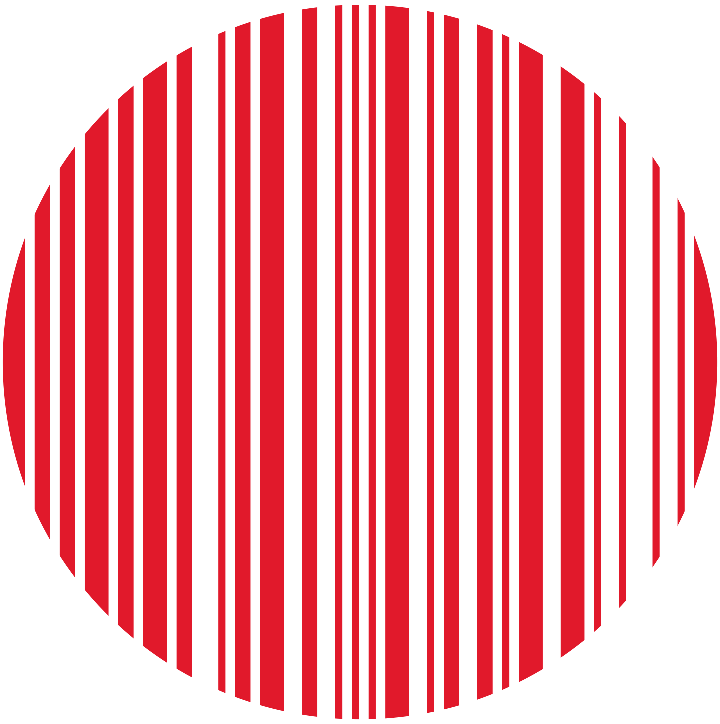

Land of the Rising Bar Code

What's red and white and read all over? A Japanese bar code, naturally. Even with the still-emerging promise of radio-frequency identification (RFID) and the potential of nanotechnology, the popular and ubiquitous scanning label plays a vital role in managing inventory from store shelves to the factory floor.

But in Japan, it isn't enough to simply use generic black-and-white tags to capture data. Companies such as D-Barcode are capturing the consumer's attention with bar-code color and creativity, combining technological practicality with marketing gimmickry.

From flower motifs to railroad tracks to piano keys, D-Barcode has been crafting customized bar codes for Japanese customers since 2005. Now the company is taking its product global. Starting at $1,500 for the design, and $200 a year for licensing, companies can create their own bar-code labels to make SKUs sell and information stick. Can you do that with RFID?