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THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS • MARCH 2009

EXPLORING NEW HORIZONS

2009 Global Logistics Guide

Coming (Back) to America

New Ports of Call


OPERATING
TABLE
FRAGILE
HANDLE WITH CARE
UP

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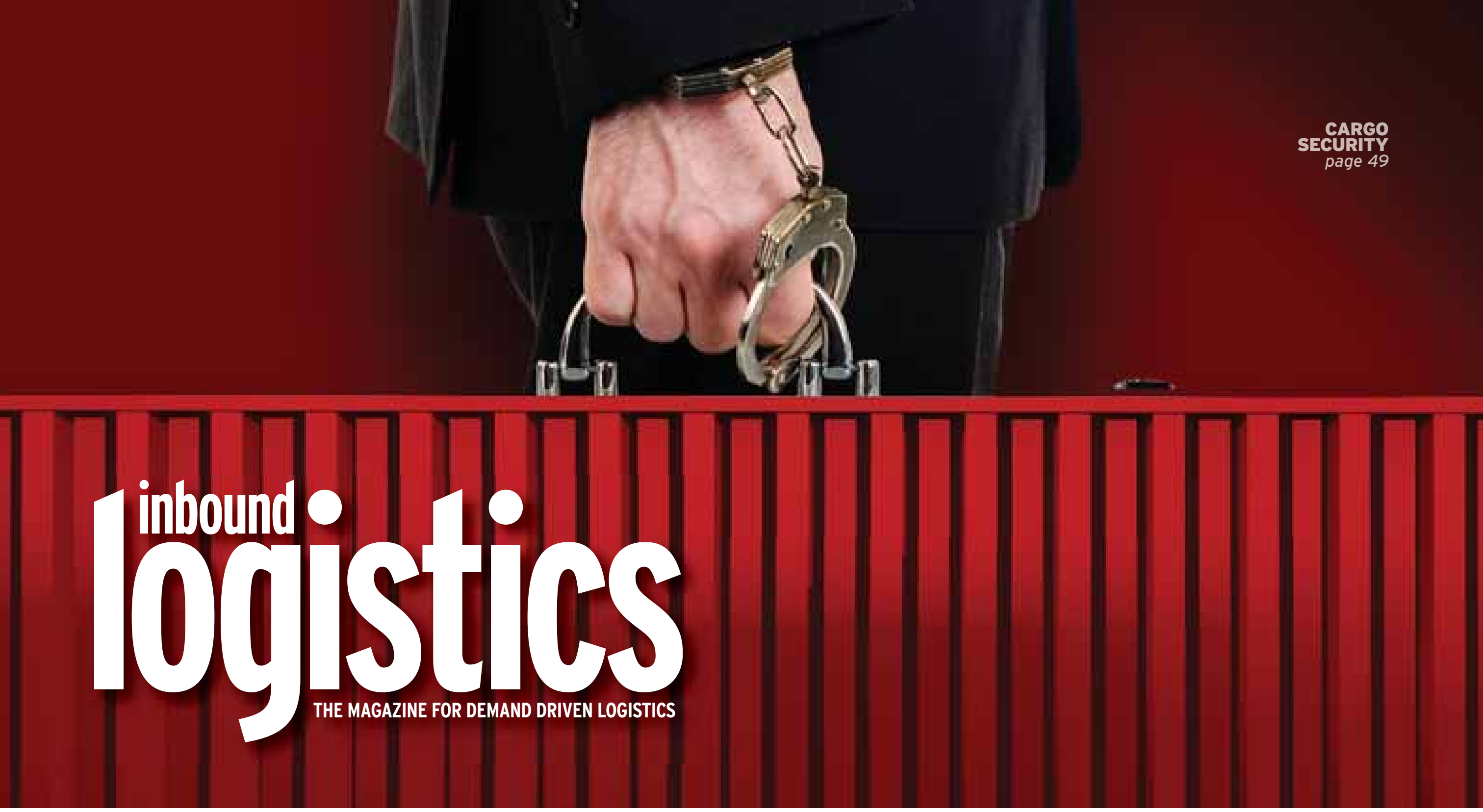

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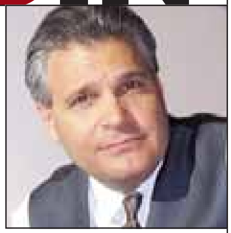
CHECKING IN



by Keith Biondo | **Publisher**

Speaking Truth to Power

In a monumental case of bait and switch, the current White House administration is set upon a course that will handicap every U.S. worker and business, and give global economic advantage to all who are not lucky enough to live here.

Energy policy–specifically, the carbon offset cap and trade plan–will transfer wealth to the government at every supply chain touch from raw material to your household and back again. This magisterial magic is usually accomplished by finding a victim, becoming the savior, and appropriating power and wealth to get the "saving" done. What better victim could government have but the entire planet? No one wants to be against Earth, right?

I can't help thinking that if it were truly *all about* carbon-driven global warming, the Obama administration would levy a prepaid carbon offset import fee on every product from countries spewing carbon indiscriminately. After all, the air over there is the same as here. Why just burden domestic enterprises, workers, and consumers? I am sure other countries are as concerned about global warming as our policy-makers are. They can't all be against Earth, and will gladly help pay the costs the administration deems necessary, right? Good luck with that one.

I also can't help thinking that if these initiatives were really *all about* carbon, the administration would trash 35 years of their party's paranoia about the only zero-carbon power source currently in use: nuclear. That anti-nuke fear is largely the reason why we are all stewing in our own carbon juices right now.

Here is a calming answer to fear about nuclear waste. More than two decades ago an actor, a priest, and a union shipyard worker joined forces to talk Mikhail Gorbachev out of an empire, eventually resulting in the decommissioning of almost 10,000 nuclear weapons. Where are all those fearsome things? Wherever they are, let's put the spent rods in the same place. Next.

If you work in a business that uses electricity, here is an interesting point to consider. *The New York Times* reported last year that rates at just one utility, Duke Energy, could rise up to 160 percent to cover the outlay for offsetting carbon credits. If that power was not generated by natural gas and evil coal, offsets would not be needed and we could power everything we need to build wealth with near-zero carbon output. Instead, any product or service we sell domestically–and especially internationally–will have to factor in all these extra costs. If you are involved in the movement of product, tack on all the fuel-related offsets, too. If only our leaders were thinking clearly 30 years ago and prevented this. Clear thinking is needed now, but the mindset in Washington seems set in stone.

The cap and trade and power policy currently being pushed on us has us standing at an economic precipice. If our leaders don't back away, it will be a very long way down. If you believe as I do, now is the time to act. Start speaking truth to power before it is too late. ■

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Understanding 10+2 Requirements

by Deborah Catalano Ruriani

The Customs and Border Protection (CBP) agency's Importer Security Filing (ISF) regulation has become commonly known as the 10+2 initiative because it requires importers and vessel-operating carriers to provide trade data (10 elements and two elements each, respectively) for non-bulk cargo shipments arriving into the United States via ocean. Melissa Irmen, vice president, products and strategy, at Charlotte, N.C.-based trade solutions provider Integration Point, offers these tips for complying with the new regulations.

1 **Remember that 10+2 pertains to goods transiting through the United States, not just imports.** Carriers must file data for goods moving through the country for export and for freight remaining on board the vessel.

2 **Be aware of the "flexible enforcement" loophole.** CBP will not assess liquidated damages for failure to meet the new requirements until Jan. 26, 2010. In the interim, the agency expects importers to make a good faith effort to comply.

3 **Understand who is responsible for filing the data.** The ISF importer bears responsibility for ensuring all 10 data elements are filed correctly, even if the information originates from another trading partner.

4 **Engage your carriers.** Carriers must file the container's status message and stow plan. You do not have to tie these elements to the importer data; CBP will make that correlation.

5 **Don't wait until the last minute.** Filings must be submitted 24 hours prior to the shipment's arrival in a U.S. port, or upon lading at a foreign port that is less than a 24-hour voyage to the closest U.S. port. To prevent delays, you can send ISFs in advance, even without the two most difficult to obtain data elements–container stuffing location and consolidator–as long as you provide these two remaining elements 24 hours prior to arrival.

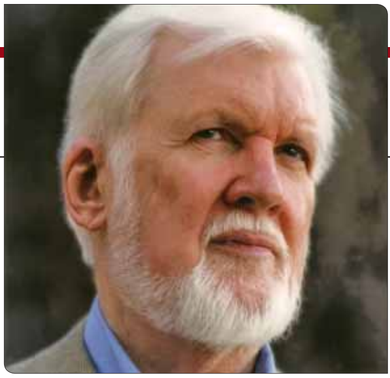
6 **Know what data can be amended.** "Flexibility in interpretation" was introduced for data elements that cause the most concern for compliance, such as country of origin, ship-to party, and manufacturer. You can submit an initial response based on the best available data 24 hours prior to lading, but you must ensure that CBP receives the final data on time.

7 **Learn how to file electronically, or engage a partner to do it for you.** All ISF filings must be submitted via the Automated Manifest System (AMS) or the Automated Broker Interface (ABI). You may be a self-filer or you can choose to use an agent. If you don't have electronic submission capability, you'll need to engage a partner to handle it.

8 **Transition now toward electronic filing.** Some importers are meeting the 10+2 requirements with manual data entry using commercially available documents. This allows you to test each channel in the supply chain while the electronic data integration is being built.

9 **Know the penalties for compliance failure.** The fine for failure to meet ISF requirements was reduced from the value of the shipment to $5,000 per shipment. However, the statement of what constitutes a violation–such as a misreported shipment or incorrectly stated line items on a filing–has not been issued yet.

10 **Get help.** Consult the CBP Web site (*www.cbp.gov/xp/cgov/trade/cargo_security/carriers/security_filing/*) for the most current information on the 10+2 regulations.



[SCPERSPECTIVES]

BY ROBERT A. MALONE
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Buy American, Transport American?

The United States has been a serious player in the international buying and selling arena for decades. It is patently foolish to think that we can now shift gears and take a protectionist stance.

For the past decade or more, conducting business globally–outsourcing manufacturing abroad, shipping through foreign flags, and sourcing parts worldwide–has been the rule, and for many practical reasons may stay the rule. While national borders stay in place for politicians, they have essentially disappeared for the business community.

But the cry to keep business in America is growing loud again in light of the government's economic stimulus plan requiring the use of U.S.-manufactured steel on all infrastructure projects.

The "Buy American" call is coming mostly from some angry union members and patriots with myopic vision and/or short fuses. But test the theory by taking a trip to Home Depot or Walmart and trying to find the American-made products. Talk about a frustrating treasure hunt.

FREE TRADE, FREE MARKETS

The American economy has been principally based upon the concept of free trade and free markets. In most cases, free trade benefits both the buyer and the seller. This is the "law of comparative advantage."

This "law" espouses trade gains by both buyer and seller, even though only one party–the seller–is able to offer a comparative advantage in a deal.

Each trading nation may gain by specializing in its comparative advantage goods, then trading those goods for others. Some, however, see this as a form of exploitation by strong, industrialized countries that may manufacture high-tech, high-profit goods, then trade with a non-industrialized nation for low-tech, low-profit goods. When up against such formidable odds, the concept of free trade shutters.

Trade between almost equal traders of two or more nations can escalate into a trade war. Consider Airbus vs. Boeing–no quarter given, no quarter granted. Europe and the United States may cooperate to a degree on some projects–space exploration, for example–but not go wing-to-wing in building aircraft.

Capitalism's foundation in free trade is fundamentally structured by where the money goes to meet demand, then finding and paying for the resources to meet that demand. In a capitalist exchange, it's the decisions to do or not do business that make economic sense, not who the buyers and sellers are. An "us vs. them" frame of mind is dangerous. Confrontation is the opposite of cooperation. It builds distrust and creates a poor business climate.

WHY BUY AMERICAN?

The first to cry out from overseas about the economic stimulus plan for a U.S. move toward protectionism were the dyed-in-the-wool protectionists themselves, and they are legion. China and several nations in Europe have already responded negatively and vociferously to the stimulus plan's mantra to "Buy American."

If the United States moves to manufacture more and Buy American, it will still be helpless to Ship American globally. Absent the control of a strong U.S. ocean-shipping fleet, expensive air freight is the next alternative.

The romance of sourcing cheap, manufacturing here, then exporting cheap–in a U.S. ship–is an illusion. It holds out impossible promises, promotes a false patriotic stance, and paints a rosy, but non-existent, future.

The United States would do well to not just embrace free trade, but extol it. We can't impose our rules worldwide but we can provide a good example and hope for the best. ■

READER PROFILE

by Merrill Douglas

Daniel Most: Making the Pieces Fit

Daniel Most loves a good brainteaser. Give him a tough sudoku or a flood of orders from the stores he serves, with no obvious way to fit the goods on available trucks, and he's a happy man.

So when Most got a chance to test his logistics smarts in a global arena, he grabbed it. And, boy, did he thrive. Out of 8,500 professionals and students who initially competed in DHL Fast Forward, a worldwide logistics simulation, Most was one of only 50 to make it to the finals, held in Germany last January. Among the 10 teams that competed in the ultimate round, his finished fourth.

Most's title at the Walgreens distribution center in Jupiter, Fla., is "dispatcher," but that doesn't fully describe his job building loads and routing deliveries to 655 stores. Some days, orders and capacity match perfectly. Other days, the work turns into a four-dimensional puzzle.

"I love the days when orders don't fit," Most says. "Then I have to think creatively to get products to the stores when they need it, as efficiently and cost effectively as possible."

Most called upon those skills, and a great deal more, in the first round of the DHL-sponsored competition, which challenged contestants to develop an express delivery service in a fictional country. Playing individually online, he made decisions such as which cities to serve, how to

GAME STATS

NAME: **Daniel Most**

TITLE: Dispatcher, since 2006

COMPANY: Walgreens

PREVIOUS EXPERIENCE: Account manager, Aaron's Furniture; auto liability claims adjustor, Allstate Insurance.

EDUCATION: BA, philosophy, 2003 and MBA, 2008, University of Florida

The Big Questions

What do you do when you're not at work?
I like to solve sudoku and crossword puzzles, and I enjoy playing basketball and golf. I also like to watch movies and cook.

Ideal dinner companion?
Barack Obama. He helped me reconsider my service to the community and my responsibilities as a member of society. I would ask him how he balances his work and family life.

What's in your briefcase?
I don't carry a briefcase. But wherever I go, I carry my day planner.

If you didn't work in supply chain management, what would be your dream job?
Professional golfer. You get to travel and play golf all the time, your body doesn't suffer the same wear and tear as a professional basketball player's, and you make a lot of money.

price his services, which employees to promote, and how to advertise.

The 500 highest scorers in that round advanced to the main level. There, they worked online in teams of five, with members of each team drawn from multiple countries.

"The biggest challenge was the time-zone difference," Most says. "My teammates were spread over four different continents."

Over seven weeks, the team competed against nine others, responding to a series of management challenges. The goal was to develop the fictional express carrier into a successful provider of worldwide logistics services. Most's team used Skype Internet phone technology to hold conference calls at least twice a week, assigning tasks and, once members had finished their research, reaching agreement on how to proceed.

Having survived the second round, Most arrived in Berlin on Jan. 11, 2009, to meet his teammates in person for the first time. On Jan. 13, in Bonn, they had four hours to prepare a business case, determining whether their logistics firm should invest in a competitor. The next day, they had another four hours to figure out how to improve a deficient process within their company.

"The experience of working with an international team in a foreign environment added to the complexity of the task, making this competition something I will not soon forget," says Most.

Besides offering an enjoyable challenge, the competition gave Most new ideas about his future in logistics.

"I would love to consult," he says. "It would be exciting to work with different teams on a variety of challenges and start new projects every few weeks." ■

DIALOG

LETTERS TO THE EDITO

Kick-starting the New Year

Each year, I look forward to the industry round-up feature in your January issue. I always appreciate the great questions that you pose to a very knowledgeable and insightful group of folks who represent a good cross-section of our industry's finest leaders, and I definitely enjoy the various perspectives shared on the topics at hand. This year was no different (*Ask the Big Wheels*, January 2009). I commend my peers for their thoughtful, solid responses, especially that David Van Alstine guy*. Everyone here at Schneider National tells me I look just like him.

Thank you, *Inbound Logistics*, for the great service you provide to our industry with every issue and every feature–but especially this annual round-up. It certainly gives us a good kick-start to each new year.

–**Dan Van Alstine,** Senior Vice President/General Manager, Van/Truckload Division, Schneider National, Inc.

* IL *appreciates Mr. Van Alstine's sense of humor; the article incorrectly identified him as David.*

10+2=?

Many recent discussions of Importer Security Filing (ISF) regulations are targeted to large importers, with little information for small- to medium-sized (SMB) importers. Many of them are not aware of how the regulations affect them and assume their customs brokers or freight forwarders will handle meeting the requirements. The same is true of many SMB customs brokers who think they can get all the data and input, but don't understand the time requirement and the impact of not submitting the data on time or accurately.

If CBP really enforces 10+2 starting on Jan., 26, 2010, as planned, chaos will break out as these SME importers and brokers discover that what they didn't understand about ISF is causing serious problems.

We need to get the story about 10+2 to the SMB community of importers across many industries.

–**Tom Craig,** LTD Management Logistics/ Supply Chain Consulting

Editor's response: The 10+2 regulations have caused confusion for many logistics professionals. See our *10 Tips for Understanding 10+2* (page 6).

Across the Borders

I read your NAFTA summit report editorial (*Growing Together: Insider Perspectives on the NAFTA Nations' Economies*, January 2009) with interest, particularly this sentence: "As a global trading power, NAFTA will not be able to compete with China, the European Union, and other emerging markets if it remains mired in parochial interests that diminish shared efficiency."

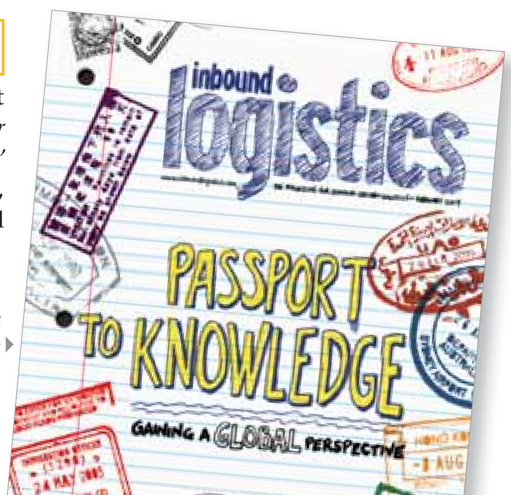
I have been quite disappointed that parochial interests continue to dominate transportation discussions in the United States, but at least in Canada, the provincial premiers are looking at regulatory harmonization. It seems to me that if every state and province begins to implement their own environmental legislation it will get worse. Please keep this dialog on the front burner.

–**Mary R. Brooks,** William A. Black Chair of Commerce, Dalhousie University, Halifax, Canada

Cover Congrats

I just wanted to give your team kudos on the magazine's February cover. It's very creative and attention-getting. I love it!

–**Rebecca Johnson,** Troy, Mich.



***Inbound Logistics* February 2009 issue**

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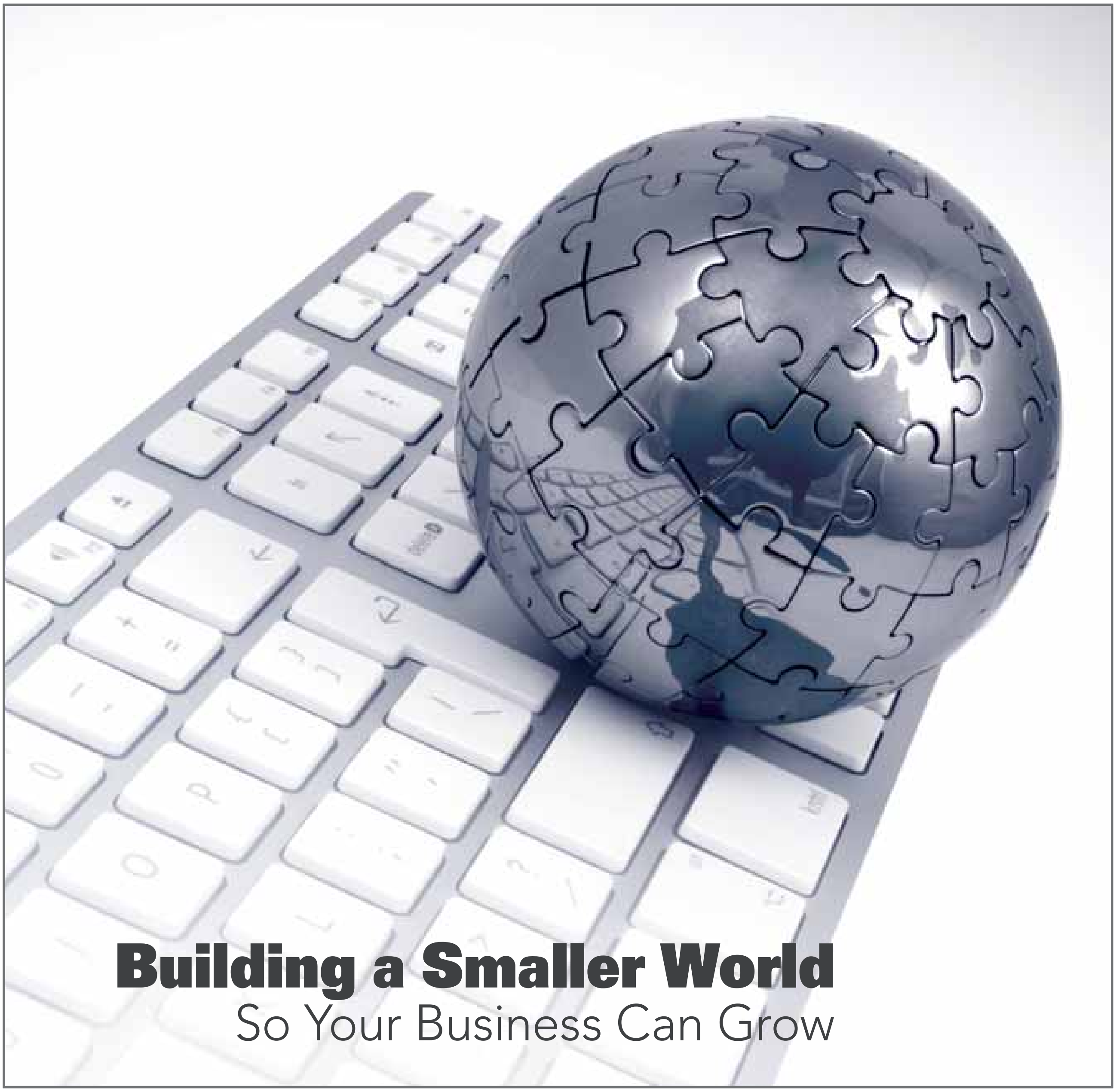

Building a Smaller World
So Your Business Can Grow

TRENDS

Canadian agribusinesses such as Viterra are elevating their use of rail transportation to increase grain handling capacity and throughput.

Seeding Change

by Joseph O'Reilly

Across the drab, windswept prairie of Alberta, Canada, the once ubiquitous grain elevator, a colorful beacon of the region's economic vitality, has gone the way of range-roaming buffalo. But as regional agribusinesses recognize the increasing, and perhaps forgotten, efficacy of moving grain by rail instead of more costly motor freight, a hallmark of the past may be reinventing itself.

Regina, Saskatchewan-based Viterra, Canada's leading agribusiness, recently announced plans to expand its high throughput elevator at Provost, Alberta. The project will increase the loading capability of the facility, which is served by Canadian Pacific (CP), to 112 railcars from 56 and raise its storage capacity by 13,000 tons to a total of 32,000 tons.

"Our expansion at Provost is consistent with our overall strategy to optimize our footprint in Western Canada and move a greater percentage of 100-car shipments to export position," reports Bob Miller, senior

CONTINUED FROM PAGE 15

vice president, grain, North America. "With these improved capacities and operational efficiencies, we are generating value for our farm customers, end use customers, and the industry as a whole."

Construction is slated to begin in the spring of 2009 and is expected to be complete in the fall harvest period. The project will increase the number of 100-car loading facilities in Viterra's network to 36, as well as enhance the railroad's capacity to speed throughput and drive economy in its operations.

"Viterra's latest infrastructure investment is a welcome addition to the grain handling system," says Michael Adams, Canadian Pacific's assistant vice president, grain. "Efficient elevator operations and capabilities enhance CP's ability to create pipeline capacity in the overall grain handling network."

UP THE CHAIN

PEOPLE ON THE MOVE

In an effort to refine its integrated business model, **Dr Pepper Snapple Group** has appointed **Derry Hobson** ▶ executive vice president of supply chain. In his new role, Hobson will continue to lead the company's efforts in building a world-class supply chain, aligning sales demand, manufacturing, and logistics. He joined the business as senior vice president of manufacturing in 2006 through the acquisition of Dr Pepper/Seven Up Bottling Group where he had been executive vice president since 1999. **Danny St. Pierre** has been promoted to senior vice president, distribution services for **Lionsgate**, a leading next-generation filmed entertainment studio. He will continue to oversee day-to-day international distribution logistics and rollout for Mandate International's new releases, as well as strengthen global relationships with international distributors, producers, and post-production divisions. Lifestyle specialty retail company **Urban Outfitters** has named **Andrew McLean** to the newly created position of chief operating officer for the company's European operating divisions. He will be responsible for all European shared service operations, including finance, logistics, development, and talent acquisition for the company's retail brands Anthropologie and Urban Outfitters, as well as wholesale brands Free People and Leifsdottir. McLean joins Urban Outfitters from Liz Claiborne where he worked since 2003, most recently as president of its outlet division.

Integrity and the Supply Chain

The recent flood of public and private sector corruption scandals gives supply chain integrity a whole new spin—with far greater gravitas than simply making sure shipments remain intact in transit.

A new study conducted by Integrity Interactive Corporation, a Waltham, Mass., company that helps global corporations manage and reduce the risk of compliance failures, reveals an international shift from inward-facing compliance concerns such as financial integrity to outward-focused areas including anti-bribery requirements—the primary concern in this year's annual study of the Top 12 corporate compliance issues (*see sidebar*).

Integrity analyzed the course-completion records of three million employees at more than 300 companies worldwide who have participated in the company's online compliance training since January 2000.

Greater focus on outward-facing compliance concerns occurs as companies address how their actions impact the world and focus on preventing harm to themselves and their shareholders.

Demand for supply chain integrity is driving business awareness of the potential ethics, compliance, and corporate social responsibility risks that result from supply chain misconduct. Concern over new supply chain regulations, negative media exposure from potential supply chain scandals, and business partner conduct play a role in pushing anti-bribery requirements, conflicts of interest and gifts, and product safety and liability to the top half of this year's list.

"Drastic changes in our global economy and recognition of the importance of supply chain integrity have companies demonstrating a renewed commitment to the basic principles of corporate ethics and compliance," says Integrity CEO David Curran. "Our research shows that companies across industry sectors and global regions are taking steps to ensure transparency, ethical behavior, and quality controls."

The Top 12 Corporate Ethics and Compliance Concerns

1. Anti-bribery requirements
2. Conflicts of interest and gifts
3. Antitrust contact with competitors
4. Mutual respect
5. Records management
6. Product safety and liability
7. Privacy
8. Proper use of computers
9. Export controls
10. Careful communication
11. Information security
12. Financial integrity

Retailers Address New PLM Standards

As green mandates and supply chain pricing pressures conflate, businesses are looking to reduce waste and standardize processes throughout the entire lifecycle of their products, especially on the design end. A new effort, spearheaded by TradeStone Software, a private label and global sourcing solutions provider, is gathering support from retailers to create better standards that support the creative design process when developing new merchandise.

Gloucester, Mass.-based TradeStone is working side by side with retailers to create standards for codes, information flow, and business processes, as well as address concerns on embedding safety, government testing, and regulatory requirements in the design process. Charter members in The PLM for Retail Standards Committee include department stores (Macy's, Kohl's), specialty apparel (American Eagle Outfitters, Pacific Sunwear), hardlines (Guitar Center, Lowe's) and grocery (Auchan).

Leading retailers such as Lowe's are working with TradeStone Software to establish product lifestyle management standards in the creative design process.

The committee is an outgrowth of the TradeStone STARS User Group that first met in September 2008. More recently, retailers gathered at TradeStone's headquarters to identify and discuss how standards for process, content, and data can save time and resources, and support speed-to-market initiatives.

"By establishing a process that is both generic to the retail industry but specific to each retail segment, we feel we've made a significant step in the right direction," says Ann Diamante, chief product officer, TradeStone Software. "We had an interactive and informative two-day session that focused on working together to establish a consistent, unifying, easy-to-adopt infrastructure of collaboration among retailers, suppliers, and their supporting service providers including agents and component suppliers."

The committee is looking to invite more retailers, suppliers, and technology companies to its quarterly meetings to improve upon these standards. ■

Transportation

Distribution

Packaging

Logistic Management

LOGISTIC MANAGEMENT

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GLOBAL LOGISTICS

by Joseph O'Reilly

Fighting Piracy on the High Seas

Distant are the days when Thomas Jefferson's fledgling U.S. government launched a series of covert operations to chase North African pirates back to their Barbary Coast hideaways in an effort to protect maritime trade. Today, piracy is the common term for downloading music or videos without paying copyright fees. But a brash new breed of modern-day buccaneers is laying siege on global container fleets, and shippers are beginning to pay a hefty bounty.

Over the past year the frequency of pirate attacks, particularly in Africa and Southeast Asia, has spiked considerably. The International Maritime Bureau reported 293 piracy incidents in 2008, an increase of 11 percent from the year before. Pirates made an estimated US $30 million hijacking ships for ransom last year, seizing more than 40 vessels off Somalia's 1,880-mile coastline. Concerns over pillaged profits are forcing global ocean carriers to introduce piracy surcharges to offset potential losses and subsidize ongoing efforts to secure trade.

In January 2009, French container shipping company CMA CGM imposed a US $23-per-TEU surcharge on movements across the Gulf of Aden due to the risk of piracy in the region. The tariff covers insurance and other security costs of transiting through the prime shipping trade route. CMA CGM has adopted security measures such as maintaining a high vessel speed while crossing the Gulf of Aden and moving in convoys guarded by coalition warships.

United Arab Shipping Co. has taken a similar tack, announcing in February a US $22-per-TEU charge for containers moving through the Gulf of Aden.

Elsewhere around the world, maritime agencies and academies, governments, and carriers are outlining plans to quell this latest shipping insurgency. The Massachusetts Maritime Academy, California Maritime Academy, and The Maine Maritime Academy all offer training to merchant seamen on tactics for avoiding and confronting pirates at sea.

Japan's defense ministry recently ordered the dispatch of ships to fight

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Supply Chain Haute Couture

Demand-driven apparel manufacturers and retailers flaunt chic logistics on and off the runway. DHL Global Forwarding is tailoring its resources to help the global fashion industry put its best foot forward with the launch of its Fashion & Apparel Center of Excellence in India.

As manufacturing moves to lower-cost countries, supply chains in the fashion industry have become more extended and complex, increasing trade and legal demands such as import controls, quotas, and tariffs.

In South Asia, the fashion and apparel logistics industry is estimated to be worth US $3.9 billion per year, with India, Pakistan, Bangladesh, and Sri Lanka alone accounting for US $2.4 billion. The DHL Fashion & Apparel Center for Excellence, which will comprise a core team of industry professionals trained by fashion experts in Europe and North America, is looking to capitalize on this booming niche.

DHL's services cover the fashion industry's entire logistics value chain–from materials purchasing and sampling, to manufacturing quality control and direct delivery to international fashion boutiques.

The center will develop customized solutions at origin and enable companies to better manage the product flow farther upstream in their supply chain. It will also dedicate significant resources to introducing a range of IT solutions that enhance visibility, reporting, and exception management.

DHL will oversee the application of best practices and processes that enable prompt and proactive management of supply chain issues that fashion and apparel companies routinely confront.

DHL's new global facility will help fashion and apparel manufacturers drive greater supply chain efficiencies.

FASHION LOGISTICS EN VOGUE

- **Apparel and footwear is the largest air and ocean freight export commodity group from South Asia to Europe,** accounting for more than 16 percent of total airfreight export volumes, and 13 percent of total ocean export volumes in 2008.
- **India-Germany is the top airfreight export trade lane for South Asia,** with apparel and footwear accounting for 33 percent of total airfreight exports in 2008.
- **Vietnam-Germany is the top ocean export trade lane for South Asia,** with apparel and footwear accounting for 28 percent of total ocean exports in 2008.

pirates off the shores of Somalia, joining countries that have taken similar action, including the United States, Iran, Russia, France, Britain, and China.

As container volumes in the Asia-Europe trade increase, and the Suez Canal's prominence among Asia-U.S. East Coast importers also grows, piracy and the associated costs of protecting container shipments remains a potential, and often unaccounted, threat to economy and efficiency.

Chinese E-tailer Discounts for Success

In the face of a global economic crisis and in the wake of a middle-class boom, one Chinese e-tailer is merging two U.S. phenomena–bulk discount outlets and department stores–to lure consumers for the long haul.

Seizing an opportunity to build a domestic client base as export demand drops, dazhe.cn, an online discount department store, is selling high-cost inventories quickly and cheaply to expand brand awareness of its products and its company.

In China, bulk and durable goods expenditures, such as houses and cars, are falling sharply, while sales for daily, general merchandise have risen. Whenever there is a discount, bargain hunters buy more instead of less.

Also, as demand for Chinese-manufactured exports drops, U.S. and other foreign enterprises facing their own difficulties selling domestically are placing more focus on China's consuming population as a growth market.

For example, on dazhe.cn, L'Oréal cosmetics are selling at 90-percent discounts and Nike sports bags are half-price. The e-tailer's goal is to become the industry leader when the economy recovers, then take its online discount department store global.

Saudi Companies Sensitive to Outsourcing

Is Saudi Arabia's supply chain strategy out of synch with the rest of the world's practices? A recent survey says yes.

Highlighting the disparities between the nation's supply chain objectives and practices, the *Saudi Arabian Supply Chain Intelligence Report* indicates that while improving service levels is a top priority for companies, the strategies they are implementing to achieve this goal need refinement in order to optimize performance and ensure long-term success.

Rapid growth in the supply chain and logistics segment in Saudi Arabia has seen companies increasingly challenged by several factors, including growing complexity, variation in customer demand, and increased supply chain volumes. Failure to adopt the correct supply chain strategy to deal with such challenges can threaten a company's sustainability because quality and service levels are threatened.

The survey, commissioned by logistics service provider Hala Supply Chain Services, also draws the following conclusions:

- Increasing volumes and complexity, varied customer needs, and supply chain staff skill levels are among the major challenges Saudi Arabian companies face. However, the current strategies they are using to handle and mitigate these problems do not follow international trends that have proven to yield positive results.
- Companies in Saudi Arabia are accustomed to a do-it-yourself supply chain strategy, an approach in which supply chain improvement projects are internally managed. The low rate of success in these endeavors is not surprising because staff skills and capabilities were identified as a challenge.
- Transport functions, primarily outbound, tend to be the only processes Saudi Arabian companies consistently outsource. This insular approach can cripple service levels because it significantly reduces available regional and global resources.
- Collaboration often takes place only at the supplier level. International best practices have shown that upstream and downstream collaboration is essential to successfully deal with challenges such as planning, forecasting, and coping with increased volumes. ■

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by C. Daniel Negron

Help Wanted: Seeking Qualified Logistics Professionals

Q: As a logistics provider, I find that hiring qualified staff has grown increasingly complicated with the rise of demands such as regulatory compliance, security initiatives, and constantly changing industry standards. Why is this? What can the supply chain and logistics sector do to attract a younger generation of professionals to this field?

A: One might think that filling a vacancy in today's market would be relatively simple. The latest economic indicators suggest that the U.S. unemployment rate stands at 7.5 percent and is likely to increase to 10 percent in the near future. As you stated, however, the transportation industry appears to be increasingly concerned about having sufficient trained personnel to fill its positions.

Researchers estimate that by 2012, the logistics sector will create 170,000 new jobs. Assuming that long-term economic conditions improve, the baby boom generation will be leaving the workforce in large numbers during the next 10 to 15 years. So it is ironic that certain industries are having difficulty finding a properly qualified workforce. Attracting young professionals who are trained in international trade and transport can be a challenge.

ATTRACTING THE MTV GENERATION

A younger workforce is less likely to seek positions in this sector for a number of reasons. Transportation can be viewed as tedious and boring. It does not have the same glamour as investment banking or high-tech industries. It is not perceived as an industry commanding high salaries or promising significant career potential. In effect, the industry suffers from an image problem.

Because of changing economics, however, modernization and technology have taken hold of the logistics sector. The industrial complex that existed in this country just 50 years ago has been largely exported overseas. As a result, entire regions whose livelihood once depended on manufacturing have reinvented themselves.

To ensure they receive a steady flow of properly qualified personnel, many segments of the industry have embarked on outreach programs to expose younger students to careers in logistics.

On the college level, ports are partnering with universities to develop lesson plans in math, economics, and world trade. Degree and non-degree programs in fields such as global logistics are being developed at a number of colleges and universities, and some companies offer internships as part of interactive work-study programs.

STOCK IN TRADE ASSOCIATIONS

Programs sponsored by trade associations provide young people training in logistics operations. For example, the International Federation of Freight Forwarders Associations (FIATA) holds an annual competition in which students develop suggestions for improving some aspect of the sector. The winner of the competition is named FIATA's Young Freight Forwarder of the Year.

Today, unemployed professionals have a unique opportunity to apply their existing talents in new areas. The transportation industry's initiatives are helping to shape careers in marketing, engineering, finance, IT, and management. Efforts such as these help ensure that you will see a steady flow of qualified personnel. ■

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VIEWPOINT

by John J. Tracy

The Evolving Supply Chain Manager

Managing today's complex supply chain requires the skills of a C-level executive, plus the special knowledge of supply chain disciplines including forecasting, purchasing, transportation, inventory management, quality, warehousing, channel costing, and technology.

Fifty years ago, nobody managed a supply chain. Departments and individuals teamed up to obtain supply certainty and efficiency. But conflicting departmental and individual goals, poor communication, obsolete accounting practices, and other issues frequently impeded success.

Companies began to recognize these problems and gravitate toward organization realignment, forming materials management departments in which purchasing and marketing often played a peripheral role. The principal stakeholders often dictated the specific capabilities, services, and performance standards that suppliers must meet. The purchasing representative then assumed responsibility for finding suitable sources.

In the 1980s, a range of factors virtually eliminated strong internal supply management capabilities. Cost pressures, new technologies, a focus on core competencies, the trend toward downsizing and outsourcing, the desire to consolidate sources, and the marginalization of supply disciplines were among the elements that gave rise to a whole new segment: the third-party logistics provider. The purchasing officer often contracted these services, while a logistics coordinator oversaw them, relying heavily on the IT and finance managers who drove the new systems.

COMPLICATIONS ARISE

Concurrently, many savvy supply chain practitioners recognized that the impact of newly adopted practices such as just-in-time, lean manufacturing, Six Sigma expectations, and ISO standards, as well as the availability of new technologies, required that enhanced supply chain management skills and practices be developed and retained in-house.

As organizations were pursuing these diverse approaches, two new demands on supplier sourcing were converging: the need to identify and relate to possible global suppliers, and the need to ensure that identified suppliers could adapt to new technologies and to doing business in global markets.

Some organizations that had been stripped of the core skills necessary to manage a supply chain turned to their purchasing officers, or to their IT or finance managers–the only remaining institutional bases of operating knowledge–to supervise the supply chain.

THE NEW RULING CLASS

Organizations that recognized these evolving, subtle changes began rebuilding the expertise necessary to truly manage the increasingly diverse and remote base of suppliers and partners. They shored up the hard skills such as inventory and transportation management, quality control, and warehousing, and taught the soft management skills of team building, cultural understanding, and currency economics.

Today, new CEO/COO-qualified supply management executives, charged with entrepreneurial responsibilities and energized with a cadre of imaginative and creative functional managers and specialists, lead organizations poised to harness a continuous stream of opportunities. These are the men and women who will usher supply chain management into its next renaissance. ■


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2009

Global Logistics Guide

The past year has cast the global economy in varying degrees of red as businesses the world over struggle with a financial credit crisis that continues to pinch consumers and punch manufacturers and retailers into a sobering new reality.

The sting is omnipresent. Traditionally strong economies are showing signs of duress and underperforming countries are reeling. Those with robust domestic manufacturing and export industries are struggling to diversify as offshore revenue streams evaporate. Others reliant on import trade, domestic consumption, and foreign direct investment are competing with an expanding group of like-minded suitors.

Transportation and logistics excellence is a building block for economic growth. Countries that invest in and develop modal and IT connectivity, flaunt pro-business policies and leadership, and nurture and support supply chain and logistics talent and labor invite opportunities for foreign businesses to invest in – and wield their – spades.

Inbound Logistics' 5th Annual Global Logistics Guide presents a navigational beacon as you scope out and steer your company's global reckoning through an uncertain economic abyss.

IL identifies global logistics hotspots as excelling in three key areas:

1. Transportation infrastructure. The density and breadth of airport, port, and road infrastructure.

2. IT competency. The progressiveness of information and communication technology investment and development as measured by The World Economic Forum's Networked Readiness Index (NRI).

3. People power. The strength and expertise of homegrown logistics talent, cultural and language similarities,and government leadership.

Businesses may also consider a country's logistics merit by the amount of foreign direct investment (FDI) the United States is pumping into its economy. Though FDI alone does not translate to economic development promise, countries with good transportation infrastructure, IT capabilities, logistics talent, government leadership, and favorable business policies invariably capture a bigger piece of the American pie.

There are intangibles at play as well. Our X-Factor provision accounts for factors such as political stability, labor flexibility, and foreign investment policy that color a country's logistics capabilities – good and bad.

Our Global Logistics Guide offers a macro perspective of the global supply chain to help you quantify and qualify expansion opportunities with countries that best fit your logistics and supply chain needs. If you have questions or suggestions about our methodology and selections, please email: editor@inboundlogistics.com

Methodology. Countries are ranked on three criteria: Transportation infrastructure (1 to 4 points), IT competency (1 to 3 points), and people power (1 to 3 points). Points are totaled for all categories – taking into consideration X-Factor +/- points – to determine the final ranking: 10 is highest, 3 is lowest.

Sources: U.S. Department of State; World Port Rankings, American Association of Port Authorities (AAPA); Airports Council International; World Economic Forum's Growth Competitiveness Index; World Economic Forum's Global Information Technology Report; Central Intelligence Agency's World Fact Book; Bureau of Economic Analysis, U.S. Direct Investment Abroad

The Americas

Canada's sophisticated transportation infrastructure mirrors that of the United States. Its ports in Vancouver and Prince Rupert on the West Coast and Montreal, Halifax, and the proposed development at Canso in the East are growing in importance as U.S. port complexes labor over lingering capacity and congestion issues. Beyond the country's dependence on U.S. trade, a prime concern remains securing and streamlining cross-border transits to ensure timely, efficient freight flow. South of the border, Mexico's government is making strides to allocate and invest capital in transportation infrastructure, but standards and performance are still lacking. The contrast between northern development and the south's relative weaknesses remains evident, as do security and safety deficiencies. The penetration of U.S. transportation and service providers has made the going easier for speculative businesses looking to capitalize on cheaper labor or use the country's West Coast ports as a back-door entry into domestic markets. Further afield in South America, transportation infrastructure, IT connectivity, logistics talent, and resources are generally lacking. Still, as businesses reconsider global supply networks, South America's proximity to the United States and emerging low-cost manufacturing clusters invite new options for offshoring.

GDP: Gross Domestic Product
EXP: Exports
IMP: Imports
FDI: U.S. Foreign Direct Investment, 2007
T: Transportation infrastructure
I: IT competency
P: People power

All amounts in $US billions.

Brazil

While Brazil's economy is the largest in South America and it has become a target for low-cost outsourcing, foreign investment is labored by infrastructure gaps linking inland manufacturing pockets and more developed coastal areas.

T	2	TOTAL 4	GDP:	$1,700
I	1		EXP:	$200
P	1		IMP:	$176
X	0		FDI:	$42

Canada

Canada's success follows the United States, good and bad. But U.S. excess, in terms of West Coast-bound container volumes, is a major boon for ports such as Prince Rupert, Montreal, and Halifax.

T	2	TOTAL 8	GDP:	$1,600
I	3		EXP:	$462
P	3		IMP:	$437
X	0		FDI:	$257

Chile

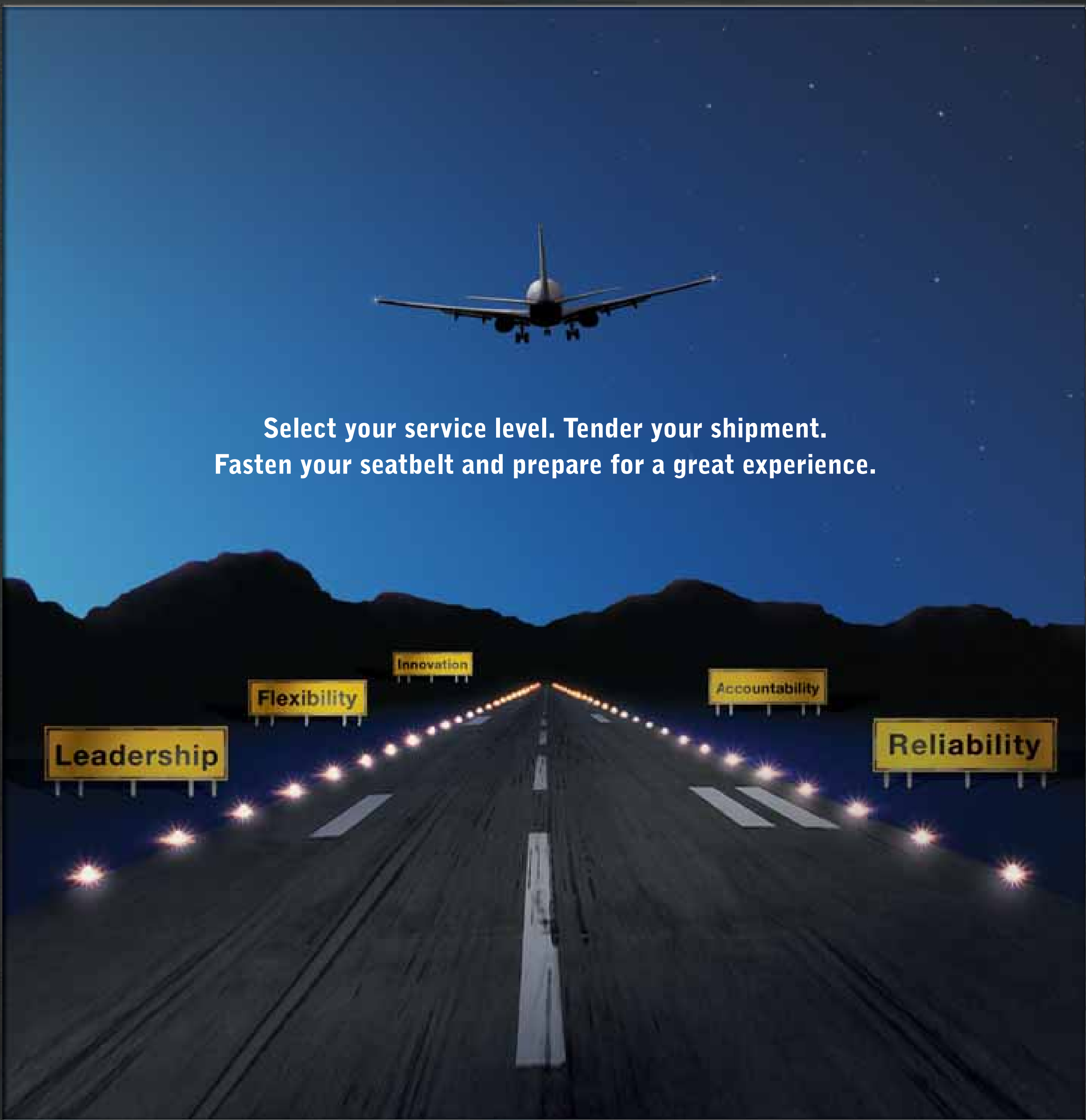
What Chile lacks in transportation connectivity, it makes up for in IT preparedness, ranking among the best in South America. It also tops the continent in the World Economic Forum's Global Competitive Index.

T	1	TOTAL 4	GDP:	$182
I	2		EXP:	$69
P	1		IMP:	$59
X	0		FDI:	$13

Mexico

X-FACTOR Location, location, location. Mexico's potential is bounded by government and private sector efforts to continue developing transportation infrastructure and capitalize on NAFTA trade.

T	2	TOTAL 6	GDP:	$1,100
I	1		EXP:	$294
P	2		IMP:	$306
X	1		FDI:	$92



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Europe

Europe lays claim to some of the busiest cargo hubs in the world and possesses a developed and dense transportation network. Compared to other global regions, the continent is far more diversified in mode utilization, combining rail, road, and inland barge transports to move goods to and from congestion-choked ports and urban areas. As pressures to reduce transportation costs and increase efficiencies become manifest in a down economy, this intermodal pedigree will be invaluable. Countries such as France, under President Sarkozy's leadership, have made great progress privatizing the transportation sector and creating a more competitive market for shippers — which has only enhanced efficiency, economy, and service. Europe's one nagging concern remains transportation standardization among European Union countries, and new entrants, in terms of equipment, tariffs, and other regulatory oversight. Labor inflexibility and cost is an ongoing concern for countries such as France and Germany, which have seen manufacturing activity shift eastward to cheaper locations. The rising promise of low-cost sourcing and manufacturing in Eastern Europe, as well as overland transportation connections linking the Far East to Europe, have created a vacuum for logistics and distribution capabilities in Central and Southern Europe. Italy and Switzerland, for example, are positioned to become important release valves for some of this emerging volume as well as distribution hubs for Asian-origin traffic.

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IMP: Imports
FDI: U.S. Foreign Direct Investment, 2007
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All amounts in $US billions.

Belgium

For its size, Belgium packs a punch, with two ports—Antwerp and Zeebrugge—and two airports—Brussels and Liege—among Europe's leading cargo hubs.

T	4	TOTAL 8	GDP:	$495
I	2		EXP:	$373
P	2		IMP:	$375
X	0		FDI:	$55

France

President Sarkozy's recognition of necessary transportation infrastructure investments, continuing freight sector privatization, and France's centralized distribution location are helping the country overcome long-standing labor obstacles.

T	3	TOTAL 8	GDP:	$3,000
I	2		EXP:	$761
P	3		IMP:	$833
X	0		FDI:	$69

Germany

Solid transportation infrastructure, a strong domestic market, and a pedigree for manufacturing and logistics are shaded by high labor costs pushing production eastward.

T	4	TOTAL 8	GDP:	$3,800
I	3		EXP:	$1,500
P	1		IMP:	$1,200
X	0		FDI:	$107

Italy

X-FACTOR Italy is well positioned to tap cargo volumes moving east-west through the Mediterranean and north-south to and from Eastern Europe. Its fast-growing port complex at Gioia Tauro is a complement to Milan airport.

T	2	TOTAL 5	GDP:	$2,400
I	1		EXP:	$566
P	1		IMP:	$567
X	1		FDI:	$28

Netherlands

There's a reason why the Netherlands captured $370 billion in U.S. direct investment in 2007. Strong multi-modal capabilities, a centralized distribution location, and pro-business culture are investment magnets.

T	4	TOTAL 9	GDP:	$910
I	3		EXP:	$538
P	2		IMP:	$485
X	0		FDI:	$370

Switzerland

Autonomous from the EU, Switzerland does its own thing, and well. A robust economy, strong R&D environment, ample transport connections, and receptive business climate make it one of Europe's favored logistics sites.

T	2	TOTAL 8	GDP:	$493
I	3		EXP:	$173
P	3		IMP:	$213
X	0		FDI:	$128

Central & Eastern Europe, Russia

Russia is arguably the biggest question mark in the world, with boundless potential and perhaps even more obstacles to entry. With a geography touching Eastern Europe and China, and a sizable consuming and working population, the country has the trappings to be a major offshore player for U.S. sourcing and manufacturing interests. To date, however, Russia's dependence on oil revenues has created a largely unstable economic footing. Transportation infrastructure beyond its developed eastern environs is generally poor, and questions of government leadership, public and private sector collusion, and political instability have waylaid foreign investment interests. To some degree, Eastern Europe and Russia's fortunes are inherently tied. Estonia, the foremost economy among former Soviet bloc countries and a European Union member since 2004, has established a thriving free-market economy supported by pro-business policies, an emerging electronics industry, and rapidly maturing IT infrastructure. Centrally positioned in the Baltic region, Estonia is a pivotal distribution link between Russia's potential and Eastern Europe's reckoning.

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EXP: Exports
IMP: Imports
FDI: U.S. Foreign Direct Investment, 2007
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All amounts in $US billions.

Czech Republic

One of the most successful and economically balanced former Soviet strongholds, the Czech Republic is second to Estonia as Eastern Europe's most competitive economy.

T	1	TOTAL 5	GDP:	$217
I	2		EXP:	$146
P	2		IMP:	$141
X	0		FDI:	$4

Estonia

Location and technology maturation make Estonia the region's premier economy. Energy interdependence, a pro-business culture, and strategic proximity to Russia and the Baltic Sea are hallmarks of its potential.

T	1	TOTAL 6	GDP:	$24
I	3		EXP:	$13
P	2		IMP:	$16
X	0		FDI:	$0.03

Russia

X-FACTOR Russia's lack of progress diversifying its economy beyond oil production is also its greatest asset – it can only get better. Coast to coast, it has an ample workforce and strategic connections linking the world.

T	1	TOTAL 4	GDP:	$1,800
I	1		EXP:	$476
P	1		IMP:	$302
X	1		FDI:	$13

Middle East

The Middle East is smack in the center of the hottest trade lane in the world, as Asia-Europe container volumes remain robust. With the Suez Canal attracting greater traffic from shipments originating in Western China and Southeast Asia, the region is becoming an important distribution crossroads. A wealth of natural resources has spilled into government coffers, and consumerism and development are rampant. The proposed cargo airport in Jebel Ali outside of Dubai, United Arab Emirates (UAE), will become the largest in the world when complete, and the growing importance of the Suez Canal trade and investments in proximate port facilities (the Suez Canal Container Terminal at Port Said in Egypt) are attracting interest from global ocean liners and shippers alike. The Middle East is also the hottest airfreight region in the world, as consumer appetites for high-value goods remain strong. Dubai (UAE) and Bahrain are top air cargo hubs in the region, and Emirates, Qatar Airways, Saudi Arabian Airlines, Etihad, and El Al are among the top 50 air cargo carriers in the world. Much of the Middle East's transportation and logistics maturation, and diversification away from the highly commoditized and flux oil trade, has been a result of the Iraq War and investments to improve infrastructure supporting military movements. Whether the region will remain as strong after this impetus lags, and in spite of geo-political volatility in the region, remains uncertain.

Bahrain

Among the Middle East's foremost economies, Bahrain's growing consumer culture and strong financial sector have helped nurture an emerging transportation and logistics presence anchored by its airport.

T	2	TOTAL 5	GDP:	$20
I	1		EXP:	$19
P	2		IMP:	$16
X	0		FDI:	$0.06

Egypt

X-FACTOR: Egypt's emerging importance in world trade, and the rising tide of facilities such as Port Said, is directly linked to increased Suez Canal transits.

T	2	TOTAL 5	GDP:	$158
I	1		EXP:	$33
P	1		IMP:	$56
X	1		FDI:	$8

United Arab Emirates

X-FACTOR The boom in Asia-Europe traffic and Suez transits makes Dubai the star of Middle Eastern trade. Its port and airport complexes continue to capture a lion's share of trade flows as both a distribution and consuming crossroads.

T	3	TOTAL 8	GDP:	$270
I	2		EXP:	$208
P	2		IMP:	$141
X	1		FDI:	$4

Qatar

Qatar tops the Gulf region in global competitiveness, largely due to a developing education system, strong financial sector, and established IT footprint.

T	2	TOTAL 6	GDP:	$117
I	2		EXP:	$62
P	2		IMP:	$25
X	0		FDI:	$7

Southeast Asia & India

Southeast Asia is increasingly competitive with China and looks to be its heir apparent, especially as low-cost manufacturing in the latter country pushes further inland and afield. India is a popular manufacturing location, with an abundant workforce, fewer cultural barriers to entry, and an emerging middle class that U.S. companies are eager to sell to. Transportation infrastructure, security, and social welfare issues remain outstanding concerns. Elsewhere, the pearl of Southeast Asia, Singapore, has encountered some peril. The country's over-dependence on global trade and lack of competitive domestic markets are now manifest in a global slowdown. The government is challenged with encouraging more consumption to alleviate these concerns and ensure that its economy isn't entirely reliant on global exports.

India

An abundance of low-cost labor, the emergence of manufacturing clusters, and strong BPO and R&D industries make India a primary offshore target despite recurring infrastructure and security shortfalls.

T	2	TOTAL 5	GDP:	$1,200
I	1		EXP:	$176
P	2		IMP:	$288
X	0		FDI:	$14

Singapore

X-FACTOR In the wake of a global recession, Singapore's prominence among global trade powers has been deflated as its largely export-oriented economy struggles with a lack of domestic market diversification.

T	4	TOTAL 8	GDP:	$155
I	3		EXP:	$236
P	2		IMP:	$220
X	−1		FDI:	$83

Thailand

Thailand's transportation infrastructure is sound, particularly in air and ocean, but political instability and issues surrounding the health of its workforce are impediments to foreign investment.

T	2	TOTAL 5	GDP:	$272
I	2		EXP:	$178
P	1		IMP:	$179
X	0		FDI:	$15

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Asia

Asia's boundless development potential has shown a few cracks over the past year as the global economic crisis spreads. China's exploding middle class presents both a warning and windfall for U.S. businesses. Problems with labor instability and riots are beginning to emerge, which may raise eyebrows for businesses heavily vested in the country. But as U.S. domestic consumption remains slack, Chinese consumers provide a likely target for businesses looking at export opportunities in addition to low-cost sourcing and manufacturing options. While a drop in export demand has impacted both China's and South Korea's economies, Japan faces far greater problems, as confidence in the financial sector still remains low—albeit better than a decade ago. Inflation, congestion, a downturn in global automotive sales, and weak domestic consumption further complicate Japan's economic reckoning. While South Korea faces many of these same concerns to lesser degrees, the specter of North Korea and its bellicose political agenda presents its own uncertainty. Despite these emerging concerns, Asia remains in the crosshairs of U.S. businesses for both imports and exports. Many have made investments in the region for the long term, and while speculative exploration has waned recently, Asia is still a compelling offshore logistics hotspot.

China

X-FACTOR Labor unrest, falling exports, quality standards, and competition from other Southeast Asian countries present some growing pains for China. Still, it remains the overwhelming offshore manufacturing and sell-in target.

		TOTAL		
T	3	6	GDP:	$4,200
I	1		EXP:	$1,500
P	3		IMP:	$1,200
X	–1		FDI:	$75

Japan

X-FACTOR Lack of confidence in the financial sector, congestion, an aging workforce, and sputtering automotive exports are lingering concerns for a Japanese economy still struggling with the vestiges of its bubble burst.

		TOTAL		
T	4	6	GDP:	$4,800
I	3		EXP:	$777
P	1		IMP:	$696
X	–2		FDI:	$102

Korea

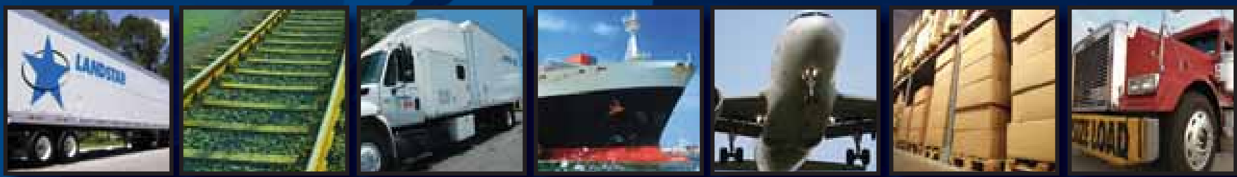
X-FACTOR Political uncertainty with North Korea remains a thorny issue, taking the luster off of the country's well-developed port and airport facilities, stable leadership, and IT sophistication.

		TOTAL		
T	3	7	GDP:	$858
I	3		EXP:	$419
P	2		IMP:	$435
X	–1		FDI:	$27

Taiwan

Taiwan has established a reputation for R&D and high-tech manufacturing complemented by a strong transport footprint. Its "sovereignty" from China, and questions regarding political leadership and financial stability, are areas for concern.

		TOTAL		
T	3	7	GDP:	$402
I	3		EXP:	$256
P	1		IMP:	$236
X	0		FDI:	$16



The Port of Baltimore is one of the United States' most diversified cargo gateways.

New Ports of Call

Commercial ports are the heart of global supply chains, vital to the ebb and flow of world trade. Join *IL* as we drop anchor at two up-and-coming ro/ro cargo hubs.

Today's global ports are critical release valves for global supply chains, connecting highways, rail lines, and ocean lanes with points of manufacture and consumption, and linking local economies to global markets. At home and abroad these integrated logistics hubs are as unique and diverse as the regions they serve and the commodities they move.

Spanning the globe, *Inbound Logistics* introduces two new ro/ro rotations to our portfolio–The Port of Baltimore, the Charm of the Chesapeake; and the Port of Calais, France's Ro/Ro Riviera.

Port of Baltimore:
Charm of the Chesapeake

www.marylandports.com 800-638-7519

MPA World Trade Center
401 East Pratt Street, Baltimore, Maryland 21202

More than 300 years removed from its beginnings as a colonial hub for the tobacco trade, then as a budding shipbuilding mecca famous for its "Baltimore Clipper," today the Port of Baltimore is widely celebrated for its specialization in moving a 20th-century conveyance–the automobile. Among the most diversified cargo gateways in the United States, it is the leading port of departure and arrival for automobile and roll on/roll off (ro/ro) cargo, while also laying claim as one of the top destinations for imported forest products, paper, gypsum, sugar, and iron ore.

Centrally located on the Atlantic coast, the Port of Baltimore, which is managed by the Maryland Port Administration (MPA), is the furthest inland port in the United States with a 50-foot dredge to accommodate the largest ships. It is also the closest Atlantic port to major Midwestern population and manufacturing centers and a day's reach from one-third of all U.S. households. Steel manufacturers in Pittsburgh, furniture makers in North Carolina, and consumers in Boston are all served in less than 24 hours from the port.

In terms of transportation, the Port of Baltimore is located adjacent to the East Coast's primary north-south corridor, I-95, proximate to east-west running I-70, and is served by both CSX and Norfolk Southern railroads.

PORT OF BALTIMORE AT A GLANCE

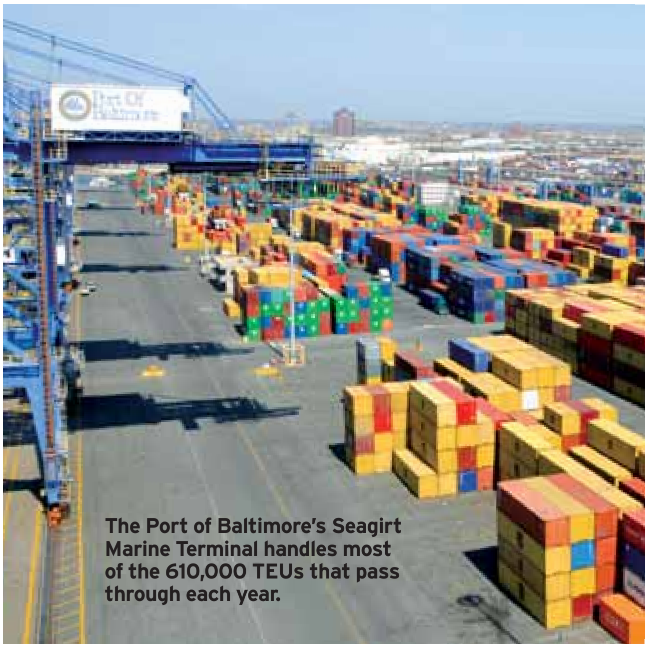
Main Channel Depth:	50 feet
Import Tonnage:	19,490,995 tons (U.S. rank #14)
Export Tonnage:	10,703,976 tons (#12)
Total Foreign Trade:	26,748,214 tons (#13)
Total Value of Cargo:	$41.9 billion (#12)
TEUs (total):	610,466 (#20)
Ro/Ro (total):	968,099 tons

One of the unique aspects of the port's trade is the diversity of cargo moving through its facilities. With a balanced portfolio of automobiles, forest and paper products, ro/ro, and container shipments, the port hosts a variety of global shippers and is less vulnerable to precipitous drops in niche trades.

The MPA operates six public terminals:

Dundalk Marine Terminal (570 acres): Containers, breakbulk, wood pulp, ro/ro, autos, project cargo, farm and construction equipment.

Fairfield Automobile Terminals (50 acres): Automobiles.



The Port of Baltimore's Seagirt Marine Terminal handles most of the 610,000 TEUs that pass through each year.

The Intermodal Container Transfer Facility (70 acres): International and domestic containers.

North Locust Point Marine Terminal (89 acres): Wood pulp, lumber, latex, steel, paper, and containers.

Seagirt Marine Terminal (275 acres): Containers.

South Locust Point Marine Terminal (79 acres): Forest products.

IMPORTS/EXPORTS

INBOUND: Automobiles and small trucks, iron ore, petroleum products, gypsum, sugar, cement, bauxite, salt, crude mineral substances, fertilizer and fertilizer materials, ferroalloys, imported wood pulp and paper.

OUTBOUND: Coal, corn, soybeans, lignite, coal coke, petroleum, fuel oils, automobiles.

CUSTOMERS/CARRIERS

- UPM-Kymmene
- Myllykoski
- John Deere
- M-real
- Mercedes-Benz
- Chrysler
- Honda
- Hyundai
- Kia
- MSC
- ACL
- Hapag-Lloyd
- Nordana
- Evergreen
- Safmarine/Maersk
- APL
- Hamburg Sud
- Mitsui OSK
- K-Line
- Wallenius Wilhelmsen
- NYK Bulkship

DID YOU KNOW?

- The port celebrated its 300th anniversary in 2006.
- The Port of Baltimore was the port of entry for the first Volkswagen Beetle in 1963.
- The Port of Baltimore is a significant economic engine for the entire region, generating $1.9 billion in revenue annually and employing 16,500 Marylanders in direct jobs, and another nearly 35,000 induced and indirect jobs.

Port of Calais:
France's Ro/Ro Riviera

www.calais-port.com 03 21 46 00 00

Chamber of Commerce and Industry of Calais
24, Bd. Des Allies—BP199, Calais 62104, France

A defensive citadel purported to be used by the Roman Emperor Caligula, then Charlemagne, emperor of the Holy Roman Empire, to protect their respective domains, Calais existed as a key military stronghold until it came of age as a commercial port in the mid-19th century. The port embraced its central location and proximity to the United Kingdom to emerge as the principal passenger and freight crossing between the continent and the isles.

The Port of Calais is Europe's second-largest ro/ro port to Dover, UK, ferrying nearly 1.9 road haulage vehicles in 2007.

IMPORTS/EXPORTS

Automobile, sugar, underwater cables, chemicals, and paper.

CARRIERS

- P&O Ferries
- SeaFrance

DID YOU KNOW?

- Calais achieved a record throughput of 1,847,197 trucks in 2006.
- The port was all but destroyed during World War II and required complete reconstruction. Cranes and gantries that the Germans had disassembled were recovered in Germany, Austria, and Bulgaria. With the addition of English and American cranes paid for by the Marshall Plan, the port was quickly re-equipped.

Today, the Port of Calais is well-positioned in Europe's short-sea shipping network and remains one of the focal points of ferry trade within the region. As Europe's low-fare airlines capture greater passenger share, and fluctuating fuel costs mitigate over-the-road transport efficiencies and economies, ferry operators are trading passenger space for cargo, hauling trucks and other freight between coastal ports such as Calais.

Given their proximity to each other, Dover, UK, and Calais remain the two largest ro/ro ports in Europe respectively, and a primary freight corridor across the English Channel. In 2006 both ports announced plans to increase ro/ro capacity and service frequency, as well as capture more volume from Spain and the Baltic region. Currently the Port of Calais operates eight berths dedicated to ferry services and ro/ro traffic.

PORT OF CALAIS AT A GLANCE	
Main Channel Depth:	25 feet
Cargo Pier Depth:	Up to 40 feet
Road Haulage Vehicles:	1,846,014 units
Cross-Channel Freight Tonnage:	45,000,000 tons
Commercial Port Trade:	903,130 tons
Dry Bulk:	624,066 tons
Miscellaneous Freight:	279,064 tons
Overall Tonnage:	46,000,000 tons


100% COTTON
MADE IN
~~MEXICO~~
~~TAIWAN~~
~~CHINA~~
AMERICA
(Again!)

COMING (BACK) TO AMERICA

A decade ago, garment manufacturing in the United States was practically dead as apparel companies flocked to low-cost countries. But then came the economic downturn, and the realization that the time merchandise spends traveling in a container is time not spent on store shelves. Suddenly, America is the new global hot spot. By Lisa Harrington

When Walt Disney said, "You may not realize it when it happens, but a kick in the teeth may be the best thing in the world for you," he might have been talking about the U.S. apparel and fashion accessories sector.

The industry has been hard hit by the deepening U.S. recession. Just visit any shopping mall in America, and the reality slaps you in the face–shuttered storefronts, few shoppers, and sale signs shouting 50 to 80 percent price reductions.

But, while U.S. apparel sector statistics add up to bad news overall, there are some bright spots–individual companies holding their own and, yes, even growing. More importantly, leading apparel manufacturers realize that the current adverse economic climate offers an unprecedented opportunity to go back to the drawing board and rethink their entire operations.

And much of that rethinking starts with the supply chain–beginning with where companies source raw materials and rippling all the way through to how they serve their customers.

In some cases, apparel companies are adopting strategies that, 10 years ago, would have been considered heresy. In other cases, they are simply doing the hard work of streamlining every inch of their supply chain operations.

Let's start with the heresy. It's called "Made in America."

TRUE RELIGION: Born Again in the USA

When Jeffrey Lubell, chairman, CEO, and creative director of True Religion Apparel Inc., Vernon, Calif., founded the company in 2002, his vision was to make quality, 1970s-inspired jeans, t-shirts, and sportswear–and make them in America.

True Religion sells its expanding product line in high-end department stores and boutiques in 50 countries around the world. The company also operates 40 stores of its own.

Three strategies drive everything the company does:

1. Expand and grow the product line
2. Expand and grow retail operations
3. Grow internationally

True Religion sources raw materials for its products in the United States and a small percentage from Mexico. "We buy materials from vendors in different stages of production, but most of our suppliers are in the United States," explains John Dohm, True Religion's vice president of IT.

"We benefit from keeping production in the United States because shipping costs are lower and transit times quicker than sourcing from overseas," Dohm says. "For companies just buying or selling goods made in China, and not adding value to the product, sourcing from China makes sense. But we're in the premium apparel business and need to have control over the product at every step. We can only do that through local production."

"I believe in keeping jobs here in the United States," adds Lubell. "We buy all our fabric, trim, labels, and hardware in the United States. We employ more than 900 people at True Religion Brand Jeans, and another 3,000 to 4,000 between our contractors, warehouses, and vendors."

SPEED TO MARKET

Lubell's made-in-America philosophy also has a practical side: speed to market. "If I come up with an idea, we can impact this season rather than one year from now," he says. "That enables us to stay current with the latest fashion trends." It also prevents store markdowns for out-of-style merchandise.

Lubell's business strategy appears to be paying off. Net sales in 2008 were $270 million, an increase of 55.8 percent from $173.3 million in 2007. Full year 2008 net income grew 59.3 percent to $44.4 million.

True Religion's success has also caused some growing pains–straining the company's original supply chain IT infrastructure, for example.

"When I joined the company, we had an order entry inventory management invoicing system, a basic financial accounting system, and a third-party retail store management system," recalls Dohm. "Nothing was integrated."

True Religion produces its premium jeans in the United States to cut transport time and costs, and keep Americans employed.

While the three systems supported True Religion's operations, the company had grown to the point where integration was necessary. "For example, we needed suppliers to be able to enter order status directly into the system so we could stop making phone calls to track down product," Dohm says.

True Religion's senior executive committee conducted a high-level review of what areas to invest in to support the company's growth. The board of directors elected to focus improvement on three areas: systems integration, financial accounting, and order management.

BELIEVING IN A WMS

Part of that IT investment was allocated to a new warehouse management system (WMS). Under the previous system, the company placed a purchase order, received goods into the warehouse, and put them away in bin locations.

"To fill orders, workers would run around to the bin locations with pick tickets, scan them, pick products, write the number of remaining product on that carton, then pack and ship the order out," Dohm explains. "The only way to scale the operation was to increase labor."

Because True Religion's products are high-value, inventory velocity is a priority. The retail stores stock very little inventory, so replenishment can be daily in some cases, depending on sales.

To scale up its business, True Religion's first step was to implement an ERP system: Oracle on Demand.

"Originally, we wanted to use Oracle's shipping capability to manage our warehouse operations," recalls Dohm. "But our warehouse manager didn't think the system would meet his requirements."

From China With Speed

While some apparel/fashion companies are coming back to America, many continue to take the low-cost country sourcing route. One such firm is International Inspirations (II), a quintessential small company start-up success story. The New York City business, co-founded and owned by husband-and-wife team Shaya and Mandy Reiter, markets costume jewelry and hair accessories to mid-tier specialty retailers across the United States. Their product is priced to sell–retailing for an average of $5.99 to $44. The company has grown between 100 and 200 percent a year since its founding in 2005, according to Shaya Reiter.

"My wife Mandy designs the jewelry, and six factories in China manufacture it," Reiter says. The factories, located in remote regions of China, first produce samples, which II displays in its New York showroom. Retail buyers can either visit once a month to make their selections, or II can send them new product photographs–with samples–so they can place their orders.

"We create 6,000 new styles and designs every month," Reiter reports.

Once buyers place their orders, II sends an order to a Chinese factory. The factory, in turn, sends II approval samples, which II forwards to the customer. Once the customer approves the samples, II orders the factory to go into production. Ninety percent of II's shipments from China move via DHL's air express service.

"With jewelry, you have to be on top of the trend," notes Reiter. "Our orders are booked three months out, but we design six months out. If a trend suddenly pops up–peacock feather headbands, for example–we can design and deliver new product to customers within 20 to 30 days. That's half our standard delivery time."

II flies the majority of its product in from China and offers quick delivery to customers. "If a factory finishes an order Monday, I can ship it from Shanghai, receive it in New York on Wednesday, and get it to customers' stores by Friday," Reiter explains. "That speed is a critical component of II's value proposition, which is 'design, price, and delivery.'"

As a start-up company, Reiter admits he had no idea how to find manufacturing sources for his product, so he turned to the Internet.

"We found our first production source through alibaba.com, an online marketplace that connects business buyers with sellers," he recalls. "We found our second factory on globalsources.com.

"Once we began doing business and paying our bills on time, other factories heard about us; we started getting calls and emails from them," Reiter says. "We also found two new factories by attending a trade show in Hong Kong."

International Inspirations relies on DHL to ship its costume jewelry and hair accessories from factories in China to U.S. customers.

UPS introduced True Religion to a small systems vendor (in which it had invested) called Deposco, suggesting that because Deposco is a software as a service (SaaS) solution–it resides on the Web rather than as an installed solution–integration costs would be low and implementation time would be short. That combination appealed to Dohm because "an installed system is costly and time consuming," he says. "We want to run our IT systems as light as we can."

TRUE RELIGION GOES FOR IT

After deciding to implement Deposco's WMS, True Religion conducted a wall-to-wall inventory count. "We scanned every item in the warehouse," says Dohm. "That gave us an immediate benefit–knowing the location of every product in the warehouse."

The company began pilot-testing system functionality within one week of completing the physical inventory–around the beginning of 2009. It is currently testing picking, receiving, and stock movement functionality, running Deposco parallel with its old systems. Once testing is complete, the company will integrate the Deposco WMS with Oracle on Demand.

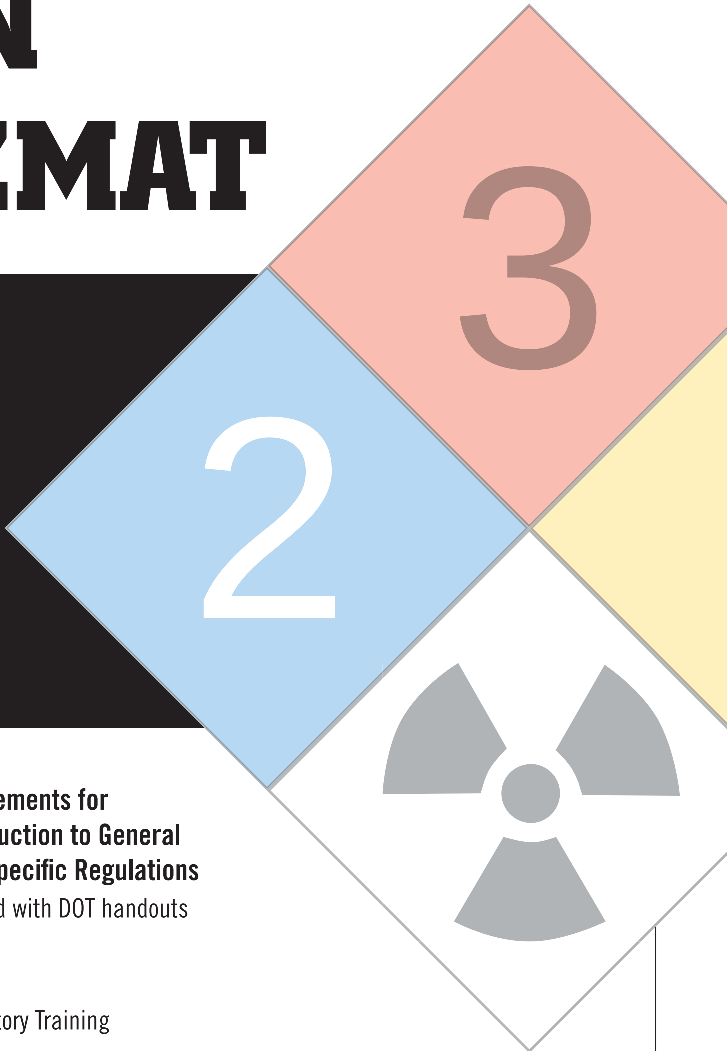
"We're already seeing benefits," Dohm reports. "We can increase total warehouse capacity without having to add space, and overall pick accuracy has improved as well.

"We're not trying to build an IT empire," he adds. "If we can keep our cost structure low and agility high, we can grow cost-effectively."

True Religion should realize a 30-percent reduction in warehouse labor costs when the system is fully integrated and operational, says Andy Berry, Deposco's vice president of sales and marketing.

"The company will see a huge improvement around positioning of product in the warehouse," Berry says. "That will save a lot of footsteps, and boost inventory to 100 percent. Shipment errors will drop because they don't have to double count every product that goes out the door. True Religion will see a return on investment in less than one year."

HOW NOT TO GET FINED WHEN MOVING HAZMAT



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Registration & Continental Breakfast	8:00 am
Workshop	8:30 am to 11:15 am
Lunch	11:30 am to 1:00 pm

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Register on or before April 24, 2009: $265.00

After April 24, 2009: $300.00

Includes: Course Materials, Breakfast, & Lunch (Compare at $550 Plus)

AMERICAN APPAREL: An American Believer

Serving the young adult basic apparel market segment, Los Angeles-based American Apparel is a Made in America believer. The company hypes its "Made in Downtown LA" operations in advertising campaigns that have attracted attention worldwide. This messaging has contributed to significant brand awareness and a cult status, the company believes.

American Apparel operates 260 stores worldwide, with 2008 retail sales of $341 million, a 62-percent increase over 2007. The manufacturer, distributor, and retailer of branded fashion basic apparel also operates a leading wholesale business that supplies t-shirts and other casual wear to distributors and screen printers, and an online retail sales channel. Today, American Apparel is the country's largest domestic clothing manufacturer.

American Apparel employs a vertically integrated business model that minimizes the use of sub-contractors and offshore labor. Knitting, dyeing, sewing, photography, marketing, distribution, and design all happen in its Los Angeles facilities.

"Clothing manufacturing is a tough job, but we've always tried to do things differently," says Dov Charney, president and CEO. "Years ago, we talked about 'sweatshop-free' manufacturing. Today we talk about it less, however we continue to provide the same benefits–and more–to our workers.

"For us, 'sweatshop-free' was never about criticizing other business models; it was about attempting something new," Charney continues. "It comes down to this: not blindly outsourcing, but rather knowing the faces of our workers and providing them the opportunity to make a fair wage."

Most of American Apparel's sewing, knitting, dyeing, and designing happens at its Los Angeles facilities; it rarely uses offshore labor.

REI: Velocity Rules

To ride out the current economic downturn, many U.S. retailers are taking steps to lean out their operations. Reviewing production sourcing strategy is one step, but for outdoor gear retailer Recreational Equipment Inc. (REI), velocity of product once received is just as important.

REI is the nation's largest consumer cooperative, providing clothing, equipment, and other items through 100 retail stores and a robust direct-to-consumer channel that delivers direct to homes or allows customer pick-up at stores. 2008 sales were slightly less than $1.5 billion.

SCALING UP THE SUPPLY CHAIN

Shortly after being hired in 2001, Dave Presley, REI's vice president of distribution and logistics, saw that the company's growth was outpacing the capacity of its single-facility distribution model. REI's 650,000-square-foot distribution center (DC), located in Sumner, Wash., was supporting nearly $1 billion in sales.

Scaling up the supply chain became a priority. REI opened a new 550,000-square-foot DC in Bedford, Pa., last year that now successfully services the East Coast.

Opening a new DC was only half of the velocity improvement effort.

"We established the 'velocity project' to improve lead times to customers and stores while also optimizing our inventory requirements, improving in-stock levels, and reducing expenses," says Rick Bingle, global supply chain director.

The velocity project began with differentiating REI's supply chain model by developing two different supply chains. The first deals with products with a high degree of forecast volatility. These are delivered from vendors into the warehouses, processed, then shipped out to stores under a new rapid replenishment model. This model involves three-times-a-week delivery and significantly reduced transit times.

The second supply chain handles commodity or more predictable products. These products are received from the vendor and immediately cross-docked for store delivery.

Here's how the first supply chain works, using the company's red performance coat as an example.

"We sell about 2,000 coats each winter, but it is challenging to predict where snow will fall, and how many red coats to stock at the stores," Bingle says. "Under our old supply chain model, we just sent a certain number of those coats to stores and waited for the snow

A new DC in Bedford, Pa., was the first step in REI's velocity project, designed to improve lead times and reduce expenses.

to fall. But the snow never fell where we predicted it would, so we had too many coats in some stores and not enough in others."

Under the new supply chain model, REI still makes the same investment in red coats. But because of its shorter transit times and more frequent store deliveries, the company can hold merchandise in the warehouse and release the red coats in the right sizes and quantities to the location that is actually moving that product.

"By doing this, we increase sales and reduce obsolescence and markdowns," Bingle explains.

The second supply chain handles predictable items such as energy bars. Weekly store sales are consistent, high-volume, and predictable.

"There is no benefit to storing energy bars in the warehouse when we can just receive them once a week, cross-dock them, and move them right to the stores," Bingle says.

GOING OUTSIDE LOGISTICS

Collaboration across REI departments was key to the velocity project's success.

"We recognize that speeding up the supply chain involves the goals and objectives of departments outside logistics–such as retail, merchandising, and financing," says Patrick Wellnitz, REI process improvement manager. "Over the past 18 months, these groups worked to understand the benefits and remove barriers to speeding up the process."

Another prime objective of the velocity project was to reduce the requirement for storage capacity in the stores. Through the project, REI has already achieved a 10-percent reduction in units in the stores' back rooms.

"That number will increase as we fully implement the crossdocking velocity program," Bingle says. "We plan to cut warehouse space in the stores, increase sales floor space, and reduce the number of store employees managing inventory. We would prefer our employees to help customers rather than spend time in the back room.

"Right now, we're crossdocking about 20 percent of our products through our DCs," Bingle concludes. "We expect that to grow to 50 percent in 2010. We're moving product faster and our in-stock percentages at stores are at historically high levels."

DYNAMIC DECISION MAKING

Whether done in America or globally, apparel sourcing will always be dynamic. For exported apparel, larger economies such as China and India are seeing considerable reductions, while Sri Lanka, Bangladesh, and Vietnam are growing.

Apparel companies speak with their feet when it comes to manufacturing, and they do so quickly. At the moment, they are moving away from China to lower-cost countries.

"When making transportation choices, shippers are looking out for every cent," notes Charles Brewer, DHL's senior vice president and general manager for the northeast region. "Samples and swatches still move via air express; finished goods move via slower modes."

"Apparel is both time-constrained and market-sensitive," adds Bill Aldridge, executive vice president, Global Ocean Products, CEVA Logistics. "Shippers need a dynamic platform that allows them to make different decisions around what, when, and where they receive products."

RADICAL CHANGE

The apparel/fashion industry is undergoing some radical changes. Some companies are rethinking their business models and choosing to source in America. Others continue to scour the world in search of the next low-cost manufacturing base.

Regardless of their strategy, one thing is certain: Apparel companies are rethinking all aspects of their supply chains and looking in every corner for ways to lean out their operations, reduce inventory, and increase inventory velocity–all the while enticing customers to buy. ■

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LOCK, STOCK, AND BARREL:

How Secure is Your Cargo?

When it comes to protecting shipments from theft, businesses have an arsenal of tools at their disposal. From high-tech tracking and monitoring to basic intrusion prevention, these devices and technologies, combined with common-sense security practices, can help thwart cargo thieves.

By Bill Anderson

It's every shipper's nightmare: A supposedly full container arrives at the loading dock empty. You've been a victim of cargo theft.

Cargo theft costs the United States $60 billion per year, according to The International Cargo Security Council. This estimate, however, does not capture the indirect costs–such as lost sales, production downtime, and missed deliveries–associated with theft.

Trends indicate cargo theft is on the rise and high-tech, high-value products, specifically consumer electronics, are at great risk. Other industries such as alcohol, tobacco, and pharmaceuticals face the possibility of their products being sold to minors or being counterfeited, in addition to financial losses.

TAKING ACTION

Your company can take a number of actions to improve the security of your facilities and vehicles. Whether it's making use of a wide range of available security devices and technologies, or leveraging some common-sense security practices, there are ways to help prevent and mitigate losses associated with cargo theft.

1 CREATE AN ELECTRONIC DATA TRAIL. Advances in technology have improved the ability of businesses and law enforcement to prevent cargo theft and recover stolen merchandise. In fact, the demand from businesses and the general public for supply chain visibility has helped drive the availability of technologies that can track shipments and identify a delivery's location.

Many of these technologies rely on GPS tracking to determine a vehicle's location. Telematics, or vehicle communications, also provide real-time delivery data. RFID and bar-code scanning can provide item-level detail. Finally, handheld devices can provide an electronic proof of delivery.

All these technologies, which are designed to provide supply chain visibility, offer added security benefits by creating an electronic data trail.

The use of GPS and onboard telematics has improved the vehicle recovery process and may deter less-sophisticated criminals. While onboard tracking systems claim their share of success stories, these technologies are frequently defeated as criminals adapt to a hardening of the transportation network. Covert installations and independent backup systems are often used to make these tools more difficult to defeat.

Geofencing is a concept used to draw a virtual barrier around a vehicle's route. If the vehicle travels outside this barrier, the system sends a security alarm to warn of a possible theft. Geofencing can also be used to alert fleet owners when a vehicle enters high-risk areas or known delivery locations.

The technologies available to prevent and detect cargo theft are constantly evolving. Equipment manufacturers and after-market providers offer technologies that make it more difficult to steal a parked vehicle and detect its unauthorized movement. Vehicle immobilization technology, for example, can be used to remotely disable a stolen vehicle and aid in its recovery.

In addition, systems are currently available that can detect or even prevent a vehicle's cargo door from being opened unless the vehicle is in an authorized location.

2 USE LOW-TECH THEFT PREVENTION TOOLS. You don't always need to invest in sophisticated, expensive technology to prevent cargo theft. Low-tech options abound. Determine what works best for your operation, risk level, and budget.

A variety of locks are available to secure the vehicle and its cargo. These include:

- **King pin locks** that are installed on the king pin of a de-coupled trailer and prevent another tractor from coupling with the trailer.
- **Air brake valve locks** that lock the air brake valves inside the cab and prevent the release of the air brakes.
- **Glad hand locks** that lock the airline on a trailer.

Seals can also be used as a theft deterrent. The International Standards Organization defines three categories of seals:

- **Indicative seals** are easily broken but can be used to indicate whether tampering has occurred.
- **Security seals** provide limited resistance to intrusion and require lightweight tools to remove.
- **High-security seals** are constructed of metal or a metal cable that requires heavy-duty tools such as bolt cutters to remove. High-security seals are designed to delay intrusion and are commonly used on international shipments.

It is not uncommon for thieves to remove doors and hinges to access cargo areas without breaking the seal. Therefore, seals must be coupled with a thorough conveyance inspection process to determine whether thieves have tampered with the doors or attempted to break in.

In addition, carefully tracking and confirming seal numbers at the beginning and end of each trip ensures that seals are not broken and replaced.

3 IMPLEMENT CARGO SAFETY BEST PRACTICES. Regardless of what security devices or systems you decide to use, no single method can prevent cargo theft. An effective security program must be well-planned and combine technology with robust security procedures and fundamental security practices.

Here are some steps you can take to protect your investments:

Stay alert. Be aware of possible surveillance being conducted on your facility's operation. Watch for signs such as vehicles parked outside or within view of the facility; individuals holding cameras or taking notes outside your facility; unauthorized personnel inside the facility or walking the perimeter; or vehicles (usually mini-vans or SUVs, especially those with two or more occupants) that appear to be following your drivers.

Respond. Because criminals can move stolen goods quickly, immediately report all suspicious activity and/or theft to management and law enforcement officials. Respond to every alarm. Frequent "false alarms"–including attempted facility entries or break-ins–may be a sign that suspicious individuals are testing the facility's security system and law enforcement response times.

Manage information. Do not share information on cargo or procedures with anyone not involved in the operation. Limit load information to parties who need to know. Maintain inventory control. Unusual changes in inventory levels may help alert you that something is awry.

Know your supply chain. Know the carrier and driver scheduled to pick up your cargo and verify their identity before you release the load. Monitor delivery schedules and routes, and be suspicious of overdue shipments or out-of-route journeys. Review your supply chain partners' security procedures and know where your cargo will stop along its route.

Execute basic safety practices. Keep trucks locked and park them in an organized manner on a well-lit facility lot. Ensure alarm systems are functioning properly, and are monitored by a central station that has updated contact information. Make sure your central station is capable of detecting telephone line interruptions. Communicate to driver teams that one person must remain with the vehicle at all times. Review security at your site regularly and quickly address maintenance and repair issues.

Screen and train employees. Cargo theft is often perpetrated with inside help. Rigorous pre-employment screening will help weed out those most likely to steal merchandise from a warehouse, loading dock, or truck.

After screening, communicate security awareness information and location-specific security rules to employees and carriers. In addition, regularly provide security training to employees, covering basic topics such as their role in the security system, how to report security incidents, and how to recognize internal conspiracies and suspicious activities.

In addition to preventing theft, making investments in security–from hard costs associated with technology and systems, to training and resources–will ultimately improve supply chain efficiency, customer satisfaction, and bottom-line results. ■

—Bill Anderson is group director, global security for Ryder System, Inc.

Signed, Sealed, Delivered

The proper security seals can help protect your cargo from theft. Here's a look at some of the leading products offered by three security providers.

E.J. Brooks Company

973-597-2900 • www.brookseals.com

Global-Lok Cable Seal ✓ ISO 17712 ✓ C-TPAT

A high-impact polymer material, which doesn't become brittle even below -20 degrees Fahrenheit, protects Global-Lok's steel internal mechanisms. A cable cutter is required to remove the seal.

APPLICATIONS:	Container door latches, trailer door latches, bulk tankers, railcars, hazmat containers
MATERIAL:	Plastic overmold, galvanized aircraft cable
DIMENSIONS:	1.13" x 1" body; 12" 3.85 mm cable (additional lengths available in two-inch increments, up to 60")
PRINTING:	Laser barcoding; company name and six-digit consecutive number.
COLORS:	White, neon yellow, orange, platinum

Ladder Lock Seal

Ladder Lock self-locking seals require no tools and are adjustable to more than 60 locking positions. The consecutively numbered plastic seals have an average pull-apart force of 35 pounds.

APPLICATIONS:	Asset tracking, bulk tankers, cases and tote boxes
MATERIAL:	Polypropylene
DIMENSIONS:	10.9" long
PRINTING:	Heat stamped with company name and seven consecutive numbers.
COLORS:	Blue, yellow, red, orange, green

Intermodal II High Security Bolt Seal ✓ ISO 17712 ✓ C-TPAT

Available with either a curved or straight bolt, the Intermodal II High Security Bolt Seal has an average pull-apart force of 4,713 pounds. The locking insert spins freely to confirm seal integrity, and the high-impact plastic cover clearly indicates tampering. Bolt cutters are required to remove this seal.

APPLICATIONS:	High-value shipments, container door latches, trailer door latches, railcars, hazmat containers, air cargo containers
MATERIAL:	ABS body, carbon steel pin with zinc chromate finish
DIMENSIONS:	2.65" long, .38" pin diameter
PRINTING:	Stock seals have SEAL laser-printed on a blue plastic case. Custom laser printing includes seven characters for company name or logo along with six consecutive numbers. Heat stamping and barcoding also available.
COLORS:	Red, blue, orange, yellow, white, purple, dark green, clear, neon yellow

Stoffel Seals

800-345-3503 • www.stoffel.com

SnapTracker Bolt Seal ✓ ISO 17712 ✓ C-TPAT

A barrier-class seal designed for securing high-value cargo, the SnapTracker Bolt Seal features a solid steel bolt to provide strength, while a molded plastic coating reveals tamper evidence. Both parts of the seal are numbered to prevent fraud by replacement of either bolt or body, and large flags on both parts provide plenty of room for laser-printed information. Twenty-four-inch bolt cutters are required to remove the SnapTracker Bolt Seal.

APPLICATIONS:	High-value shipments, container door latches, trailer door latches
MATERIAL:	Acrylonitrile butadiene styrene (ABS) plastic body, steel locking components
DIMENSIONS:	1.25" long, .38" pin diameter
PRINTING:	Can be imprinted with up to 7 digits or a bar code.
COLORS:	Yellow; other colors available upon request

Locktainer 2000 ✓ ISO 17712 ✓ C-TPAT

The Locktainer 2000 offers 4,190 pounds of pulling load resistance. The encapsulated body protects information laser-printed on the seal, making it difficult to alter.

APPLICATIONS:	High-value shipments, container door latches, trailer door latches, cross-border shipments
MATERIAL:	ABS barrel and pin cover, carbon steel pin and insert
DIMENSIONS:	2.74" long, .38" pin diameter
PRINTING:	Can be customized by laser-printing a name, logo, consecutive number, and bar code.
COLORS:	Red, blue, green, yellow, orange, white, grey

FlexiGrip Cable Seal 150S

An encapsulated body protects the information laser-printed into the FlexiGrip Cable Seal 150S's plastic body, and the 1.5-mm cable separates into individual strands when cut and cannot be resealed.

APPLICATIONS:	High-value shipments, container door latches, trailer door latches, bulk tankers
MATERIAL:	ABS body, steel locking components, non-preformed aircraft cable
DIMENSIONS:	1.61" x 1.39" x 0.40"; 1.5 mm cable
PRINTING:	Can be customized by laser-printing a name, logo, consecutive number, and bar code.
COLORS:	Red, blue, light blue, dark blue, green, yellow, orange, white, grey

FlexiGrip Cable Seal 350M ✓ ISO 17712 ✓ C-TPAT

The FlexiGrip Cable Seal 350M's large body provides extra room for printing, making information easy to read and acceptable for cross-border shipments. The tamper-evident 3.5-mm cable unravels when cut.

APPLICATIONS:	High-value shipments, container door latches, trailer door latches, bulk tankers, railcars, cross-border shipments
MATERIAL:	Aluminum alloy body, steel locking components, non-preformed aircraft cable
DIMENSIONS:	1.02" x 1.02" x .37"; 3.5 mm cable
PRINTING:	Can be customized by laser-printing a name, logo, consecutive number, and bar code.
COLORS:	Red, blue, green; other colors available upon request

Way-Lok Seal

The extended tab can be bar-coded and/or numbered, and the seal, which is produced in waste-free strips of 10, can be torn off for removal without the use of a tool. Gripping teeth make the seal suitable for use on canvas bags.

APPLICATIONS:	Cases and tote boxes
MATERIAL:	Polypropylene seal and insert, sheet metal clip
DIMENSIONS:	13" long
PRINTING:	Hot-stamped and laser etched; barcoding available.
COLORS:	White, black, yellow, red, blue, green

TydenBrammall

800-348-4777 • www.tydenbrammall.com

Econo Bolt Seal ✓ ISO 17712 ✓ C-TPAT

Designed for cost-effectiveness, this single-use seal's locking body snap-locks to the bolt. In addition to the standard bolt, the locking body accepts an optional .38" diameter bolt.

APPLICATIONS:	Container door latches, trailer door latches, railcars
MATERIAL:	Steel
DIMENSIONS:	3" long, .31" diameter
PRINTING:	Can be cold-stamped with up to six characters and six digits.

Reusable Cone Loc Seal

Intended for use in closed-loop distribution systems, the Reusable Cone Loc Seal pulls tight for maximum security and boasts a large marking area on its serialized tracking flag.

APPLICATIONS:	Container door latches, trailer door latches, railcars
MATERIAL:	Steel body, galvanized cable, aluminum flag
DIMENSIONS:	5 mm cable, 5.5" long; adjustable-length cable is also available in two-inch increments.
PRINTING:	Cold-stamped with up to four characters and six digits; can be ink-jet printed with up to 12 characters and nine digits. Barcoding is available on powder-coated flags.

Twist Wire Seal

The twist wire seal is inserted through a lock hasp, then bent and twisted with a twist wire wrench until achieving the desired fit. The serialized wire maintains seal custody records.

APPLICATIONS:	Container door latches, trailer door latches, railcars
MATERIAL:	Steel wire
DIMENSIONS:	4 mm diameter, 11" long
PRINTING:	Cold-stamped with up to three characters and six digits.

Tyden Ball Seal

The Tyden Ball Seal's ball housing employs a crimp lock security seam that makes removal impossible without leaving evidence of tampering. The seal end is visible for inspection through a viewing hole in the ball.

APPLICATIONS:	Container door latches, trailer door latches, bulk tankers, railcars
MATERIAL:	Tin-plate steel
DIMENSIONS:	6" or 8.44" long
PRINTING:	Cold-stamped with up to 17 characters and 10 digits; ink-jet printed with up to 14 characters and 10 digits. Bar code available, only on white band seals.
COLORS:	White, green, red, yellow, black, blue

Beaded Seal

No tools are required for use with the pull-tight Beaded Seal, which contains UV additives for prolonged outdoor exposure and has an average pull-apart force of 23 pounds.

APPLICATIONS:	Cases and tote boxes
MATERIAL:	Polypropylene
DIMENSIONS:	.75" wide, 3" long tag; 3 mm, 18" long body
PRINTING:	Hot-foil label allows up to 13 characters; bar-coding option available.
COLORS:	Blue, green, orange, red, white, yellow

The Next Generation

Thanks to their enhanced tracking and security capabilities, electronic seals are growing in popularity. Here are two models available from E.J. Brooks.

Electronic Strap RFID High Security Seal

A seal-tamper sensor detects breakage or removal of the seal's adjustable, disposable plastic strap. The reusable electronics provide a temperature sensor, clock, two LEDS for visual status reporting, an event log for storing time-stamped events, and activation and status reporting via RFID. These features make the Electronic Strap RFID High Security Seal suitable for asset tracking and high-value shipments.

Active RFID Disposable High Security Electronic E-Seal

The Active RFID Disposable High Security Electronic E-seal, which has an average pull-apart force of more than 2,000 pounds, contains a unique number electronically hard-coded into the seal's data bank. It transmits a tamper signal when an attempt is made to violate the seal. Impact-resistant plastic housing and an 8-mm steel bolt make this seal suitable for container door latches, trailer door latches, railcars, and air cargo containers.


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Your Guide to Leading Logistics Resources | INSIDE INFO

Load optimization has always been an important strategy for squeezing every ounce of efficiency from your assets. But in times like these, when sales are low but customer demands remain high, optimizing every shipment is even more crucial. Here are some leading companies that have enhanced their load optimization solutions to meet your needs.

Load Optimization

Advanced Logistics Systems
Roche Harbor, WA
PRODUCT: ALS Web Client
PHONE: 360-378-5398
als@advanced-logistics.com
www.advanced-logistics.com

Logen Solutions
Belmont, CA
PRODUCT: CubeMaster
PHONE: 281-469-9125
chang@logensolutions.com
www.logensolutions.com

MagicLogic Optimization Inc.
Langley, BC, Canada
PRODUCT: Cube-IQ
PHONE: 888-274-8616
info@magiclogic.com
www.magiclogic.com
SEE AD, RIGHT

Optimum Logistics
Exton, PA
PRODUCT: LoadPlanner
PHONE: 888-247-8878
info@loadplanner.com
www.loadplanner.com

ORTEC
Atlanta, GA
PRODUCT: LoadDesigner
PHONE: 678-392-3100
info@ortec.com
www.ortec.com

Prophesy
Bloomfield, CT
PRODUCT: Prophesy LoadBuilder
PHONE: 860-243-0533
sales@mile.com
www.mile.com
SEE AD, BELOW

Soft Truck
Tampa, FL
PRODUCT: CargoWiz
PHONE: 281-469-9125
support@softtruck.com
www.softtruck.com

Tailwind
Blaine, WA
PRODUCT: Integrated Load Planning
PHONE: 866-441-0441
info@tailwindsys.com
www.tailwindsys.com

TOPS Engineering
Richardson, TX
PRODUCT: MaxLoad Pro
PHONE: 800-889-2441
info@topseng.com
www.topseng.com
SEE AD, BELOW

Transpack Software Systems
Spring House, PA
PRODUCT: TransLoad
PHONE: 215-540-8800
info@transpack.com
www.transpack.com

INSIDE INFO | Your Guide to Leading Logistics Resources

Efficient yard management impacts you, your customers, and your carriers. You can be a supply chain team player by avoiding bottlenecks, keeping trailers and trucks moving quickly, and having complete visibility of your assets at all times. Gain that capability with any of these innovative Yard Management Solutions.

Yard Management

Accellos Inc.
Colorado Springs, CO
PRODUCT: Accellos One 3PL
PHONE: 719-433-7000
info@accellos.com
www.accellos.com
SEE AD, BELOW

ASC Inc.
Dayton, OH
PRODUCT: ASCTrac™ Yard Management (plug-in)
PHONE: 937-429-1428
sales@ascbarcode.com
www.ascsoftware.com

C3 Solutions
Montreal, QC, Canada
PRODUCT: Yard Smart
PHONE: 514-932-3883
info@c3solutions.com
www.c3tools.com

Cypress Inland
Cypress, TX
PRODUCT: YardView
PHONE: 281-469-9125
info@yardview.com
www.yardview.com
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Exotrac
New York, NY
PRODUCT: YardTrac™
PHONE: 212-989-0171
jdonchey@exotrac.com
www.exotrac.com
SEE AD, BELOW

Fluensee Inc.
Englewood, CO
PRODUCT: Fluensee Yard™
PHONE: 303-799-0700
info@fluensee.com
www.fluensee.com

HighJump
Eden Prairie, MN
PRODUCT: HighJump™ Yard Advantage
PHONE: 800-328-3271
info@highjump.com
www.highjump.com

Infor
Alpharetta, GA
PRODUCT: Infor SCM Yard Management
PHONE: 800-260-2640
sales@infor.com
www.infor.com

Accellos One 3PL

Accellos, Inc.
90 S. Cascade Ave, Ste. 1200
Colorado Springs, CO 80903
719-433-7000

info@accellos.com • www.accellos.com

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Cypress Inland
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Cypress, TX 77429
281-469-9125

info@yardview.com • www.yardview.com

YardView yard management software is designed for any size operation to organize trailer, container, and railcar activity. The software eliminates manual processes and offers simple navigation, alerts, and a drag-and-drop interface. Configurable features help reduce late loads and detention charges.

YardView® Yard Management Software

YardTrac™

Exotrac
220 West 24th St.–1st Fl., Ste. G
New York, NY 10011
212-989-0171

jdonchey@exotrac.com • www.exotrac.com

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KT3

K&T of Lorain, Ltd
3901 Colorado Avenue
Sheffield Village, OH 44054
440-949-1910

sales@yardmanagement.com • yardmanagement.com

KT3 Yard Management Software tracks the life cycle of a container as it enters the property – capturing and reporting location, load status, movement, and dock activity. The user can know the location of every shipment, container, truck, open docks, and drivers at any moment in time.

Yard Management Systems

PATENT NUMBERS
5,712,789 and 6,148,291

InSync Software
San Jose, CA
PRODUCT: Yard Management Solution
PHONE: 408-352-0600
contact@insyncinfo.com
www.insyncinfo.com

K&T of Lorain, Ltd
Sheffield Village, OH
PRODUCT: KT3
PHONE: 440-949-1910
sales@yardmanagement.com
www.yardmanagement.com
SEE AD BELOW, LEFT

Knighted Computer Systems
Ossining, NY
PRODUCT: Yard Management
PHONE: 914-762-0505
sales@knightedcs.com
www.knightedcs.com
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MaxAccel
PRODUCT: YardPRO
PHONE: 303-494-1214
sales@maxaccel.com
www.yardpro.maxaccel.com
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ORTEC
Atlanta, GA
PRODUCT: ORTEC Yard Management
PHONE: 678-392-3100
info@ortec.com
www.ortec.com

PINC Solutions
Berkeley, CA
PRODUCT: Yard Hound
PHONE: 510-845-4900
info@pincsolutions.com
www.pincsolutions.com

RedPrairie
Waukesha, WI
PRODUCT: Yard Management
PHONE: 877-733-7724
info@redprairie.com
www.redprairie.com

Retalix
Plano, TX
PRODUCT: Retalix Yard & Dock Management
PHONE: 469-241-8400
infousa@retalix.com
www.retalix.com
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Royal4 Systems
Long Beach, CA
PRODUCT: WISE-yms
PHONE: 562-420-9594
info@royal4.com
www.royal4.com

SFI Dedicated Logistics
Atlanta, GA
PRODUCT: Trailer/Yard Management Solutions
PHONE: 404-688-5300
info@southernfreight.com
www.southernfreight.com

Casebook

by Dan Calabrese

REFRIGERATED TRANSPORT:

Really Remote Control

Poultry distributor Simmons Foods is clucking over its remote monitoring solution that helps prevent costly spoiled food loads.

A truckload of refrigerated and frozen chicken travels from factory to warehouse. The trip takes only a few hours, and the truck arrives at the warehouse at the scheduled time.

So far, so good.

But it's Friday, and by the time the truck arrives, warehouse operations are winding down for the weekend. Workers keep their eyes on the clock, and wrap up their daily activities. The truck ends up sitting at the receiving dock through the weekend–with its refrigerated cargo still on board.

As long as the refrigeration unit continues to operate during the next two days, no serious problems will ensue. But if the refrigeration unit fails, a truckload of poultry products will spoil. And that could cost the poultry company upwards of $75,000.

That's just what was happening to Simmons Foods, Siloam Springs, Ark. After experiencing these types of serious losses over time, the company began seeking a solution. It wanted to address its inability to monitor the location or operational status of trailers when they were in route.

Simmons, which distributes poultry products to mass merchandisers and restaurant chains via 10 warehouses in northwest Arkansas, southwest Missouri, and northeast Oklahoma, runs 146 trailers throughout that 100-mile radius–typically hauling between 65 and 70 loads per day.

"Our trailers might arrive at a warehouse that does not have enough controls to check the units," says Dick Bolen, director of fleet operations for Simmons Foods. "If we drop a trailer at a freezer on Friday afternoon, and the warehouse can't unload it until Monday morning, we face some potential liability. Most warehouses monitor all the trailers on their logs, but if human error occurs, we lose a trailerload of poultry."

After some research and due diligence, Simmons Foods chose a tracking and monitoring software solution developed by Star Trak,

CONTINUED FROM PAGE 59

Morris Plains, N.J. In addition to tracking the location of a trailer at any given time, Star Trak also allows Simmons to both monitor and control each trailer's refrigeration unit remotely.

SOUNDING THE ALARM

In the event of a refrigeration unit malfunction, the software sounds an alarm at Simmons offices. This allows dispatchers to remotely take control of the unit and either restart it or adjust it as necessary.

"The system provides the ability to turn the refrigeration unit on and off, change the temperature setting, and switch the controls from stop/start to constant run," Bolen says. "Anything a worker can do standing next to the trailer, we can now do remotely from our desktops."

Simmons no longer needs to allocate labor hours to have people walk parking lots checking trailers and their refrigeration units. Bolen is confident the investment has already paid for itself, although he says the actual dollar amount saved is hard to quantify because it involves incidents that probably would have happened but never did.

"System alarms give us a heads-up that a unit has a potential problem, so we can service it before it causes further damage," Bolen says. "We save a lot of money by not letting trailers run out of fuel or oil, for example."

Run out of fuel? Don't drivers pay attention to their fuel gauges?

Well, yes. But Simmons trucks regularly ran out of fuel before the company implemented Star Trak because the units run while they're idling in order to keep the refrigeration running.

"Drivers have access to fuel level information, but they don't always know when a trailer runs unattended for an extreme period of time," Bolen says. "That's why we monitor fuel levels from our desktops. If a unit runs out of fuel, it's an expensive job to bring fuel to the unit, prime it, and re-start it."

"Anything a worker can do standing next to the trailer, we can now do remotely from our desktops."

–**Dick Bolen,** director of fleet operations, Simmons Foods

ROOTS IN RAIL

The Star Trak technology was first developed about one decade ago, in response to the needs of companies running refrigerated railcars.

"They wanted the ability to adjust temperatures and turn refrigeration on and off regardless of where the switch was," says Jerry Neuner, director of sales and marketing for Star Track. "We had to give customers the power to perform a task that would otherwise be out of their hands for days at a time."

Rail and intermodal carriers were early adopters of the technology, and they relied mainly on satellite connectivity to run the system. But when cellular technology grew more widespread and reliable, it became possible for Star Track to offer a less-expensive, cellular-based version of the system–generating wide interest from over-the-road food distributors operating within a 100-mile radius, such as Simmons.

"More truckload carriers involved with intermodal transport are choosing the cellular version as the coverage improves," Neuner says. "But it's a foregone conclusion on the rail side; if you're doing refrigerated transport, it's a must-have."

But it was not refrigeration that generated the biggest buzz about Star Trak, Neuner acknowledges. Interest in the product spiked along with fuel prices in 2008 because the system allows carriers to better monitor the location of their trucks and communicate with drivers.

"When diesel fuel prices hit $4.50 a gallon, we saw a big uptick in interest from carriers, and it hasn't gone away," Neuner says. "Many private fleets may not have onboard systems in the cab that allow them to communicate and watch over the load."

DIFFERENT APPROACHES

While Bolen prizes the ability to remotely control the refrigeration unit, others say they get the value they need from systems that report information but don't provide remote control capabilities.

One example: 3S Transportation, Bismarck, N.Dak., which serves Midwest and West Coast refrigerated food wholesalers, uses the *GlobalWave* system offered by TransCore, based in Ottawa, Ontario, Canada. The system alerts 3S Transportation to any operational issues with its refrigeration units, and the carrier doesn't need remote operational control because the trucks typically aren't left alone.

"We don't have trailers that are running in yards other than our own," explains company consultant Mitch Saville. "When a trailer is off our premises, we have a driver with it."

3S uses the *GlobalWave* system to do a check-in call, monitoring details such as trailer temperature. If the system turns up anything unusual, 3S dispatch simply directs the driver, who is already on the scene, to check and address the problem.

LEAVE IT TO THE DRIVER

There is also still a school of thought within the refrigerated transport industry that driver vigilance is the best weapon against system malfunctions and spoiled goods.

Judy Turano, general manager of University Park, Ill.-based Dynamic Transportation, says the company's network of 30 independent owner/operators doesn't need a remote monitoring system to protect the frozen foods, boxed meat, and produce they haul to grocers and wholesalers.

"Because the tractors and trailers belong to our owner/operators, it behooves them not to spoil their loads," Turano says.

But the flip side of human vigilance is human error, and enough human error–in addition to mechanical failure–boosts demand for remote monitoring systems in the refrigerated transport market.

"Shippers can see the benefit themselves," Neuner says. "Refrigerated transport used to be out of sight, out of their hands. It was a helpless feeling for them. People could walk up and shut off a railcar full of frozen potatoes, and it would be days before anyone could do anything about it."

By offering the ability to monitor and control trailers remotely, solutions such as Star Trax put the power back in shippers' hands. ■

IN THIS SECTION:

Logistics IT–Site Selection

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Dutycalc Data Systems • www.dutycalc.com

Dutycalc has provided duty drawback solutions to the industry since 1981. The company designs, develops, and implements management support systems for the import, export, and brokerage communities. Whether your needs are software or service, Dutycalc, the leading drawback company with more than 300 systems implemented throughout the United States, is the logical choice. Visit Dutycalc online for your entire drawback needs, including articles, tips, links, and various e-tools.

TOPS Engineering Corporation • www.topseng.com

TOPS Engineering provides supply chain and logistics IT software solutions in the areas of packaging, palletization, and load planning and optimization. Its *TOPS Pro* software provides sizing, packing, pallet, and vehicle optimization around single packaged products. *MaxLoad Pro*, its cargo load planning software, offers cube-efficient loading solutions for mixed sized cargo, and helps cut down freight costs and improve the bottom line.

SITE SELECTION

Nebraska Public Power District • www.sites.nppd.com

One Web site with everything you need to know about doing business in Nebraska. Find valuable information including sites and building availability; community profiles; facts books; population characteristics; labor availability; profit opportunity studies; contact information; and much more. It's the one place to go to find out why doing business in Nebraska is a smart move. Contact Nebraska Public Power District, 1-800-282-6773 x5541, e-mail econdev@nppd.com, or visit the Web site.

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www.evergreen-line.com
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www.aduiepyle.com 800-523-5020

IJS Global

WHAT'S NEW: Offices in Vietnam.

THE VALUE: Headquartered in Ho Chi Minh City, with a branch office in Hanoi, IJS Global Vietnam serves Vietnam and acts as a gateway for nearby Cambodia with full transportation, warehousing, distribution, and brokerage services.

www.ijsglobal.com 203-504-9760

GAC Group

WHAT'S NEW: An office in Warsaw, Poland.

THE VALUE: The new office joins GAC's two existing bases in Poland, which provide sea freight connections from the Szczecin and Gdynia ports.

www.gacworld.com 713-533-3200

C.H. Robinson Worldwide

WHAT'S NEW: An office in Prague.

THE VALUE: The C.H. Robinson Prague International office provides air and ocean freight transportation services, both full containerload and less-than-containerload.

www.chrobinson.com 952-937-6761

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

Association of American Railroads

WHAT'S NEW: The latest edition of *Railroad Facts*.

THE VALUE: This pocket-sized reference guide contains more than 80 pages of facts and statistics on rail finance, operations, plants and equipment, employment and compensation, fuel consumption and cost, and loss and damage. It also contains a profile of each Class I railroad, the two major Canadian railroads, and the two largest Mexican railways.

www.aar.org ✆ **202-639-2558**

OHL

WHAT'S NEW: Expanded warehouse space in Memphis, Tenn.

THE VALUE: A 176,400-square-foot, multi-customer facility in southwest Memphis allows companies to adjust their leased space in the warehouse as inventory fluctuates.

www.ohl.com ✆ **877-401-6400**

Sealed Air

WHAT'S NEW: Two new packaging products.

THE VALUE: Designed for use in small-package applications, Sealed Air's Fill-Air Cyclone inflatable void-fill packaging system creates air-filled bags in eight different sizes, with the largest measuring 14 inches by 8 inches. Sealed Air also introduced Instapak Quick Tuff RT foam packaging, which creates a custom-fit protective cushion for small, heavy items, without requiring a warmer or dispensing system.

www.sealedair.com ✆ **201-791-7600**

Sellick Equipment Limited

WHAT'S NEW: A tow forklift.

THE VALUE: The STT80 tow forklift can pull heavy or extremely large loads in rough terrain environments. Available in both two- and four-wheel drive, the STT80 has a 13,000-pound lift capacity.

www.sellickequipment.com ✆ **877-SELLICK**

HomeDirectUSA

WHAT'S NEW: A white glove home-delivery service.

THE VALUE: HomeDirectUSA's Direct Express service offers seven-day delivery to 91 percent of U.S. destinations, with inside-the-home delivery, debris removal, unpacking, and assembly.

www.homedirectusa.com ✆ **888-818-8668**

Con-way Freight

WHAT'S NEW: A service center in Rockford, Ill.

THE VALUE: Offering next-day LTL delivery throughout Illinois and within a surrounding 600-mile radius, the Rockford facility sits half a mile from the I-39, I-90/94, I-88, and I-80 junctions. With nearly 50,000 square feet of dock space and 110 dock doors, the service center processes approximately one million pounds of freight and 900 shipments per day.

www.con-way.com ✆ **800-755-2728**

Lufthansa Cargo

WHAT'S NEW: Multimodal service from Europe to Australia.

THE VALUE: Transporting shipments from start to finish under a single air waybill number, Lufthansa Cargo's AirShip service provides daily flights from Europe to Shenzhen and Hong Kong. Shipments are then carried by sea to Melbourne, Brisbane, and Sydney. The intermodal AirShip service from Europe to Asia reduces transit time to 14-18 days, compared to six to eight weeks by sea only.

www.lufthansa-cargo.com ✆ **800-542-2746**

TECHUPDATE

THE LATEST | IN LOGISTICS TECHNOLOGY

LXE Inc.

WHAT'S NEW: Two vehicle-mounted computers.

THE VALUE: Designed for data collection in warehouses and port facilities, the compact VX8 computer is suitable where users need high-performance computing in a small package. The slim-line VX9 computer (*above*) has a larger screen for improved visibility.

www.lxe.com
800-664-4593

rfid/wireless

Trijay Technologies International (TTI)

WHAT'S NEW: A vehicle security and data collection system.

THE VALUE: Designed for fleet management and vehicle tracking applications, the VSI-1000 Vehicle Security Identifier uses smart card, GPS, and fingerprint technologies. In addition to securing driver authentication, the system collects and monitors data on vehicle status and driver behavior.

www.trijaycorp.com 949-309-4049

partnerships

CEVA Logistics and Integration Point

WHAT'S NEW: An on-demand 10+2 workflow solution.

THE VALUE: Using the Integration Point Advanced Trade Data solution, CEVA Logistics provides its customers with the ability to capture, validate, and submit all data elements required for 10+2 compliance.

www.cevalogistics.com 800-888-4949
www.integrationpoint.net 704-576-3678

hardware

Panasonic

WHAT'S NEW: Updates to the Toughbook line of mobile computers.

THE VALUE: Suitable for loading dock, yard, and delivery applications, the Toughbook 30 clamshell laptop and Toughbook 19 convertible tablet computer offer anti-glare and anti-reflective screens for use in bright daylight and long-lasting batteries that deliver up to 10 hours of usability.

www.panasonic.com/toughbook
888-223-1012

Psion Teklogix

WHAT'S NEW: Mobile receipt and label printers.

THE VALUE: Weighing just 12 ounces (including battery), the PRINTABOUT2 series receipt and label printers boast extended battery life and rugged casing that can withstand four-foot drops to concrete, making them suitable for use in retail, warehousing, and transportation applications.

www.psionteklogix.com
800-322-3437

software

Telogis

WHAT'S NEW: Enhancements to the *OnTrack* vehicle tracking system.

THE VALUE: The new *OnTrack* provides real-time access to on-board diagnostics of individual vehicles, giving fleet managers immediate access to fuel usage data, tank levels, and other data that supports fuel efficiency initiatives.

www.telogis.com ✆ 866-TELOGIS

Apprise Software

WHAT'S NEW: The addition of a customer profitability module to its ERP solution.

THE VALUE: Designed for consumer goods distributors, *Apprise Distribution*'s profitability tool integrates above- and below-the-line costs to give distributors an accurate view of profitability for each of their customers. Other features include demand planning, import management, warehouse management, transportation and logistics, and extensive analytics and reporting.

www.apprise.com ✆ 610-991-3900

QuestaWeb

WHAT'S NEW: A 10+2 module for global trade management software.

THE VALUE: QuestaWeb's 10+2 module facilitates information gathering and data submission, and supports use in either a manual or an automated mode. Extensive built-in communication capabilities maintain bi-directional information flow.

www.questaweb.com ✆ 908-233-2300

XATA Corporation

WHAT'S NEW: A new version of fleet operations software.

THE VALUE: The updated release of *XATANET* features driver fuel analysis and fleet utilization reports, point-of-delivery tools for handheld devices, and enhanced data capture to report fuel economy changes.

www.xata.com ✆ 800-745-9282

Tharo Systems Inc.

WHAT'S NEW: A wipe-on label printer/applicator.

THE VALUE: Designed for accurate, moderate- to high-speed labeling to the top or side of a product, the PA500w can print and apply more than 100 labels per minute and includes a product sensor and controller to ensure accurate label placement. A wipe-on brush assures proper adhesion to smooth, flat surfaces as well as uneven surfaces. The device can apply labels from 3 inches x 1 inch to 4.5 inches x 7 inches, making it suitable for a variety of materials, such as cartons, tray and blister packages, bags, and cans.

www.tharo.com ✆ 800-878-6833

CALENDAR

YOUR LOGISTICS **DATEBOOK**

April 21-24, 2009, United Fresh Produce Association Conference, Las Vegas, Nev. This event tackles the issues facing each produce supply chain segment, provides networking opportunities, and features speakers who address real business challenges. New this year, a post-show conference examines produce food safety audits and methods for ensuring compliance with global safety standards.

202-303-3400

www.unitedfreshshows.com

April 26-29, 2009, Warehousing Education and Research Council (WERC) Annual Conference, Atlanta, Ga. WERC's annual conference is the place to learn about cutting-edge trends, new technology, practical solutions, and proven techniques to measure, manage, and maximize warehousing performance. UPS Chief Operating Officer David Abney delivers the keynote address: "Shrink Wrap Your Way to Greatness."

630-990-0001

www.werc.org

April 27-29, 2009, Latin American Leadership Forum, Houston, Texas. Infrastructure project creation firm CG/LA Infrastructure's forum hosts presentations on the top 50 infrastructure projects in Latin America. Selected by CG/LA's staff, advisors, and sponsors, these projects are shaping the region's competitive environment, and will be instrumental in building the next generation's infrastructure.

202-776-0990

www.cg-la.com

April 23, May 27, and June 4, 2009, C-TPAT and Worldwide Cargo Security Programs; Cleveland, Ohio; Boston, Mass.; and Anaheim, Calif. The Customs-Trade Partnership Against Terrorism (C-TPAT), initiated by Customs and Border Protection in 2002, has become the basis of cargo security programs around the world. Attend this course, presented by the Global Trade Academy, for a review of cargo security requirements and how to complete a C-TPAT application. An overview of similar cargo security programs will include the European AEO program, FAST, StairSec, PIP, and Frontline. This course is for anyone seeking to gain the benefits of C-TPAT membership.

609-896-2020

www.learnatgta.com


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  Diamond Phoenix Integrated Solutions helps you boost your competitive edge.
  www.diamondphoenix.com 888-233-6796

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- **Verizon Wireless** pg. 3
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  www.verizonwireless.com/distribution 800-VZW-4BIZ

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- **COSCO Container Lines Americas** pg. 53
  COSCO boosts your ROI by expediting the transportation of goods in your supply chain.
  www.cosco-usa.com 800-242-7354
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  www.maerskline.com 973-514-5000

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- **Maryland Port Administration** pg. 38
  The inland Port of Baltimore handles more than 30 million tons of cargo annually.
  www.marylandports.com 800-638-7519

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- **Joplin Area Chamber of Commerce** pg. 11
  Joplin, Mo., has great road, rail, and air access, plus a business community eager to help you succeed.
  www.joplincc.com 417-624-4150
- **The State of New Jersey** pg. 26
  New Jersey's transportation resources keep you linked to the global economy.
  www.newjerseybusiness.gov 866-534-7789

Trucking

- **CRST Van Expedited** Cover 3
  CRST Van Expedited provides for all your truckload shipping needs.
  www.crstvanex.com 800-736-CRST
- **Old Dominion** pg. 7
  Old Dominion's full range of products and services offers solutions you can count on for domestic, global, and expedited transportation.
  www.odfl.com 800-432-6335

Truck Leasing

- **XTRA Lease** pg. 13
  XTRA Lease is one of North America's largest over-the-road trailer rental and leasing companies.
  www.xtralease.com 800-325-1453

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THE LAST MILE

At Your Service

Many logistics service and solutions providers develop skills and experience tailored to fit the needs of specific cargo types. Here are just a few that have found their niche.

WORKING FOR PEANUTS

Not to mention almonds, cashews, and filberts. NutSoftware, Merced, Calif., developed an inventory solution specifically for nut processors, handlers, and brokers.

SAY CHEESE!

Specialized equipment and facilities, including variable-temperature aging rooms and USDA-approved grading rooms, enable WOW Logistics of Appleton, Wisc., to handle and store more than 250 million pounds of cheese per year.

TAKING THE SHIRT OFF YOUR BACK

Serving the high-end apparel industry, Snatt USA Inc., West New York, N.Y., receives, handles, distributes, and transports clothing and accessories from labels such as Ralph Lauren, Giorgio Armani, and Dolce & Gabbana to Neiman Marcus, Saks Fifth Avenue, Macy's, and other department and specialty stores.

NOAH'S GOT COMPETITION

Using its animal transport expertise, AirBridgeCargo Airlines, Houston, Texas, has delivered a polar bear to Japan, tigers to Moscow, and dolphins to China.

LIGHTS, CAMERA, ACTION!

StageCall Specialized Transportation, Apache Junction, Ariz., serves the entertainment industry's transportation needs, moving sound and lighting systems, sets, and costumes for theatrical productions on tour.

SALAD DAYS

With offices in Los Angeles and Miami, Gourmet Logistics Company is well-positioned to consolidate, store, and distribute a veritable garden of fruits and vegetables from Ecuador, Colombia, Guatemala, and Costa Rica to supermarkets throughout the United States.

GIVE ME A RING

Recognizing the unique inventory needs of the jewelry industry, solutions provider LeadTime Technology, Wilmington, Del., developed *Jewelry Trak*, a software tool for jewelry manufacturers and retailers.