2 SPECIAL SUPPLEMENTS: THE POWER OF PALLETS INTERMODAL **SITES**

inbound • THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS • MAY 2013

www.inboundlogistics.com

STRATEGIES THAT DELIVER THE GOODS

ALSO IN THIS ISSUE:

Sorting Out DC Automation TMS Buyer's Guide Avoiding Inbound Freight Roadblocks

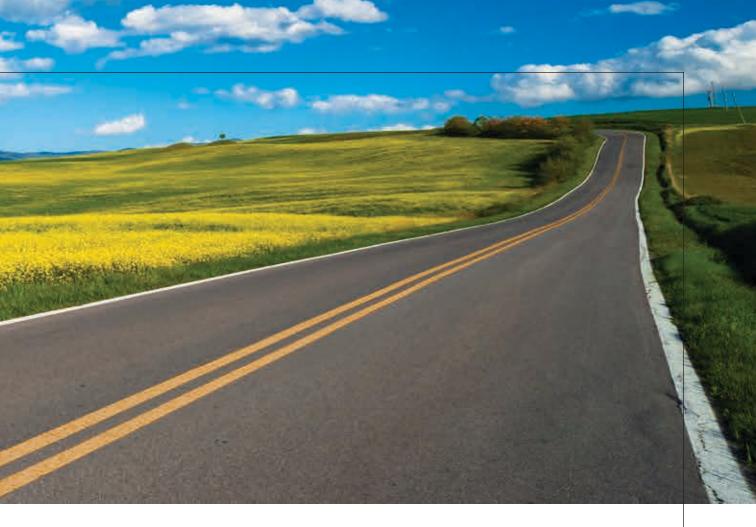


Moving you forward

Saia is always evolving; looking for better ways to move you forward. Introducing Saia LTL Freight, Saia TL Plus and Saia Logistics Services. Three service groups with the spirit, dedication and accountability that have been Saia's trademark since 1924.

www.saiacorp.com







Non-asset truckload and expedited solutions provider



Regional and interregional LTL service with the industry's most impressive guaranteed product



Logistics resources and experience to reduce costs and increase supply chain efficiency



May 2013 · Vol. 33 · No. 5

INSIGHT

6 CHECKING IN

Will Minnesota's warehouse tax push jobs out of state?

8 DIALOG Readers talk back.

12 10 TIPS Assessing your logistics provider's financial stability.

30 VIEWPOINT Strengthening online retailer supply chains.

32 ECODEV Northeast Florida's logistics assets drive global business.

34 IT MATTERS What happens when your warehouse is unplugged?

- **36 SHORING UP SOURCING STRATEGIES** Supply Chain Thought Leader sponsored by Ryder Supply Chain Services.
- 37 WHY MID-MARKET SHIPPERS SHOULD LEVERAGE TMS Supply Chain Thought Leader sponsored by 3PLogic LLC.
- 120 LAST MILE: MOBILE GOES GLOBAL

INPRACTICE

I A READER PROFILE LARRY MONTRUII: True Blue

As director of supply chain management at JetBlue Airways, Larry Montreuil negotiates purchasing deals that help the airline soar.



I.T. TOOLKIT Inventory Optimization: A Natural Fit

A new inventory management system nurses Nature's Best's fulfillment operations back to health.

INDEPTH

38 E-Fulfillment Strategies That Deliver the Goods

By adding speed and visibility to their logistics operations, retailers delight online customers, and keep them coming back for more.

46 DC Automation: Sorting It Out

Changing consumer expectations and demand for greater efficiency, economy,

and productivity present new twists and turns in warehouse automation.

E-FULFILLMENT

page 38

51 Inbound Freight Management: 5 Road Blocks (and How to Get Around Them)

Managing inbound freight effectively can be challenging, but the obstacles don't have to deter you from the benefits. Our experts map out detours to help you reach your goal.



Who needs collaboration for taking Wilson to Robinson?

iLogisys supports you

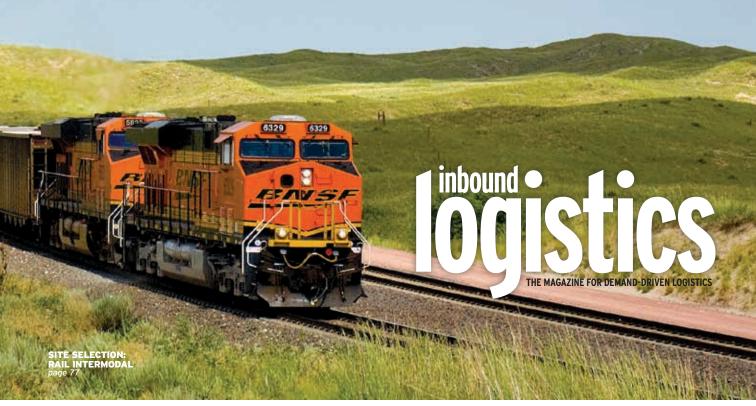
iLogisys エンタープライズ エディション







RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



May 2013 · Vol. 33 · No. 5

INFO

- 90 WEB_CITE CITY
- **103 WHITEPAPER DIGEST**
- 107 IN BRIEF
- **112** CALENDAR
- **114** CLASSIFIED
- **116 RESOURCE CENTER**

INFOCUS

17 NOTED

21 TRENDS

A new DC in New Jersey breaks new barriers in sustainable development...Voice technology finds traction in the supply chain... Healthcare industry stands to gain by adopting retail supply chain best practices.

27 GLOBAL

Hong Kong strike threatens port's reputation... New legislation would allow Mexican truckers to pay a fee in exchange for crossing the border overweight... DUBAL turns to inbound logistics to hit growth goals.

INDEPTH

59 TMS Buyer's Guide

Inbound Logistics' annual directory offers a starting point for choosing a transportation management system.

69 SPONSORED EDITORIAL Pallet Strategies: Stacking the Odds in Your Favor

When it comes to selecting the best pallet for your shipments, the smart money is on a strategic approach that anticipates future needs.

7 SPONSORED EDITORIAL Site Selection: The Rise of Intermodal



Intermodal plays an essential role in today's site selection process. Superior rail intermodal sites and services put your company on the right track.









OFFICIAL SMARTPHONE OF THE APOCALYPSE

Learn how tough phones can be at 855-878-4BIZ and see it in action at sprint.com/directconnect



SMART SONIC RECEIVER Groundbreaking tissue conduction technology for clearer sound in

- GET IT DONE Only on Sprint Direct
 - Only on Sprint Direct Connect® with 3X the coverage than Nextel
- **ULTRA-RUGGED** Tough and durable military spec
- Android productivity apps streamline the job

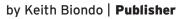
- BRAVE THE ELEMENTS Stand up against dust, shock, rain, humidity, submersion and extreme temperatures
- INSTANT PUSH-T0-TALK Instant connection at the push of a button
- ✓ 46 LTE 4G LTE where available with Truly Unlimited[™] data while on the Sprint network

Offers avail. for corp-liable customers only. Activ. Fee: \$36/line. Credit approval req. Early Termination Fee (sprint.com/etf): After 14 days, up to \$350/line. Phone Offer: Offer ends 7/11/13. While supplies last. Taxes and svc charges excluded. No cash back. Req. activation of all phones on same account in one sales transaction. Data: AddI charges apply for premium content/downloads. Includes select e-mail. Usage Limitations: Sprint may terminate service if off-network roaming usage in a month exceeds: (1) 800 min. or a majority of min.; or (2) 300 MB or a majority of KB. Prohibited network use rules apply. Engaging in such uses will not result in throttling but could result in adverse action. See sprint.com/termsandconditions. Other Terms: Offers and coverage not available everywhere or for all phones/networks. Restrictions apply. See store or sprint.com for details. Sprint 4G LTE available in limited markets, on select devices. Visit www.sprint.com/4GLTE for info. Unless noted, Sprint 4G LTE devices do not operate on the Sprint 4G (WiMAX) network. ©2013 Sprint. All rights reserved. Sprint and the logo are trademarks of Sprint. Other marks are the property of their respective owners.

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

CHECKINGIN

Kith Boud



We Need Jobs...Let's Raise Taxes?

B alancing a budget is an exercise in best judgment. Add politics to the equation, and logic flies right out the window. One example: the Minnesota legislature is finalizing its \$38-billion state

budget, which includes a 6.5-percent sales tax on warehouse services. A wide-ranging tax hike on warehouses will have far-reaching implications. None good.

A warehouse tax will likely push distribution activity and jobs out of state. Ironically, some of that tax revenue will subsidize economic incentives to keep businesses in state. It's a circle of contradictions that leaves many bewildered.

Richard Murphy, CEO of Murphy Warehouse Company, a Minnesota-based 3PL, has been working the phones the past few weeks, seeking answers. But instead of answers, he's fielding questions from the very legislators who crafted the bill.

"What's most confusing is that no one knows what this bill entails, or how it will be applied," he says. "They don't have any idea what a modern warehouse does."

There's some consensus that the warehousing tax is aimed at product "storage" – perhaps targeting the state's mining industry, which has experienced a boon over the past few years. If true, why not exempt service providers that are "moving" inventory, adding value, facilitating B2B growth, and creating jobs?

No House Republicans voted for the measure. Republican Rep. Tim Kelly expressed concern that a tax on warehousing could prompt a manufacturer in his district, Red Wing Shoes, to move operations to Missouri. "If Red Wing puts their warehouse in Missouri, where do they expand their business? Where do they make more shoes?" he said. And where do they make more jobs?

The broader concern for our economy, however, is that Minnesota's misunderstanding of modern logistics processes kills economic growth by compounding cost increases at every supply chain touch – and that this idea will spread to other states.

But, we've traveled down this road before. In 2007, the Michigan state legislature passed a six-percent service tax including warehousing. *Inbound Logistics* wrote about it here: http://bit.ly/MI_Fail

At the time, the state's unemployment rate was the highest in the country. Ohio was laying out the red carpet to disenfranchised Michigan businesses. Fortunately, sanity prevailed and the bill was repealed within weeks after being signed by Democrat Governor Jennifer Granholm.

Yet Minnesota and other state lawmakers continuously craft stultifying new taxes directly impacting the ability of your 3PLs and warehouses to serve you.

There's no shortage of challenges facing the distribution and logistics sector without governments seeking to transform every transaction, and every inventory touch into cash that they can wisely spend on all those important government programs.

inbound OC Stics Vol. 33, No. 5 May 2013

THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS

www.inboundlogistics.com

| STAFF | |
|--|---|
| PUBLISHER | Keith G. Biondo publisher@inboundlogistics.com |
| EDITOR | Felecia J. Stratton editor@inboundlogistics.com |
| MANAGING EDITOR | Catherine Overman coverman@inboundlogistics.com |
| SENIOR WRITER | Joseph O'Reilly joseph@inboundlogistics.com |
| CONTRIBUTING EDI Mer | rill Douglas • Amy Roach Partridge Marty Weil •Deborah Ruriani |
| CREATIVE DIRECTO | Michael Murphy mmurphy@inboundlogistics.com |
| SENIOR DESIGNER | Mary Brennan mbrennan@inboundlogistics.com |
| BUSINESS DEVELOPMENT MANAGER, DIGITAL MEDIA Shawn Kelloway production@inboundlogistics.com | |
| PUBLICATION MANA | GER Sonia Casiano sonia@inboundlogistics.com |
| PUBLISHING ASSIST | Jason McDowell jmcdowell@inboundlogistics.com |
| CIRCULATION DIREC | Carolyn Smolin |
| (212) 629 | LISHER: Keith Biondo -1560 • FAX: (212) 629-1565 er@inboundlogistics.com |
| WEST/MIDWEST (847) 446- haroldled (763) 416-1 | 7/SOUTHWEST: Harold L. Leddy 8764 • FAX: (847) 305-5890 Idy@inboundlogistics.com Marshall Leddy 1980 • FAX: (847) 305-5890 Il@inboundlogistics.com |
| (314) 984- | IC DEVELOPMENT: Jim Armstrong 9007 • FAX: (314) 984-8878 |

jim@inboundlogistics.com **SOUTHEAST: Gordon H. Harper** (404) 229-9691 • FAX: (404) 355-2036

south@inboundlogistics.com MOBILE, AL: Peter Muller (251) 343-9308 · FAX: (251) 343-9308

petermuller@inboundlogistics.com NortHeAST: Rachael Sprinz

(212) 629-1560 • FAX: (212) 629-1565 rachael@inboundlogistics.com

FREE SUBSCRIPTIONS www.inboundlogistics.com/free



Inbound Logistics supports sustainable best practices. Our mission is rooted in helping companies match demand to supply, eliminating waste from the supply chain. This magazine is printed on paper sourced from fast growth renewable timber.

Inbound Logistics welcomes comments and submissions. Contact us at 5 Penn Plaza, NY, NY 10001, (212) 629-1560, Fax (212) 629-1565, e-mail: editorial@inboundlogistics.com. For advertising, reprint, or subscription information, call (212) 629-1560, or e-mail publisher@inboundlogistics.com. Inbound Logistics is distributed without cost to those qualified in North America. Interested readers must complete and return the qualification card published into its issue, or may subscribe online at www.inboundlogistics.com/free. Subscription price to others: in North America: S95 per year. Foreign subscriptions 229. Single copy price: No. Amer. \$10, foreign \$19, back issues \$15. Periodicals postage paid at New York, NY, and additional mailing offices.







There is a reason we have been voted one of the top five 3PL's for 15 years. At Ryder, we believe the key to a successful logistics engagement

is expertise, experience and the demonstrated ability to execute reliably.

Execution Is Everything.



SUPPLY CHAIN • DISTRIBUTION • TRANSPORTATION • CONTROL TOWER

1-888-887-9337 www.ryderscs.com

©2013 Ryder System, Inc. All rights reserved.

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



DIALOG

LETTERS TO THE EDITOR

Drop us a line:

editor@inboundlogistics.com or send snail mail to Dialog, c/o Inbound Logistics 5 Penn Plaza, NY, NY 10001

Follow us:

facebook.com/InboundLogistics

🕒 twitter.com/ILMagazine

in linkedin.com/company/286008

Forward March

I read Dr. Jennifer Batchelor's article about logistics jobs in the December 2012 issue (*Logistics: It's Where the Jobs Are*). I am an Army LTC currently stationed at Ft. Hood, Texas, working as a Deputy Brigade Commander for a logistics/sustainment unit.

I have 23 years of combined National Guard, Reserves, and active duty experience as an army logistician and have also worked in the corporate arena as a pharmaceutical sales rep prior to returning to active duty.

I am very interested in returning to the civilian workforce in the logistics field. My education includes a bachelor's degree in political science; a master's in management from American Public University System; and a certificate in Supply Chain Management from St. Louis University.

Would my military experience and talent transfer to companies such as UPS, FedEx, or 3PL providers? How would I begin my search for employment?

> - **Dean A. Huard,** LG, LTC, Deputy Brigade Commander, 4SB

Editor's Response: You're well-positioned for a private sector supply chain role. Many transportation and logistics providers have launched veteran hiring programs; for example, UPS recently committed to hire 25,000 veterans within the next five years. Check out our article *Battlefields and Boardrooms: The Military-Private Sector Connection (June 2012)* for more information, and look for more in-depth coverage of this important topic in our July 2013 issue.

See for Yourself

I read the article 6 *Secrets to Finding the Right 3PL* (*April 2013*) with interest, because I do 3PL consulting and write blogs on this subject.

I especially appreciated the first point, "Choose carefully," as I did not know the surety bond price is going to \$75,000 effective this summer. The other points are excellent, too.

I would add the following advice:

Always visit the chosen 3PL before signing a contract to see if they actually do meet all of your requirements, and ensure your chemistry with key 3PL personnel is good.

You can also discuss topics such as service level agreements with key performance indicators; price negotiations; WMS/TMS/YMS/EDI system availability, integration, customization and costs; contract review; cancellation/modification clauses; Lean initiatives; OSHA; Six Sigma; Gemba; Kanban; Kaizen; safety; cleanliness; and teamwork.

While a visit to the chosen 3PL is

critical, it's also wise to have back-up or failsafe alternate 3PL choices.

- Chuck Intrieri, 3PL Consultant and TransCert Account Executive



tweeting it forward:

Jason Mathers @jasonmathers Need to get me a cape. RT: Reader Profile, Jason Mathers: Carbon Slasher-bit.ly/17UCU1B-via @ILMagazine #sustainability

Tandem Logistics @TandemLogistics Can smart technology take a bite out of food waste? Tech makes the cold chain more dependably safe. via @ILMagazine ow.ly/kjtTO

BeSCOPE @BeSCOPE

Nr5 is key!! RT @SCEsupplychain: Five Core Competencies Every #SupplyChain Manager Should Master; @ILMagazine | flip.it/EUbdq

GSCS LLC @GSCSOptimize

Very practical! 10 Quick Tips for Moving #Freight Through Challenging International Areas bit.ly/UAqlQL #SupplyChain RT @ilmagazine







Menlo Worldwide Logistics. Masters of the supply chain.

When it comes to finding a partner to handle your logistics needs, choose someone with the strategic expertise and experience to streamline or transform your supply chain. Through lean methodologies and innovation, we have a proven track record of delivering solutions that improve your bottom line. When you need a competitive advantage, trust the master.

Visit www.menloworldwide.com for more information.

Transportation Services | Value-added Warehousing | Supply Chain Management | Multimodal



Never Settle for Less.

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



Watch our video to find out how C.H. Robinson's Freight Consolidation services drive down freight costs and emissions while increasing productivity.

»Accelerate Your Advantage®



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



Partial shipments playing in unison.



Orchestrate efficiency.

Partial shipments strike sour notes in your supply chain with time wasted, money spent, and opportunities lost. Find the savings you've been looking for and the service levels your customers demand with freight consolidation. With innovative load-building technology and a vast freight network, you can streamline your shipping and gain a competitive advantage with a faster, smarter, and more efficient supply chain.

Schedule your free consultation with the consolidation experts today. solutions@chrobinson.com | 800.323.7587



by Deborah Catalano Ruriani

Assessing Your Provider's Financial Stability

here's nothing worse than hiring a logistics provider or carrier, then having it file for bankruptcy or close shop the day before you have a huge shipment planned for a new customer. Danny Monson, president and CFO of States Logistics Services Inc., offers these tips for verifying a service provider is financially stable – before you start a relationship.

Research the company's credit history. The simplest way to assess a potential partner is getting its Dun & Bradstreet number, then running a credit report. This could help you better understand the provider's payment history with other vendors, and gives you an opportunity to mention any details that concern you. Credit reports are not always blackand-white, but they do give you insight into the company and enable you to ask relevant questions.

Call references. Don't just ask for references – take the time to actually speak to someone. It's not enough to just send an information sheet. You'll get more details from a personal phone call.

B Request and review a financial statement. Many companies are privately held and do not generally

release financial information, or do not have a statement prepared by their accountant. Depending on your situation, this may not be a big deal—for example, if it's a small vendor, and you're moving low volumes, the risk may be low. But if the vendor is more strategic to your business, you should press further to get this information.

Verify bank information. Get the provider's bank information, and find out how long it has had the account. Using several banks and switching frequently is not a good sign.

5 Find out if the provider has a revolving line of credit. If the provider's bank has extended a line of credit, that could affirm its credit worthiness. If the company does have a revolving line of credit, find out how often it is used. Is the provider carrying a sizeable debt, or does it use the credit line occasionally for cash flow purposes? Is the provider's business supporting its cash flow needs, or is the company increasing its debt – and maybe having some financial issues?

Assess how leveraged the company is. If the provider has a number of liens or UCC filings, they will appear on a credit report. This information can help you determine the company's secured creditors, and provide further insight into any "off balance sheet" transactions the vendor may have entered into.

Inquire about the provider's federal tax ID number. Determine how long the company has had the number. A short time in business, or switching its corporate make-up frequently, are red flags. If you still want to pursue the partnership, you definitely need references.

Review the company's insurance coverage. Low coverage or lack of coverage (no umbrella or employee theft coverage, for example) could indicate a financial concern.

Assess the impact your business volume will have on the vendor. Thoroughly review the provider's current business. Will your volume help grow the company—or stretch it too far?

10 Understand the provider's business growth plan. Partner with a company that continues to invest in its business—for example, developing new products and services.



Transportation Management Simplified

FRI THU WED TUE MON UN 2 Make job easier Make company money Make boss happy 9 8 7 16 15 14 23 22 21 WIN! 30 29 28

*not all bosses created equal; not responsible for level of happiness

WIN (Web Integrated Network) is your route to transportation control and freight savings. WIN consists of:

- Browser-based Toolset
- Integrated Network Optimization Services
- > Portal to a Multi-Billion Dollar Global Transportation Network
- No Cost Subscription



www.winthruolt.com/boss

Schedule a demo today and be entered for a chance to WIN two tickets to attend an Oakland Raiders game with all-time great Phil Villapiano.

R E A D E R PROFILE



Larry Montreuil has been director of supply chain management at JetBlue Airways in New York since 2003.

RESPONSIBILITIES

Strategic sourcing, contracts and purchasing.

EXPERIENCE

Supervisor, materials management, New York Air; manager, logistical planning and provisioning, Continental Airlines; director of purchasing, Trump Shuttle; director of purchasing, Queens Surface Corp.

EDUCATION

B.S., aeronautical industrial technology, Arizona State University, 1981.

Larry Montreuil: True Blue

DIDN'T ORIGINALLY PLAN TO WORK IN SUPPLY chain management. I started as a reliability analyst with New York Air, but quickly moved to managing the repair cycle for airplane components. I grew interested in the complexity of the business-to-business transactions that happen behind the scenes, and the opportunity to take costs out of those thousands of transactions.

I also enjoyed planning, forecasting, and collaborating with peers, as well as sourcing, negotiating, and managing suppliers. All my jobs since then have involved sourcing and procurement.

At JetBlue, I manage the teams in charge of strategic sourcing, contracts, and purchasing.

The strategic sourcing group focuses on the larger spending areas across the company. We work with the business units to determine their needs, then help them source those requirements.

After the company awards the business, the contracts team develops a contract and

conducts negotiations. We also maintain JetBlue's contracts database.

The purchasing team handles buying all items other than aircraft parts – everything from onboard snacks for passengers to office equipment and supplies.

One of the biggest deals my team negotiated is a contract for engine maintenance. We bundled all the engine work we might need into a single cost-perflight-hour. That way, our costs vary with the opportunity to generate revenue with each airplane.

Following a highly competitive bidding process, we formed a strategic relationship

The Big Questions

What was your scariest career decision?

Going to work for the Trump Shuttle when it was just getting started. It was a great challenge, and it was fun to help build a startup into a viable air carrier.

When you're not working, what do you most enjoy doing?

My responsibilities at home keep me busy, but I enjoy biking and kayaking. I also serve on the board of trustees for the village of New Hyde Park, N.Y., where I am the deputy mayor.

What would be your alter ego dream job?

Captain of a shrimp boat on the Gulf of Mexico.

If you were stranded on a deserted island, which three artists' music would you want with you?

The Rolling Stones, the Allman Brothers, and Muddy Waters.



that worked out well for both JetBlue and the maintenance supplier. Our costs are predictable, because engine hours are based on our flight schedule. That makes the supplier's revenue stream predictable, too.

Because airlines are extremely competitive, and margins are small, we operate under intense cost pressures—while never compromising safety. And the pace of work is very quick.

Trying to hit budget targets, and staying mindful of the calendar to make sure we lock in deals on time, creates tremendous pressure. We also support projects with specific deadlines, whether we're starting service in a new city or getting seats delivered for a new aircraft. It's a dynamic, but exciting, environment.

The biggest project my team is currently engaged in is overhauling the supply chain group. Historically, JetBlue's procurement has been decentralized. As the company matures, we're trying to give procurement policies and processes more structure.

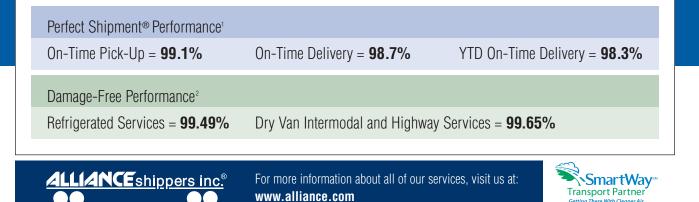
Among other changes, we want the business units to use our contracts database more consistently. Using the procurement system provides better documentation and more discipline. And the rigor of a competitive process yields better deals.

Even without the database, when our supply chain team asks suppliers for quotes, we get a different response than when a business unit approaches suppliers on its own. When suppliers see a procurement request come through, they realize there will be competition.

Running transactions through an e-procurement system will drive more of that kind of response from the supply bases, and create greater savings in the long run.

"The Business of America is Business." – Calvin Coolidge The Business of Alliance Shippers Inc. is ... "To Manage Our Customers' Business."®

The Perfect Shipment[®] Our Commitment To You.



¹Data as of 4/30/13 ² Fiscal Year 2011 – 2012

® denotes a registered trademark of Alliance Shippers Inc.

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

DLS WORLDWIDE: POWERFUL, RELIABLE CONNECTIONS

Rely on RR Donnelley's DLS Worldwide for transportation management backed with strength, stability and support



RR Donnelley's unmatched resources and DLS Worldwide's personal attention a solid combination.

A choice of modes, carriers and integrated services from a dependable, single source. Contact us today to learn how our leveraged-platform can strengthen your supply chain.

RR DONNELLEY

877.744.3818 www.rrdonnelley.com www.dlsworldwide.rrd.com Copyright © 2013 R. R. Donnelley & Sons Company. All rights reserved.



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



SEALED DEALS

Detroit, Mich.-based beverage company Leonard's Syrup chose HighJump Software to manage its direct-to-store delivery operations. HighJump's Route Administrator controls inventory and sales management, route planning, and delivery and driver reconciliation.

Air Works India, a provider of aviation maintenance, repair, and overhaul services, contracted with third-party logistics provider SDV to move all avionics, rotables, and consumables from the United States and France to Air Works facilities in New Delhi, Mumbai, and Bangalore.

California-based **Hines Growers**, an operator of commercial plant nurseries and distributor of plants to retailers, adopted InMotion Global's Enterprise TMS to manage its logistics, trucking, and distribution operations. The new TMS replaces an older InMotion Global version, and

adds more features including cross-browser and mobile device compatibility, and order management functions.

South Mill, a mushroom grower, packer, and distributor, implemented GreenRoad's in-vehicle and smartphone driver performance management tools across its tractor/trailer fleet. The software improves idling time, which reduces fuel consumption and collision risk.

Food and beverage packaging manufacturer Rice Packaging Solutions selected Epicor's AVP, a management software for packaging operations. AVP replaces a 30-year-old system that was unable to keep up with modern equipment and graphic design programs.

WIA

IVECO

GOOD WORKS

NACCO Materials Handling Group, a subsidiary of Hyster-Yale Materials Handling and a sponsor of East Carolina University (ECU) Athletics, donated \$22,300 to the United Way after pledging \$100 for each three-point shot made by ECU's basketball team during the 2012-2013 season.

Iveco, the truck division of Fiat, extended its service contract with freight forwarder Kuehne+Nagel for three years. Kuehne+Nagel manages five regional spare parts distribution centers for lveco in Italy, Germany, Spain, France, and the UK.

May 2013 • Inbound Logistics 17



GREEN SEEDS

The Volvo Group partnered with the U.S. Department of Energy's "Better Buildings, Better Plants" program and pledged to reduce its energy intensity by 25 percent over the next 10 years. Volvo designated eight of its U.S. manufacturing facilities to participate in the program.

United Airlines launched a sustainable supply chain initiative to evaluate its suppliers' products and their impacts on the environment. The move underscores United's commitment to environmental sustainability.



Canadian transportation and logistics solutions provider **Manitoulin Transport** acquired Edmonton, Alberta-based **Matco Transportation Systems**. The acquisition gives Manitoulin greater coverage in Canada's northwest, while giving Matco's customers access to Manitoulin's suite of services Sidney, Ohio-based refrigerated logistics company **Continental Express** bought Fort Worth, Texas-based **Ranger Refrigerated Express Corporation**. The expansion allows Continental Express to increase its reach in Texas and the southwest United States.

UP THE CHAIN

Chris Tyas was appointed head of supply chain for **Nestlé**. The promotion follows his success as supply chain head for Nestlé in Europe. In his new position, Tyas heads up Nestlé's supply chain function globally.

California restaurant chain **EI Pollo Loco** hired **Richard Pineda** as vice president, supply chain management. Pineda manages logistics and distribution for food products, supplies, uniforms, and natural gas.



David Bain was named supply chain manager for Gator Cases, a manufacturer of bags and cases for professional audio/visual equipment and musical instruments. In this position, Bain oversees inventory management for Gator's production factories and shipping warehouses.

18 Inbound Logistics • May 2013

recognition

▶ Brookshire Grocery Company (BGC) honored FoodSource, a C.H. Robinson company, with its Vendor Partner Collaboration Award, BGC cited FoodSource's ability to provide innovative new items, and consistent quality and pricing for fruits and vegetables from around the world.

Canadian National (CN) Railway Company earned the National Achievement Award from Transportation



Community Awareness and Emergency Response. The award recognizes CN's ongoing work to help communities understand hazardous materials movement, and what is required in the event of transportation incidents.

Home improvement retailer Lowe's awarded **TST Overland Express** with its **Gold Service Award** in recognition of excellent less-than-truckload service in Canada. This is the fourth consecutive year that the carrier received the award.

Toyota Logistics Services recognized **Crowley Maritime Services** with its 11th consecutive **Logistics Excellence Award** in honor of Crowley's ongoing efforts to safely and efficiently transport Toyota vehicles from the United States to Puerto Rico.

The National Shippers Strategic Transportation Council (NASSTRAC) named **Old Dominion Freight Line** as its **2013 Carrier of the Year**. Old Dominion was recognized as a transportation provider that demonstrates excellence in performance and results.

The International Warehouse Logistics Association (IWLA) presented its **2013 Distinguished Services and Leadership Award** to **Jere Van Puffelen**, president of PRISM Team Services, for outstanding service to the IWLA and the third-party logistics sector.

HOW DO YOU MOVE 1,400 CRITICAL PARTS 6,000 MILES BY TOMORROW?

(Turn the page to find out)

© 2013 United Parcel Service of America, Inc. UPS, the UPS brandmark and the color brown are registered trademarks of United Parcel Service of America, Inc. All rights reserved.



RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



*Based on a comparison of published city-to-city time-in-transit information.

logistics





SHAPING THE FUTURE OF LOGISTICS



Garden State Gets Greener

N ew Jersey and sustainable development are perfect together. Industrial real estate developer Prologis recently broke ground on a new, 880,000-square-foot distribution facility on the Hackensack River in Jersey City, N.J. The Prologis Pulaski Distribution Center, a 50-acre former landfill, is located four miles from the Port of Elizabeth and three miles from New York City. Any new development of this size in the capacity-choked environs of the Big Apple is remarkable in itself. But the Prologis Pulaski DC is unique to the core.

"This project will transform a former waste disposal Superfund site into a functional property with usable green land in the most dynamic and land-constrained infill area in the United States," said Jay Cornforth, president of the east region of Prologis, and emcee of the groundbreaking ceremony. "Not in my back yard" is a recurring echo in the world of port industrial development, as public and private sectors wage war over land use. But the Pulaski project pushed even that paradigm. When Prologis acquired what was intended to be a graveyard from the Archdiocese of Newark in 2005, the objective

May 2013 • Inbound Logistics 21

by Joseph O'Reilly



was clear: breathe life back into an old, polluted industrial site. To hear N.J. state officials talk about the efforts involved in cleaning up and remediating the property, it was the ultimate resurrection.

"When I first saw this site, it struck me as surreal, almost otherworldly: partially exposed buried drums; intense fires burning below ground; smoke billowing from another issue erupted. We had a dump on top of a dump. The property had no value, provided no jobs, and because it was owned by the Archdiocese, contributed no tax revenue. Now it has turned into something positive."

Following the acquisition, Prologis hit a number of starts and stops as community opposition, environmental due diligence,

The Prologis Pulaski facility, which will create 800 new jobs at full occupancy, offers a shining example of how **sustainable DC development** can reverse an

urban area's fortunes.

cracks and fissures in the earth; entire trees and sections of road constructed on site collapsing, disappearing into the earth," said Ken Kloo, director of the N.J. Department of Environmental Protection Site Remediation Program.

"Conditions were so unique at the time that the Department of Environmental Protection hired a firm from Texas that fought oil field fires to come in and extinguish the underground fires," he added. "That was 28 years ago. Now everything has changed."

Jersey City Mayor Jerremiah Healy painted a more concise picture: "There were underground burning dumps. Then re-zoning, and the recession impeded progress. Now that construction has begun, the LEED-designated facility is expected to be complete and operational by 2014. And it already has two tenants – food retailer Ahold USA's online grocery unit Peapod; and Imperial Bag & Paper Co., which provides paper plates, plastic cutlery, and other basic supplies to retailers, restaurants, and food service companies.

Imperial Bag & Paper's business has grown 250 percent over the past five years, and it needed a location to consolidate three existing facilities, including its headquarters in nearby Bayonne.

The company was aggressively courted

by New York to site a new DC, but chose Pulaski due to its proximity to the port, major highways, and New York City-where 30 percent of its customer base is located.

"We help our customers by delivering product quickly and as often as needed—six times a week for some clients," says Robert Tillis, CEO, Imperial Bag & Paper. "Instead of using space for storage, a retailer can use that same square footage to sell products, or a restaurant can set up another table for diners.

"To meet this delivery schedule, we need direct access to major highways and to be close to Manhattan and other boroughs," he adds. "Quick and easy access to the port also benefits us by eliminating delays in receiving merchandise from overseas."

No less important, the new DC is still local for the company's 400 employees, so they expect little turnover when the transition is complete.

The Prologis Pulaski facility, which will create 800 new jobs at full occupancy, offers a shining example of how sustainable DC development can reverse an urban area's fortunes.

"Site remediation is much more than eliminating threats to public health and the environment," said Kloo. "It's about turning environmental liabilities into assets, creating economic opportunities, and revitalizing communities."

Going for Broker

majority of trucking companies (62 percent) are using fewer brokers than six months ago, according to Transport Capital Partners' (TCP) first quarter 2013 *Business Expectations Survey.* The percentage of carriers reporting an increase in brokered freight services doubled between August 2012 and February 2013, from 16 percent to 35 percent, a reflection of seasonal freight fluctuations.

Brokerage spot market freight still accounts for less than five percent of volumes for almost 50 percent of carriers – about the same as February 2012, traditionally one of the highest quarters for the use of broker services.

"The first quarter has lower freight demand; this leads

to idle trucks chasing scarcer loads, with spot market rates represented by brokers declining," says Richard Mikes, a TCP partner.

Smaller carriers rely on brokers more often than larger carriers because they have lower lane density and fewer marketing staff, according to TCP. The increase in the number of carriers reporting the use of broker services could also be tied to overall optimism for volume and rate increases.

"Carrier optimism, along with their drive to balance freight networks, builds interest in acquisitions," adds Mikes. "Gaining customers and capacity in key lanes will improve carrier profitability."



"Our fulfillment services help satisfy our customers in short order."

MARIA SILVAS, FULFILLMENT LEAD

Want to get your products to market faster? Reduce shipping costs? Be more responsive to customers? Our multi-channel fulfillment services are the answer. From order fulfillment to freight management to customer service, we're ready to meet your needs. With locations nationwide and integrated logistics capabilities, we give you a single-source solution — on the double!



Download our top holiday order fulfillment tips >

sclogistics.com/fulfillment 888-878-1177



Whatever It Takes!

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



Voice Technology: Can You Hear Me Now?

while voice technology has been widely used in many different supply chain applications, industry has yet to fully reap its benefits, according to Voice Information Associates' 2013 Voice Technology in the Supply Chain (VSC) market report.

The Acton, Mass.-based speech technology research company projects 22.6-percent compound annual growth in the VSC market for 2012 through 2017. A growing recognition among adopters that ROI payback periods are extremely short, based on improvements in productivity and accuracy, is driving that forecast. Still, voice penetration in distribution centers is approximately eight percent, says the report.

The research reflects how voice-directed applications are gaining traction across distribution centers and industries.

"In the past, voice was a picking-centric technology," notes Bruce Stubbs, industry marketing director for distribution center operations at Everett, Wash.-based technology solutions provider Intermec. "Typically, 60 percent of labor in a DC is involved in picking, so it was easy to sell voice technology into those situations.

"Today, however, companies are trying to

enhance their initial investment, and take advantage of the efficiencies, ergonomics, and safety that voice enables – expanding the use of voice in fork and packing applications, and inventory control," he says.

Any repetitive function can benefit from having both hands and eyes free. Voice technology is also crossing over industry verticals, reaching a tipping point, suggests Tom Singer, principal for Raleigh, N.C.-based materials handling integrator and supply chain consultant Tompkins International.

"We've installed voice-picking solutions

Healthcare SC Needs Shot in the Arm

ealthcare providers could benefit from a dose of retail supply chain therapy, according to a new University of Arkansas study.

"The retail industry has a long history of adopting automation, complemented by scientific and mathematical models, to improve supply chain operations," explains Ed Pohl, associate professor, Department of Industrial Engineering, University of Arkansas.

"Conversely, healthcare has been relatively slow to adopt these methods," he adds. "The healthcare supply chain might gain efficiencies by adopting best practices from the retail supply chain."

Pohl and his colleagues surveyed healthcare and retail managers to better understand the gaps between the two supply chains, and to learn how each might benefit from sharing best practices.

The retail supply chain has done a better job in the critical area of collaborative planning, forecasting, and replenishment, which involves suppliers and retailers working together to adopt order forecasting and inventory planning to create an integrated supply chain network.

Healthcare is struggling to keep pace with retail in another critical area: scanning and tracking applications, as well as professional training and education – specifically the skills associated with materials management, purchasing, and warehousing. Higher-revenue

respondents-large

retail stores and hospitals-are more likely to have implemented best practices.

Across both industries, 80 percent of respondents say the identified best practices had a significant or very significant business impact.

A minority (40 percent) of retail respondents perceive implementation of best practices to be easy or very easy. Surprisingly, most healthcare respondents also find implementation easy-and the costs to adopt best practices cheaper and with a lower minimum rate of return. Overall, retailers lead in implementing best practices, despite their perception that it is difficult and expensive. The healthcare industry is underestimating the investment necessary to achieve the full benefits of some best practices, University of Arkansas researchers conclude.



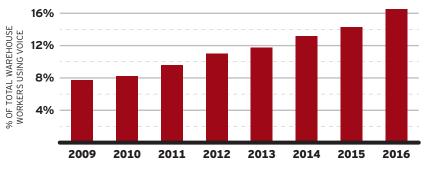
for years, but they tended to be a one-off application, restricted to particular industry verticals—companies in the grocery industry, for example, that had the foresight or a specific need," he says.

Voice solutions have become more flexible and affordable, and many WMS vendors provide necessary integration. While picking has always been a focal point, companies are now expanding its application to receiving, putaway, and quality control.

The use of voice-enabled hardware and software solutions also dovetails with the need for greater mobility in the warehouse. Companies are moving away from rigid layouts. They want flexibility, whether it's in managing multi-channel fulfillment or mediating seasonal demand and inventory fluctuations. This changing dynamic plays well with Intermec's business.

"Companies are looking at multi-purpose

Voice Technology in the Supply Chain Grows Louder



Source: Voice Information Associates report

devices," says Stubbs. "Businesses that deploy a voice-enabled mobile computer or vehicle mount can use that mobile computer in all warehouse processes: receiving inventory; performing scans and image captures for quality control and load condition purposes; putting it on a belt and picking with it; putting it in a docking station on a forklift and using it for putaways and replenishment.

"They can also turn around and pack or load with it," he adds.

SWINGMAST[®] SIDELOADER and VNA TRUCK



Visit us at PROMAT Booth #2319



LANDOLL CORPORATION

MATERIAL HANDLING PRODUCT DIVISION 1900 North Street · Marysville, KS 66508 785-562-5381 · Fax 888-231-7863 mhpsales@landoll.com . 800-428-5655 WWW.LANDOLL.COM/MHP

The Drexel Model R60i4 has been *Redesigned* with the Following *New Features:*

- Powerful and Efficient Hydrostatic Drive System
- Tier IV Approved 4.3L, GM Vortec Engine
- Redesigned Front Pivot/Shift Assembly for Increased Reliability
- Easy Access for Maintenance of Major Components Increased Significantly

Performance:

- Handles 6,000 lb (2727 kg) Long Loads as a Sideloader
- · Handles Pallets as a VNA Forklift
- Solid Pneumatic Tires for Working Indoors or Outdoors on Paved or Unpaved Surfaces
- Excellent for Handling Lumber, Pipe, and Other Long Loads
- Climbs over 15% Grade with Full Load

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



If routing and scheduling drives your business - run it better with DirectRoute.

Automate and optimize load and route planning for your multi-stop distribution operations with Appian DirectRoute from TMW Systems. Your bottom line will benefit from serious savings. Your customers will benefit from improved service.

Need more reasons why you should choose DirectRoute and what it will do for your fleet operations?

DirectRoute can help you cut:

- 70% 90% from planning time
 - 10% 25% from your operating costs
- 10% 20% from total driving hours • 7% - 18% from underutilized vehicles

• 10% - 20% from total driving miles





Appian DirectRoute Routing & Scheduling Software from TMW Systems Learn more at Appian.tmwsystems.com 800.401.6682

THE POWER TO SIMPLIFY.

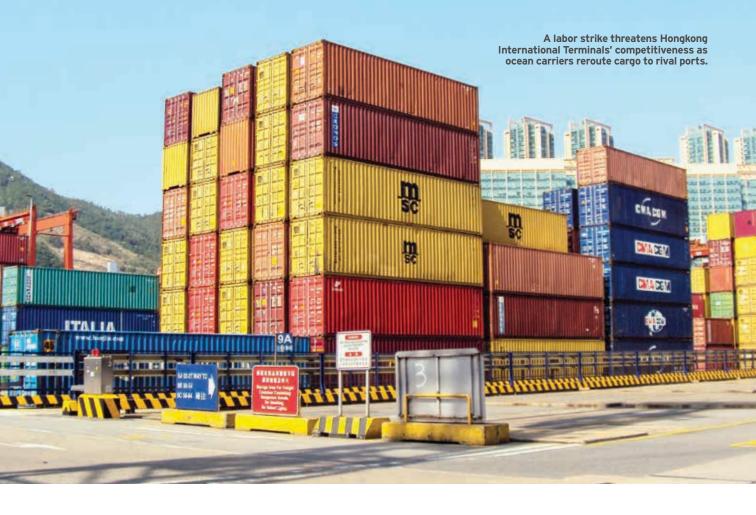


FACING LOGISTICS CHALLENGES? USE IL'S 3PL EXPERTS AND

INFOCUS



by Joseph O'Reilly



Did Hong Kong Strike Out?

While Hong Kong's season of labor discontent may augur an unsettling trend as Asia's middle class continues to grow—along with discord concerning workers' rights and compensation—the near-term implications serve as yet another reminder of the daily vagaries threatening supply chains.

A lingering, month-long dockworker strike (as of press time) over wages at the Hongkong International Terminals has contributed to a 20-fold increase in vessel berthing times at the world's third-largest container port, reports the *South China Post*. As a result, Evergreen Marine Corp. and Mitsui OSK Lines are diverting ships rather than face lengthy delays. But the impact may be far greater as ports in the region jostle for market share and Hong Kong's reputation as an efficient distribution hub hangs in the balance.

Volumes were down about five percent in 2012, while most of its competitor hub ports seem to be growing. "That would



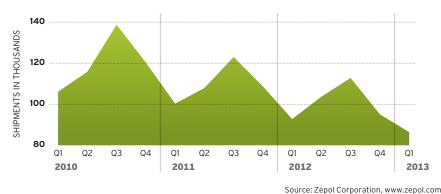
suggest Hong Kong is under some degree of pressure already," explains Timothy Ross, head of transport research, Asia Pacific, for Credit Suisse, in a recent BBC interview.

The five major Pearl River Delta ports have been growing at Hong Kong's expense over the past several years—and are all in a position to handle diverted cargo, Ross suggests. For shipping companies, it's a question of incorporating these ports into new shipping call cycles, making sure berths are available, and paying the extra duties attached to discharging cargo into China versus Hong Kong.

While Hong Kong presents a costlier transport connection to Chinese production and consumption centers, it has always been a favorable hub for U.S. companies given its legacy first as an English colony, then as a global financial center, and its fast-fading status as one of the

U.S. Imports from Hong Kong

Port strikes in Hong Kong contributed to a drop-off in U.S. imports during Q1 2013.



world's most efficient ports. That cost differential is now in jeopardy.

More telling, if the lockout extends into the beginning of peak season shipping, U.S. supply chains may feel some of that pinch – especially as steamship lines continue to micromanage an overabundance of supply.

Texas Pushes for Mexican Produce Trucks to Put on Weight

New legislation on the docket in Texas would allow Mexican produce carriers to haul heavier loads across the border in lieu of paying a fine or dropping shipments to make weight, says the *Texas Tribune*.

The measure, pitched by Texas State Representative Sergio Muñoz Jr., comes in response to a growing number of trucks forced to make costly detours to unload produce before they enter the United States. Mexico's truck weight limits are considerably higher than the U.S. standard of 80,000 pounds.

Muñoz proposed charging trucks an \$80 flat fee in exchange for crossing the border over the weight limit—a move he says will facilitate refrigerated cargo movements and serve as an economic boon for the area.

Mexico is in the process of completing the Mazatlán-Matamoros Corridor, a highway that will provide a direct route between the country's growing western regions and South Texas. The road is expected to accelerate a shift of Mexican produce trucks entering the United States to Hidalgo County, Texas, from Nogales, Ariz., for quicker access to East Coast markets.

The proposed bill would direct money collected through the \$80 fee to road maintenance related to damage from the

> heavier trucks. The Texas Department of Transportation already oversees three corridors for overweight trucks in other parts of the state; this new one would be the first to apply only to produce trucks. Arizona has a similar system for overweight trucks crossing the border near Nogales.

> While some cite safety concerns, officials note that produce arriving from Mexico is generally redistributed at U.S. DCs just over the border. The new legislation will address the "first few miles" in the United States.

New legislation would allow Mexican produce truckers to pay a fee in exchange for crossing the border overweight.



28 Inbound Logistics • May 2013

Oqistics

Gaining Ground Through Inbound

United Arab Emirates aluminum smelter Dubai Aluminium (DUBAL) set a goal to be among the world's top five aluminum producers by 2015. How does it get there? By taking control of inbound transportation.

To help support this growth trajectory, the Jebel Ali-based company—which produces one million metric tons of molten aluminum annually—implemented SAP's inbound logistics solution. The technology—a meld of the ERP vendor's *Logistics Execution* and *Traders and Schedulers Workbench* modules—is integrated electronically with key freight forwarders, thus automating inbound shipment tracking, expediting, and costing. This, in turn, enhances transparency, control, and efficiency throughout the process.

"The net result is access to real-time status for all DUBAL inbound shipments, enabling efficient and accurate tracking," explains Ahmad Almulla, vice president for information technology at Dubai Aluminium.

"This will help DUBAL maintain optimal inventory levels and result in cost savings," he says. "It will also contribute to faster turnaround times for the procurement and logistics cycle, leading to higher ROI; and will improve data reliability, and reporting and analysis quality."

An inbound logistics IT system automates all processes from purchase order to receipt of goods in the DUBAL warehouse.



NAFTA Trade Grows, Safety a Concern

NAFTA trade is heating up at just the right time. Nearly 20 vears after the North American Free Trade Agreement was first ratified in 1994, commercial truck crossings into the United States from Mexico and Canada are steadily climbing, reaching 10.7 million in 2012, a 3.6-percent increase over 2011, according to the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS). This follows a 1.7 percent rise between 2010 and 2011 (see chart).

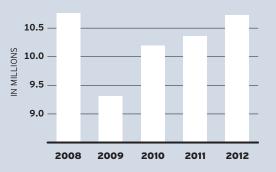
Contributing to this increase in cross-border moves is the 2011 resolution between the United States and Mexico allowing Mexican long-haul truckers unimpeded passage into the U.S. hinterland, if they meet certain guidelines.

The cross-border pilot program was re-launched in October 2011 to comply with a NAFTA provision, and to stop \$2.4 billion in annual retaliatory tariffs imposed on U.S. goods by Mexico. The program is scheduled to last three years.

The BTS report comes as The U.S. Court of Appeals for the District of Columbia Circuit rejected appeals leveled by the Owner-Operator Independent Drivers Association and the Teamsters union claiming that Mexican commercial driver licenses are invalid in the United States, and that substandard medical requirements in Mexico present a safety concern for operators crossing the border. driver's license-an effort intended to improve safety.

Commercial drivers with a history of serious medical conditions will be issued a Code W, or Class D license, in accordance with the Canada/U.S. Medical Reciprocity Agreement. U.S. commercial drivers are similarly issued a Code V license restricting them from driving

Number of Trucks Entering the U.S. From Canada and Mexico



SOURCE: U.S. Department of Transportation, Research and Innovative Technology Administration, Bureau of Transportation Statistics, based on data from the Department of Homeland Security, U.S. Customs and Border Protection, Office of Field Operations

At the Canadian border, meanwhile, the Ministry of Transportation has advised nearly 47,000 commercial truck drivers across the province that a special medical restriction banning them from driving in the United States will now appear on their north of the border. But as many as 41,000 of these drivers had their licenses downgraded simply because they failed to file their medical reports on time, Canada's ministry reports. Truckers are required to update their records every three to five years.

May 2013 • Inbound Logistics 29



BY JOHN HABER Founder/CEO, Spend Management Experts jhaber@spendmanagementexperts.com | 404-840-2010

8 Ways to Strengthen Online Retailer Supply Chains

ost online retailers are well aware that effective supply chain execution is the strategic heart of their business. Here are eight ways to keep online retail supply chains running smoothly and cost-effectively.

1. Invest in people. Make sure your supply chain managers have adequate experience and knowledge. The right skill set can't be learned on the run; it's important to invest in and nurture your supply chain team. This can provide you with a competitive advantage, and play a big role in your company's long-term success.

2. Monitor shipping costs. For online retailers, shipping can be more expensive than the product being shipped. So it's always important to move goods from Point A to Point B as quickly and costeffectively as possible. A wide array of shipping services and carriers is available. Make sure you are exploring all the available options.

3. Commit to delivery dates. If you can't live up to a delivery date, many customers will lose faith. Amazon and Walmart have introduced same-day delivery service in several test cities. Other Internet retailers will have to offer faster delivery to compete. The seven-day delivery window is just not acceptable anymore.

4. Prepare for disruptions of global operations. Map out different strategies and what-if scenarios so you are prepared when disaster strikes. The 2011 earthquake and tsunami in Japan and volcanic eruption in Iceland wreaked havoc on U.S. import supply chains for months.

In Asia, some semiconductor companies shut down for six weeks. In Europe, when the volcano halted air traffic, companies were still able to ship products to the coast via rail or truck, but once they arrived, they had to wait in line. Although ocean freight lead times are generally six weeks from Europe to the United States, ocean liners did not have enough capacity.

5. Create contingency plans for domestic operations. You also need back-up plans for when your U.S. supply chain gets disrupted. For instance, a Midwest retailer should have operations in the Southeast and West in case its primary location goes down.

If you've outsourced your shipping to a third-party logistics (3PL) provider, you should have a contingency plan written into your contract. If your distribution center is already underwater, it's too late to negotiate the best rates.

VIEWPOINT

6. Evaluate all available resources. Outsourced supply chain services are every bit as important as outsourced investment, tax, and bookkeeping services. Decide if it is more effective to develop internal shipping capabilities or to hire a 3PL. For many companies, shipping is not core to their business, and outsourcing to a 3PL makes the most sense.

7. Identify your weaknesses. An online retailer may be expert at moving goods, but not at managing contracts with transportation providers. Negotiating contracts to get the best terms can be tough.

Hiring expert contract negotiators or spend management providers brings in a whole new skill set. Most take a riskfree financial approach, in which they do an analysis and create a report card. There's no cost to the retailer until the savings are delivered.

8. Monitor your contracts. The logistics marketplace is dynamic, so review service provider contracts regularly. Outsourcing logistics spend management guarantees you have an advocate during this process.



Searching for a TMS to drive down your transportation spend?







Manhattan delivers a TMS that optimizes inbound and outbound shipments.

Find out how. Call us at 1-877-596-9208 or visit www.manh.com/solutions/transportation-lifecycle-management







BY MICHAEL BREEN Senior Director of International Department, JAXUSA Partnership mbreen@jaxusa.org | 904-366-6682

Northeast Florida: America's Logistics Center Drives Global Business

hanks to its strong transportation infrastructure system, the Northeast Florida region is on a solid trajectory for increased international trade, as well as logistics and supply chain management investments and employment.

Dubbed "America's Logistics Center," Northeast Florida is one of the only centrally located East Coast regions offering all four pillars of logistics: rail, air, maritime, and highway. Three major railroads—CSX, Norfolk Southern, and Florida East Coast Railway—use Jacksonville as a railroad hub/interchange, and three major interstates—I-95, I-10, and I-75—connect the area with every part of the country.

As the gateway to Florida and the Southeastern United States, Northeast Florida's seven-county region is attractive to logistics and supply chain companies. One major factor is that the entire Southeastern market—with more than 50 million consumers—is accessible within an eight-hour drive.

The area's efficient utilities and state-of-the-art telecommunications infrastructure with competitive operating costs appeal to businesses, as do its skilled workforce and available land.

One of the biggest drivers of the area's increased manufacturing, logistics, and distribution growth is Jacksonville's port, JAXPORT. An on-dock rail facility was recently completed at the Dames Point terminal, enabling containers loaded directly to rail to be delivered to major distribution points quickly.

JAXPORT will pursue dredging the St. Johns River to 47 feet to allow larger containerships to pass through, and to make the port more competitive for deep-water and Asian cargo business. Deepening the river will allow the port to increase its opportunities for additional market distribution by becoming a "first inbound, last outbound" port. Preliminary analysis shows this improvement could lead to 8,113 new jobs by 2020.

Transport Spending Delivers ROI

Northeast Florida is fortunate to have government, public, and private sector leaders who realize transportation infrastructure upgrades must occur to keep the area operational and competitive in the logistics sector. Transportation spending delivers tangible economic benefits and a high return on investment in the form of jobs and economic impact for the region.

As a result, more manufacturers are choosing Northeast Florida for their operations. More than 50 major logistics companies operate in the area, and a supply chain management IT presence is growing.

Moving the Region Forward

Northeast Florida is on the right logistics path for a bright future. The business community is united with economic development and local governments to help move the region forward by cooperating on appropriate investments to infrastructure assets that will benefit the area.

The private sector also has a voice on transportation initiatives and policies through the newly formed Northeast Florida Transportation Alliance, comprised solely of private-sector leadership to focus on strategic solutions for critical regional transportation investments.

By capitalizing on the region's infrastructure, Northeast Florida is poised for more economic development growth. A unified commitment to transportation infrastructure enhancements shows Northeast Florida is able and ready to competitively operate in the logistics arena for the long term.

32 Inbound Logistics • May 2013



ECODEV



When it comes to Best-In-Class fuel efficiency, our competition was fierce.

Able to travel up to 625 miles without refueling, the amazing camel certainly gave us a run for our money. However, when all was said and done, the 2013 Mercedes-Benz Sprinter Cargo Van, powered by BlueTEC technology, delivered up to 24.9 miles per gallon*, outperforming the efficient camel by over 20 miles on a full tank. That efficiency didn't go unnoticed as the Mercedes-Benz Sprinter was awarded the 2013 Vincentric Best Fleet Value in America and the Lowest Fleet Lifecycle Cost**. Proof from the experts that the Mercedes-Benz Sprinter keeps more money in your pocket, helping you evolve your business beyond the competition.

Learn more at mbsprinterusa.com

©2013 Mercedes-Benz USA, LLC *Individual mileage will vary, based on factors including vehicle load, driving style, road conditions and fuel quality. Fuel economy based on the 2500 144" wheelbase Cargo Van at 50 percent load capacity and at highway speeds. Results are based on SAE J1979/J1939 tests as conducted by WinterPark Engineering, LLC. EPA-based fuel economy estimates are not required for vehicles with a Gross Vehicle Weight Rating (GVWR) of 8,500 pounds or greater. **Based on Vincentric 2013 Fleet Awards analysis, %4 ton cargo van segment and the Standard Roof, 144 inch wheelbase trim level.



RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



IT MATTERS

BY JOHN STERLING CEO, Foxfire Software john.sterling@foxfiresoftware.com | 864-868-5243

What Happens When Your Warehouse Is Unplugged?

n warehouses, business as usual relies on steady and stable conditions—but these are not guaranteed. Numerous situations can disrupt productivity: A hurricane or ice storm comes through and knocks the power out for several days. You outgrow your warehouse and have to shut down while you move to a larger facility. The server finally crashes, and you have a total hard-drive failure.

It's not a question of *if*, but *when* your warehouse experiences a power outage. In such a situation, what happens to your warehouse management system (WMS)? Is it accessible during an extended power outage? Will you be able to immediately resume managing your inventory when the power returns? What do you do in the interim?

The following three technology management approaches can affect your warehouse operations' connectivity during and after a power outage.

1. On-site WMS hosting. WMS is an invaluable tool to help manage warehouse inventory and increase ROI. But as with any IT investment, businesses must make careful decisions about infrastructure and data hosting. One option is purchasing a WMS and hosting it on-site in the warehouse. This solution works well for businesses that already have the required IT capacity, and prefer to keep their data within the walls of their warehouse. But a major downside to on-site hosting is that when the power goes out, the WMS goes down, unless the facility operates a backup generator. Downtime in a warehouse can mean a big hit to revenue. In this scenario, would your facility be able to pick and ship?

2. Software-as-a-Service (SaaS). One popular option – particularly among small and mid-sized companies—is a SaaS solution, which allows business owners to subscribe to a WMS for a monthly fee. This flexible solution tailors the service to each company's needs, and avoids upfront investments such as software licenses and technical infrastructure.

The SaaS model allows a WMS to be hosted through the technology provider. This third-party cloud offers the same data security and performance as a WMS hosted on-site, but because the infrastructure is hosted elsewhere, the software is unaffected by local power outages. When the power fails, employees can work wirelessly through a virtual private network, which means you can provide information to customers and keep tabs on your inventory without losing a beat.

3. Cloud storage. A third option is purchasing a WMS and hosting the IT infrastructure on a virtualized cloud system. Cloud storage saves the cost of upgrading on-site infrastructure—such as servers and telephone equipment—and the energy associated with local hosting. It provides a turnkey, fully operational and restorable infrastructure in the event of an extended power loss due to natural disaster. Even if one warehouse in your network is not operational, the WMS application is still available and all employees can access the applications as needed.

Keeping Steady

There is no one-size-fits-all approach to selecting a WMS. But business owners must be confident about their system's backup capability and operational availability during a major power failure.

Your data and the software that runs your business is your operation's lifeblood. Don't risk it with a premise-based system that is only as secure as the environment it's sitting in.



YOU NEED TRUCKS THAT ARE JUST LIKE YOUR BEST OPERATORS:

HARDWORKING, DEPENDABLE AND RELIABLE.



PROBLEM SOLVED.

In the warehouse industry, productivity is paramount. That's why our complete line of lift trucks is engineered to keep product moving quickly and efficiently, while keeping operators comfortable and productive. Every one of our trucks is designed with the needs of your operation in mind. It's no wonder that research shows a majority of Yale owners are so satisfied with their trucks, they wouldn't change brands.

Find out more at Yale.com.

2YLE5367

Yale is a Registered Trademark and 윶 is a Registered Copyright in the United States and other countries. ©Yale Materials Handling Corporation 2012. All Rights Reserved



Shoring up Sourcing Strategies

Q: What factors are driving reshoring/nearsourcing consideration?

A: A balance in labor rates between China and North America is warranting a second look at sourcing and manufacturing closer to demand. Mexico may be a first choice because of its labor cost differential, but the United States, with the promise of cheaper energy, presents another opportunity. There is also a matter of disaster preparedness and recovery. Following the Japan earthquake and tsunami, companies quickly recognized that single-sourcing production and supply was fraught with risk. These factors are driving manufacturers to consider bringing back some production to North America.

On a micro level, speed to market and the ability to react to the dynamic nature of customer demand

Vice President & General Manager Ryder Supply Chain Solutions

are other important considerations for near-sourcing. Retailers used to want product with little differentiation. Now, retailers need to offer product with different configurations in order to compete against each other. This adds even more complexity and cost to longer supply chains.

Q: How does supply chain strategy factor into this shift?

A: As one example, in the past 18 months we've seen growing demand from customers to implement postponement strategies that bring more value-added activities closer to demand. Companies are still manufacturing the end component offshore, but they are moving specific retailer configuration to the United States.

There are a few reasons for this approach. Companies can reduce the total supply chain cost by shipping bulk quantities to the United States versus pre-packaging product with a lot of air, corrugate, or plastic wrap. Then that inventory can be built to a specific retailer's requirement on demand. This reduces obsolescence if there is a change in consumer demand or order quantity. Companies can also react more quickly to demand changes if they have a U.S. footprint rather than single-sourcing from the Far East. No less important, elimination of CO₂ emissions is inherent in cost reduction.

Q: Within this near-sourcing context, how are U.S. companies flexing their sourcing and selling strategies?

A: Some of our customers shifted manufacturing to Asia years ago, but never left the United States entirely. They kept a domestic footprint in case they ever needed to flip the switch. So they are able to capitalize on that presence, hire more people, turn up the volume, and manufacture in the United States. More companies will follow this example.

But the trend will be toward regional manufacturing. Consider the automotive industry. There was a time when cars were made in Asia and shipped to the United States. Now those automotive manufacturers have based production closer to demand to reduce transportation costs and react faster to changing market conditions.

We've also seen the reverse situation: a customer that has sourced components globally and manufactured domestically (because of intellectual property concerns) to serve Asian consumer demand, now taking a more regional production approach closer to the markets it serves.

> Ryder Supply Chain Solutions | 888-887-9337 ssensing@ryder.com | www.ryderscs.com



Why Mid-market Shippers Should Leverage TMS

Q: Mid-sized firms are often stretched for resources. How can they better manage transportation?

A: Many mid-market shippers manage transportation "by avoidance." They know they could be doing it better, but don't have the time or resources to focus on it. There's always a fire somewhere, and if product is getting out the door and to customers without too many complaints, they will go fight the fire and let transportation take care of itself.

But like anything else in business, transportation does not really take care of itself. Surprises can eat into margins. Shippers experience delays in manufacturing or shipping because they don't know where their inbound materials are. They get hit with customer chargebacks because, for example, someone at the warehouse quit and nobody else knew they were supposed to use a specific carrier in a certain lane. Transportation issues now demand more time and attention.

Mid-market shippers should consider Software-asa-Service (SaaS) transportation management systems (TMS) that can improve visibility, provide reporting, and enable EDI carrier integrations while automating the transportation cycle. Ideally, shippers can align with providers who not only bring technology that can be quickly deployed, but also have internal resources to leverage the resulting data, and provide procurement best practices and, potentially, even outsourced operations.

Q: What does it take to implement a TMS?

A: TMS is a proven solution, but getting a system up and running, even on SaaS platforms, can be daunting. It takes time to gather requirements, select a provider, configure and integrate the system, train staff, and drive the behavioral change required to adopt the technology.

Finding the necessary IT resources is frequently the pinch point in the TMS acquisition process, and it often goes beyond the mid-market. Shippers should work with TMS solutions and service providers who can demonstrate proven tools and processes to reliably integrate a TMS, including providing ongoing user support and analytical services that help interpret the data that

RICHARD G.

PIONTFK

President 3PLogic LLC can now be captured for continuous improvement. You don't usually get analytics or the expertise to interpret transportation network data from software providers; this is where software and managed services models converge to extract more value from the system and deliver more value faster to the shipper.

Q: What is the best way to get the benefits of a TMS?

A: There are at least two good ways, and which direction you go depends on many factors, including your corporate strategy, culture, and investment priorities.

A true provider partnership approach can be very effective, particularly at the upper end of the spend range. In a co-managed model, the transportation management firm acts as an extension of the shipper, providing a suite of services that enables access to technology, while providing savings and enhancing control.

The second, more traditional model can also be effective if it fits the shipper's strategy. Fully managed logistics services are a proven way to obtain the benefits of a TMS. In this case, an experienced transportation management provider delivers access to leading-edge systems and operational best practices to manage your transportation.

> 3PLogic LLC, a division of Transportation Solutions Enterprises LLC | 312-698-8334 rich@3plogic.com | www.3plogic.com

> > May 2013 • Inbound Logistics 37



38 Inbound Logistics • May 2013



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

E-FULFILIVER THE GOODS

By adding speed and visibility to their logistics operations, retailers delight online customers, and keep them coming back for more. By Merrill Douglas

f you have any doubts about the strength of e-commerce, a look at some figures will set you straight. Worldwide business-to-consumer (B2C) e-commerce sales passed \$1 trillion in 2012, and they're set to grow by another 18.3 percent in 2013, according to research firm eMarketer. If you leave out food, gas, and auto sales, e-commerce retail spending in the United States accounted for 10 percent of all retail in this country in 2012, say researchers at comScore Inc.

Many retailers are still figuring out how to fit online sales into their business models. "One out of 10 retailers are confidently implementing an e-commerce or omni-channel strategy; six out of 10 are still studying it," says Kristian Bjorson, international director at Jones Lang LaSalle, a Chicago-based commercial real estate services firm.

May 2013 • Inbound Logistics 39

The other three have outsourced their e-commerce to an industry giant such as GSI Commerce or Amazon, or haven't yet tackled the issue at all, he says.

As e-commerce explodes, the pressure is on for companies to delight online customers, and tempt new ones to fill electronic shopping carts. Much of a merchant's success will depend on whether it develops a fulfillment operation that delivers exactly what customers want.

Make it Flawless

And what do customers want? "Flawless execution," says Robert Toner, senior vice president and chief operating officer at Innotrac, an Atlanta-based third-party fulfillment services provider.

"It's important to customers that they get what they ordered, when they ordered it, and how they ordered it," he notes.

"How they ordered it" often means "fast." Amazon has been raising the bar on speed with recent talk about offering same-day delivery. Shoppers are programmed for that sort of instant gratification.

"I'm used to walking into a store and walking out with a product, so why can't I order it on the Internet and immediately have it?" asks Chris Arnold, vice president of operations at Intelligrated, a vendor of automated materials handling solutions based in Mason, Ohio.

Not every customer insists on same-day, or even next-day, delivery. Some simply want to receive an order when the merchant promises it, even if that's two or three days away, Toner says.

Delivery commitments grow especially crucial when consumers place orders for the year-end holidays. "Now that next-day and second-day air services are less expensive than they used to be, people are waiting longer to shop," says David Hauptman, vice president of marketing and product management at third-party logistics services provider OHL, Brentwood, Tenn.

As the holiday shopping peak moves closer to Christmas, merchants face greater pressure to deliver as promised.

However long the shipment takes, customers should find its arrival enjoyable and convenient. "It's important that customers be able to open the package easily," says Larry Kuhn, co-president of overstock.com: Speed, Information, and Happy Returns

ne of the most important things a merchant must do to delight customers is deliver orders quickly. "It's all about speed to customer," says David Nielsen, co-president of e-commerce merchant Overstock.com.

While maintaining stringent delivery standards is tough for any fulfillment operation, Overstock.com's business model gives the challenge an extra twist: Its network of supplier-partners drop-ships approximately 85 percent of orders.

Based in Salt Lake City, Overstock.com sells a wide variety of discounted items, including furniture, rugs, bedding, apparel, electronics, jewelry, cars, and fair-trade crafts. Its two fulfillment facilities – one in Salt Lake City, and a new one in Hebron, Ky, that opened in March 2013 – handle all returns and ship about 15 percent of its merchandise. Some of that 15 percent consists of "opportunity buys" – products that Overstock.com snaps up in bulk at a great price. The rest consists of



By opening a second fulfillment facility, Overstock.com can speed orders to customers, and cut the return cycle by about three days.

replenishment goods and returned products that are restockable.

Until recently,

Overstock.com required supplier-partners to ship product within 48 hours after a customer placed an order. As of May 2013, the company plans to announce faster ship-out requirements that will make order fulfillment even faster.

Beyond speed, another crucial aspect of an excellent customer experience is information. Because customers need to know where their packages are at all times, Overstock.com, its vendors, and its carriers monitor

shipment status at every step. "Order-tracking information is communicated to the customer, and we track it internally," Nielsen says.

Careful monitoring comes in handy particularly when forces of nature threaten deliveries. "Because we're a large customer of the major carriers, we know when routes are delayed due to bad weather," Nielsen says. "In some cases, we filled additional trailers and rerouted them in different directions to bypass a storm and still deliver on time."

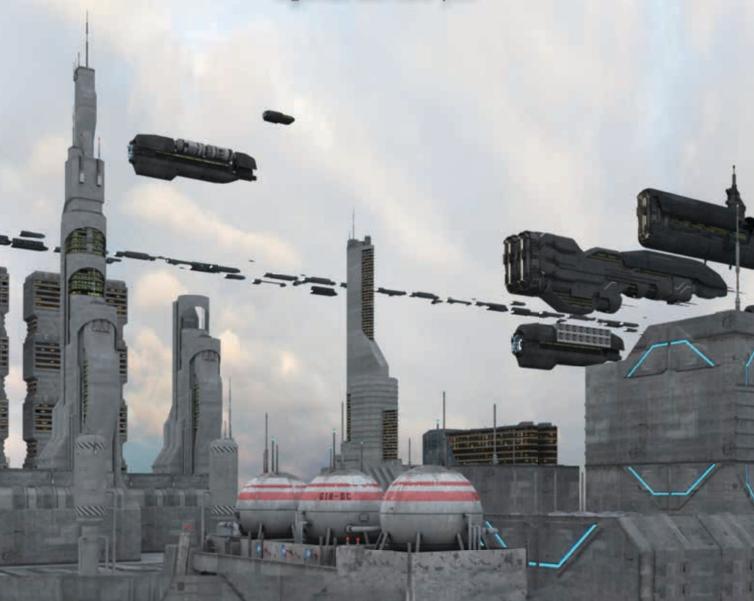
A customer who needs to return a product starts the transaction through the Overstock.com Web site, or by talking to a customer care agent. The package then moves to one of the Overstock.com fulfillment centers.

"Opening the second distribution and returns facility in Hebron shaved about three days off our return cycle for 60 to 65 percent of returns," says Nielsen. Customers east of the Mississippi now send returns to Hebron, rather than to Salt Lake City, so they get faster service.

"When customers can get their money back three days sooner than they would have otherwise," he says, "that's good news."



We'll never stop imagining how far logistics can take you.



ProTrans is celebrating its 20th year as one of the leading providers of smart, costeffective supply chain solutions. Already recognized as one of the Fastest Growing Private Companies in the Inc. 5000, ProTrans has also been named one of Inbound Logistics Top 100 3PL Providers. From significant investments in industry leading data management tools and software to valuable technology partnerships, ProTrans has shown a generation-long commitment to helping create a successful

future for our clients. Call ProTrans today at 888.776.8726 or go to www.protrans.com. And just imagine where we'll take you next.



We'll take you there.

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

© ProTrans International, Inc. 2013

Invata Intralogistics, Conshohocken, Pa., which provides consulting, design, and integration services—plus software—for distribution and fulfillment centers.

The package shouldn't be stuffed with environmentally harmful materials. "It's also important that the container be easily reusable, and that the return process flows seamlessly," Kuhn adds.

To some extent, online shoppers want to replicate the in-store experience. "When online customers open a package, they get the wrapping, the colors, and the feel as if the merchant had boxed it up in the store," says Phillip Corwin, vice president of retail, apparel, and e-commerce logistics at OHL.

To reproduce the sense that an obliging cashier is handing you a package, many online merchants offer value-added services. Gift wrapping, for example, is one of the more popular services that customers demand.

Some retailers ask OHL to handwrite personal messages on greeting cards that customers send with gifts. One candle manufacturer asked the fulfillment center to apply sealing wax to its packages. "I've even seen a requirement to tune a guitar before it ships out," says Corwin.

Customers like to earn rewards, and just as stores offer discounts and freebies to shoppers who join loyalty programs or use private-label credit cards, some merchants offer VIP treatment to top online shoppers.

"Maybe they tuck a little gift in for these highly frequent, very valuable customers, and the wrapping paper is just a little nicer," says Corwin. A top customer might also get free-shipping upgrades, or find a special catalog in the shipping carton.

Returning the Favor

Despite all these touches, a sale sometimes doesn't work out. To make returns agreeable, merchants must offer convenience, visibility, and speed.

Providing correct instructions and a return label, and letting online shoppers return products to brick-and-mortar stores if they choose, help with convenience. Visibility means letting customers know that the returned product has arrived at the fulfillment center and the merchant is processing the credit transaction. Speed also means issuing that credit as soon as possible. "Customers don't want a credit to take two or three weeks," Hauptman says.

Finally, customers today demand flexibility. As retailers blur the lines between sales channels, customers are coming to regard multiple options as the norm.

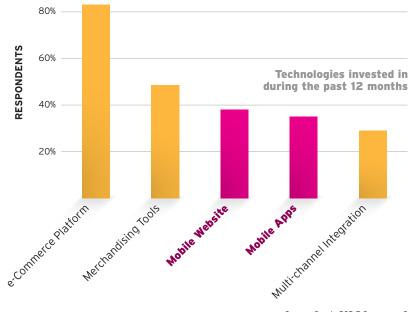
"We're seeing a truly magnificent change in the retail industry, led by the consumer's expectation that you can buy an item strategies for delivering superior service involve staffing.

A typical e-commerce facility needs three times as many employees as a traditional regional distribution center. "You can only automate so much," says Bjorson. "Then you need the density of people to package individual orders versus shipping cases or pallets to a store."

To accommodate more employees, companies establishing dedicated e-commerce

Mobile Investment on the Move

B2B e-commerce organizations don't seem to have thrown significant budget at technology to support mobile yet, according to an Oracle survey of IT professionals. The survey predicts heavier investment in mobile technologies in the coming months.



Source: Oracle B2B E-Commerce Survey

online or in a store, you can return it anywhere, and you can pay for it either with a credit card in the store, though a mobile app, or online," says Corwin.

All the large retailers that use Innotrac's fulfillment centers want to offer omnichannel services. "Whether we are the primary location they choose from, whether their retail stores are a location they fulfill from, whether customers return products to the retail stores or return them to us—retailers want the best service they can provide to the customer," says Toner.

Some of the simplest e-commerce

centers look for properties with plenty of parking. E-commerce facilities also need more electrical, heating, and cooling infrastructure than traditional DCs to power automated systems and keep large workforces comfortable and safe.

Because it's so important to ship orders correctly, e-commerce center employees must be especially careful in their work. "No matter how robust the system you build, and no matter how generic and easy to follow the system is, you still need people to pay attention to the details," says Toner.



Look at your world through fresh eyes. Think Young.

You'll see not just logistics as usual, but a flexible response to the unusual. Not just getting it there, but making sure nothing gets in the way. Not just the routine black and white, but all those gray areas in between.

This is the world according to DF Young. Look to us for a century's worth of sophistication, experience and excellence in international logistics. By sea, by land and by air. Think Young.

Celebrating 100 years dfyoung.com



global reach solution oriented fortune 500 clients forward vision 360-degree flexibility technology driven worlds of experience

Innotrac also seeks employees who tend to stick with a job for a long time. "Turnover is one of the most expensive elements of fulfillment," Toner notes.

A company opening an e-commerce fulfillment center must also choose the right location. Like a regular DC, a fulfillment center needs to be close to as many customers as possible. Because direct-tocustomer fulfillment generally relies on package carriers, it's best to locate in an area that offers good service from UPS, FedEx, and the U.S. Postal Service – or all three.

And if retailers want to offer extra-fast and flexible delivery, they might locate that fulfillment center near a carrier's primary hub.

"We have a location in Memphis, home of the FedEx 'SuperHub,' so we're able to offer late cutoff times for particular customers," says Hauptman. Shoppers can place orders later in the evening, and still expect their packages to get moving the same day.

Height of Fashion

Along with location, warehouse design can make a crucial difference for an e-commerce fulfillment center. "Companies continue to push for a higher than traditional clear height," says Bjorson. "Today it's 32-foot clear, but there's a push across the country for a 36-foot clear."

Extra height lets a company implement a three-level mezzanine picking system, getting three times as much storage and

activity into its footprint as it could on one level. "Extra height utilizes the cubic space in much different ways in markets such as New Jersey or Los Angeles, where real estate is more expensive," Bjorson says.

By keeping square footage to a minimum, the vertical strategy lets a company save on real estate costs while locating in a region with access to a large population.

E-commerce merchants can also use active pick locations to speed the flow of orders to customers. Rather than sending workers all over the warehouse to retrieve orders, a company can store a few units of each product in one spot, replenishing as needed. Order pickers take items from this active location, increasing the number of orders they can fill while keeping travel time to a minimum.

Workers might pick complete orders, or different individuals might pick different portions of the same order and put them on a sorter for consolidation. Which process a company chooses depends, in part, on the number of stockkeeping units (SKUs) in the facility.



To ensure e-fulfillment success, warehouses must be equipped with the right materials handling systems.

"A company picking from 60,000 different SKUs probably wants a consolidation process," Toner says. That allows individuals to specialize in picking specific products from specific parts of the pick module.

"Workers get familiar with the SKUs and the area they work in, and they become more efficient in the process," he adds.

A sorter is just one of many automated systems a company might install in a fulfillment center. The approach a company takes—whether low-tech and labor intensive, highly automated, or somewhere in between – depends in part on how much product flows through the facility.

A company that ships 1,000 orders a day probably can't justify a heavy investment in machinery. "But a company shipping 100,000 orders per day needs a very high level of automation," says Kuhn.

A system that integrates the functions of a warehouse management system (WMS) with a warehouse control system (WCS) can also add efficiencies that improve customer service. For one thing, an integrated WMS/WCS helps a company

> optimize labor assignments as needed, keeping orders flowing as smoothly as possible. The system can also forecast the need for labor and materials as order patterns change.

> "If a specific item is becoming a bestseller, the retailer can move that item to an area where it can optimize labor, perhaps eliminating many touches in the process to enhance the shipping experience," says Arnold.

> Other tips for giving online customers a terrific experience include:

> Segregate single-piece orders. Picking several items to send to one customer requires more labor or automation than filling an order for a single product. "As orders come in, they have to be organized so they will be in optimal groupings for fulfillment," says Kuhn.

An order management system might direct all one-piece orders to one group of employees, allowing another group to specialize in multi-piece orders,

and a third in orders that require special handling—maybe because they're fragile or temperature-sensitive. This keeps orders flowing efficiently.

Segregate the bulkiest items. One merchant's offerings might encompass everything from fishing lures to kayaks, or napkin rings to bedroom suites. During the peak shopping season, some companies that run their own fulfillment centers move the largest, hardest-to-ship products elsewhere.

"Core operations for peak season can



scale phenomenally higher with smaller items, and maintain service levels," says Corwin. "Retailers leverage partners such as third-party logistics companies to concentrate those non-conveyables into one or two facilities, as opposed to all their regional distribution centers."

Use pop-up space. Many e-commerce fulfillment centers have plenty of capacity for most of the year. Then holiday season rolls around, and order volume explodes.

To relieve that pressure, a merchant might move some of its inventory into a 3PL's warehouse for just a few months, then pull it back after the holidays.

Pay attention to cartons. Because

carriers charge by volume as well as weight, it's smart to ship an order in the smallest carton possible. Cartonization software analyzes each order as it's received to assign it to a particular size and type of carton.

"At the end of the picking process, the software directs the material—either in an automated way, or in an instruction to the picker—to particular pack stations set up to handle that shipment size," says Kuhn. If one item in the order could damage another, the software might also determine that the shipment needs two cartons.

"Cartonization impacts the end user's experience, and can have a significant effect on shipping costs," Kuhn says. Make cartons to order. Instead of stocking a large range of cartons to accommodate shipments in every conceivable size and shape, some e-commerce merchants implement automated systems that make custom cartons on the fly from rolled corrugate. "Making cartons to order helps minimize the wasted cube and amount of dunnage in the carton," says Arnold.

When employed in the right way, labor, facility and network design, automation, software, and other aspects of supply chain strategy combine to make e-commerce fulfillment efficient, correct, and fast. That's delightful for the customer, and for the online retailer as well.

оп the FastTrak

ike consumers, businesses that place orders online value speed. And speed is a major imperative for ShopJimmy.com, a Burnsville, Minn.-based online vendor of used televisions, TV components, and digital light processing lamps.

ShopJimmy's main business is selling components – primarily circuit boards – to companies that fix TVs covered by extended warranties, as well as to other repair shops and some individuals. For a business, getting a part quickly might make the difference between winning a repair job or seeing it go to a competitor, says Nic Ludens, ShopJimmy's finance and data analyst.

ShopJimmy buys non-sellable TVs from retailers. If employees in its 270,000-square-foot fulfillment center find that a unit works, they list it for sale online. If it's broken, they tear it down, recycle the plastic and metal, and put usable boards into inventory. The company also buys some new boards from manufacturers.

To help get product to customers faster, ShopJimmy recently began implementing the *FastTrak* software suite from Invata Intralogistics, Conshohocken, Pa. *FastTrak* integrates the features of a warehouse management system, warehouse control system, transportation management system, and order management system into one package.

When the implementation is complete, *FastTrak* will help ShopJimmy use a new racking system to organize inventory based on popularity, size, and the number of units on hand. Fast-selling components will stay close to the stations where employees pack outgoing orders.

Along with organization, getting orders out the door quickly requires good visibility. "We need to know exactly where product is and what stage it's in-still being



A new inventory racking system enables ShopJimmy to track and provide visibility to components so employees can get orders for refurbished TVs out the door faster.

torn down, on the shelf, or inspected," Ludens says.

Invata's software will track components by SKU and serial number. "We will know which vendor we bought each part from," he says. "And if a part is defective, we can notify that vendor that parts are breaking during transit."

Once the system starts tracking inventory, ShopJimmy's Web site also will provide better information on items that are in stock. Today, a customer who wants a component that's not on the shelf completes an online form asking to be notified when that part comes in. In the future, components will appear as available inventory as soon as a TV arrives, even before it goes through teardown. If a customer wants to buy a component that's still inside a TV, ShopJimmy will process that order and report on its status.

"We'll tell customers exactly when their orders are ready to be filled," Ludens says.

May 2013 • Inbound Logistics 45

Changing consumer expectations and demand for greater efficiency, economy, and productivity present new twists and turns in warehouse automation.

<text>

46 Inbound Logistics • May 2013



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

arehouses today are abuzz with the sounds of automation and innovation. E-commerce is driving much of this change; so, too, are retail demand for more frequent store replenishment, and consumer expectations for faster fulfillment. As companies variabilize their brick-and-mortar footprints and optimize their on-hand inventory, the distribution center becomes an extension of the store

shelf—and must respond in kind. As inventory navigates new demand twists and supply turns at breakneck speed, DCs are evolving. Companies have countless options, from implementing warehouse, labor, and order management systems to investing in mobile hardware, voice-based applications, and materials handling equipment. But as businesses explore the bells and whistles, they also have to consider the nuts and bolts.

"Cross-belt sortation has advanced over the past several years, providing the higher throughputs, accuracy, and smaller footprints required in today's modern DC," says John Sarinick, chief sales officer for BEUMER Corporation, a German conveyor and sortation company with U.S. headquarters in Franklin Lakes, N.J. "But tilt tray sortation remains a viable, cost-effective solution for many parcel handling and receiving and shipping operations."

The type of operation influences materials handling equipment decisions. "Due to relatively small order size—typically three items per order—e-commerce and retail replenishment orders often lend themselves to using bags, as opposed to cartons, as the packaging material," Sarinick says. "Handling bags instead of cartons often requires a different conveying and sorting solution."

Even if companies aren't selling product in a virtual marketplace, e-commerce expectations are transcendent because consumers are more attuned to cost, service, and speed. As a result, retailers, wholesalers, and suppliers are held to these emerging standards down the line. These demands—internally and externally driven—are compelling companies to look inside their DCs, and at their materials handling infrastructure, with an eye toward the future.

A Vintage Approach

Ashland, Va.-based The Country Vintner faced this organizational challenge six years ago. The wine and spirits importer and wholesaler, which is part of the larger Vintner Group company, serves a Mid-Atlantic region stretching from Delaware to West Virginia to South Carolina. Sixty percent of its product is imported from Europe, South America, South Africa, Australia, and Japan. The rest is domestically sourced.

Country Vintner serves two primary channels: restaurants and wine shops; and its retail division, which delivers to chain stores. In the Mid-Atlantic region, it delivers direct to customers with a fleet of approximately 90 temperature-controlled trucks. A distribution partner coordinates transportation for product shipped nationwide.

In 2007, the company decided to relocate from its existing Louisa, Va., facility to a new site in Ashland. The company wanted closer access to the I-95 corridor, which is the main north-south artery for the markets the business serves. But Country Vintner also needed a greenfield site to develop a state-of-the-art distribution facility under the guidance of W&H Systems, a Carlstadt, N.J.-based systems integrator.

"Although our previous facility had a warehouse management system (WMS) and RFID, operations were manual; we used pallet jacks and hand-picking," recalls Rick Gliot, senior vice president, Country Vintner. "It was prone to error, and was not the most efficient solution." Retrofitting the Louisa facility was out of the question because of its low ceilings, minimal racking, and lack of conveyors. "Our WMS worked well, but our technology and processes were outdated," Gliot says. "If we kept going with those systems, we couldn't have grown as much and shipped as far as we do now."

Planning for Growth

Country Vintner's transition was timely, given the looming recession. But the market has changed considerably over the past five years. In the wake of the economic downturn, many companies placed their automation projects on hold as they prioritized cost-cutting measures and tabled capital investments. Now those tables are turning.

"Coming out of a recession, the general trend is to plan for future growth," explains Sarinick. "Return-on-investment calculations are more frequently based on building the DC infrastructure to support strong growth over the next five years."

W&H Systems generally works with companies to plan out three-, five-, eight-, and 10-year benchmarks to make sure a project falls in line with where the business expects to grow.

"You may start off with one worker and a pick module, then add a second or third over time," says Paul Laman, vice president of sales at W&H Systems. "If you have two loading doors, you might add another. It may require some additional investment, but you make sure the system is reasonable for today and expandable down the road. You don't want to lock yourself in."

When W&H gets involved with a full system installation, it considers the customer's existing business as well as its planned growth trajectory. While retrofits can sometimes be completed in six months, bigger projects can take three times as long.

"You have to establish how many SKUs a facility is handling—and will handle at different volumes—to determine its velocity profile and curve," Laman says. "You also have to consider how a company moves product to market. Is it shipping via pallets, or floor-loading on a truck? Is it crossdocking product or shipping directly to a big retailer? Does it need a software system that allows the facility to pick in waves rather than order by order?"



Investing in high-speed, low-maintenance, energy-efficient sortation and distribution equipment can help keep warehouse operations moving right along.

No two integration projects are alike. Countless variables outside the enterprise push and pull decisions. Different industries warrant different strategies. But even in the wine and spirits space, a sliding scale of automation complexity exists.

"A wine and spirits distributor in an expensive metro area with union labor, high volumes, and high service demand levels presents a different dynamic than a rural wine company in a franchise market with an old warehouse that's already paid off," explains Laman. "In more expensive labor markets and higher volumes, the needs are more involved and sophisticated."

More Wine, More Whirs

In the wine and spirits industry, every conveyor system has three major components: a means to efficiently pick product; machinery and capacity to process it; and the right loading capacity. W&H usually begins new projects by taking an inventory profile.

"We identify any trends to be concerned about," says Laman. "We extrapolate that inventory out over the number of years and the expected growth rate. Then we look at the best storage density patterns, whether it's some form of racking or bulk stacking on the floor. We've even put in some automated storage and retrieval systems – but they are expensive, and not common yet in the wine and spirits industry."

After identifying the appropriate storage density, W&H also considers capital-associated requirements—for example, narrow-aisle racking or turret trucks for vertical storage. High-volume items are generally placed the shortest distance from storage to the picking environment, often floor stacked. Slow-moving inventory is stored in a building's extremities, where the least amount of activity occurs.

As a wine importer and distributor, Country Vintner's primary challenge is matching consumer tastes with changing vintages.

"Slotting is very important to maintain productivity," says Gliot. "We have to put the fastest-moving sellers in primary DC real estate in order to achieve our targets. We experience a lot of changes from year to year."

In terms of conveyance options, companies can choose from 18- or 24-inch-wide conveyors with two-inch roll centers, depending on the size of products and



boxes. For high-volume operations, warehouses generally use a sliding shoe sorter. Country Vintner opted to go with a medium-range sorter.

Warehouses often employ photo eye sensors rather than traditional mechanical sensors on the accumulation conveyors to keep boxes accumulating, and alleviate line pressure. As suppliers continue to reduce the quality of corrugated packaging and inserts, it's important to keep cases from having too much back pressure because of the risk of damage.

Country Vintner currently operates two full case pick modules configured with case and pallet flow pick positions, and a bottle room that employs a two-level mezzanine system with case flow downstairs and bottle shelving upstairs. This set up helps the distributor drive greater efficiency for faster-moving SKUs.

"The conveyor system operates within each of the picking modules, bringing product to a central location on a shipping platform," explains Gliot. "It allows the product to flow through based on our shipping criteria—whether its waves or routes.

"Product then moves through a scan tunnel that matches the bar code on the case, which is either from the manufacturer or applied by us with our shipping label," he continues. "If the bar codes do not match, the system kicks it out to a jackpot lane, which indicates a pick error."

Since the wine distributor moved to its automated DC, order-picking accuracy has improved significantly—which is important from both customer service and cost perspectives.

"The accuracy rate was around 93 percent at our Louisa facility," Gliot notes. "Now it's 99.96 percent in Ashland. Quality has improved significantly. When you consider how much it costs to process a return –W&H calculated \$50 per return – that is a huge savings."

Building Flexible Automation

Flexibility is critical when it comes to automation. With so much change in the marketplace – and especially as e-commerce continues to shape new trajectories for technology and infrastructure integration within DCs – companies have to be able to adapt.

"Companies and suppliers are constantly

improving automation processes," says Sarinick. "The challenge is working together to drive higher throughputs, more accurately, in less footprint for less cost. One key is flexible automation—for example, leveraging a unit sorter to handle both e-commerce and retail replenishment in a DC, thus sharing inventory."

Country Vintner and W&H took flexibility to a macro level when they engineered the Ashland DC. Since going live in 2008, they have made few changes to the automation footprint, apart from some tweaks to conveyor systems and storage media—which speaks to the planning invested at the onset of the project.

Country Vintner put in direct truck loading by extending conveyors to the dock. Voice picking was also integrated within the new DC. The company plans to explore the potential of extending voice to cycle counting and some other non-paper functions within its facility.

"We worked with W&H to build for the future," says Gliot. "We have picking areas that are completely expandable, with both mezzanine and additional ground space. We can virtually double our picking space quickly. We can also expand a few down lines in our sortation lanes."

Shifting to Meet Demand

The wine and spirits industry serves as a microcosm for the way automation is changing the distribution space. In some cases, companies are retrofitting existing facilities to meet new demand. In others, as Country Vintner's success demonstrates, it's a complete materials handling makeover.

Given the countless directions companies can take, every automation project is unique. Some may adopt an incremental approach: invest in a WMS or automated conveyor system on their own, then retrofit the racking to push inventory vertical. Others start from scratch with a new facility and convert manual order-based picking operations to a fully automated wave picking footprint. Whether turnkey or piece-meal, there's no standard manual for how companies approach automation—with one caveat.

"Companies need a vision of the big picture so they don't back themselves into a corner," says Laman.

Decades of award-winning harmony from a group of Jersey boys.

Working as a tightly-knit group of professionals, Port Jersey Logistics has been thrilling its customers with consistent, award-winning performance for almost 60 years.

> From public warehousing and distribution to supply chain management, we understand how important loyalty and commitment are to the markets we serve. That's why so many of our customers continually sing our praises and the industry ranks us at the top of the charts, year after year.

Port Jersey Logistics...become a fan.





Facebook.com/PortJerseyLogistics LinkedIn: Port Jersey Logistics Twitter: @portjersey

WAREHOUSING • TRANSPORTATION • ORGANIC CERTIFIED AIB SUPERIOR • FDA REGISTERED

May 2013 • Inbound Logistics 49



BEYOND LOGISTICS

The world's leading companies rely on ModusLink for global supply chain management. We integrate seamlessly with clients' existing manufacturing and business systems to increase efficiency and reduce costs. Learn how we go beyond logistics to improve operations and drive growth.

Warehousing, Fulfillment, Postponement, Configuration

Returns, Repair, Recovery

E-Commerce, Customer Care, Entitlement Management

Australia • China • Czech Republic • France • Hungary • India • Ireland • Japan • Korea Malaysia • Mexico • Netherlands • Singapore • Taiwan • United States



website www.moduslink.com blog www.valueunchained.com contact info@moduslink.com



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

INBOUND FREIGHT MANAGEMENT:



(and how to get around them)

Managing inbound freight effectively can be challenging, but the obstacles don't have to deter you from the benefits. Our experts map out detours to help you reach your goal.

by Amy Roach Partridge

ALL TOO OFTEN, SHIPPERS DO NOT MAKE INBOUND FREIGHT A SUPPLY chain priority. Managing and controlling inbound effectively is a difficult process, and one that can pit various departments within an organization against each other. In addition, tweaking inbound freight flows can sometimes upset delicate transportation agreements for the shipper, receiver, or both.

May 2013 • Inbound Logistics 51

But the upside – the opportunity to take costs out of the supply chain, improve predictability and reliability, and boost service and operational excellence – makes pursuing an inbound freight management plan worthwhile. The changes can be as simple as collaborating with suppliers to gain a more accurate picture of inbound freight spend, or as complex as changing freight terms with all trading partners so you pay for – and control – all inbound shipments.

Either way, as transportation continues to be the leading cost element in supply chain management, now is as good a time as any to take another look at inbound freight. Here, five transportation veterans (see *Meet the Experts* for details) share their insights on the top five roadblocks that prevent companies from effectively managing inbound freight—and how shippers can find a detour to drive transportation management efficiencies.



Inbound freight management is not a high priority.

MIKE REGAN, TRANZACT TECHNOLOGIES: In the real-

ity of everyday corporate activity, companies devote resources to issues deemed to be most important, and inbound freight doesn't crack that list.

Companies often have other, more pressing issues to attend to. They say, "We don't have problems with inbound shipments getting to us, so why worry about it?"

There is also an ownership issue-many companies believe it

is better to allow vendors to be responsible for the freight, regardless of their performance. And, they don't grasp what is at stake. If companies truly understood the extent to which a seamless, fully effective and functioning inbound transportation system could help their supply chain, they would elevate inbound freight management to a must-address issue.

RENE YATES, INSTITUTE FOR SUPPLY MANAGEMENT: Procurement is busy focusing on driving down costs in the top 80 percent of spend. Typically, inbound logistics is not on the procurement radar, because it doesn't fall into the 80 percent that is actively managed.

Detour: Because inbound freight is generally a concern that falls to the logistics, transportation, or supply chain departments, those managers must be the ones to drive home to the rest of the organization the importance of more closely examining inbound freight. Getting C-level

52 Inbound Logistics • May 2013

MEET THE EXPERTS

Brooks Bentz

is managing director in Boston for Accenture, a global management consulting, technology services, and outsourcing company.

Dave Castro and Rene Yates

are senior executives, onsite education, at the Institute for Supply Management, a Tempe, Ariz.-based not-for-profit educational association.

Robert E. Murray is chairman of Princeton, N.J.-based consulting firm REM Associates.

Mike Regan

is chief of relationship development for freight spend management and technology solutions provider TranzAct Technologies, Elmhurst, III.

executives to understand the benefits that can be gained from an inbound freight management plan is key.

"You need to bring internal stakeholders on board, and be able to successfully sell the business plan around controlling inbound freight," says Dave Castro, Institute for Supply Management.



Managing inbound freight is hard work.

BROOKS BENTZ, ACCENTURE: Though it sounds simple, inbound freight is a complicated issue. Think about how difficult it can be just to gather all the data on inbound

freight spend. A large retailer, for instance, could have 5,000 trading partners shipping goods to its facilities.

Determining the financial impact of taking over inbound freight is also challenging. If a company uses a supplier with multiple facilities around the country, it may make sense to control the inbound freight in some areas, but not in others, because the economics are different.

In addition, consider these operational issues if a company decides to pick up goods at a supplier's facility: What are the hours of operation? How many dock doors are available? Are pickup appointments required? Does the company use a drop trailer program?

You need to make sure your equipment aligns with the supplier's facility, too. For instance, if you operate a fleet with hydraulic lift gates on the trailers, you have to make sure the pickup point does not have dock locks.

> Another consideration with private and dedicated fleets is that they often are picking up at the same locations they deliver to—with pallets, totes, returns, and dunnage—and may not have sufficient capacity on the truck for inbound freight.

> It is gritty, hard work to sort through all these factors. Then, once you figure it out, the vendor pool may change. You may use one supplier now, but if the purchasing department gets a better deal from a different vendor, you will have to go through the entire inbound freight analysis again with a new vendor. **ROBERT E. MURRAY, REM ASSOCIATES:** Drilling down on all the equipment specifics can be challenging. Say a company wants to take over inbound shipments so it can execute backhauls with its private fleet, but the nature of the product it hauls outbound prevents it from picking up inbound. It could be that the body type of the truck needed for the outbound shipment doesn't



Howdy, pardner. There's a new carrier in town.



Reddaway now offers service to Texas, Oklahoma and Louisiana. So, for quality handling, on-time performance and best-in-class customer care, trust Reddaway. We're your reliable LTL carrier with ace-high service and new outbound shipping lanes. Pony up and visit

Reddaway

reddawayregional.com/texas or call 888.420.8960 now.

match what is needed for the inbound shipment. Or maybe the vehicle needs to be completely cleaned once a load has been delivered, so the company can't just turn around and pick up a new shipment from a supplier.

CASTRO: Organizations often focus on outbound shipments because they are easier to execute. You can consolidate outbound shipments as long as you have demand in similar places. Trying to consolidate inbound shipments requires much more planning.

Also, in some instances, companies don't have an accurate picture of who is involved in bringing in their inbound freight—they might be working with multiple freight forwarders, customs brokers, and third-party logistics (3PL) providers. Because it is so complicated, companies have a tendency to just look the other way.

Detour: Managing inbound freight is hard work, but it can pay off big time. Attack it by starting with basic analytics to obtain a fact-based understanding of your transportation operations.

"The first step is to identify your vendor base and gain visibility to who is hauling your inbound freight and how much it costs today," Bentz says. "Ask your vendors to break out freight costs from product costs on their invoices so you can easily determine what you are paying."

Then you can start to perform the internal analysis necessary to decide if changing freight terms and controlling all—or some—inbound shipments makes sense.

But don't overlook the details. "Make sure to qualify the scope of the challenge," Regan explains. "Companies need to address what it takes to satisfactorily implement an inbound transportation management program: Will they be able to set up a Web-based routing guide? How will they put chargebacks into effect? How will they ensure vendor compliance? How should they source their carrier base?

"If the project is too overwhelming, but still makes financial sense, consider outsourcing to a third party that specializes in freight management," he adds.



Businesses lack visibility to inbound freight costs.

CASTRO: Companies often have no visibility to their inbound freight spend. When creat-

ing a purchase order, for example, company requisitioners merely estimate the tax and shipping—say 10 percent of the cost of goods sold—as one line item on the purchase order. To determine what inbound freight actually ends up costing, employees have to go back and review the invoices.

BENTZ: The price of inbound freight is often built into the cost of the product being shipped. The shipper pays for it, so the procurement and supply chain managers at the receiving company frequently have no idea what it really costs. In many companies moving high-value product, freight is a small percentage of cost of goods sold, which is a typical objection to managing inbound. Freight may, however, be a significant percentage of the margin, which is a question asked much less frequently. **MURRAY:** Many companies are starting to mandate that the procurement process identify transportation as a key element. They are asking vendors to identify the freight that is required to move product from point of origin to the recipient. Historically, visibility has been limited in this regard.

REGAN: Because of this lack of visibility, companies have a hard time quantifying how much they actually spend on inbound transportation.

Take a company that purchases \$500 million annually from its supply base. If you ask for its inbound freight spend, managers will likely cite the \$2 million that shows up in the general ledger. But do they really think that freight is being delivered for less than half of one percent of their total raw material purchases? That is not logical. The rest of that freight spend is unaccounted for because it is coming in on a delivered cost or pre-paid basis.

Detour: The only way to gain the visibility needed to improve inbound freight management is to make it a requirement of your supply base. "Companies must collaborate with suppliers, and communicate the importance of understanding freight costs," says Bentz. "Then, task suppliers with breaking out freight costs on every invoice."

"Also ensure that inbound freight becomes an essential part of the purchasing and negotiation process going forward," adds Murray.



Companies are operating in silos.

BENTZ: Often, inbound product is purchased and controlled by the procurement department—not the supply chain department—so inbound freight lacks collaboration.

Inbound can be a politically charged issue internally. The buyers don't want logistics playing around in their territory. They are focused on getting products to the store shelf on time, and if inbound freight is only a small percentage of the cost, they might think, 'Don't tinker with it, you will damage the service by trying to save a nickel here and there.'

The fact is, managing the process intensively improves supply chain performance from both a cost and service standpoint. **YATES:** The way procurement professionals operate and are evaluated is not necessarily in line with the goals of transportation and logistics. Procurement professionals are often measured on purchase price variance—the difference between the current price and historical/standard price—so they are focused solely on trying to reduce prices on the items or commodities they are responsible for.

Also, they may be given a cost reduction/containment goal of, say, six percent. Once they reach that goal, they have no incentive to search for further reductions.

So procurement is not at all focused on freight costs. There is often a disconnect when it comes to understanding the overall value proposition of focusing on inbound freight spend.

REGAN: If the procurement department and the logistics/transportation group are not in sync, you will not have a good inbound transportation program. Disciplines and methodologies in the



your production manager and plant assembly schedule. WE KNOW what it takes to get it there next-day.



New Penn, the next-day delivery leader with 98% on-time delivery service, has the regional know-how to ensure that your shipments are always delivered on time. From the northeastern United States to Quebec, Toronto and Puerto Rico, New Penn is proud to be a Quest for Quality Award Winner for 18 years. Be in the know. Call **800.285.5000** or check out **newpenn.com/nextday** today!



RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

transportation and logistics department are needed in the procurement department, and the procurement department is operating in ways that the logistics team needs to address. With a siloed approach, you can easily sub-optimize your inbound program. It should be all for one, and one for all.

MURRAY: It is important for transportation and supply chain departments to work collaboratively with buyers to identify transportation as part of product costs so they can determine if they are paying too much for freight, and could cut costs by dealing with it differently. This is starting to happen in some companies, but historically it has not been the case.

Detour: Breaking down silos is an important part of almost all company transformations – and inbound freight management is no exception. This is easier said than done, but promoting a corporate environment where logistics, procurement, finance, sales, and marketing all come together on these issues goes a long way toward bringing about meaningful change. "A coordinated process between the transportation and purchasing functions enables successful inbound freight management," Murray says.

Starting small is a good move. "Start cross-functional work on inbound freight management with simple things," suggests Bentz. "If procurement is bringing on a new vendor, for instance, they should include someone from the supply chain/logistics group in the meeting so inbound freight issues and requirements are discussed." This should be a standard part of the process at all times.



Trading partners don't want you to manage inbound freight.

MURRAY: Inbound freight is a two-sided coin; your inbound delivery is your trading part-

ner's outbound shipment. Whether your suppliers operate their own fleet, or use contract carriers to deliver these shipments, they have their own freight experience, and they may not want to give up control.

A shipper might say to the receiver, "If we let you manage this freight, we lose leverage. We have a national contract with Carrier X, and your shipments make up 25 percent of our outbound freight. If you take that away, it limits our ability to negotiate a good price on our remaining 75 percent."

In these cases, both the receiver and the supplier may believe they have the ability to get the lowest freight costs. It can be an even tougher negotiation if a supplier has a private fleet and backhaul commitments centered around the receiver's shipments. If the receiving company takes over that freight, it upsets the supplier's transport flows. It can become a tug of war.

BENTZ: Sometimes, it's as simple as suppliers not wanting to give control of freight to the receiving companies because the suppliers are making money off it.

REGAN: Most companies are blissfully unaware of the extent to which their suppliers use freight as a profit-generator. But it comes

back to the question of who is paying for the freight. The party paying the freight—the receiving company—should have the opportunity to determine its destiny.

Detour: Collaboration is the name of the game. Unless you are willing and able to take a hard line, and demand control of all inbound freight from vendors, it's a good idea to simply discuss when and where making changes to inbound shipments makes sense for both partners.

"Come up with a plan that works best for all the trading partners involved," Murray recommends.

The process is part art and part science. "You might sit down with suppliers and find out that you are using the same carriers," Bentz notes. "You can decide who should haul the freight based simply on the economics."

Beyond the Roadblocks

What is the reward for detouring around these five roadblocks and finding a way to improve your inbound freight program? The benefits include significant supply chain cost reductions, improved transportation efficiency, better control over incoming goods, a boost in customer service, reduction in cycle time—and even freedom from legal headaches.

MURRAY: Cost is what everyone goes after first, and improving inbound freight management yields a significant opportunity to reduce costs. Companies also see service improvement. If a manufacturer or distributor has its own fleet, and can pick up goods instead of waiting for delivery from the supplier, it can often speed transportation operations.

BENTZ: Managing inbound freight is not about being the big guy in town and controlling everything. Rather, it is a key driver of improving supply chain performance, and a way to reduce costs. Gaining visibility around inbound freight helps companies understand the available service and cost tradeoffs, which allows them to make more cost-effective decisions. If you can impact your order management process, for example, to get the optimal modal choice—i.e., using ocean instead of air for imports—you can potentially save a lot of money.

Another benefit is matching freight flows collaboratively across your supplier network. It's good for carriers because they get more loaded miles, and can haul freight in two directions instead of one. It is also better for shippers and receivers because they achieve a more efficient operation, which translates into lower costs and better service. And, by improving overall supply chain performance, companies can avoid having to carry larger amounts of safety stock in distribution centers or on store shelves.

REGAN: Another key benefit of effective inbound freight management is better control over the flow of material into your facility. Companies yearn for a Lean operation, and a great Lean program cannot happen without that inbound control.

Managing inbound freight also helps you avoid potential legal battles. When you allow companies to select your inbound carriers, you are saying that you trust that company's ability to protect your interests. If an accident or a problem occurs, you are often at their mercy. Proactively managing inbound freight frees you of that worry.



EVOLVED TRANSPORTATION MANAGEMENT

THE REVOLUTION OF TRANSPORTATION MANAGEMENT CONTINUES... EXPERIENCE IT WITH ECHO GLOBAL LOGISTICS.

GET VISIBILITY AND SAVINGS WITH ECHO GLOBAL LOGISTICS – YOUR PARTNER IN PROCUREMENT, TECHNOLOGY AND 100 PERCENT DEDICATED CLIENT SERVICE.

0

With Echo you receive an end-to-end transportation management solution. Gain transparency into your total spend through our proprietary technology, receive a team dedicated to your business and see significant savings. Find out for yourself how Echo is pushing the limits of transportation management.

We take the "Complicated" out of Transportation Management for our clients.





RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

www.inboundlogistics.com/3pl



Your offshore shipping just got easier!



Lynden International offers affordable and reliable shipping to Alaska, Hawaii, Guam/Saipan and Puerto Rico. A full-service freight forwarder, including air, ocean and customs brokerage, Lynden connects you with these harder-to-reach locations. With years of experience to offshore markets, Lynden has a proven track record. We built our reputation for outstanding service on our flexibility and dedication to customer satisfaction.

www.lynden.com 1-888-596-3361 The Lynden Family of Companies



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

BUYER'S GUIDE 2013

Transportation management systems (TMS) offer tremendous benefits for shipment management, trading partner collaboration, and freight payment. But with so many products on the market, finding the right solution can be daunting. Shippers choosing a TMS must consider numerous options, from cloud-based applications to traditional on-site installations, targeted to freight moving over the road or by rail, in containers or as parcel shipments.

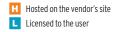
To help you select the best option for your transportation management needs, *Inbound Logistics*' TMS Buyer's Guide offers a best-ofbreed shortlist of some leading TMS providers and solutions.

May 2013 • Inbound Logistics 59



| | VENDOR | PRODUCT | DESCRIPTION |
|---|--|---|---|
| H | 3Gtms Shelton, CT 3gtms.com | 3G Transportation Management System | Provides contract and pricing management; rate quotes from multiple carriers across modes; optimization; and automated shipment execution.t |
| H | Accellos Colorado Springs, CO accellos.com | Accellos One Transport, Prophesy Transportation Software | Builds loads, plans routes, monitors in-transit progress, and executes initial and settlement paperwork. |
| | Acuitive Solutions Charlotte, NC acuitivesolutions.com | Acuitive TMS | Facilitates end-to-end collaboration during procurement negotiations and after the process with auditing capabilities. Manages, analyzes, and interprets key metrics including rates and rate history, routing patterns, audited invoices, contract terms, Sarbanes-Oxley compliance, and shipment details. |
| H | Agile Network Chesterfield, MO agile-network.com | Agile Elite Suite | Evaluates multiple carrier options for accurate delivery time, date commitments, and delivery charge information; automates medium- to high-volume multi-carrier shipment processing from multiple locations. |
| H | Agistix, Inc. Redwood City, CA agistix.com | Agistix | Provides real-time rating, bidding, routing, custom document creation, booking, and tracking for all modes of transportation, all carriers, international/domestic, and inbound/outbound/third-party shipments. |
| | Aljex Software Middlesex, NJ aljex.com | Aljex Vision | Automates shipment execution with least-cost routing, EDI, document imaging, integrated emailing and faxing, and burst communication. Suitable for use by manufacturers, retailers, 3PLs, and intermodal and asset-based carriers. |
| Ľ | Amber Road East Rutherford, NJ amberroad.com | Global Logistics Management | Automates key transportation processes such as carrier selection and booking, contract and rate management, data quality management, freight audit, order and shipment visibility, and performance management reporting. |
| H | BestTransport Columbus, OH besttransport.com | BestShippers TMS | Enables shippers to optimize loads, execute advanced tendering rules (both inbound and outbound), track shipments, and pay freight bills. Provides immediate and accurate visibility into every transaction. |
| | CargoSmart Limited San Jose, CA cargosmart.com | CargoSmart Contract and Performance Management | Automates ocean contract management, including rate search, rate comparisons, and routing guides. Integrated with transit times and booking. Performance management aids contract negotiation. |
| H | Cerasis Eagan, MN cerasis.com | Cerasis Rater | Offers multi-modal rating, quoting, tracking, and online access to consolidated freight invoicing and reporting functionality. |
| | Cheetah Software Systems Westlake Village, CA cheetah.com | Cheetah Freight, Cheetah Delivery | Provides optimized routing, dynamic dispatch, and real-time tracking information to LTL companies. Modular, integrated system. GPS-enabled supply chain visibility. Instant proof of delivery. |
| | Cirrus Palm Harbor, FL cirrustms.com | Cirrus TMS | Streamlines freight operations for Fortune 500 companies and businesses of all sizes. Delivers real-time rating and shipping information, accounting software integration, paperwork generation (such as bills of lading), and performance analytics. |





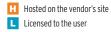
| | VENDOR | PRODUCT | DESCRIPTION |
|---|--|--|--|
| H | Cloud Logistics West Palm Beach, FL gocloudlogistics.com | Cloud Logistics TMS | Tracks shipments with global visibility and event management across flexible workflows between shippers, receivers, and logistics service providers. Manages carrier contracts, books loads, schedules dock appointments, and auto-pays freight. |
| H | Codeworks Columbus, OH ctcodeworks.com | Traffic | Allows shippers to identify loads and consolidate freight to minimize costs, review shipment savings before consolidation, find carriers with the lowest shipping costs or best margin, and use stored route histories to choose the most fuel-efficient routes. |
| H | CT Logistics Cleveland, OH ctlogistics.com | FreitRater SQL | Provides rate quotes from multiple carriers in all modes; automated shipment execution; real-time status information; reporting, searching, and data mining. |
| H | CTSI-Global Memphis, TN ctsi-global.com | CTSI-Global Transportation Management System | Manages transportation networks to control orders, optimize loads, select carriers for all modes, tender shipments, track progress, manage claims, pay invoices, and report results. |
| ٦ | Datex Clearwater, FL datexcorp.com | Express TMS | Shippers can manage drivers and assign them to routes; view real-time shipment tracking information; export routes to handheld devices; and import route status and customer signatures from handheld devices. |
| H | Descartes Waterloo, ON descartes.com | Descartes Transportation Management | Helps logistics managers, shippers, and third parties simultaneously evaluate transportation alternatives to find the most efficient shipping method. Manages contract carriers from shipment planning through execution and settlement. |
| H | Elemica Exton, PA elemica.com | Elemica Logistics Management | Supports complete process of order-to-shipment planning, booking, execution and settlement, visibility, monitoring, alerts, exception management, connectivity, and collaboration. |
| | eShip Global Irving, TX eshipglobal.com | eShipGlobal TMS | Handles every aspect of the transportation lifecycle, including strategic sourcing, rate quotes, transportation execution, freight audit, and payment settlement. |
| H | Folio Logistics Greenville, SC foliologistics.com | Transportation Management System | Optimizes inbound and outbound loads across business units, locations, and customers; optimizes carbon footprint, real-time information and reporting; and models impact of changes to transportation plans. |
| H | Fortigo Austin, TX fortigo.com | On-Demand TMS | Automates, optimizes, and audits logistics processes across the supply chain. Supplies one system of record for logistics across multiple sites, and interfaces with enterprise resource planning and other supply chain management solutions. |
| | Freight Management Glendale Heights, IL gofmi.com | Jaguar TMS | Acts as a virtual shipping portal for quoting, booking, and tracking all modes of freight. Easily integrates with ERP, WMS, and other operating systems. Accommodates freight forwarders, shippers, and inbound programs of all sizes. |
| | GT Nexus Oakland, CA gtnexus.com | GT Nexus Transportation Management | Capabilities include real-time shipment/item-level visibility; ocean, air, and truck spend management; freight audit; shipment planning; consolidation management; and shipment execution. |

May 2013 • Inbound Logistics 61



| | VENDOR | PRODUCT | DESCRIPTION |
|---|--|---|--|
| | HighJump Software Minneapolis, MN highjump.com | Transportation Management | Provides international multimodal shipment optimization, carrier and rate management, vendor compliance, vendor tracking, proof-of-delivery, and claims and reporting. |
| H | IBM Armonk, NY ibm.com | IBM Sterling TMS | Enables shippers and suppliers to collaborate; provides load planning, tendering, shipment execution and tracking, freight payment, and advanced analytics. |
| H | InMotion Global St. Petersburg, FL thefreetms.com | InMotion Global TMS | Offers routing and optimization, lane rate management, Web-based load tendering, real-time shipment location/status visibility, reporting, and a shipper/carrier Web portal. |
| H | INSIGHT Inc. Manassas, VA insightoutsmart.com | Shipcons II | Routes orders by determining what combination of modes, carriers, and vehicles provides the lowest overall transportation cost. |
| | Int'l Asset Systems (IAS) Oakland, CA interasset.com | IAS Dispatch | Manages drayage assignments, appointment times, amendments, invoicing, visibility, rates, optimization, and business intelligence. |
| H | JDA Software Group Scottsdale, AZ jda.com | JDA Transportation Manager | Covers the entire closed loop transportation process – from strategic transportation sourcing, planning, and optimization to shipment visibility, payment, and performance analysis. |
| H | LeanLogistics Holland, MI leanlogistics.com | LeanTMS | Delivers complete transportation planning, execution, settlement, and procurement, as well as supply chain visibility and business intelligence to improve business processes, increase efficiency, and reduce costs. |
| H | LOG-NET Red Bank, NJ log-net.com | LOG – NET Transportation Management | Monitors events and status, filtering results to view only shipments deviating from trip plans; generates forwarder and carrier rating and performance reporting; performs appointment scheduling, contract fulfillment, route and rate management, and freight audit. |
| H | Logility Atlanta, GA logility.com | Voyager Transportation Planning & Management | Automates multi-modal shipment planning, execution, and freight accounting. Supports automated, unattended operation by monitoring ongoing activities and providing real-time alerts to potential problems. Analyzes productivity using key performance indicators to provide operations reports. |
| Η | Logistics Management Solutions (LMS) St. Louis, MO Imslogistics.com | TOTAL | Supplies complete transportation management, including rating, freight optimization, load tendering, shipment tracking, and business intelligence. |
| H | M33 Integrated Solutions Greenville, SC m33integrated.com | Blackbeard | Manages the lifecycle of an order, from rate quoting through freight bill payment and reporting. Delivers accurate carrier rating and rate shopping, proper carrier execution for increased cost reduction, and real-time shipment visibility. |
| | Made4net Paramus, NJ made4net.com | TransportExpert | Supports and optimizes carrier selection; manages freight rates and carrier contracts; generates shipment documents; electronically communicates transportation needs to carriers; and provides real-time, exception-based shipment status visibility. |





| _ | VENDOR | PRODUCT | DESCRIPTION |
|---|--|--|---|
| | Magaya Corporation Miami, FL magaya.com | Magaya Cargo System | Creates import and export consolidations for air, ocean, and ground shipments; queries and compares carrier rates; prints labels to ID and track all packages; automates tariffs and billing; and receives proof of delivery, online shipment updates, and package tracking data. |
| H | Manhattan Associates Atlanta, GA manh.com | Transportation Lifecycle Management | Provides a global view of transportation across all modes – inbound or outbound – from bidding to billing, to reduce costs, reroute around trouble spots, and coordinate deliveries precisely. |
| ٦ | McLeod Software Birmingham, AL mcleodsoftware.com | Freight Management Solutions | Provides tools for bid procurement, less-than-truckload/truckload mode optimization, and load execution. |
| | MercuryGate International Cary, NC mercurygate.com | MercuryGate TMS | Delivers integrated multimodal TMS, allowing global shippers and service providers to optimize and execute loads. Analytics and a workflow engine automate processes for maximum efficiency. |
| | Navegate Eagan, MN navegate.com | Navegate | Manages contracts, rate quoting, carrier status updates, and ad hoc reporting. |
| | NTE Oakbrook Terrace, IL nte.com | NTE Transportation Management | Provides shipment planning, optimization, routing guide execution, financial settlement, track-and-trace capabilities, and alerting and reporting options. |
| E | Nulogx Inc. Mississauga, ON nulogx.com | Transportation Manager & Optimizer | Supports all activities necessary to manage the full lifecycle of the transportation process, including load optimization, carrier communication, and freight bill audit, payment, and analytics. |
| | Odyssey Logistics & Tech. Danbury, CT odysseylogistics.com | Web Integrated Network | Controls procurement and supplier relationships; automates freight management; captures, organizes, and reports shipping data; and provides a portal to a global carrier network. |
| Ľ | Oracle Redwood Shores, CA oracle.com | Oracle Transportation Management | Provides carrier rate bidding and management, shipment planning and execution, freight billing and claims, visibility, and key performance indicators. |
| Ľ | Precision Software Chicago, IL precisionsoftware.com | Precision Transportation Management | Streamlines transportation planning and execution, manages asset utilization, automates business processes, and handles freight payments. Users can rate, route, produce labels, and manage service levels for any shipment mode. |
| | RateLinx Madison, WI ratelinx.com | ShipLinx | Provides rates and shipment execution using multiple carriers and rate bases for all modes; tracks real-time key performance indicators; generates reports and status updates. |
| | Retalix Plano, TX retalix.com | Transportation Optimization & Management | Integrates and manages all aspects of the transportation process, including inbound/outbound optimization, yard management, and dock scheduling. |

May 2013 • Inbound Logistics 63



| | VENDOR | PRODUCT | DESCRIPTION |
|---|--|--|---|
| | RMI Atlanta, GA rmiondemand.com | ShipperConnect | Handles multimodal transportation planning, execution, terminal operations, carrier settlement, and exception alerts while providing shipment visibility across all carriers and modes. |
| | Roadnet Technologies Towson, MD roadnet.com | Roadnet, Territory Planner, and MobileCast | Enables organizations with fleets and mobile resources to develop optimal route plans and track them in real time, then use this information to compare actual vs. planned data. |
| 8 | Royal 4 Systems Long Beach, CA royal4.com | Royal 4 TMS Suite | Automates carrier communications, including contract negotiation, load tendering, invoice processing, and payment approvals. Builds loads, groups orders, and plans routes to maximize asset utilization, and manages carrier selection and compliance. |
| ۵ | SAP Newton Square, PA sap.com | mySAP Supply Chain Management | Offers transportation planning and shipment completion capabilities, shipment cost calculation and settlement, freight billing, and service agent selection. |
| H | Supply Vision Chicago, IL supply-vision.com | Supply Vision TMS | Offers customizable shipper and logistics provider visibility tools with integrated warehouse management, document imaging, and intelligent rate shopping. |
| E | TECSYS Inc. New York, NY tecsys.com | TECSYS TMS | Automates and optimizes small package and LTL shipment rating, routing, manifesting, tracking, and post-shipment analysis. |
| Ľ | TMW Systems, Inc. Beachwood, OH tmwsystems.com | TMWSuite | Offers domestic asset- and non-asset-based transportation businesses running multiple or complex operations with comprehensive tactical and strategic features to improve efficiency and drive profitability. |
| Ľ | TransportGistics Bohemia, NY transportgistics.com | TGI TMS | Features shipment rating, bidding, planning, execution and visibility, tariff management, inbound and outbound, multimodal management, freight audit and payment, analysis and data mining. |
| | TransWorks Fort Wayne, IN trnswrks.com | Intermodal & Drayage Transportation Management Solutions | Automates communication between drayage and rail providers; optimizes drayage movements; and ensures efficient equipment use. |
| | UltraShipTMS Fair Lawn, NJ ultrashiptms.com | UltraShipTMS | Gives logistics managers total network visibility and control over inbound and outbound transportation, ensuring optimal procurement, execution, and reporting. |
| ٥ | USTC Live Logistics Baltimore, MD ustclive.com | On-Demand TMS | Provides all available carrier rates and terminal information; creates and stores bills of lading, and maintains carrier invoice records. Reports can be scheduled to run at pre- determined times. |
| | Wolters Kluwer Transport New York, NY transwide.com | Transwide | Offers full-cycle transportation management, including carrier selection, fleet planning and optimization, load tendering, appointment scheduling, event notification, freight bill settlement, KPI reporting, and integration services. |





We believe in doing the right thing when no one else is looking.

www.trinitylogistics.com (866) 603-5679

Our team will make sacrifices in order to help you succeed. Our team will keep their promises. Our team will remove any obstacle to provide you with the service your business deserves. With so many 3PLs to choose from, you can count on our 35 years of experience. We are the partner you can trust.

TRUCKLOAD LTL INTERMODAL INTERNATIONAL SPECIALTY FREIGHT WAREHOUSING TMS LOGISTICS CONSULTING FREIGHT MANAGEMENT

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

THE 3PL ALTERNATIVE

Shippers may be able to gain access to transportation management system functions through their third-party logistics (3PL) provider. Here's a sample of some 3PLs offering TMS, either as a standalone option or part of the outsourced transportation service.

| 3PL | PRODUCT | DESCRIPTION |
|---|---|--|
| BlueGrace Logistics Riverview, FL mybluegrace.com | BlueShip TMS | Allows users to customize their transportation process, providing functions such as rating, routing, tracking, and reporting. |
| Cardinal Hosted Logistics Concord, NC cardlog.com | Cardinal Activity Tracker | Enables order and shipment management from order creation to final mile delivery. Features dynamic workflow at point of delivery, including scanning, electronic proof of delivery, exception codes, and real-time visibility. |
| Echo Global Logistics Chicago, IL echo.com | ETM | Offers routing guide management, automated load entry, tendering and acceptance, load visibility, customized reporting, and analytics. |
| Exel Westerville, OH exel.com | Transportation Management System | Configured and deployed to customer specifications to manage transportation processes. |
| Jacobson Companies Des Moines, IA jacobsonco.com | Logistics Integrated Network Collaboration System | Offers access to shipment information to enhance order visibility and product flow throughout the supply chain. |
| LeSaint Logistics Romeoville, IL lesaint.com | TransTech TMS | Gives shippers visibility to shipping costs and activities. |
| Menlo Worldwide Logistics San Mateo, CA con-way.com | Logistics Management Solutions Suite | Executes a full menu of transactional transportation functions across all modes. |
| SEKO Itasca, IL sekologistics.com | SEKO Transportation Management System | Automatically audits invoices, reports exceptions, and generates real-time track-and-trace information for international and domestic shipments. |
| TMC, a division of C.H. Robinson Chicago, IL mytmc.com | Managed TMS | Features procurement software, mode/route optimization, shipment tender, rate assignment, freight payment, yard and dock management, appointment scheduling, business intelligence, and global language/currency capabilities. |
| Transplace Frisco, TX transplace.com | Transplace Transportation Management System | Automates order management, shipment optimization, shipment tracking, and overall performance. Enables route and mode selection, load consolidation, asset utilization, and reporting. |
| Weber Logistics Santa Fe Springs, CA weberlogistics.com | Weber Web Portal | Provides shippers access to shipment visibility, reporting, and custom business rule setup. |
| Werner Enterprises Omaha, NE werner.com | SMART | Delivers shipment validation, visibility, and optimization, and facilitates comprehensive data collection. |





WE'LL TAKE IT FROM HERE. WORRY-FREE SUPPLY CHAIN SOLUTIONS.

You've stalled. There are a million units stuck in customs. Thousands more are waiting to be loaded onto trucks that aren't there. Every second wasted is money lost, money your current 3PL should be saving you. Instead of a vendor, maybe what you need is a logistics partner. Someone who thinks like you. Someone with 80 years of experience who knows how to roll up their sleeves and get the engine moving again. NFI is that partner. From the start of your supply chain to when your products are in your customer's hands, we'll transport, warehouse, and distribute your products - worry-free.

We're NFI, and we can get it done.

Learn more at nfiindustries.com/il or call (877) 312-7207



RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



"Our regional distribution centers helped expand their reach."

A unique fulfillment model helped a regional casket distributor offer significantly better pricing. However, their single point of distribution limited turnaround times and geographic reach. WSI worked with the customer to fill orders from several of our distribution centers – expanding their sales nationally while reducing transportation costs and damage claims.

Every day, WSI solves logistics challenges like these, forging partnerships that help our customers operate more efficiently and cost-effectively.

Get the full story at wsinc.com/expandreach





Integrated Logistics Supply Chain Solutions

inquiryIL@wsinc.com | 920.731.3115 | www.wsinc.com



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

SPONSORED EDITORIAL

STACKING STACKING THE ODDS THE ODDS THE ODDS THE ODDS THE ODDS THE ODDS

When it comes to choosing the best pallet for your shipments, the smart money is on a strategic approach that anticipates future needs.

Pallets are fundamental materials handling building blocks. Combining function and form, they present a variety of choices: wood, plastic, or aluminum; storage or shipping; two-sided stringer or four-sided block; leased or owned; back and forth or one-way.

How shippers decide on a specific type of pallet depends on a number of factors. In the past, cost was a primary consideration. But in today's market, shippers are taking a calculated and strategic approach to managing and maintaining shipping platforms.

A number of trends are shaping how companies approach pallet procurement. Cost reduction in a post-recession environment remains paramount. Companies are equally bound by sustainability requirements and safety mandates. But the greatest impact is automation.

E-commerce expectations drive the need for greater distribution center productivity, responsiveness, and efficiency. Automation requires considerable strategy and investment, but pallet management is often lost in the shuffle.

May 2013 • Inbound Logistics 69

In a fast-changing warehouse environment, companies need to look at their shipping platforms with an eye toward the future. "We see ourselves more as a solutions provider than a pallet seller," explains Curt Most, global sales manager for ORBIS Corporation. Based in Oconomowoc, Wis., ORBIS offers a variety of rackable, stackable, and nestable plastic pallets in different sizes and composites to meet the diverse needs of its customers.

"We help businesses sort through 250 to 300 different pallet styles and options to select the one or two that best meet their needs," Most adds.

Take Your Pick

Companies have many pallet choices. Wood vs. plastic and lease vs. buy are the obvious options. When companies choose plastic pallets, "it's no longer a commodity, it's an investment," says Most. "Instead of an \$8 wood pallet, they own a \$50 plastic pallet. But it will last for several years, as opposed to several trips."

In certain industries – such as food and pharmaceuticals – pallet type carries greater importance because of the emphasis on cleanliness, consistency, and safety. Elsewhere, union shops may dictate certain weight restrictions. The type of product being shipped – dry, liquid, or refrigerated – and whether it is stored stacked on the floor or in racks, can similarly impact decision-making.

Automation can throw a wrench into the equation because of the complexity and costs involved. When ORBIS works with companies that are trending in this direction, the provider usually takes a twofold approach.

"I ask companies where they see their operations in five, seven, and 10 years," explains Most. "They may be just floor loading now, so they are looking for a nestable product. But what does the future hold? The nestable pallet a company is considering today may not be conducive to a future new conveyor system or edgeracking application."

The second factor is identifying how a new pallet fits into the automation setup. As companies sink capital into new materials handling infrastructure and technologies, they need to consider the entire set-up. Automating a system to specific



Offering rackable, stackable, and nestable plastic pallets in a variety of sizes and materials, ORBIS works with shippers to build pallet strategies that suit their needs.

requirements, then upgrading pallets to meet those specs, may incur unwarranted costs.

"We may offer a 40-inch by 48-inch pallet that works great on conveyors, is easy to clean, and is exactly what the customer wants," says Most. "We advise companies to build their automation around that base, and let the pallet dictate where the turns are and what kind of rollers are used."

The Network Sell

PECO Pallet, headquartered in Yonkers, N.Y., presents a similar strategic sell as a North American pallet-leasing company. The business maintains a large pool of reusable, four-way, wood block pallets that are leased to manufacturers and retailers throughout North America.

PECO customers ship to other network

participants. A company notifies PECO when pallets are ready to be picked up; a carrier then returns them to the depot to be cleaned, inspected, and repaired as needed.

"It's not just the rental we're selling," says Adrian Potgieter, vice president of sales for PECO Pallet. "We're selling the North American network as much as we are the pallet."

PECO's North American network is unique. It provides consistent product and service across the United States, Mexico, and Canada, which enables the company and its customers to maintain a tightly controlled flow of moving inventory. Its product is neutral in design, apart from necessary heat treatment required for wood pallets crossing the U.S.-Mexico border. Where other programs have different designs for Canada, for example, PECO's





OWNED B

PECO Pallet customers get more than high-quality wood block pallets. They also get responsive service, convenient online ordering, and a 99.5% on-time delivery rate. No wonder PECO is preferred by so many manufacturers and retailers throughout North America.

It's easier than ever to switch to red.

Email sales@pecopallet.com or visit www.pecopallet.com to find out more.





We're Passionate About Pallets.™

www.pecopallet.com

platforms flow readily and without restriction across the continent.

"With so much of Canada's production centered in the Montreal-to-Ontario corridor, the natural tendency is for product to ship west," says Potgieter. "Because we recover, repair, and reissue pallets, we can flow them into the paper industry in Washington and Oregon, then they move out across North America."

Balance plays a big part in the equation for PECO and its customers. Companies tend to produce in areas that are less expensive and less populated. So PECO is challenged with maintaining inventory and optimizing flows. Its Red Link online pallet management system allows users to keep account of pallets' condition and status at customer locations and PECO depots throughout the network.

When shippers manage their pallet solution as part of a network, it allows them to leverage PECO's services more strategically. The rigidity of block pallets gives users greater density in floor storage and drive-in rack environments, which can alter a facility's layout. Warehouse workers can load and unload trucks using pallet jacks rather than lift trucks.

Shippers may find their pallet choice influenced by customer specifications.



PECO's rigid block pallets give users greater density in floor storage and drive-in rack environments, creating flexibility in warehouse layouts.

Some companies, such as Costco, will only accept block pallets because of the efficiencies they bring to the crossdock—for example, the ease of spinning pallets for four-way vs. two-way entry.

Sometimes strategy is more sophisticated. "One large manufacturer electronically sends us production forecasts for 60 locations," explains Potgieter. "We handle its vendor-managed inventory program so it can maintain certain safety stock levels at a plant. This way, just-in-time pallet flows match production."

With greater visibility to demand and pallets in the system, PECO is constantly optimizing flows, finding continuous moves, and eliminating costly product repositioning. Shippers also seek pallet inventory balance, so they don't have to allocate prime dock space for storage.

"In some cases, we use a drop-and-hook operation in which customers bring a load

POOLING POWER

BettAway Logistics and Pallet Systems introduced its pallet pooling process 25 years ago. The South Plainfield, N.J.-based company, which also offers logistics and transportation services, provides centralized access to its pallet depot network of more than 400 locations in the United States and eastern Canada to ensure the most effective supply options based on inventories, price, and proximity to the end user.

By analyzing customer usage, BettAway offers complete supply chain visibility to help identify and implement more efficient pallet strategies.

One example is its costper-trip solution. Rather than purchase the pallet outright, shippers only pay for the use of the pallet, which BettAway retrieves at the end of the trip.

BettAway also guides its customers in their materials handling automation decisions.

"Historically, materials handling systems and pallets have not interfaced very well," says Steve Mazza, vice president of supply chain management, BettAway Pallet Systems. "In an effort to increase automation, engineers often design materials handling systems with very tight tolerances that cannot accommodate pallets consistently.

"When buying a materials handling system, companies must ensure the machinery can accommodate pallets of varying quality, otherwise the cost savings in automation will be offset by having to use more expensive pallets," he says.

Using the BettAway pallet network allows shippers to fine-tune their resources using customized reporting with Web access to ordering and facility usage trends.

"Technology and tools drive costs out of the supply chain," says Mazza. "When combined with a solid pallet management program and an experienced provider, shippers can maintain flexibility in their pallet inventory, and react quickly to changes in market demand or supply chain infrastructure."





GRBGS[®] A shift in thinking leads to a place where planet and profit coexist.

ORBIS seamlessly integrates with your supply chain to implement your reusable plastic pallet program.

With more than 35 global manufacturing, sales and service locations, ORBIS has the resources and insight to support you every step of the way. That means improved efficiency, decreased environmental impacts and more importantly, reduced trip costs. ORBIS helps leading companies:

- >> Compare reusable and single-use pallets
- >> Evaluate ROI and cost-per-trip
- >> Calculate energy, waste and emission impacts
- >> Optimize supply chain performance
- >> Standardize shipments

To learn more about ORBIS pallets, totes, dunnage and bulk containers, please visit www.orbiscorporation.com.

It's a revolutionary shift in thinking. And it's only available from ORBIS.



of pallets in on their equipment, drop it, and hook up a load of finished goods," Potgieter says. "This reduces driver idle time, eliminates irregular routes, and prevents shippers from paying for pallets they don't need. Managing those flows tightly brings efficiencies to the table."

Demand-driven Compliance

Pallet companies such as ORBIS and PECO are giving shippers reason to reconsider how they procure and manage shipping platforms. So, too, are customers.

Many big box retailers such as Costco and Walmart specify that partners participate in a leased-pallet pool. To get their products into these stores, manufacturers and suppliers must use four-way block style pallets.

"Some manufacturers still treat pallets as a commodity," says Potgieter. "But they tend to be commodity producers themselves. For example, a produce grower selling lettuce to wholesalers needs a pallet only from point of harvest to wholesale. But somebody in that supply chain may want to sell the lettuce to Costco—which won't take a poor quality pallet because of safety issues and in-store product presentation."

In the grocery industry, where big box retailers have made reusable block pallets a requirement, companies are recognizing the efficacy of adopting pallet pool programs for their own purposes.

Similar opportunities beyond closedloop networks exist for plastic pallets. "I talk to our customers about a controlled loop—for example, a bread company that receives a daily truckload delivery of flour from a supplier," Most says. "It's in those loops—where a company has done business with a partner for a long time—that plastic can make a difference."

When there's a repetitive stream of back and forth moves, supply chain partners can benefit by amortizing the additional upfront cost of investing in plastic pallets over the long term. Shippers can similarly take advantage of rationalizing a pallet's use. When a company's product is sitting on leased pallets, the clock is ticking.

Taking product off one pallet and putting it on another requires an extra touch. Companies need to explore that cost, and determine whether there is value in making that move. With plastic pallets, the key is keeping inventory captive. When opportunities arise to develop these types of controlled loops, companies stand to gain marked cost savings and efficiency.

Moving Forward

The pace of automation inside DCs will likely continue to force shippers to reconsider their pallet management programs – ideally, before rather than after making capital investments in new equipment. Greater attention to safety and security throughout the supply chain will similarly place pallets in the crosshairs for companies that are shipping food and temperature-sensitive products.

Taking a more proactive approach to procurement also brings economies. When manufacturers and suppliers see their retail customers making pallet compliance a requirement—and understand the value in doing so—it opens the doors for other supply chain partners to see the pallet as part of a solution rather than just another commodity.







Is your supply chain powered by **NAVEGATE**





Minneapolis (USA HQ)

Chicago Houston

Sioux Falls

Los Angeles

Antwerp

verp Sydney

Shanghai (Asia HQ)

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

It's what we do!

Dependable Distribution Centers

CALIFORNIA LOCATIONS:

Los Angeles 1,600,000 sq. ft. San Leandro 250,000 sq. ft. Commerce 175,000 sq. ft.



The Dependable Companies

DHE-Dependable Highway Express DLS-Dependable Logistics Solutions, DHX-Dependable Hawaiian Express DGX-Dependable Global Express DAX-Dependable AirCargo Express

TECHNOLOGY:

Real Time RF Driven Warehouse Management Systems Labor Management Systems 24/7 Online Inventory Reporting 24/7 Online Ordering EDI Transmission Sets: 850, 856, 940, 943, 944, 945, 997 On-Site EDI Integration Staff UCC-128 Labeling Customizable Inventory Reports

SERVICES:

Storage & Distribution Pick/Pack Transloading Retail Routing Compliance Bar-Coding/ Labeling Sorting (sku, lot, expiration, mfg.) Garment On Hanger FDA, ASI, Organic Food Certified U.S. Customs Bonded COSTCO Approved Vendor

800-544-3909



2555 E. Olympic Blvd., Los Angeles, CA 90023 • www. Godependable.com



Intermodal plays an essential role in today's site selection process. Superior rail intermodal sites and services put your company on the right track.

THE RISE OF

May 2013 • Inbound Logistics 77

SITE SELECTION:

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE www.inboundlogistics.com/3pl

MAXGW TARE MAXCW CU CAP.



ail intermodal—transporting ocean shipping containers and truck trailers on railroad flatcars—has been the fastest-growing segment of the U.S. freight railroad industry for years, according to the Association of American Railroads (AAR). Intermodal accounted for 21 percent of revenue for major U.S. railroads in 2011, second only to coal among all rail traffic segments.

Exports and imports account for about 55 percent of U.S. rail intermodal traffic, with purely domestic movements making up the remainder, the AAR reports. The domestic share of total U.S. rail intermodal traffic has grown in recent years, with much of the increase consisting of freight that used to move solely by truck, but has converted to a combination of truck and rail movements.

U.S. rail intermodal volume rose from three million containers and trailers in 1980 to more than 12 million in 2006 and 2007, according to the AAR. After a recession-driven drop in 2008 and 2009, intermodal volume rebounded to 11.9 million units in 2011.

Clearly, logistics professionals recognize that in order to traverse the miles safely and efficiently, it is wise to climb aboard the railroads. As a result, outstanding rail intermodal sites—where the nation's Class I railways and numerous regional rail lines connect with major highways and ports—have emerged.

Creating the Perfect Spot

Combining as many logistics advantages as possible to create the perfect mix of resources helps companies get product to market in the shortest time possible. Seldom do all the factors align as a pure act of nature and geography. Great logistics sites are constructed as much as they evolve organically.

Such is the case with the I-57 Logistics Center in Marion, Ill., a modern, 1.1-million-square-foot distribution center located just off the interstate. Industrial architect McGregor designed

the facility, built in 2000 by IDI and now owned by Dalfen America Corp., a private equity firm specializing in real estate and real estate-related investments. The firm acquires, develops, owns, and manages millions of square feet of premier commercial properties throughout the United States and Canada through its Canadian arm, Dalfen's Limited.

Among the numerous logistics advantages of Dalfen's

I-57 Logistics Center is its location across the street from the Williamson County Airport.

"Shippers who need air freight as a component of their transportation program will benefit from the proximity," says Steven Kohn, senior vice president of Colliers International, the real estate firm marketing the site for Dalfen.

The site also has the benefit of dual rail access to both of the area's Class I railroads, BNSF and Union Pacific. Dual rail access provides a distinct competitive edge.

"Site selection teams want flexibility, and leveraging the power of rail provides it," Kohn explains. "Sites that have the flexibility of dual rail will get leased first.

"The I-57 location fits into most distribution networks," he adds. "That's the number one reason the facility was sited there. More than 120 million people live within a 12-hour drive of the site."

The facility's network includes the key cities of St. Louis, Nashville, Memphis, Louisville, Indianapolis, and Chicago.



Offering more than one million square feet of distribution center space, the I-57 Logistics Center in Marion, III., gives shippers access to rail service by both BNSF and Union Pacific, as well as ample trailer parking and staging areas.

"Location is vital for intermodal," Kohn notes. "Being in the center of a large population puts you close to the end user."

The I-57 Logistics Center lets site selection teams check off all the boxes on their logistics wishlist. The facility features a 35-foot clear ceiling height; high-output T-5 lighting with motion sensors; 200 existing trailer parking spaces, expandable to more than 400; a fully fenced site with secured perimeter and guard stations; and



For **SALE** or **LEASE**

I-57 Logistics Center (1,079,020 Sq. Ft.) **Available for Immediate Occupancy**

1100 Glenn Clarida Drive (formerly Circuit City Road) - Marion, IL





2

SITE SPECIFICATIONS

- > Available Size: 1,079,020 Sq. Ft. (divisible and expandable to 1.8M Sq. Ft.) on 59.55 Acres
- > Existing Office: ± 10,000 Sq. Ft. (fully remodeled)
- > Ceiling Height: 35' Clear
- > Loading: 108 Exterior docks (expandable) crossdock configuration & 1 Drive-in door Bay Size: 50' x 48'
- > **Staging:** 2 segregated staging areas for 40+ trucks combined
- > Sprinkler System: ESFR system with 50,000 gallon tank on-site
- > Power: 15,600 Amps @ 277/480 volts 3-phase
- > Heat: Roof-mounted, gas-fired air make-up units
- > Lighting: New T-5 fixtures with motion detectors
- > Trailer Parking: 200 spaces (expandable to 400+)
- > Car Parking: 340 spaces (expandable)
- > Rail Availability: multiple Class One access (BNSF & UP)
- > Security: Fully-fenced site with dual entry points and a guard station.

EASY ACCESS TO I-57

ACROSS THE STREET FROM WILLIAMSON COUNTY REGIONAL AIRPORT

HIGHLY QUALIFIED, EDUCATED, LOW COST LOCAL LABOR MARKET

POTENTIAL FOR FOREIGN TRADE ZONE STATUS

LOW REAL ESTATE TAXES AND POTENTIAL TAX ABATEMENTS

PROXIMITY TO I-57, I-64, I-24, AND I-55 MAJOR CROSS-COUNTRY FREIGHT ROUTES

WITHIN 1 DAY, 12 HOUR TRUCK **DRIVE OF 124M PEOPLE OR 40% OF US POPULATION**

| Dallas, TX | 650 miles |
|------------------|-----------|
| Atlanta, GA | 430 miles |
| New Orleans, LA | 610 miles |
| Minneapolis, MN | 680 miles |
| Memphis, TN | 210 miles |
| Chicago, IL | 320 miles |
| St. Louis, MO | 120 miles |
| Nashville, TN | 190 miles |
| Louisville, KY | 220 miles |
| Indianapolis, IN | 250 miles |
| Detroit, MI | 530 miles |
| Charlotte, NC | 590 miles |
| Columbus, OH | 420 miles |
| Pittsburgh, PA | 600 miles |
| Kansas City, MO | 360 miles |

FOR MORE INFORMATION: www.i57logisticscenter.com

VERY COMPETITIVE RENTAL RATES!

CHARLES V. CANALE

Senior Vice President 847 698 8211 charles.canale@colliers.com

DAVID GANNON

Vice President 314 932 3966 dave.gannon@colliers.com

STEVEN A. KOHN, SIOR

Senior Vice President 847 698 8224

Detro Pittsburgh 57 Columbus Indiananolis as City 64 louis MARION Nashville Atlanta Dalla 55



two segregated staging areas for more than 40 trucks combined.

Companies choosing to operate from the I-57 Logistics Center's location in Marion's business-friendly environment benefit from low real estate taxes with available economic incentives and potential tax abatements; wage-offsetting programs; job-creation tax credits; and training incentives.

The Marion community also offers a highly qualified, educated, low-cost labor market. And, there's the potential of gaining Foreign Trade Zone status.

Service Providers as Partners

Intermodal transportation and geographic resources are immaterial without the services that enable companies to take advantage of the location.

Consider, for example, the role of Hoosier Energy in the sprawling region it calls home.

"Hoosier Energy serves a wide swath of the central U.S. Midwest, stretching from near St. Louis to the Cincinnati suburbs," says Jeff Quyle, economic development coordinator for the electricity provider. "Its service area is approximately 250 miles wide, which puts more than 20 major markets within a one-day drive."

Three Class I railroads serve the area. In addition, three major airfreight hubs–UPS, FedEx, and DHL–are located in the region, and six interstates run through it. If that were not enough, inland ports on the Ohio River are models of efficiency.

When it comes to intermodal service, the region has it all-and its advantages are fully exploited.

"Indianapolis and Louisville have established reputations for concentrated logistics investments and labor forces," says Quyle. "It all adds up to an existing and growing logistics focus."

The Hoosier Energy Power Network – which provides electricity to developed sites and industrial parks along the I-70, I-65, I-64, and I-74 corridors – plays an active part in that focus.

"Hoosier Energy's approach to logistics sites is to partner with communities and property owners to help add value to their sites," says Quyle. "We can do everything from taking aerial photography and assisting with geotech work to providing electric power reliability reports or co-marketing the site.

"The local economic development community knows the area's strengths already, and they can call on us to fill in the missing pieces," he adds.

Hoosier Energy is regularly cited as one of the most effective economic development utilities in the nation. It's all about establishing successful partnerships.

"Morgan County has rail-served sites located near major highways with infrastructure in place or nearby," says Joy McCarthy Sessing, executive director of Morgan County Economic Development Corp., based in Mooresville, Ind. "One of these sites is on a four-lane, divided highway that provides quick and easy access to I-70 and I-465."



Three Class I railroads speed freight to Hoosier Energy's central Midwest service area, where six interstates connect shippers to 20 major markets within a one-day drive. The region's three airfreight hubs enhance its intermodal transport potential.



Proven, comprehensive economic development solutions in North Carolina.



North Carolina's Public Power communities are among the best places in the country to live and do business.

ElectriCities' seasoned, experienced Economic Development staff is dedicated to helping these communities continue to grow and prosper.

We partner with our member cities to provide customized assistance with all aspects of economic development.

Our comprehensive approach begins at project outset and continues through the site selection and building processes. We actively work with the N.C. Department of Commerce and site selectors and participate in national trade

shows to recruit industries and bring jobs to our hometowns.

What can we do for you? From site selection to targeted recruiting to grant assistance and marketing, we've got all the tools and expertise you need to successfully develop your business. To help us serve you better, let us know more about your needs and areas of interest.



Conley Hilliard Economic Developer 800.768.7697, ext. 6325 chilliar@electricities.org Brenda Daniels Manager, Economic Development 800.768.7697, ext. 6363 bdaniels@electricities.org

For more information, or to view available properties visit www.electricities.com.



RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



Hoosier Energy is a major reason. "Hoosier Energy has been a longtime leader in certifying industrial sites as shovelready," says Steve Witt, president of Terre Haute Economic Development Corporation.

"One example is the 195-acre Indiana Economic Development Corporation shovel-ready certified site in the Vigo County Industrial Park," Witt says. "This site is one of dozens of shovelready certified sites served by Hoosier Energy that stand ready to engage in commerce created by existing rail intermodal infrastructure in south central Indiana."

Powering Through

Like Hoosier Energy's partners, businesses researching intermodal sites in North Carolina also benefit from services related to electricity providers. As easily as flipping a switch, site-selection professionals can order a detailed report on sites in the state that precisely match their specifications. Within 48 hours, ElectriCities of North Carolina will send profiles of locations that meet the company's requirements.

ElectriCities serves more than one million customers, including members in South Carolina and Virginia. The not-for-profit government service organization represents cities and towns that own electric distribution systems within the state.

The agency knows well the capabilities of its 90-plus member communities, from site availability and intermodal infrastructure to quality of life and number of golf courses.

Using ElectriCities as an introduction to North Carolina, site search managers have a turnkey or "flip-switch" information source. "They find all the information they need in one place," says Brenda Daniels, the organization's economic development manager.

ElectriCities developed two industrial parks it dubs "Prime Power Parks" in the cities of Albemarle, located in the Piedmont region's lake country, and in Gastonia, located 15 miles from Charlotte, just off I-85.

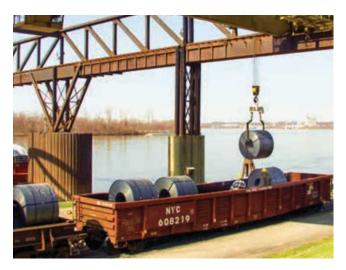
The Albemarle park has direct rail access from Charlotte/Douglas International Airport, making the area a prime rail intermodal site. In addition to a flexible electric rate structure and pro-business climate, the location provides easy access to eastern U.S. markets.

The industrial parks are North Carolina Certified Sites with four megawatts of on-site backup power generation. "If a company has a critical operation that can't risk a power outage, they have a backup available, so they don't have to purchase a generator," Daniels notes.

The backup, like the rate-lowering services to all ElectriCities' customers, provides an ongoing incentive for companies looking for an ideal logistics location. It is not surprising that ElectriCities has generated increasing interest from companies seeking a great place to call home.

"We've seen a measurable uptick in interest and activity over the past 18 months," says Daniels.

ElectriCities remains a partner through the entire site-selection process, helping companies with utility-related issues by arranging site visits and facilitating contact with local, county, and state officials.



Rail-served inland ports on the Ohio River provide shippers an additional intermodal transport option.

But the most important factor in the area's growth is the availability, reliability, and affordability of public power.

"It's no coincidence that some of the state's most dynamic growth has occurred in our public power communities," says Daniels. "Advanced manufacturing, food processing, metalworking, plastics—any power-intensive industry finds significant advantages here."

Companies based in ElectriCities member communities recognize the cost efficiencies and superior customer service public power provides. Municipal utilities don't have to pay dividends to shareholders, and those savings can be passed on to the utilities' customers. Both ElectriCities and the member utilities work closely with companies to help them manage their power usage and keep costs down.

A mixture of high capacity and low cost remains the driving force in logistics. And rail intermodal sites that complement their geographical advantages with outstanding and cost-effective services lead the pack.

For information on featuring your region in an Economic Development Supplement, contact James O. Armstrong at 314-984-9007 or jim@inboundlogistics.com.



POWERFUL TRANSPORTATION, SITES, AND TAX INCENTIVES.

HIGH VOLTAGE

CONTACT HOOSIER ENERGY BEFORE EVEN THINKING ABOUT RELOCATING.

Favorable business climate. Excellent road, rail, and air transportation. Abundant buildings and sites. And a partner to help facilitate every step of the process. Contact Hoosier Energy to help you with your next expansion or relocation. Learn more at **HoosierSites.com**.

HOOSIERENERGY A Touchstone Energy® Cooperative

www.HoosierSites.com

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE www.inboundlogistics.com/3pl



COLLABORATIVE LOGISTICS



Reduce Cost | Improve Efficiency | Elevate Customer Service | Eliminate Paperwork | Optimize Logistics | Accelerate Receivables

| On-Demand TMS | Fortigo offers value-add technology logistics services to streamline the supply |
|---------------|--|
| Freight Audit | chain, reduce operating costs, improve productivity and facilitate collaboration with carriers and vendors. |
| Mobility | Fortigo On-Demand TMS delivers best-in-class, carrier neutral domestic and international shipping automation, visibility, event |
| Services | management and freight audit. |
| | 966 276 9996 tol L www.fortigo.com |



866.376.8884 tel | www.fortigo.com







I.T. TOOIkit by Marty Weil

Inventory Optimization: A Natural Fit

rea, Calif.-based Nature's Best, the largest privately owned wholesaler/distributor of health and natural food products in the natural products industry, built a successful business around keeping customers healthy. But an outdated inventory and purchasing system threatened the company's own well-being.

In January 2011, the company – which provides certified organic, natural, and specialty products to retail stores throughout the south, central, and western United States, Alaska, Hawaii, and Asia – decided to provide procurement staff with automated support.

"We depended on our category and purchasing experts to buy successfully, and that inherently put us at great risk," recalls Russell Parker, senior vice president of marketing, brand management, and inbound logistics at Nature's Best. The company's buyers had 10 to 20 years of experience in the natural products industry, knew the company's product categories, and had an instinctual and seasonal knowledge of the inventory. Operating under the yoke of an outdated legacy system, however, became problematic.

The existing procurement system didn't allow Nature's Best to move forward in a number of areas. It couldn't add staff, respond to turnover, or handle additional distribution centers. At the

May 2013 • Inbound Logistics 85

A new inventory management system nurses Nature's Best's fulfillment operations back to health.



time, Nature's Best was handling a whopping 25,000 stockkeeping units (SKUs) from more than 1,600 vendors.

"We realized we needed leading edge software, and so we began a review process that led us to *Inventory Optimization*," says Parker.

The software suite from Atlanta-based supply chain solutions provider Manhattan Associates is designed to handle complex retail, wholesale, and multi-channel inventory management challenges, such as balancing capital investment constraints or objectives and service-level goals over a large assortment of SKUs, while taking into to design and set in advance all key procurement parameters," says Parker. "We took all the manual functions our buyers performed, and leveraged the software to make decisions and calculations for them."

A good example of this process is a grocery store aisle stocked with two seasonal favorites: eggnog and lemonade.

While customers may seem maddeningly fickle, some of their buying patterns are highly predictable. As Thanksgiving approaches, shoppers preparing for the long holiday season expect to see their local grocer's dairy case fully stocked with eggnog. Six months later, when the tem-



account demand and supply volatility.

"Inventory Optimization enables Nature's Best to set channel-specific service levels so that Web, call center, and store orders can each be filled from the source, and at specific times," says Rodney R. Daugherty, senior director, product strategy, Manhattan Associates.

By implementing the *Inventory Optimization* software, Nature's Best was able to add a second distribution center without hiring additional buyers. "We doubled the workload, but didn't need to add staff because of the software's ability

An automated inventory optimization system improved Nature's Best's inventory accuracy by 14 percent, and increased on-time deliveries by 11 percent.

perature rises, shoppers return to the cooler looking for lemonade — but only through the hot summer months.

Both eggnog and lemonade are perishable items and present a challenge for the wholesale distributor: maintaining proper inventories to maximize profitability.

"We'll get orders for two or three cases of eggnog in the first two weeks of November," says Parker. "That number will escalate to six cases, then to 40 cases, then to 80 to 200 cases. That's a significant ramp up for any kind of product."

Demand for eggnog stays strong until Christmas Eve, then it wanes. By Jan. 2, demand plummets, and retailers don't want to tie up valuable shelf space. Even though Nature's Best's buyers were very good at knowing what inventory they needed to make available during specific weeks, and when demand would cease, the "human factor" could sometimes result in less-than-accurate inventory.

"Our buyers used to make these decisions by the seat of their pants," says Parker. "But on Dec. 23, when they're still selling 80 cases, but they've only got 40 cases on hand, their inclination is to buy 40 more cases because they know customers will yell if they're out of stock. As buyers, they have an inclination to not let go."

From an inventory perspective, buying the 40 cases is a fatal flaw. More often than not, the anticipated demand never materializes, and weeks later the unsold inventory goes out of code. Historically, because most of the eggnog was bought for a negotiated discount that was passed on to the customer, Nature's Best's gross margin eroded significantly.

"The 40 cases they threw out completely wiped out the gross margin dollars they made on the previous 400 cases," says Parker. "So they did all that for nothing, except making a few straggling customers happy."

Forecasting Demand

That was then. Now, on Nov. 1, *Inventory Optimization* recognizes it is eggnog season, so it delivers a forecast. The system determines the pricing, the minimums, and whether or not there's a deal involved in the purchase, then recommends an order of 20 cases.

Further, it has calculated the shelf life, so those 20 cases it initially buys will not go out of code before customers start to purchase during November.

Moreover, because of previous years' histories, the system sees the huge demand spikes in November, and five to



seven days later, it indicates that Nature's Best should place an order for 100 cases.

"No buyer in their right mind would order 100 cases; but with Inventory Optimization, the data and the sales forecast set you free," notes Parker. "It's just as important to make the sale in the beginning as it is to cease the order at the end. On Dec. 23, the system looks forward, sees sales historically dropped down to two cases, and no longer recommends an order.

"The impulse to continue buying is set aside, and margins are maintained," he adds.

Key Factors

From Nature's Best's perspective, *Inventory Optimization* offers three key advantages: Customer focus combined with financial responsibility, automated decision making, and demanddriven execution

"One of the program's key parameters is a desired service level," explains Parker. So, for instance, if Nature's Best wants a 97-percent in-stock position, the software calculates what is needed for that level or better. It then asks if it is



We focus on your customers.

DISTRIBUTION & FULFILLMENT • TRANSPORTATION MANAGEMENT MATERIAL HANDLING SOLUTIONS • REAL ESTATE MANAGEMENT

Kenco's supply chain solutions go beyond the shipping dock to satisfy your customers—during their coffee break or any time. How? We combine common sense customer service with unparalleled execution, driving continuous value to you—and your customers.



recommends optimum frequency. It also accounts for the needs of sales and financial functions. For inbound logistics,

Inventory Optimization maximizes efficient truckload shipping in competitive lanes.

Automated decision-making is also important. In the past, deciding to buy just one SKU took a buyer anywhere from two to seven minutes. Today, *Inventory Optimization* makes multiple rote buying decisions in a few seconds.

"This intensely algorithmic system thinks like the buyers have for several decades, but does it in one-sixteenth of a second," says Parker. That frees buyers and category managers to focus their time on managing vendor relationships and developing new product offerings.

"The software does all the heavy lifting," continues Parker. "It does the thinking. It does the analysis. It updates itself. It reviews and discards outlying data. It makes recommendations—and recommends changes — for everything from forecasts to order frequency."

Improving demand

a financially sound decision to achieve this stock level requirement.

In that way, the software ensures that it doesn't buy beyond a set shelf life, goods are sourced in the most efficient way, and opportunity buys are maximized. It also allows labor and warehouse costs to be factored in.

"For example, the system compares the costs associated with ordering a pallet of juice once a day versus once a week," says Parker. The software calculates and forecast accuracy was also an essential requirement for Nature's Best. By more accurately estimating the quantity of a product that consumers will purchase, Nature's Best replaced educated guesses with quantitative methods. For instance, it

May 2013 • Inbound Logistics 87



started using historical sales data to make better decisions and assess future capacity requirements. The Manhattan Associates system is demand-driven; it is designed to execute based on how products really sell, which includes factors such as seasonality, promotions, and special deals.

"Nature's Best required the ability to balance the cost of carrying inventory against the cost of acquiring inventory," says Manhattan's Daugherty. Many buyers order on a fixed schedule, simply because that is the way they've done it for years. This habit can lead to unforeseen imbalances.

Instead, an *Inventory Optimization* feature called Order Frequency Simulation balances the cost of carrying inventory versus the cost of acquiring inventory. This feature finds the most profitable days of supply for a given vendor line (a supplier and the group of products bought from that supplier) on which Nature's Best should always order to maintain desired service levels and just enough inventory.

"Every time an order is placed, *Inventory Optimization* records and retains the reason that suggested order quantity was purchased: *x* amount covers safety stock based on demand and lead-time deviation; *x* amount covers lead time; and *x* amount covers the order cycle and days of supply," says Daugherty.

Garbage In, Garbage Out

A crucial factor in maintaining accuracy is maintenance. The system makes weekly recommendations to buyers to ensure the integrity of data being used.

"It's the oldest story in the software business: garbage in, garbage out," says Parker. "So the focus of the buyers' time is spent on maintenance: ensuring that how we adjust is based on course corrections the system recommends. This procedure guarantees high-level decision-making." The entire implementation cycle took fewer than 90 days. Return-on-investment of the software purchase occurred within a few weeks of system start-up. In the month after implementation, Nature's Best reduced its out-of-stock conditions by 23 percent over the prior year. The second distribution center was added within six months of the software system going live, without the need to hire more personnel. The company's top-line sales were increased through better seasonal forecast accuracy.

"The success of the software was demonstrated through receiving consistency, better fleet utilization, more consistent onboarding patterns with vendors, and better in-stock positions due to not overor under-reacting to spikes in demand," says Parker.

Today, the inventory management software continues to deliver a bumper crop of benefits to Nature's Best.





GLOBAL CAN DO LOGISTICS[®]



CONSIDER IT DONE

As one of the world's most trusted third party logistics providers, Jacobson Companies can oversee your entire supply chain from end to end. Everything from determining the best and most economical ways to perform each step from managing the purchase order to consolidation at origin to final delivery to store.

Now, with the establishment of Jacobson Global Logistics in Asia, we offer a competitive advantage for a one stop end to end solution. You can do more with Jacobson, the originator of *Can Do Logistics*.



1.800.636.6171 www.JacobsonCo.com/CanDo

www.inboundlogistics.com/web_cite

127

IN THIS SECTION: 3PLS



3LINX • www.3linx.com

3PLs

3LINX is an e-commerce order fulfillment and third-party logistics (3PL) provider for the 21st century omni-channel client. Ship to consumers? Check. Retailers? Check. Dropship? Check. Down to earth people with OCD tendencies? Check and check. In a world of green screen WMSs, 3LINX offers a platform that you integrate to once, use free APIs, and access our network of U.S. and international warehouses. Free centralized web portal providing real-time inventory and order visibility from your iPad, iPhone, or laptop. If you're looking for a partner who's passionate about your success and acts as a trusted friend, 3LINX is it.

Atlanta Logistics Services • www.atlantalogisticsservices.com

In addition to contract warehousing, facility management, dedicated storage, short-term and long-term leased space, Atlanta Logistics Services offers a variety of related services: inventory control, assembly and distribution, pick and pack, and pool distribution services. Our management team can help your business with planning, compliance, auditing, implementation of new processes, quality assurance, shipping and logistics services, and reporting options. We use our experience and expertise to help your business eliminate inventory problems, shipping errors, and poor warehousing techniques. Atlanta Logistics Services works with customers to analyze their distribution goals and objectives to determine how we can best tailor our services to fit their needs.





FreightCenter.com • www.freightcenter.com

For more than a decade, FreightCenter.com has changed the world of freight with our leading technology, freight automation, and unbeatable execution. Instantly compare rates from all the top respected carriers, choose one, book your shipment, and print paperwork in a few short minutes. Access all past and current shipments, paperwork, invoices, and even track your freight at the touch of a button. FreightCenter makes it easy to automate your freight shipping, whether it's moving one load or managing an entire freight system. We have an expansive network of carriers covering all freight transportation from LTL to truckload, intermodal, air, international, and all specialized needs. When you want your freight moved fast and efficiently at the right price, FreightCenter.com will get it done.

Jacobson Companies • www.jacobsonco.com

Jacobson Companies is a leading third-party logistics company providing endto-end supply chain solutions that include warehousing and distribution, contract packaging and manufacturing, freight management, customs brokerage, and international ocean and airfreight forwarding. Jacobson can offer expertise in a wide range of industry verticals including food and beverage, consumer packaged goods, chemicals, healthcare/life sciences, durable goods, consumer electronics, retail, and industrial/automotive. What can we do for you? Contact us today at 800-636-6171 or visit our website at www.jacobsonco.com.





3PLs • Air/Expedited

www.inboundlogistics.com/web_cite



Lynden • www.lynden.com

Over land, on the water, in the air – or in any combination – Lynden has been helping customers solve transportation problems for almost a century. Operating in such challenging areas as Alaska, Western Canada and Russia, as well as other areas around the globe, Lynden has built a reputation of superior service to diverse industries.

MIQ Logistics • www.miq.com

Started in 2002, MIQ Logistics has locations in Asia, Europe, North America, and South America. Along with its global network partners, MIQ Logistics provides services in and between more than 80 countries supported by more than 5,000 in-country logistics professionals. Its broad portfolio of global, transportation, and distribution services makes it possible to offer global end-to-end supply chain solutions supported by the visibility of Web-native technology. If your business is seeking supply chain improvements, let MIQ Logistics add value to your business.





Polymer Central, LLC • www.polymercentrallic.com

Shippers have long relied on Polymer Central for its plastics and chemicals warehousing and distribution expertise, but the company now has the capability to handle all types of freight on skids. From storage and shipping, to warehousing and distribution, Polymer Central offers a wide variety of services to meet your specific logistics needs.

AIR/EXPEDITED

Langham Logistics • www.elangham.com

Are you spending too much on expedited freight services? With your help, Langham looks at the big picture of your supply chain, which may reveal operational inefficiencies that can be improved or eliminated altogether. If one part of your supply chain is deficient, it can have a domino effect on everything else, which can significantly drive up your expedited freight costs. Langham will work with you to find the best solution at the best price.



May 2013 • Inbound Logistics 91

www.inboundlogistics.com/web_cite

122

Economic Development – Fulfillment

ECONOMIC DEVELOPMENT



ElectriCities of North Carolina • www.electricities.com

This membership organization includes public power communities in North Carolina, South Carolina and Virginia. ElectriCities also provides management services to the state's two municipal power agencies - North Carolina Municipal Power Agency Number 1 and North Carolina Eastern Municipal Power Agency. ElectriCities serves the needs of public power communities through collective strength, wisdom, and action - while promoting more success for its citizens. For more information, contact Brenda Daniels at (800) 768-7697, ext. 6363.

EDUCATION

Mount Royal University • conted.mtroyal.ca/supplychain

The Supply Chain Management Extension Certificate offered through Continuing Education at MRU gives students the knowledge and expertise employers are currently looking for. Currently offered on evenings and weekends, students can earn their extension certificate while still maintaining their full-time jobs. Through lectures, field trips, case work, real-life examples, and a final paper, students gain the skills they need, and which can be applied today. Highly qualified, working instructors bring current best practices and proven strategies to our highly interactive classrooms. Visit our web site for a full listing of courses.



| () aLINX | | And | |
|---|----------------|---|--|
| | | | |
| Constant in the local division of the local | - | | |
| - | | | |
| | the lattice of | The second second second | |
| The Training Party of the State | An and | and the second se | |
| Statement of the local distance of the | - Granter | A | |
| The second second second | 2 | a manufacture | |
| in instrumental | | × | |
| | | 1 Martine - | |

FULFILLMENT

3LINX • www.3linx.com

3LINX is an e-commerce order fulfillment and third-party logistics (3PL) provider for the 21st century omni-channel client. Ship to consumers? Check. Retailers? Check. Dropship? Check. Down to earth people with OCD tendencies? Check and check. In a world of green screen WMSs, 3LINX offers a platform that you integrate to once, use free APIs, and access our network of U.S. and international warehouses. Free centralized web portal providing real-time inventory and order visibility from your iPad, iPhone, or laptop. If you're looking for a partner who's passionate about your success and acts as a trusted friend, 3LINX is it.

WSI (Warehouse Specialists, Inc.) • www.wsinc.com

Condition, Count & Time™: Three simple words. A powerful promise. WSI, one of the largest privately held 3PL providers in the U.S., helps customers succeed through tailored, integrated logistics and supply chain solutions. We deliver consistently reliable, end-to-end logistics solutions designed to help customers operate their supply chains more efficiently, shorten lead times, and minimize costs. From warehousing to distribution, contract services to chemical logistics, import/export to customer support, WSI partners with customers to tailor solutions to their unique needs. If there are opportunities for improvement in your supply chain, give WSI a call.





Logistics IT • Ocean/Intermodal

www.inboundlogistics.com/web_cite

LOGISTICS IT



CDM Software Solutions, Inc. • www.cdmsoft.com

CDM Software Solutions provides fast, efficient, user-friendly software products, services, and support for the international trade community - specifically freight forwarding, NVOCC, warehouses, importers and exporters. We are a U.S. Customs Certified Vendor and IBM Business Partner that provides software solutions for air freight (import, export and domestic), air freight consolidation, ocean freight (import and export), ocean freight consolidation, truck/inland freight, rail freight, warehousing, logistics and electronic data interchange.

Fortigo • www.fortigo.com

Fortigo's team of experts specializes in logistics optimization and enterprise web-based software. For companies seeking to reduce costs, improve customer satisfaction, and increase profitability, Fortigo automates, optimizes, and audits logistics decisions. Fortigo plugs into established supply chain applications and provides rapid return on investment by optimizing and deploying closed-loop logistics processes, minimizing ship-to-order times and streamlining collaboration with logistics providers.





Interlink Technologies • www.thinkinterlink.com

Think Interlink! Do you need to improve inventory accuracy? Eliminate shipping errors? Use real-time information? Manage distribution activities better? Increase productivity? For over 20 years, Interlink has been providing robust software solutions to increase efficiency and productivity goals in the warehouse. Think Interlink Technologies for WHSe-LINK® warehouse management software.

OCEAN/INTERMODAL

Langham Logistics • www.elangham.com

Are you spending too much on expedited freight services? With your help, Langham looks at the big picture of your supply chain, which may reveal operational inefficiencies that can be improved or eliminated altogether. If one part of your supply chain is deficient, it can have a domino effect on everything else, which can significantly drive up your expedited freight costs. Langham will work with you to find the best solution at the best price.



May 2013 • Inbound Logistics 93

Pallets • Site Selection

1720

www.inboundlogistics.com/web_cite

PALLETS

BettAway Pallet Systems, Inc. • www.bettaway.com

BettAway Pallet Systems was designed as a more effective alternative to traditional pallet programs. Its pallet inventory management system provides customers with a national single source for supply, retrieval and tracking, and our 20 years of pallet management experience was instrumental in the development of software and systems that allow BettAway to efficiently supply, retrieve, and repair millions of pallets every year.

ORBIS • www.orbiscorporation.com

As leading companies continue to drive sustainability in their business, they scrutinize every point of their supply chain, including the packaging used to move their product. ORBIS provides reusable plastic containers, pallets, dunnage and bulk systems that improve the flow of product all along the supply chain, to reduce costs, enhance profitability, and add sustainability.





PECO Pallet • www.pecopallet.com

PECO Pallet is a North American leader in pallet rental services with an outstanding reputation for quality, service, and sustainability. Leading consumer goods manufacturers utilize PECO's sturdy red wood block pallets to ship their products to 95 percent of U.S. grocery, warehouse, and discount retailers. PECO Pallet is headquartered in New York and maintains more than 500 service centers and manufacturing plants throughout the United States, Mexico, and Canada. For more information about PECO Pallet, visit www.pecopallet.com

SITE SELECTION

Tennessee Valley Authority Economic Development • www.tvaed.com

TVA's GIS-based Web site helps businesses and site selection consultants identify the best properties available in the 80,000-square-mile TVA region. Search for available properties and buildings, find demographic data, and download maps at TVAsites.com. Your source for economic development information and services in the seven-state TVA region is TVAed.com.





IN THIS SECTION:

www.inboundlogistics.com/web_cite





Cirrus TMS • www.cirrustms.com

Based in the Tampa Bay area since 2005, Cirrus TMS streamlines freight operations for Fortune 500 companies and businesses of all sizes. Available as hosted SaaS-based or installed software, our freight software provides results-driven solutions for carriers, brokerages, and shippers. Cirrus TMS delivers real-time rating and shipping information, accounting software integration, paperwork (e.g., BOL) generation, and performance analytics.

CT Logistics • www.ctlogistics.com

CT Logistics can help you save money, no matter your company's size. For small and medium-sized shippers, CT Logistics offers its TranSaver shipper cooperative buying program. Larger shippers can simplify their freight spending with CT Logistics' exclusive FreitRater freight bill rating and processing system. And businesses of all sizes can benefit from AuditPay freight payment services. Add to these offerings a wealth of online collaboration and reporting tools, and it's easy to see why shippers have trusted CT Logistics with their freight payment needs for more than 86 years.





Fortigo • www.fortigo.com

Fortigo's team of experts specializes in logistics optimization and enterprise web-based software. For companies seeking to reduce costs, improve customer satisfaction and increase profitability, Fortigo automates, optimizes and audits logistics decisions. Fortigo plugs into established supply chain applications and provides rapid return on investment by optimizing and deploying closed-loop logistics processes, minimizing shipto-order times, and streamlining collaboration with logistics providers.

Manhattan Associates • www.manh.com

For 23 years, Manhattan Associates has provided global supply chain excellence to organizations that consider supply chain software, processes and technology strategic to market leadership. The company's platform-based supply chain software portfolios–Manhattan SCOPE®, Manhattan SCALE[™] and Manhattan Carrier[™]–are designed to deliver both business agility and total cost of ownership advantages and are used by 1,200 companies globally.



May 2013 • Inbound Logistics 95

www.inboundlogistics.com/web_cite

127

IN THIS SECTION:



Navegate • www.navegate.com

Are you ever concerned that your global visibility and supply chain visibility is dependent on one provider? With Navegate, you maintain your own global management solution and have the freedom to plug in and change providers to ensure you have the best pricing and service across your entire supply chain. Navegate's supply chain visibility is an integrated solution that gives you true line-item visibility and carrier updates. Real-time visibility and carrier management significantly reduces your costs and ensures better purchasing decisions.

RateLinx • www.ratelinx.com

RateLinx provides transportation management solutions, TMS technology, and freight payment and auditing for companies for all modes, as well as providing cutting-edge Vendor Compliance technology and methodologies for companies with vendor compliance programs and the vendors that utilize them. RateLinx manages and/or services freight in the billions of dollars for thousands of shippers both domestically and internationally, and is recognized as a leading manufacturer of integrated logistics software for small parcel, LTL, truckload, ocean, air, and expedited shipping. For more information, visit our Web site or contact us at sales@ratelinx.com.





Suntek Systems Inc. • www.ilogisys.com

Suntek provides its logistics management software, *iLogisys*, for freight forwarders, NVOCCs, 3PLs, and customs brokers. As the company's flagship solution, *iLogisys* offers simple and efficient methods of logistics operation, collaboration tools between related parties, extensive supply chain visibility, B2B EDI connectivity, and more control over business management. The cost-effective and feature-rich *iLogisys* products boost your customer satisfaction, and increase sales opportunities for business growth.

TMW Systems • www.tmwsystems.com

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





IN THIS SECTION: TMS • Trucking

www.inboundlogistics.com/web_cite



TransWorks • www.trnswrks.com

TransWorks offers fully integrated TMS/Supply Chain Execution solutions that enhance and automate transportation processes. Without the requirement for capital investment, we offer customers an affordable way to manage transportation costs by allowing them to utilize the best transportation execution tools. TransWorks has consistently automated processes that enable our customers to communicate more effectively with their vendors and customers. We accomplish this by leveraging technology that seamlessly integrates into our customers' business processes.

Trinity Logistics, Inc. • www.trinitylogistics.com

Trinity Logistics, Inc. is a third-party logistics company that offers a full range of logistics services including full truckload, LTL, intermodal, and freight management. Additionally, we provide Web-based technology that assists with cost control, enhances visibility, and introduces customized reporting. We specialize in creating a consultative relationship in order to deliver solutions to meet your unique needs.





WIN • www.winthruolt.com

WIN (Web Integrated Network) is not a Transportation Management System, it's better. As a community of shippers and carriers, WIN helps optimize freight movements; simplifying your daily transportation management activities while providing immediate savings. WIN is your route to transportation control and freight savings, and always leaves you in control of your transportation management role.

TRUCKING

Saia LTL Freight • www.saia.com

For nearly 90 years, Saia LTL Freight has been providing customers with fast, reliable regional and interregional shipping. With 147 terminals located in 34 states, Saia LTL Freight offers a range of products and services that are backed up by a guarantee like no other in the industry. Our Customer Service Indicators, or CSIs, allow us to measure our performance each month against a set of six indices that our shippers said are the most important to them.



May 2013 • Inbound Logistics 97

www.inboundlogistics.com/web_cite

122

Vendor Compliance • Warehousing



VENDOR COMPLIANCE

C3 Solutions • www.c3solutions.com

C3 Solutions provides advanced software applications that transform static logistics operations into dynamic flow-through centers. C3 Reservations, its web-based dock scheduling system, streamlines the scheduling process by improving dock productivity, expanding visibility on scheduled appointments, and measuring vendor compliance. Yard Smart, C3's award-winning yard management system (YMS), empowers yard managers by providing visibility on yard assets, optimizing the flow of trailers from gate to gate, and automating yard driver task assignment.

WAREHOUSING

C.H. Robinson • www.chrobinson.com

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





DDC Dependable Distribution • www.godependable.com

The Dependable family of transportation services is comprised of six main business groups, serving nearly all areas of the logistics industry. Each of the six divisions–DHE, DDC, DLS, DHX, DGX, and DAX–have achieved double-digit growth over the past five years, while earning a reputation for leadership in their respective fields.

DF Young, Inc. • www.dfyoung.com

DF Young has more than 100 years of experience providing international businesses with the full range of transportation and logistics solutions. DF Young's customized, person-to-person services are proven to meet today's challenging logistics requirements. DF Young paves the way for international shipments clear across continents, using the most sophisticated air, sea, and land transportation services available. Each move is backed by state-of-the-art technology and Internet access that spans the globe.





IN THIS SECTION: Warehousing

www.inboundlogistics.com/web_cite



Landoll • www.landoll.com

Landoll's Bendi and SwingMast lift trucks can solve your materials handling challenges through increased productivity and flexibility. The Bendi lift trucks provide the world's first 180-degree front-wheel-steered design, giving you unmatched maneuverability in narrow-aisle storage. The SwingMast design offers a 90-degree rotating mast front or side loader that can stack loads in 56-inch aisles. To see how these two narrow aisle lift trucks can make your operation more productive, view the specification sheets on the Web site.

Metro Park Warehouse • www.mpwus.com

Metro Park Warehouses is a full-service 3PL offering 2 million square feet in Kansas City of modern food-grade warehousing space, including medical temperature-controlled space, ATF and national pharmaceutical licensed distribution, AIB Superior ratings, and 5 rail facilities, all open to reciprocal switching. Our in-house value-added services include end-to-end call center, shipping, invoicing, credit card payment; retail display building; heat-tunnel packaging and shrink-wrapping; and a dedicated local and regional trucking fleet. We have been in business for more than 40 years, specializing in award-winning service for food and household products, medical supplies, pharmaceuticals, alcoholic beverages, appliances, roll paper, and packaging. Contact Metro Park to gain the competitive edge for your Midwest logistics and distribution requirements.





ModusLink • www.moduslink.com

ModusLink is a trusted provider of comprehensive supply chain and logistics services to the world's leading companies in consumer electronics, communications, computing, medical devices, software, luxury goods, and retail. The company's operating infrastructure annually supports more than \$80 billion of its clients' revenue and manages approximately 451 million product shipments through more than 25 sites across North America, Europe, and the Asia/Pacific region.

NFI • www.nfiindustries.com

NFI is a fully integrated supply chain management provider offering logistics, distribution, warehousing, intermodal, global, commercial real estate, consulting, transportation brokerage, and solar services across the U.S. and Canada. NFI owns facilities nationwide and globally, more than 2,000 tractors, and more than 7,000 trailers. Privately held by one family since its inception in 1932, NFI operates more than 21 million square feet of contract and public warehouse and distribution space, and generates \$1 billion in revenue annually. NFI is an EPA Smartway Transport and WasteWise Partner and is dedicated to increasing energy efficiency and reducing the impact of the freight industry upon the environment.



May 2013 • Inbound Logistics 99



IN THIS SECTION: Warehousing



127

Penske Logistics • www.penskelogistics.com

Penske Logistics is an award-winning logistics services provider with operations in North America, South America, Europe and Asia. Our innovative solutions, engineering, and advanced technology help leading companies drive down supply chain and logistics costs, and boost operational efficiency. Penske Logistics offers dedicated contract carriage, distribution center management, transportation management, lead logistics, supply chain consulting, freight brokerage, and fully customizable solutions. Call Penske Logistics at 1-800-529-6531 to learn more.

ProTrans International • www.protrans.com

For nearly two decades, ProTrans International has been dedicated to providing supply chain management solutions that optimize our customers' time, money, and resources. ProTrans recognizes that every customer's inventory needs and requirements are unique, so we offer a variety of inventory and fulfillment solutions that can be tailored to fit your specific situation.





Saddle Creek Logistics • www.sclogistics.com

Saddle Creek Logistics Services is a third-party logistics company. We leverage our broad array of capabilities-including warehousing, transportation, packaging and fulfillment-to provide integrated solutions that support our customers' business objectives. For more information, visit sclogistics.com.

Sunland Distribution • www.sunlanddistribution.com

Partnering with Sunland in the Southeast gives you access to a prime location close to both Atlanta and Charlotte, putting you in the perfect position to reach the entire Southeast. The Greenville/Spartanburg transportation hub gives Sunland access to all major LTL carriers, and two major rail lines. Sunland provides overnight delivery to the entire Southeast via truck, rail, and intermodal with international access to the Port of Charleston. Sunland is a full-service contract and public warehousing provider with 2 million square feet of space in the Southeast, providing custom solutions to meet your unique needs. Let Sunland give you the freedom to focus on your strengths, while it handles your warehousing and distribution.





IN THIS SECTION: Warehousing • WMS

www.inboundlogistics.com/web_cite



Trinity Logistics, Inc. • www.trinitylogistics.com

Trinity Logistics, Inc. is a third-party logistics company that offers a full range of logistics services including full truckload, LTL, intermodal, and freight management. Additionally, we provide web-based technology that assists with cost control, enhances visibility, and introduces customized reporting. We specialize in creating a consultative relationship in order to deliver solutions to meet your unique needs.

WB Warehousing & Logistics, Inc. • www.wbwarehousing.com

An integrated group of warehouse, material management, and distribution services, WB Warehousing & Logistics is dedicated to enhancing each customer's competitive advantage. Our state-of-the-art EDI/ASN capabilities, online inventory, stock locator and rotation systems, lot and serial number control, and bar coding enable WB Warehousing & Logistics to guarantee accurate supply chain inventory management. Individual programs are available to meet specific customer needs.





Weber Logistics • www.weberlogistics.com

Weber provides warehouse services throughout the Western U.S., with 6.5 million square feet of space across 19 modern distribution centers in California, Arizona, Nevada, and Utah. Warehouse services include dedicated contract warehousing, shared warehousing, temperature-controlled storage, eCommerce fulfillment, crossdock services, and a wide range of value-added services, such as product postponement, kitting services, and hazardous material storage.

WMS

Magaya Logistics Software Solutions • www.magaya.com

Magaya's logistics software is designed specifically for freight forwarders, NVOCCs, logistics providers, warehousing and distribution centers, importers, exporters, and others in the logistics industry. Our software is a complete package that integrates logistics, communication, and accounting features built on the award-winning Magaya Network. Companies can exchange documents for shipping, and more, with their customers and agents worldwide via the Network and give them real-time tracking.



May 2013 • Inbound Logistics 101

PUTTING ALL YOUR EGGS IN OUR 3PL BASKET IS A GOOD INVESTMENT

STOP SCRAMBLING TO FIND DEPENDABLE, INTEGRATED SERVICES FOR YOUR OPERATION.

WE OFFER ONE-STOP SHOPPING FOR:

WAREHOUSING

- 1.6 million sq. ft. of total space
- 150,000 sq. ft. of cold storage
- Approved Organic/AIB/ CCOF/IFOAM

CONTRACT PACKAGING

- Clear film; Pre-printed film
- In-store shippers; Bags/cartons
- Club store packs; Gift packs
- Module building; Multi-flavor assortments

TRANSPORTATION

- Coast-to-coast; DCs in CA, WI, NJ
- LTL/TL; Intermodal; Railroad/Boxcar
- Temperature control & dry

We service customers across a variety of industries and offer secure online, real time access to inventory, receipt and shipment information. Our flexibility across the board will help:





AT WB WAREHOUSING & LOGISTICS we'll go the distance to assure your goods travel

FROM POINT A TO POINT BE SURE



WAREHOUSING & LOGISTICS MATERIAL MANAGEMENT & PACKAGING SOLUTIONS

wbwarehousing.com/3pl

- Northern CA 800-541-3319
- Wisconsin 877-922-9473
- New Jersey 800-858-3739 An affiliate of Kreilkamp Trucking Inc.





White Paper Digest

Industry experts amass supply chain management best practices and skill sets, and invest in new research and evaluation tools. Now you can benefit. Inbound Logistics has selected this collection of whitepapers that will give you a jump on important supply chain issues. For more information on any of these whitepapers, visit the Web sites listed below.



Weber Loaistics

TITLE: Reduce Transportation Costs With Intermodal

DOWNLOAD: http://bit.ly/181rRUp

summary: Too slow, Unreliable, Risk of damage, These were some of the reasons transportation managers once gave for avoiding rail for freight transport. This Weber INSIGHT paper discusses why many companies are now making intermodal a key element of their strategies to reduce transportation costs and carbon emissions. Download this whitepaper to learn how to make intermodal work for your company.

CoolTrax

TITLE: The Role of Reefer and Refrigerated Telematics In Measuring and Monitoring the Cold Chain

SUMMARY:

DOWNLOAD: http://cooltrax.com/resources/whitepapers While the main function of telematics technology is to provide proactive monitoring and management tools for food safety, it can also help transportation companies learn about what goes on inside reefer units and refrigerated boxes while trucks are on the road. When researching telematics solutions for your company, look for those that extract as much data as possible through alerts, fault codes, temperature set points, door open/close statuses, and geo-zone tracking. The data can serve as the ultimate proof of your company's ability to properly care for food and adhere to regulations. For more information on how telematics technology can assist your company in monitoring and managing food in transit, download this free whitepaper.

Share your whitepaper with IL readers!

WhitePaper Digest is designed to bring readers up-to-date information on all aspects of supply chain management. We're building a database of SCM whitepapers, and you can help. E-mail us with whitepaper recommendations: editorial@inboundlogistics.com

May 2013 • Inbound Logistics 103

White Paper Digest



Mitsubishi Caterpillar Forklift America

TITLE: Determining the Right Lift Truck Navigation System For Your Very Narrow Aisle (VNA) Warehouse

DOWNLOAD: http://bit.ly/12iqzhS

SUMMARY: This new whitepaper from Mitsubishi Caterpillar Forklift America Inc., a leading provider of Jungheinrich lift trucks and narrow aisle products, is aimed at educating warehouse managers on recent advancements in lift truck navigation technology. It discusses the three lift truck navigation technologies available today – manual, fully automated, and hybrid – and the key factors for warehouse managers to consider when evaluating these systems. The whitepaper also explains several industry best practices for improving warehouse productivity and order picking accuracy, in addition to reducing overall logistics costs.

3PL Central

| TITLE: | Growing Your 3PL by Supporting Multi-Channel Warehousing |
|-----------|--|
| DOWNLOAD: | http://www.3plcentral.com/multi_channel_growth_webinar |
| SUMMARY: | The fast-growing trend toward multi-channel distribution could provide |
| | your 3PL with one of its largest growth opportunities in years. To learn |
| | what your 3PL must do to prosper in this new environment, watch |
| | 3PL Central's webinar, Growing Your 3PL by Supporting Multi-Channel |
| | Warehousing, today. |
| | |

Geodis Wilson

TITLE: Navigating Uncertain Times: Three Challenges Facing Shippers Today and How to Mitigate Them

DOWNLOAD: http://bit.ly/101h2vg SUMMARY: This whitepaper examines three data disparity challenges facing shippers today in their transportation flows, warehouse management, visibility, and cross-border trade – while exploring ways they can mitigate these challenges and simultaneously prepare themselves for a better tomorrow.

C3 Solutions

TITLE: The Underestimated Value of Dock Scheduling

DOWNLOAD: http://info.c3solutions.com/dock-scheduling-white-paper

SUMMARY: There are underestimated benefits to implementing a dock scheduling solution, primarily because they are overshadowed by the planning, scheduling, and communication features of the application. These benefits, derived from the reports and dashboards that capture the key performance metrics related to your dock activities, provide management the right data to make the right decisions at the right time. This whitepaper addresses the following questions:

- How can you measure your scheduler's efficiency?
- How can you audit chargebacks and demurrage fees?
- What is measurable and how is it useful?
- Who in your organization could benefit from reports and dashboards?





30 YEARS AND GROWING!







Located in the southeast with over 30 years in the business, Sunland develops integrated solutions to fit our customers' logistics and supply chain needs.

- Warehousing
- Value Added Services
- ISO 9000 Certified
- FTZ Accessibility
- Customs Brokerage
- Worldwide Shipping
- Supply Chain Solutions
- Work Force Solutions

SUNLANDLOGISTICSSOLUTIONS.COM 800.295.0081

For more information, contact: Liza Twery McAngus, Marketing Manager liza@SunlandLS.com

We help our customers do what they do...better!

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

This is <u>not</u> how to gain supply chain visibility





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



NEW SERVICES & SOLUTIONS



//Transportation //

Bahri, the national shipping company of Saudi Arabia, added the Port of Jacksonville to its regular liner service schedule. The addition connects the United States with Saudi Arabia and the Arabian Gulf ports.

By adding new routes, **DHL Express** improved transit times among its intra-Asian and U.S.-Asian networks. The changes include non-stop service from DHL's Americas Hub in Cincinnati to Japan, increased freighter frequency to Australia, and the addition of an air freighter route between Taipei, Taiwan; Incheon, South Korea; and Nagoya, Japan.

Schneider National Bulk Carriers, a

provider of liquid chemical and energy transportation services, launched a bulk intermodal service utilizing a 40-foot tank container that can be used on rail or over the road to haul liquid bulk chemicals across the United States.

Cargolux Airlines International, a

European cargo airline, now offers twice-weekly flights connecting Dallas/ Fort Worth International Airport (DFW) and Luxembourg. The service takes an around-the-world path flown by 747-8 freighters, which are routed from

May 2013 • Inbound Logistics 107



Luxembourg to Baku, Azerbaijan; to Hong Kong; then to DFW.

The U.S. division of **Hellmann**

Logistics Worldwide added a lessthan-containerload (LCL) service to its sea freight shipping options. The new LCL service includes shipment documentation support, technologyenabled visibility, and more than 242 port pair direct sailings.

Lift'n'Buddy's Model LNB-350 combines the features of a two-wheel hand truck with those of a small powered stacker, reducing the need for two separate pieces of equipment when repositioning items in a warehouse or distribution center. Model LNB-350 lifts a maximum weight of 350 pounds up to 36 inches.



//Technology//

Baltimore-based fleet and mobile management software company **Roadnet Technologies** released *MobileCast On Track*, a tracking tool that enables organizations to track and manage mobile employees to increase accountability and improve customer service. The application is available for use on Android, Apple, Windows, and Java-enabled phones.

Interstate Logistics Group launched QuoteMyTruckload.com to give small and mid-market shippers access to rates and capacity estimates for truckload shipments.

Wasp Barcode Technologies

updated InventoryControl, an inventory tracking solution for small and medium-sized businesses. The software's QuickBooks connector module option reconciles inventory and accounting systems to allow users to effectively plan, execute, and optimize their operations.

PortXpert, a new app from **Sydel Corporation**, offers port operations professionals and logistics managers port and tugboat contact information, harbor characteristics, entrance restrictions, water depth, and quarantine alerts for ports worldwide.

Produce Pro Software released the *PPro Driver* mobile app to help shippers optimize their delivery fleets. The app provides electronic signature capture, real-time updates, turn-by-turn navigation, task lists, and cash-on-delivery support, and operates in conjunction with Produce Pro's software solution.

Montreal-based Freightopolis

introduced Freightopolis.com, a freight matching service that automatically generates bills of lading, proof of delivery, tracking numbers, and invoices. The site is free to use for both shippers and carriers.

Epicor Software Corporation's

Mobile Business Analyzer supports executive level decision-making for wholesale distributors. The business intelligence iPad app works with Epicor's Prophet 21 enterprise resource planning software, allowing users to access business metrics about customers, and receive proactive alerts before problems arise.

Speedy Route launched a free route planning Web site at www.speedyroute.com. The site is designed for truckers and other transportation professionals who need to find the shortest route between multiple destinations.

//Services//

Kuehne + Nagel and Coastal Logistics formed an alliance to provide supply chain solutions for shippers in the automotive, aerospace, industrial, and oil industries. The two companies combine Kuehne + Nagel's global freight forwarding, air, sea, road, and contract logistics capabilities with Coastal Logistics' production support services.

ASF Intermodal opened a new intermodal drayage facility in Norfolk, Va., to provide drayage service in and out of the port and rail facilities, while expanding the company's service area throughout the southeastern United States.





The TREQ-VMx mobile data terminal from **Beijer Electronics** allows shippers and manufacturers to manage delivery vehicles and truck fleets. Features include a seven-inch LED touch screen, five USB ports, one-hour active life lithium power battery, 3G connectivity, and a version that can be removed from the cab for short excursions from the vehicle.

Grand Rapids, Mich.-based **Supply Chain Solutions** leased a 38,500-square-foot warehouse in Lafayette, Ind. The facility features 24 dock doors, two drive-in doors, and 28-foot ceilings to handle functions including distribution, kitting, assembly, inspections, deconsolidation, cross-docking, and forward-positioned inventory.

Third-party logistics provider **Wheels Group** opened three new offices in Los Angeles; Halifax, Nova Scotia; and Moncton, New Brunswick. The Los Angeles office strengthens Wheels Group's presence in California, while the Halifax and Moncton offices expand the 3PL's ability to provide



Discover the future of logistics. With the newest impetus for your success.

As the world's leading exhibition for logistics, mobility, IT and supply chain management, **transport logistic** is the industry's most important gathering again in 2013.

- >> International, transaction-oriented business platform
- » Innovations and trends along the entire value chain
- >> First-rate program of related events with forums, conferences and country specials

A must-attend event for your future success!

Order your ticket online now: >> www.transportlogistic.de/tickets/en

> Contact: U.S. Office transport logistic 2013 Ms. Anika Niebuhr, Ph: 646-437-1014 aniebuhr@munich-tradefairs.com >> www.transportlogistic.de >> www.AirCargoEurope.com

EXPLORING THE WORLD OF LOGISTICS

transport ogistic me Leading exhibition

June 4 – 7, 2013 Messe München, Germany

May 2013 • Inbound Logistics 109

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

Virgin Atlantic Cargo increased the number of U.S. cities it serves by relaunching its seasonal daily flights to Chicago from London's Heathrow Airport. The daily services operate throughout the summer until Oct. 26, 2013.



single-source and multi-mode supply chain solutions in eastern Canada.

INBRIEF

Scott Logistics, a Rome, Ga.-based logistics brokerage company, opened a new facility in Jacksonville, Fla., to expand the intermodal services it offers Florida shippers.

To increase its service base in Europe's Benelux region, **SBS Worldwide** added Dutch logistics company **OTX Solutions** to its network of partners. As part of the new alliance, SBS launched fixed-day airfreight services between New York City's John F. Kennedy Airport and Schiphol Airport in Amsterdam.

Veterans Distribution of Chicago

broke ground on a new headquarters and distribution center in Hillside, III. The new facility, located near O'Hare and Midway airports, will feature highspeed sortation, 60,000 square feet of temperature-controlled warehousing, more than 50 dock doors, and pick-tolight technology.

Warehousing and distribution company **Port Jersey Logistics** completed a 50,000-square-foot expansion of its warehouse facility in Dayton, N.J. The addition houses services including product packaging and kitting, labeling, banding, barcoding, display assembly, and reverse logistics. Freight transportation provider **Estes** converted its Rockford, III., terminal into a hub to enhance Midwest service. The facility consolidates freight coming in from 19 terminals to build full loads for specific geographical regions, while increasing opportunities for next-day delivery to Minnesota, Iowa, Wisconsin, and Illinois.

// Products //

Powered Skid Lifters from **Presto Lifts** act as a combined lift table and pallet truck, allowing an operator to pick up a load, transport it to a workstation, and lift it to a comfortable working height. The lifters come in 20- and 27-inch-wide configurations and feature a 2,200pound lift capacity.

Newcastle Systems' NB Series Mobile Powered Workstations operate 24 hours a day without a recharging break. The stations can run computers, printers, scales, testers, or bar-code scanners without extension cords or ceiling drops.

CAS Dataloggers' new EL-GFX-1 Graphic Temperature Data Logger features a high-contrast graphic LCD screen that shows real-time readings, graphs, and current status. The data logger's design allows for use in monitoring applications, including cold chain transportation and storage, medical refrigerator monitoring, and HVAC projects.

The SR61XR handheld bar-code scanner from **Intermec** can read multiple symbol types, omni-directionally, at distances from six inches to more than 50 feet. The scanner is suited for inventory management, picking, shipping and receiving, crossdocking, and pallet tracking applications.



Simply better...

CT LOGISTICS has been saving time and money since 1923.

FreitRater[™]

TranSaver

Pre-Audit

CT LOGISTICS believes there's always room for improvement, and that philosophy has made us a **leader in freight payment** for over 90 years. Since then we have been creating and refining money-saving innovations for each of our clients. So we're confident when we say talking to us will be worth your while. *Our FreitRater™ software is exclusive, our*

solutions are customized, and our reputation is unsurpassed.

Call **216-267-2000,** today, for more about our Pre-Audit, Freight Payment, TMS software and other innovative ideas. Find out just how much more we can do for you.



TMS

Freight Payment

Confidence Trust Leadership since 1923.

CALENDAR

August 11-13, 2013, SCOPE Fall, Phoenix,

Ariz. The Supply Chain Operations Private Exposition delivers a mix of strategic presentations and panels from industry thought leaders; shipper-led case studies; targeted research meetings with leading solutions providers; and networking opportunities with high-profile industry peers. Speakers include executives from Brinker International, Aberdeen Group, Neovia, IBM, MIT Center for Transportation and Logistics, and NVIDIA.

> 502-261-7204 www.scopefall.com

August 25-28, 2013, ASCE PORTS '13, Ports Success Through Diversification, Seattle, Wash. At this American Society of Civil Engineers conference, port, harbor, waterway, and marine professionals share their knowledge and learn from the experiences of others. The papers and presentations cover a broad spectrum of issues facing the ports and harbors community.

800-548-2723 bit.ly/PORTS2013

September 17-19, 2013, LogiPharma 2013, Princeton, N.J. LogiPharma 2013 is a supply chain management conference for the biotech, pharmaceutical, and medical device sectors. The sessions will focus on supply chain integrity, visibility and risk management, supply chain segmentation, emerging markets, global network design, and the future of the supply chain.

888-482-6012 www.logipharma.com

September 24-26, 2013, Transportation and Distribution Planning and Management, Savannah, Ga. This course, sponsored by Georgia Tech, is for executives and managers who want to learn about designing and operating transportation and distribution solutions for their supply chains. The course develops the principles, practices, and tools required to address major issues and tradeoffs in domestic and international transportation, including key financial and performance indicators for designing supply chains that minimize transportation and distribution costs.

855-812-5309 bit.ly/GATechTDPM

September 29-October 1, 2013, APICS Annual Conference, Orlando, Fla. At the Association for Operations Management's annual conference, educational sessions focus on finding solutions to the challenges supply chain and operations management professionals face today—and will face in the years to come. The educational paths offered focus on business analytics, collaboration, innovation, operational efficiency, professional development, responsiveness, risk and resiliency, and sustainability.

> 800-444-2724 www.apics.org

October 7-9, 2013, PARCEL Forum '13, Chicago, III. This conference provides parcel shipping, logistics, distribution, and warehousing professionals with the information they need to ship more packages, more frequently, and more cost-effectively. With six tracks and more than 50 individual sessions, workshops, panel discussions, and all-day tutorials, attendees will find content geared to their specific job requirements.

> 203-378-4991 www.parcelforum.com

October 19-22, 2013, ATA Management Conference and Exhibition, Orlando, Fla.

The American Trucking Associations (ATA) annual conference features keynote speakers including ATA President Bill Graves, former Governor Jeb Bush, and FOX News' Stuart Varney. General sessions focus on the economy, the state of the trucking sector, logistics, driver issues, and transportation infrastructure funding. The conference also features an exhibition of the latest trucking equipment and related products.

703-838-1755 mce.trucking.org October 20-23, 2013, CSCMP Annual Global Conference, Denver, Colo. The Council for Supply Chain Management Professionals' (CSCMP) Annual Global Conference offers supply chain management practitioners the opportunity to learn ways to cut supply chain costs, improve the bottom line, discover new and innovative ideas to keep supply chains competitive, and find solutions to improve supply chain efficiency.

> 630-574-0985 www.cscmpconference.org

November 4-6, 2013, SCMChem 2013, Phoenix, Ariz. Addressing the supply chain concerns of chemical manufacturers, this Worldwide Business Research conference provides the insight and strategies necessary to maximize resiliency and security within the entire value chain. In addition, roundtable discussions, panel debates, and case studies deliver opportunities for peer-to-peer benchmarking and customized learning.

> 888-482-6012 www.scmchemical.com

November 17-19, 2013, IANA Intermodal Expo, Houston, Texas. The Intermodal Association of North America's 31st annual trade show highlights the latest products and services for freight transportation and distribution operations. Attendees include senior executives from all sectors of the intermodal industry.

> 301-982-3400 www.intermodal.org

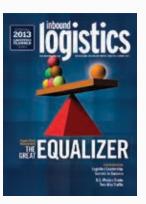
February 23-26, 2014, Retail Supply Chain Conference – Logistics 2014, San Diego, Calif. Retail is becoming more and more multi-channel. It is imperative that supply chains provide seamless transitions, whether customers purchase online, in the store, or over the phone. This RILA conference addresses the most current and relevant issues facing the retail industry.

> 703-600-2040 www.retailsupplychain.org



Don't let logistics challenges turn your world upside-down!

We've got lots of awardwinning articles to help you manage your supply chain!



Build an efficient, competitive, supply chain team; urge them to subscribe to *Inbound Logistics* now!

http://bit.ly/il_sub





RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

INBOUNDCLASSIFIED



Suppliers want to PUSH and you want to PULL?

POINT THEM IN THE RIGHT DIRECTION: http://bit.ly/il_sub



Since 1981...the first SCM magazine and still the best

Choosing a 3PL Partner Just Got Easier.

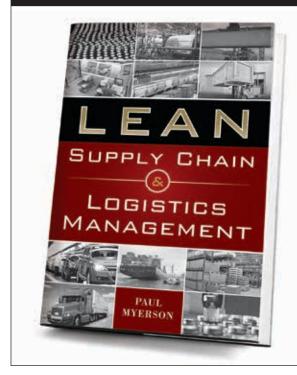


Create a database of prospective partners... prepare your Request for Proposal list...build your knowledge base...with *Inbound Logistics*' FREE online RFP service.

Whether you need to outsource your entire logistics operation, or just one segment of it, choosing the right third-party logistics partner can be a complex challenge. The 3PL RFP is your opportunity to have third-party logistics experts look at your specific outsourcing challenges and needs, and give you free, no-obligation advice, solutions, and information specific to your request.

Get started now at inboundlogistics.com/rfp

IMPROVE SUPPLY CHAIN AND LEAN IN LOGISTICS PERFORMANCE USING



"A must-read for all supply chain managers seeking to drive down costs and improve profits."

—Dr. Richard Lancioni, Chair, Marketing & Supply Chain Management, Fox School of Business, Temple University

Identify and eliminate waste in your organization's supply chain and logistics function. Industry expert Paul Myerson explains Lean tools, opportunities, and a Lean implementation methodology with critical success factors. Case studies demonstrate how to effectively use this powerful strategy to realize significant, long-term improvements and bottom-line savings. Included for download are valuable training slides and a Lean supply chain assessment tool.

@MHEngineering





Your New Destination for Logistics & Supply Chain News

Content you can't get anywhere else-and the best content from everywhere else-served up in one place.

- The latest news...hand-picked daily. Our editorial staff combs the most valuable and trusted sources for logistics and supply chain news that impacts your business.
- Exclusive online commentary. For years, you've relied on *Inbound Logistics'* lively and informed commentary articles in each issue. Now, get even more insight from some of the industry's most knowledgeable and respected professionals. Our new Online Exclusives are available only at inboundlogistics.com/news
- One-click news sharing. Every news item and Online Exclusive can be e-mailed, shared, tweeted, or liked with a single click.
- And while you're there... you'll also be one click away from the most recent *Inbound Logistics* articles, our coverage of key trends and global logistics events, and hourly postings from the @ILMagazine Twitter feed.



Spread the word! Scan this barcode with your mobile device to send a tweet about our news page.



Bookmark it now! inboundlogistics.com/news

RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE

RESOURCE CENTER **INBOUND LOGISTICS WORKS FOR YOU!**

3PLs

| C.H. Robinson | ро | gs. 10–11 |
|-----------------------------|-------|-----------|
| www.chrobinson.com | | 323-7587 |
| Dependable Distribution Cen | ters | pg. 76 |
| www.godependable.com | | 544-3909 |
| DF Young | | pg. 43 |
| www.dfyoung.com | | 570-2620 |
| Echo Global Logistics | | pg. 57 |
| www.echo.com | 312-6 | 604-5519 |
| Jacobson Companies | | pg. 89 |
| www.jacobsonco.com/cando | | 536-6171 |
| Kenco Logistic Services | | pg. 87 |
| www.kencogroup.com | | 377-5910 |
| Lynden | | pg. 58 |
| www.lynden.com | | 596-3361 |
| Menlo Worldwide Logistics | | pg. 9 |
| www.menloworldwide.com | | 486-2660 |
| ModusLink Global Solutions | | pg. 50 |
| www.moduslink.com | | 663-5000 |
| NFI | | pg. 67 |
| www.nfiindustries.com/il | | 312-7207 |
| Penske Logistics | | Cover 3 |
| - | | |
| www.penskelogistics.com | 800-5 | 529-6531 |
| Port Jersey Logistics | | pg. 49 |
| www.portjersey.com | | 360-1010 |
| ProTrans International | | pg. 41 |
| | | |

| www.protrans.com | 888-776-8726 |
|-------------------------------|--------------|
| RR Donnelley Logistics | pg. 16 |
| www.rrdonnelley.com | 877-744-3818 |

| Ryder Supply Chain Solutions | 5 pg. 7 |
|-----------------------------------|---------------------|
| www.ryderscs.com | 888-887-9337 |
| Saddle Creek Logistics Servic | :es pg. 23 |
| www.sclogistics.com | 888-878-1177 |
| Sunland Logistics Solutions | pg. 105 |
| www.sunlandlogisticssolutions.com | 800-295-0081 |
| Trinity Logistics | pg. 65 |
| www.trinitylogistics.com | 866-603-5679 |
| WB Warehousing & Logistics | pg. 102 |
| www.wbwarehousing.com/3PL | 800-541-3319 |
| WSI (Warehouse Specialists, I | Inc.) pg. 68 |
| www.wsinc.com | 920-731-3115 |

05.13

Air/Expedited

| UPS | pgs. 19-20 |
|--------------------------------|--------------|
| savewithups.com/expressfreight | 800-PICK-UPS |

Events

| Transport Logistic | pg. 109 |
|---------------------------------|--------------|
| transportlogistic.de/tickets/en | 646-437-1014 |

Freight Payment Services

| CT Logistics | pg. 111 |
|---------------------|--------------|
| www.ctlogistics.com | 216-267-2000 |

Intermodal

| Alliance Shippers, Inc. | pg. 15 |
|-------------------------|--------------|
| www.alliance.com | 800-222-0451 |

For a specific response, contact

these advertisers directly. Please tell them you saw their ad in Inbound Logistics.

For general questions about particular industry segments, use the form on page 119.

For faster service, go online: inboundlogistics.com/rfp



Lift Trucks

| Landoll Corporation | pg. 25 |
|---------------------|--------------|
| www.landoll.com/mhp | 800-428-5655 |
| Yale | pg. 35 |
| www.yale.com | none |

Logistics IT

| Fortigo | pg. 84 |
|----------------------------|------------------|
| www.fortigo.com | 866-376-8884 |
| iLogisys/Suntek Systems | pg. 3 |
| www.ilogisys.com | 949-789-0070 |
| Magaya Logistics Software | |
| Solutions | Cover 4 |
| www.magaya.com | 786-845-9150 |
| Manhattan Associates | pg. 31 |
| www.manh.com | 877-596-9208 |
| Navegate | pg. 75 |
| www.navegate.com | 800-944-2471 |
| RateLinx | pg. 106 |
| www.ratelinx.com | 262-565-6150 |
| TMW Systems | pg. 26 |
| appian.tmwsystems.com | 800-401-6682 |
| WIN (Web Integrated Networ | k) pg. 13 |

| • • • • | | • • • | 1. 2. |
|-----------------|----------|-------|-----------|
| | | | •••••• |
| www.winthruolt. | com/boss | 855 | -946-4739 |

Mobile Communications

| Sprint | pg. 5 |
|------------------------------|--------------|
| www.sprint.com/directconnect | 855-878-4BIZ |

Pallets

| BettAway Pallet Systems | pg. 74 |
|--------------------------|--------------|
| www.bettaway.com | 908-222-2509 |
| ORBIS | pg. 73 |
| www.orbiscorporation.com | 800-890-7292 |
| PECO Pallet | pg. 71 |

| | p |
|--|--------------|
| www.pecopallet.com | 914-376-5444 |
| de contra construction de la con | |

Real Estate/Site Selection

| Dalfen America/Colliers Int'l. | pg. 79 |
|--------------------------------|--------------|
| www.i57logisticscenter.com | 514-938-1050 |

Trucking

| New Penn | pg. 55 |
|--------------------------------|--------------|
| www.newpenn.com/nextday | 800-285-5000 |
| Reddaway | pg. 53 |
| www.reddawayregional.com/texas | 888-420-8960 |
| Saia | Cover 2-pg.1 |

| www.saiacorp.com | 800-765-7242 |
|------------------|--------------|
| | |

Trucks

| Mercedes-Benz USA LLC | pg. 33 |
|-----------------------|--------------|
| www.mbsprinterusa.com | 877-762-8267 |

Utilities

| ElectriCities of North Carolina pg. 83 | | |
|--|--------------|--|
| www.electricities.com | 919-760-6000 | |
| Hoosier Energy | pg. 83 | |
| www.hoosiersites.com | 812-876-0294 | |

For a specific

response, contact these advertisers directly. Please tell them you saw their ad in Inbound Logistics.

For general questions about particular industry segments, use the form on page 119.

For faster service,

go online: inboundlogistics.com/rfp

May 2013 • Inbound Logistics 117

RESOURCE CENTER INBOUND LOGISTICS WORKS FOR YOU!

INDEX

For a specific

response, contact these advertisers directly. Please tell them you saw their ad in Inbound Logistics.

For general questions about particular industry segments, use the form on page 119.

For faster service, go online: inboundlogistics.com/rfp

| ADVERTISER | PAGE | ADVERTISER |
|---------------------------------------|---------|----------------------------------|
| Alliance Shippers, Inc. | 15 | NFI |
| BettAway Pallet Systems | 74 | ORBIS |
| C.H. Robinson | 10-11 | PECO Pallet |
| CT Logistics | 111 | Penske Logistics |
| Dalfen America/Colliers International | 79 | Port Jersey Logistics |
| Dependable Distribution Centers | 76 | ProTrans International |
| DF Young | 43 | RateLinx |
| Echo Global Logistics | 57 | Reddaway |
| ElectriCities of North Carolina | 81 | RR Donnelley Logistics |
| Fortigo | 84 | Ryder Supply Chain Solutions |
| Hoosier Energy | 83 | Saddle Creek Logistics Services |
| iLogisys/Suntek Systems | 3 | Saia |
| Jacobson Companies | 89 | Sprint |
| Kenco Logistic Services | 87 | Sunland Logistics Solutions |
| Landoll Corporation | 25 | TMW Systems |
| Lynden | 58 | Transport Logistic |
| Magaya Logistics Software Solutions | Cover 4 | Trinity Logistics |
| Manhattan Associates | 31 | UPS |
| Menlo Worldwide Logistics | 9 | WB Warehousing & Logistics |
| Mercedes-Benz USA LLC | 33 | WIN (Web Integrated Network) |
| ModusLink Global Solutions | 50 | WSI (Warehouse Specialists, Inc. |
| Navegate | 75 | Yale |
| New Penn | 55 | |

Inbound Logistics (ISSN 0888-8493, USPS 703990) is published on the 15th of the month for approximately 60,000 business professionals who buy, specify, or recommend logistics technology, transportation, and related services, by Thomas Publishing Company LLC, 5 Penn Plaza, NY, NY 10001. José E. Andrade, chairman; Carl T. Holst-Knudsen, president. Periodicals postage paid at New York, NY, and additional mailing offices. All rights reserved. The publisher accepts no responsibility for the validity of claims of any products or services described. No part of this publication may be reproduced or transmitted in any form or by any electronic means, or stored in any information retrieval system, without permission from the publisher.

POSTMASTER SEND ADDRESS CHANGES TO: Inbound Logistics, 5 Penn Plaza, New York, NY 10001

118 Inbound Logistics • May 2013



05.13

49

41

106

53 16

7

23

5

105

> 68 35

Cover 2-pg. 1

🗌 No, thanks.

Don't miss an issue! Renew or start your **SUBSCRIP**

GET FREE INDUSTRY INFORMATION – FAST!

Check the solutions below that are of interest to you. Your request for information will be sent to all advertisers in that segment.

| \bigcirc | 3PLs-Logistics Service Providers | 801 |
|-----------------------|----------------------------------|-----|
| $\overline{\bigcirc}$ | Air Freight Services | 802 |
| $\overline{\bigcirc}$ | Barcode Printers/Systems | 833 |
| $\overline{\bigcirc}$ | Bulk | 803 |
| $\overline{\bigcirc}$ | Compliance/Customs | 837 |
| $\overline{\bigcirc}$ | Consolidation/Deconsolidation | 836 |
| $\overline{\bigcirc}$ | Consultants-Career | 805 |
| $\overline{\bigcirc}$ | Consultants-Logistics | 804 |
| $\overline{\bigcirc}$ | Critical Parts | 838 |
| $\overline{\bigcirc}$ | DCC | 806 |
| $\overline{\bigcirc}$ | Economic Development/Sites | 807 |
| $\overline{\bigcirc}$ | Education – Training | 808 |
| | | |

| Emergency Ground/Air | 809 |
|--|-----|
| O Expedited | 810 |
| ○ Food Logistics | 840 |
| ○ Forklifts | 839 |
| Freight Forwarders Freight Matching | 811 |
| ○ Freight Matching | 812 |
| Freight Payment Services Insurance Intermodal Logistics IT-SCE, ERP, CRM | 813 |
| O Insurance | 842 |
| 🔿 Intermodal | 814 |
| ○ Logistics IT−SCE, ERP, CRM | 816 |
| O Logistics IT-WMS, TMS | 815 |
| O LTL | 817 |
| O Materials Handling Equipment | 818 |
| O Materials Handling Systems | 819 |
| O Mexico | 841 |
| Logistics IT - WMS, TMS LTL Materials Handling Equipment Materials Handling Systems Mexico Ocean Shipping Organizations - Logistics Ports Rail Real Estate Logistics/Construction Reverse Logistics/Returns RFID Security Equipment/Systems Temp-Controlled Services Trucking Equipment-Tractors Truckload Trucks-Lease/Fleet Warehousing/DCs | 820 |
| Organizations-Logistics | 821 |
| O Ports | 822 |
| 🔿 Rail | 823 |
| O Real Estate Logistics/Construction | 824 |
| O Reverse Logistics/Returns | 825 |
| O RFID | 834 |
| O Security Equipment/Systems | 826 |
| O Temp-Controlled Services | 827 |
| O Trucking Equipment–Tractors | 830 |
| 🔿 Truckload | 829 |
| ○ Trucks-Lease/Fleet | 828 |
| ○ Warehousing/DCs | 831 |
| O Wireless Communication | 832 |
| O Yard Management | 835 |
| | |

You must answer all guestions and sign below below to validate your subscription request.

□ YES! I want to start/renew a subscription to INBOUND LOGISTICS magazine.

----- FOLD HERE

Services or products you evaluate, specify, approve, budget, recommend, buy or manage. (CHECK ALL THAT APPLY)

A () Air Freight Services

- в () Motor Freight Services (TL/LTL)
- c 🔿 Ocean, Ocean Intermodal
- D 🔿 Rail, Rail Intermodal
- E O Small Package Delivery, Expedited Freight, Express Services
- F O Third Party Services (3PL), Contract Logistics
- G O Supply Chain Technology, Software/Systems
- н 🔿 Transportation Equipment
- ${\tt J} \bigcirc$ Warehousing & DC Services
- $\kappa \bigcirc$ Materials Handling Systems, Equipment, Forklifts
- L O Packaging/Labeling Systems
- N 🔿 Intl. Shipping Services, Freight Forwarding
- P 🔿 Fleet Operations, Dedicated Contract Carriers
- R Site, Port, or Facility Selection
- $x \bigcirc Other:$
- $z \bigcirc$ None of the above

Number of people at your location.

- (YOURSELF PLUS OTHERS) м⊖1000+ к 🔾 250-499

 - e () 1-99
- L () 500-999 J () 100-249

Your job classification.

Business category.

Telecommunications

3PL, Warehouse/DC)

1 O Manufacturer/Producer (any product)

6 O Services: (Medical/Health, Financial,

3 O Agriculture, Construction, Engineering,

4 🔾 Utilities (Water, Power, Electric, Gas),

5 O Transportation, Logistics & Supply

Insurance, Legal, Gov't., Consulting, etc.)

Chain Services (Carrier, Broker, Freight

Forwarder, Transportation Intermediary,

2 🔿 Retailer, Wholesaler, Distributor

(CHECK THE BEST ONE)

Minina

9 🔿 Other:

- 5 Your JOD Classing (CHECK THE BEST ONE)
- N 🔿 Corporate Management
- $Q \bigcirc$ Logistics, Transportation, Traffic Mgmt.
- P 🔿 Supply Chain Management, Purchasing, Procurement
- R O Warehousing, Distribution, Inventory, Materials Management
- $s \bigcirc$ Operations, Production, Quality Mgmt.
- \top \bigcirc Customer Service, Marketing, Sales Mgmt.
- z 🔿 Other:

This form is not valid if unsigned or if any questions are left blank.

| Please pass this | free subscription | offer along to | others on your staff. |
|------------------|-------------------|----------------|-----------------------|
|------------------|-------------------|----------------|-----------------------|

| SIGNATURE (required) | | DATE |
|----------------------|---------|-------|
| | | |
| ▲ E-MAIL | | |
| ▲ PHONE | ▲ FAX | |
| | ▲ STATE | ▲ ZIP |
| ▲ ADDRESS | | |
| ▲ COMPANY | | |
| ▲ NAME | ▲ TITLE | |
| | | |

SIGNATURE (required)

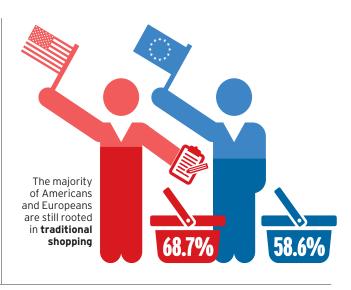
Mail today or fax back to: 212-629-1565.

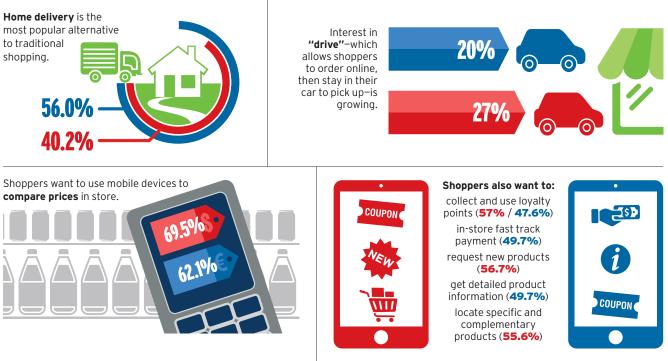
For fastest service, subscribe online at www.inboundlogistics.com/subscribe

THE LAST MILE

Mobile Goes Global

Both Americans and Europeans are eager for mobile interactions as part of their overall shopping experience. A recent consumer poll identifies three key shopping trends: personalization, mobile services, and mobile shopping. Bottom line for retailers: it will become increasingly important to tailor logistics operations and e-fulfillment strategies to meet the needs of mobile shoppers.

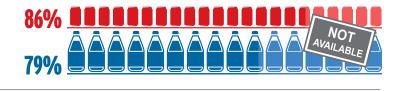




Being **recognized as a regular shopper** is important for:

54.0%

Shoppers want feedback on stock and products a retailer doesn't have.



SOURCE: Symphony EYC, www.eyc.com **METHODOLOGY:** Conducted by Vision Critical on behalf of Symphony EYC, the survey included 1,000 U.S. shoppers and 3,130 European shoppers in France, Germany, and the United Kingdom during two weeks over the holiday shopping season.





YOU SEE OUR BIG YELLOW TRUCKS. HERE'S WHAT YOU DON'T SEE. Penske Logistics is hard at work behind the scenes, making sure everything is done right. It's nearly impossible to spend a day without encountering hundreds of items that have been through the warehouses we manage or the supply chains we optimize. They're there, right where you need them. Because Penske was there.



RECEIVE FREE NO OBLIGATION GUIDANCE AND ADVICE



File Edit Sales Operations Maintenance Shipment Magaya Netw

2

Ocean

120

Ground

Warehouse Rep

C Date

Sta

👪 HWC Cargo Company - Magaya Explorer

Forward Air

Back

C Tasks

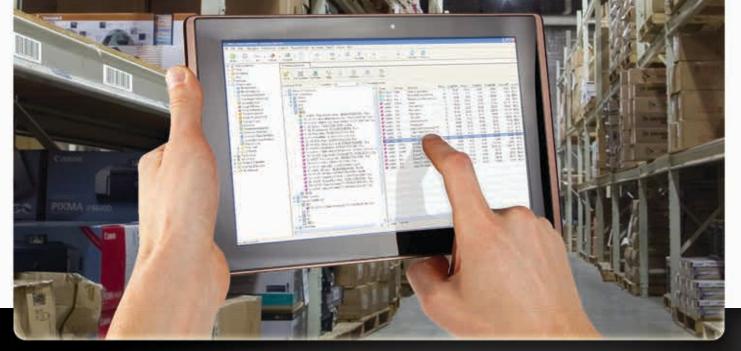
Ge Quotations
 Ge Jobs

Bookings
 Warehousing
 Pickup Orders
 Pickup Order List
 Warehouse Receipts
 Warehouse Receipts
 Commodity I
 Cargo Rel
 Cargo*
 Cr

E 👷 Magaya Network

2

Magaya WMS Big benefits for a small budget





All warehousing processes included plus: a complete accounting system, real-time online inventory visibility for your customers, and built-in customization options. All this and more for less than you'd expect. www.magaya.com info@magaya.com ph 786.845.9150

OUSTICS 3PL CHALLENGES? FREE EXPERT SOLUTIONS www.inboundlogistics.com/3pl