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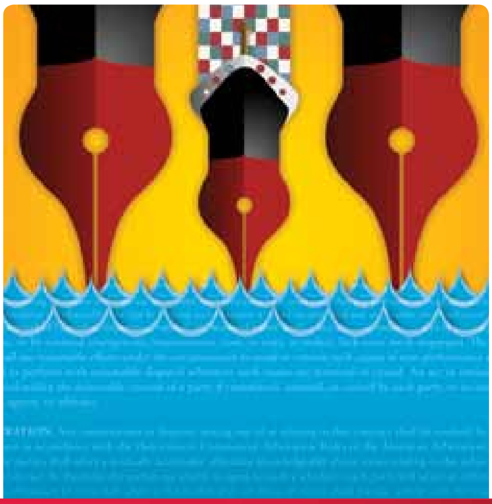

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INSIGHT

INDEPTH

CHECKINGIN

Felecia Stratton

by Felecia Stratton | **Editor**

The Future of Predictive Analytics Looks Certain

One recurring talking point at the Council of Supply Chain Management Professional's (CSCMP) September 2012 conference in Atlanta was the importance of predictive analytics. This subset of statistics captures patterns within large volumes of information to predict supply chain behavior and events–in effect, forecasting future demand based on past demand.

The emergence of cloud networking has greatly amplified the efficacy of gathering information for these purposes–which means there is more quality data to mine, archive, analyze, measure, and benchmark. The question is, what can you do with all that data? The answer: match demand to supply, making predictive analytics a competitive weapon in demand-driven supply chains.

At CSCMP, companies such as Coyote Logistics, IBM, and LLamasoft demonstrated how they are manipulating this predictive DNA strand to enhance their value proposition to customers. Whether it's modeling total landed costs, assessing the liability of suppliers, or anticipating LTL rate changes, service and technology providers understand the key to continuous improvement is the ability to gather data, measure performance, execute solutions based on performance, and raise expectations.

While technology undoubtedly empowers predictive analytics, there are far more rudimentary means to achieve similar ends. Industry conferences are great places for logisticians to gather data by networking with and learning from peers, customers, academics, consultants, and media. Whether it's triggering questions that fire synapses among talking heads, or simply engaging editors in conversations about industry trends, these types of engagements demonstrate a shared motivation to understand the future.

Inbound Logistics is another intelligence source you can turn to. As much as our writers and editors solicit feedback from industry sources to share examples of best practices, innovation, and trends, we welcome similar inquiries from readers. Or you can tap *IL's* "thought cloud." We recently revamped our online news section–inboundlogistics.com/news–with more timely information about current events and trends. If you want a real-time feed of supply chain news from around the world, join our Twitter community: twitter.com/ILMagazine

If we appreciate the growing demand for predictive analytics at face value–and the irony of forecasting its potential–there's little doubt shippers and service providers place a greater premium on quality data. You can rely on myriad internal and external channels to mine, analyze, and validate supply chain intelligence. All you have to do is tune in. ■

inbound logistics

Vol. 32, No. 10 October 2012

THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS

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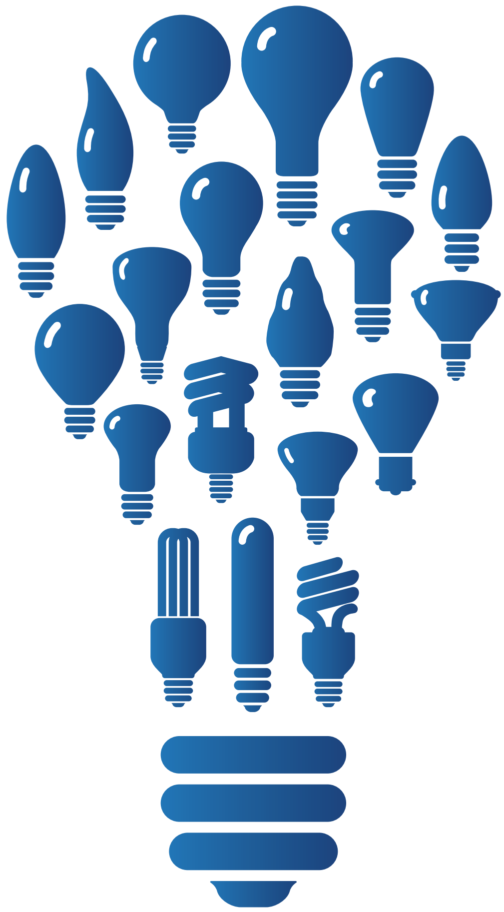

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—**Ellie Glenn,**
Paradox Software Consulting

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Great and Still Growing

We were happy to see the article *Supply Chain Management: A Needed and Growing Opportunity* by Dean Vella in the Online Exclusives section of the *Inbound Logistics* web site. We have the pleasure of working with people in supply chain management each day, and we are thrilled with the way the profession is growing!

—**Load Delivered Logistics,**
via Facebook

EDITOR'S NOTE: You'll find this article, and many more online exclusives, at *Inbound Logistics*' news and commentary page at www.inboundlogistics.com/news. It's your destination for not only the important logistics and supply chain news that impacts your business, but lively and informed commentary articles from some of the industry's most knowledgeable and respected professionals.

Class is in Session

I need some information about any Certificate short courses in international logistics management, either through distance learning or online.

—**Name Withheld on Request**

The universities that may have such short courses include Penn State, Maryland, and Tennessee.

—**James R. Stock,** College of Business,
University of South Florida

EDITOR'S NOTE: If you are an undergraduate or graduate student, or a business professional seeking executive education in business logistics, supply chain, and related management practices, check out *Inbound Logistics*' Logistics and Supply Chain Education Decision Support Tool at www.inboundlogistics.com/education.

This decision support tool will help you identify the schools, coursework, continuing education, distance learning and certification opportunities available from leading logistics educational institutions.

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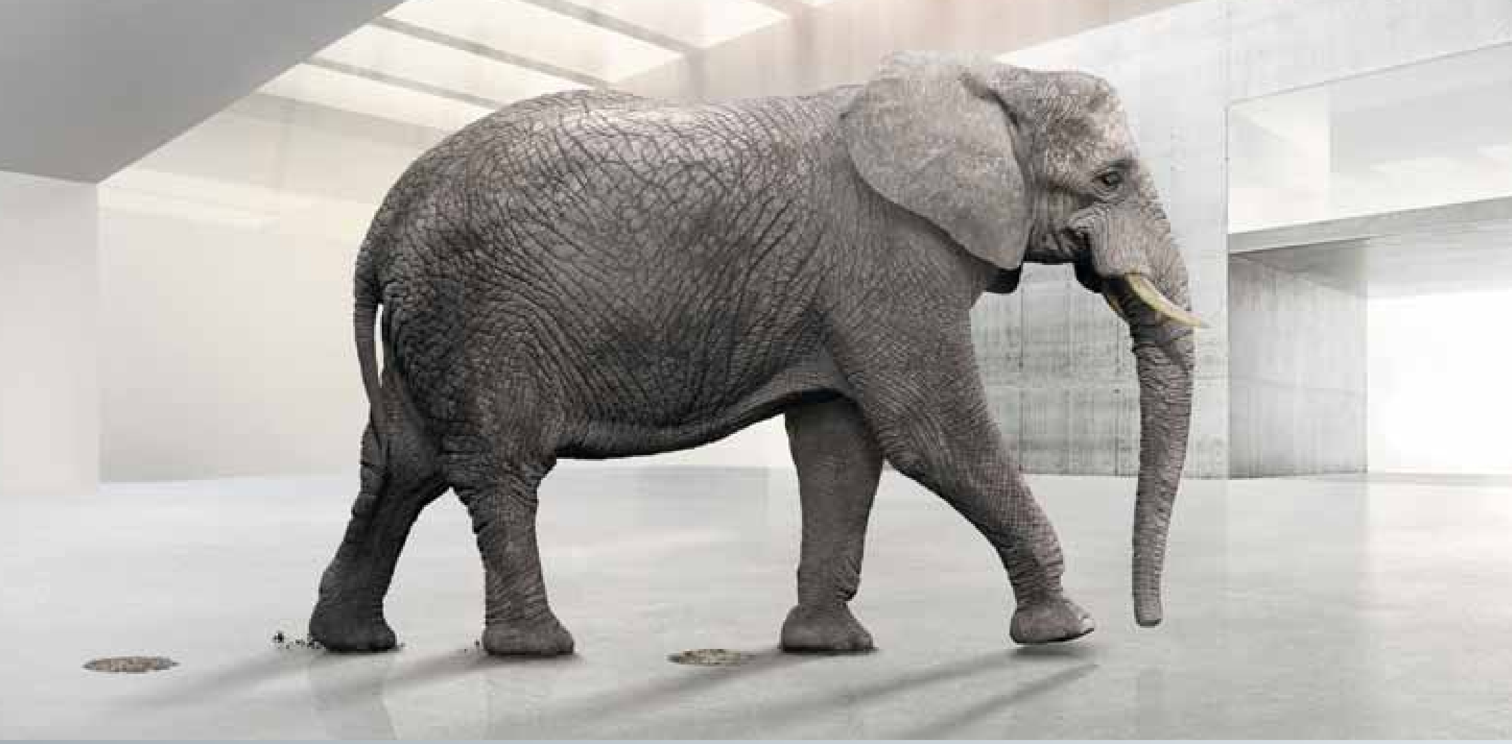

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10TIPS

STEP-BY-STEP SOLUTIONS

by Deborah Catalano Ruriani

Complying with Export Regulations and Requirements

Companies seeking to expand their markets by selling products overseas can easily become confused and overwhelmed by export regulations and filing requirements. Scott Byrnes, vice president of marketing for East Rutherford, N.J.-based global trade management solutions provider Amber Road, offers these tips for managing export compliance.

1 **Gain support from the top.** An organization must have strong executive commitment and clearly articulated policies concerning compliance and its priority as a corporate function. Although senior executives are at personal risk for export violations, lack of executive sponsorship is one of the biggest hurdles compliance professionals face.

2 **Promote and conduct regular training.** Training is among the best ways to ensure compliance permeates the corporate culture. It should include vivid examples of the consequences of noncompliance—both civil and criminal.

3 **Collect data about your products.** Understanding product composition is vital to correct classification, which, in turn, drives many aspects of export compliance. Work with product managers, engineers, and scientists to understand the components and functions of the items you plan to export.

4 **Understand dual-use implications.** Look beyond the obvious uses of your product to anticipate any extra compliance responsibilities. Seemingly innocuous items could have potentially dangerous or nefarious dual uses, and require export licenses.

5 **Get familiar with the Harmonized Schedule.** Once you understand the form, function, and potential dual uses of your products, you can apply the right classification according to the Harmonized Schedule. Countries that participate in the World Trade Organization use these classification codes to determine whether a product is permitted into the country, how much duty is charged, and whether additional taxes may be levied.

6 **Screen your trade partners.** Most countries maintain lists of individuals, businesses, and governments that are ineligible to participate in trade. It is your responsibility to ensure your trade partners don't appear on any of these lists.

7 **Know the Foreign Corrupt Practices Act (FCPA).** Although bribery may be an accepted practice in some countries, payments to foreign officials may be illegal under the FCPA.

8 **Consider investing in trade automation software.** You can manage export compliance manually, but it is not easy. The volume of regulations, lists, forms, and classification codes is immense and growing, as are the responsibilities of exporters. Many software options can automate and streamline compliance activities.

9 **Understand total landed cost.** Understanding the true landed cost of your products—including duties, taxes, and other fees—informs your pricing strategy. Don't forget to factor in the cost of shipping, insurance, and payments to your logistics providers.

10 **Maintain comprehensive audit trails.** Mistakes happen, and even the most experienced exporters may incur violations. Documenting actions, decisions, classifications, and filings will go a long way toward mitigating potential fines and penalties. ■

as told to Merrill Douglas

Emily Ross has served as senior supply chain manager at Haemonetics Corporation, Braintree, Mass., since 2008. Haemonetics provides blood management devices and software used by plasma and blood collection centers and hospitals.

RESPONSIBILITIES

Transportation sourcing for North America and international subsidiaries; sourcing 3PL warehousing services; operational support.

EXPERIENCE

Marketing coordinator, The Rex Lumber Company; associate manager, department supervisor at Commodities Distribution Center, assistant transportation manager, merchandise analyst, truckload supervisor, logistics manager, senior supply chain analyst, The Home Depot; senior transportation analyst, Staples.

EDUCATION

University of Massachusetts, BS, wood science and technology, 1991; Northeastern University, MA, journalism, 1996.

Emily Ross: Good Blood

MY INTRODUCTION TO LOGISTICS CAME IN 1999, when I transferred from the store leadership program at The Home Depot to a job at the company's Commodities Distribution Center in Norwood, Mass. It was quite an experience.

We were unloading trains in December, and I had to wonder, "How did I get here?" But that job led to a position in a corporate office and, ultimately, a satisfying career.

Haemonetics manufactures products in seven plants in North America, and two in Europe. We also work with several contract manufacturers in Singapore, China, and Japan. We sell our products to customers in more than 80 countries.

Because we're part of the healthcare industry, managing inventory is challenging in ways I'd never faced when I worked in retail logistics. Those challenges can create extra costs, which I try to keep to a minimum.

For example, in retail you can allocate inventory from any source to any location where it's needed. But at Haemonetics, unless a country's regulatory body grants us a license to sell a particular product, we cannot import that product into that country. A license applies not just to the product, but to the specific manufacturing facility.

If our plant in Scotland makes a device for the European market, for example, and demand for that device increases suddenly, we can't simply ship extra units from a U.S. plant, even though the products are similar. In some cases, we're not allowed to sell the U.S.-made units to our customers in Europe.

Another challenge we face stems

The Big Questions

How do you recharge your batteries?

Spending time with my family and friends; exercising; and going to the beach to walk my dog, swim, visit the Boston Harbor Islands, and just be near the ocean.

What career achievement makes you especially proud?

While working as a logistics manager for The Home Depot in Atlanta, I helped the Environmental Protection Agency's SmartWay program get off the ground by recruiting some of The Home Depot's largest carriers.

Do you have an alter-ego dream job?

Ornithologist (a scientist who studies birds).

What is on your Bucket List?

In March 2012, I fulfilled a long-standing dream by going on safari in a game reserve in South Africa. I'd like to take a trip to St. John's Bay in Canada and see polar bears; go to the Galapagos; and climb Mt. Kilimanjaro before the snows are gone.

from the company's growth through acquisitions over the past few years. Integrating these business units is a priority while we maintain continuity to existing Haemonetics customers.

For instance, we recently acquired certain assets of filtration equipment manufacturer Pall Corporation, including new plants in California, Mexico, and Puerto Rico, and a third-party fulfillment site in Kentucky. We're looking at how to layer those new locations into our existing manufacturing and distribution model. We're also re-examining our distribution networks in Asia and Europe. We need to figure out how best to serve markets, such as China, India, and Vietnam, where demand for our products is growing.

To redesign a network, we consider where our sales team thinks growth will be, then evaluate our current costs wherever we are distributing. We plug the numbers into models that propose optimal distribution points, then add other considerations and constraints.

Regulatory requirements are important. So are contractual obligations to store safety stock in particular countries. Some governments consider Haemonetics' products strategic to their nations' healthcare, so our contracts with certain customers require us to store inventory in their countries.

I value the relationships I have built with carriers – they transcend company boundaries, because most big companies end up using many of the same carriers. At Haemonetics, I'm doing business with people I knew when I was at The Home Depot and Staples. It's a small group of business professionals, and those are relationships that can last throughout a career. ■


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NOTED

THE SUPPLY CHAIN IN BRIEF

GREEN SEEDS

Standard Forwarding, a U.S. less-than-truckload carrier and subsidiary of DHL Freight, introduced two new environmentally friendly products. First, shippers moving freight with Standard Forwarding can request CO_2 emission reports detailing the carbon footprint of their shipments for each route. Second, the carrier now offers the option to offset carbon emissions created during transport via recognized external climate protection projects through its carbon-neutral GOGREEN service.

UP THE CHAIN

Excel Industries, manufacturer of Hustler Turf Equipment and BigDog Mowers, named **Brent E. Edmisten** as vice president, global supply chain. Edmisten previously held executive leadership positions at Cessna Aircraft Co., and Hawker Beechcraft Corporation.

Scott C. Clausen was appointed vice president of service delivery, supply chain, for **UHC,** an alliance of nonprofit academic medical centers delivering patient care. Clausen oversees UHC's supply chain consulting and service delivery, and value analysis program.

Medical device company **Integra LifeSciences Holdings Corp.** added two new supply chain executives: **John Mooradian** as senior vice president, global operations and supply chain; and **Joseph Vinhais** as senior vice president, global quality assurance. Mooradian handles Integra's newly integrated global manufacturing and supply chain functions, while Vinhais manages the company's global quality systems.

Jaime Bohnke, a 25-year supply chain veteran, was named vice president of supply chain for energy company **PPL Corporation.** Bohnke previously served as global supply chain and Lean Six Sigma vice president for Tyco International, following service as vice president of supply chain management at Westinghouse Electric's Nuclear Fuel operation, and heading the integrated supply chain of Raytheon Missile Systems.

SEALED DEALS

▶ **Great Lakes Brewing Company** (GLBC) tapped third-party logistics provider **Transplace** to handle its North American transportation management activities. GLBC leverages Transplace's logistics technology and services to improve transportation planning, execution, and management of all outbound shipments from its central distribution center to its distributor network throughout the Great Lakes region and surrounding areas.

▼ **Yamaha Motor Corporation U.S.A.** expanded its business with global logistics service provider **Pacer Distribution Services**. Under a multi-year agreement, Pacer provides a range of transportation and distribution services to Yamaha's Motorsports and Watercraft divisions. Yamaha's products manufactured in Asia are shipped each month to the ports of Long Beach and Los Angeles. Under the new contract, Pacer picks up the containers, drays them to its Lynwood, Calif., warehouse, performs a variety of value-added services, then manages distribution of the vehicles to Yamaha's network of West Coast dealers and other regional distribution centers.

Gourmet Garden announced a new contract with **Millard Refrigerated Services,** a refrigerated warehousing and distribution services company. The fresh-packaged herb and spice company is transporting its branded products to the Millard facility in Manteca, Calif., then shipping them to supermarkets, foodservice distributors, and other food processing customers in the western, Midwest, and southwestern United States, as well as Canada. The manufacturer is also using the Millard facility to date-code product coming in from a manufacturing plant in Australia, and as a consolidation point for shipments to production locations and customers across the country.

Global textile manufacturer **Glen Raven** selected **Pitney Bowes Inc.'s** *SendSuite Live* as its logistics management solution for Web orders and other parcel shipments. Glen Raven uses the solution in its Tri Vantage distribution division to manage 400,000 parcel shipments a year. The system seamlessly integrates with Glen Raven's order management systems and Web site to provide accurate shipping pricing at time of order, and visibility to total shipping charges.

recognition

Penske Logistics was honored with the **2011 Delphi Above & Beyond Award** for its distribution center management services. Delphi, which makes audio systems, modules, and components, annually honors companies that have exceeded contractual obligations; Penske was one of 18 suppliers from nine countries to receive this award. Penske has been operating Delphi's distribution centers along the U.S.-Mexico border for more than 25 years.

DSC Logistics announced the 2012 recipients of its **Thinkers & Movers Award,** which recognizes individuals and companies whose innovative leadership results in ground-breaking supply chain understanding and practices. The award recipients are **Stephan Haeckel,** business consultant and executive educator/coach, who pioneered the Sense and Respond managerial principles of adaptive enterprise design, and **David Simchi-Levi,** professor of Engineering Systems at Massachusetts Institute of Technology, author, entrepreneur, and operations strategy consultant.

m&a

Epicor Software Corporation, which provides business software solutions for manufacturing, distribution, retail, and service organizations, acquired privately held **Solarsoft Business Systems** from Marlin Equity Partners. Solarsoft is a specialist in mid-market enterprise resource planning (ERP) and management systems for manufacturing and distribution. The acquisition provides Epicor with the increased size and scale to open up new markets and cross-selling opportunities. In addition, data center investments will enhance the delivery of Solarsoft and Epicor cloud-based ERP, SaaS, hosting, and managed services offerings.

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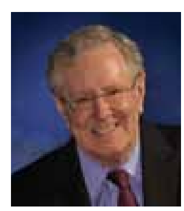

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TRENDS

SHAPING THE FUTURE OF LOGISTICS

Looming freight capacity shortages have created an opportunity for Greyhound Lines to promote its parcel delivery service, PackageExpress.

Greyhound Races to Expand Package Delivery

by Joseph O'Reilly

Greyhound Lines has long provided time-critical parcel delivery service, though its relevance over the past few decades has been largely overshadowed by the growth of expediters such as FedEx and UPS. Now, to better synchronize its PackageExpress business, the iconic intercity passenger bus company has tapped One Network's demand-driven Real Time Value Network (RTVN) and parcel management service.

A growing need for capacity and economy in today's freight market is creating new opportunity for the bus company. Its partnership with One Network suggests a chance to capture some of this market share.

One challenge smaller parcel delivery companies face is scalability—being able to flex with customer demands, especially across broader networks. Proprietary technology is often restrictive.

"Traditional parcel management systems are homegrown, and have difficulty connecting with other homegrown systems," says Aaron Pittman, spokesperson for One Network. "This isn't a problem for companies such as UPS or FedEx that have large global networks.

"But smaller parcel management companies such as Greyhound need to interline with other partners and their systems to provide optimal service," he adds. "If they can't, it limits their growth and ability to compete with larger companies."

The Dallas IT company's cloud-based RTVN, which is a many-to-many network platform, connects to all homegrown systems. This enables smaller parcel providers to easily collaborate and offer their customers end-to-end visibility from order placement to delivery to payment reconciliation—just as one might expect from larger players.

Making Service Adjustments On the Fly

Joining a cloud-based network also allows Greyhound to more easily and quickly adjust offerings—adding a new service area or changing a delivery point—compared to hard-wired, point-to-point systems. And the bus line can immediately expand its potential customer base by tapping the 30,000-plus companies that currently use RTVN.

The greater benefit and trend line, from a freight utility perspective, is that this application of technology creates additional capacity by connecting regional parcel providers in a mode that has traditionally been passenger-oriented. Airlines have long relied on combi carriers to haul cargo on commercial flights, and scale capacity to demand. On the rail side, Amtrak also offers small package and less-than-truckload services between cities it serves.

Finding innovative ways to add freight to modes that already exist will be yet another strategy shippers and carriers target as they address looming capacity shortages in over-the-road networks.

Urban Outfitters Equips e-DC

When your materials handling investment nearly matches the cost of purchasing a 462,000-square-foot building, expectations soar through the roof. Urban Outfitters' new Web fulfillment center in Stead, Nev., is expected to help the Philadelphia-headquartered company double its online shopping revenue stream, according to a recent article in *Northern Nevada Business Weekly*.

The retailer's investment represents an example of how e-commerce demand is radically changing the distribution landscape – inside and out.

The $55-million distribution center is equipped with a $25-million materials handling system installed by Dutch integrator VanDerLande Industries. It features three miles of conveyor belts, 11 miles of walkable pick face, and more than 50 miles of electrical cabling. The system is capable of dispatching about 4,300 parcels (25,000 parcels per shift) and sorting 9,000 individual items per hour. A package can be picked and packaged for shipping in as little as 18 minutes; with expedited shipping, an item can be on a truck two hours after a customer places an online order.

Currently, the site handles about 20,000 items, but that number could grow to 150,000 individual products as Urban Outfitters' e-commerce business continues to expand.

"The Internet business is roughly 20 percent of sales," says Ken McKinney, executive director of logistics for Urban Outfitters. "We think 50 percent is not an unreasonable expectation. Eventually, we are going to cap our store growth, so the Internet becomes the next vehicle to generate revenue. In the future, this facility will represent 30 percent of our Internet business volume."

Apparel retailer Urban Outfitters supplements its store revenue with a growing e-commerce business that currently accounts for 20 percent of its sales.

Big Ship Signals Larger Wave

Mediterranean Shipping Co. (MSC), the world's second-biggest container line, recently deployed the largest vessel on a U.S. route in response to swelling demand for goods from Asia, according to a recent *Bloomberg* article. And there's more where that came from.

The ocean carrier dispatched the 13,800-TEU *MSC Beatrice* in the Asia-U.S. West Coast lane from China to Long Beach after previously operating the vessel in its Asia-Europe service—a sign of the degree to which Europe's economic woes are impacting ocean freight trade and routings.

Ships transporting containers between the United States and Asia are operating at about 95-percent capacity, compared with about 80 percent for vessels sailing to Europe from Asia—which has helped raise rates for U.S.-bound ships while the cost of carrying cargo to Europe has fallen.

MSC is positioning capacity where demand remains relatively stable, while removing ships from a trade lane that has been hard hit by the global recession. Rationalizing capacity between Asia and Europe also allows the steamship line to artificially stabilize rates.

While 10,000-TEU containerships have generally been utilized to ferry large volumes in the trans-Pacific region, the Panama Canal expansion will bring even more mega-ships to the U.S. East Coast, where ports are ramping up efforts to expand infrastructure. The *MSC Beatrice*'s arrival is the first ripple of a much larger wave. ■

Truck Drivers Turn Over New Opportunities

When discussing the ramifications of complying with further government safety and Hours-of-Service regulations, truckers raise concern over the difficulty of recruiting from a shrinking pool of qualified drivers.

The turnover rate for line-haul truckload fleets of all sizes surged in the second quarter of 2012, with larger fleets breaking the 100-percent barrier for the first time in more than four years, according to the American Trucking Associations' (ATA) quarterly *Trucking Activity Report*.

For large operators – those that report more than $30 million in revenue – driver turnover rose 16 percentage points to 106 percent. This marks the highest level since the fourth quarter of 2007. The last time the turnover rate reached more than 100 percent was in the first quarter of 2008.

"We continue to see steady – albeit sluggish – growth in freight volumes, which increases demand for drivers," says ATA Chief Economist Bob Costello. "That growth, coupled with continued pressure on fleets to improve safety records as a result of regulatory oversight changes, is increasing competition among carriers for drivers with clean histories."

At smaller truckload fleets, turnover climbed to 86 percent in the second quarter, a 15-point jump over the previous quarter. The spike put turnover at its highest level since the third quarter of 2007.

"The driver shortage is by and large qualitative, rather than quantitative," Costello notes. "Despite some estimates, in terms of raw numbers, the trucking industry is currently short 20,000 to 30,000 drivers.

"If freight volumes continue to grow, however, that number will rise in the near future, exacerbating the qualitative shortage, and creating a quantitative one," he adds.

Growing freight volumes may be a welcome challenge. But gamesmanship among competing carriers looking to lure away qualified talent will be cause for concern.

Drivers are already leveraging their value into more lucrative jobs, which will continue to increase turnover rates and make it even more challenging for smaller carriers to retain top driving talent.

Truck drivers with good safety records are in high demand, thanks to increased freight volumes and government regulations affecting hiring.


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THE WORLD AT A GLANCE

by Joseph O'Reilly

Chinese authorities granted UPS and FedEx permission to begin operating express shipping services in a small number of major Chinese cities.

China Opens Door-to-Door Delivery to FedEx, UPS

Federal Express officially contracted its name to FedEx in 2000 to facilitate an easier translation as it expanded the brand globally. United Parcel Service (UPS) has built similar acronym appeal and currency in the countries where it operates. So China's recent decision to grant both couriers authority to provide express package delivery services in select Chinese cities will increase their household name exposure in the world's most populous country.

The licenses allow the two companies to serve Shanghai, Guangzhou, Shenzhen, and Tianjin. In addition, FedEx was approved for Hangzhou, Dalian, Zhengzhou, and Chengdu, while UPS can also operate in Xian.

While the global recession has impacted export trade, China has been busy investing in and manufacturing to its expanding middle class—which demands better network density and service capabilities to keep pace with domestic growth. Currently, state-owned China Postal Express & Logistics controls 30 percent of the market. Stoking competition where the government specifies can only raise service standards and expectations.

The easiest way to do that is to import the experience and expertise of companies such as FedEx and UPS. They, in turn, will be able to provide true end-to-end services and visibility to customers operating in China, rather than coordinating with local partners.

Both companies are familiar with Asian expansion. FedEx entered China in 1989 with the acquisition of Flying Tigers and routes to 21 Asian countries. And in 2007, it spent $400 million to take over a joint venture with Tianjin Datian W. Group Co., which offered access to China's domestic market. UPS is in the process of buying TNT Express, which includes a well-developed road network throughout Asia.

Alibaba Antes Up Logistics Investment

The e-commerce revolution has swept through the United States, and radically changed the way companies equip warehouses, align distribution networks, and execute order fulfillment. So consider the challenge China now faces as online shopping phenomenon Alibaba Group takes hold of a population four times the size.

The country's middle-class consumption has been growing at a robust clip—even more so as the government stimulates domestic growth absent steady export volumes. Now, with e-commerce emerging as a new channel for consumers to buy goods, demand for warehouses and parcel delivery services is far outpacing the development of transportation and logistics infrastructure.

Alibaba, China's foremost online shopping platform, is under pressure to scale its operations and resources to react to this new demand. In 2012, the company expects to sell merchandise worth more than that sold by Amazon and eBay combined, and is forecasting $473 billion in annual transactions over the next five to seven years from its Taobao e-commerce units alone.

Like Amazon did earlier in 2012 with the acquisition of Kiva Systems and its robotic materials handling solution, Alibaba is looking to act as its own change agent within China. The company is seeking to invest a total of $100 million in Chinese logistics

Taiwan's Flagship Carrier Joins SkyTeam Cargo Alliance

The current global economic malaise has had a marked impact on the air cargo industry, especially given the premium placed on airfreight services and the increasing sophistication and predictability of supply chains that allow for longer lead times and slower mode shifts. Like ocean freight, airlines are relying on strategic partnerships to share resources and hedge risk. China Airlines Cargo's recent agreement to join the SkyTeam Cargo Alliance as its 10th member *(see chart below)* points to the utility of such collaborative arrangements amid a challenging marketplace.

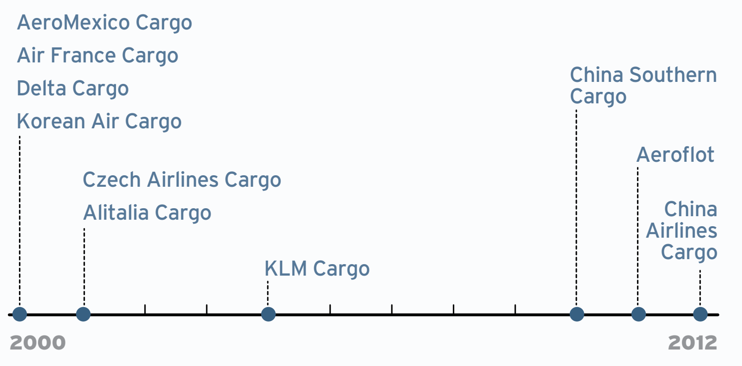
Speaking to attendees at The International Air Cargo Association's annual forum and exhibition, Oct. 2-4, 2012, in Atlanta —where the China Airlines' agreement was officially announced—SkyTeam Cargo representatives reinforced the alliance's mission. Members are able to align their diverse resources and capabilities to provide shippers and forwarders with a more comprehensive and standardized portfolio of services and coverage. This includes operational synergies and seamless transfers between different carriers; a consistent focus on safety, security, and sustainability; shared warehousing; the development of vertical-specific and time-definite product offerings across the entire network; and, with regards to the International Air Transport Association's e-freight initiative, a more economical and concerted approach to implementing and executing a paperless air cargo supply chain.

As the flagship carrier of Taiwan, China Airlines expands SkyTeam Cargo's global reach with its extensive route network throughout Asia, Europe, North America, and Oceania. It also provides the alliance with another Asian partner that can help facilitate regulatory and operational synergies between continents. For example, on the e-freight initiative, with cooperation from China Airlines, China Southern Cargo, and Chinese Customs, SkyTeam Cargo will soon pilot a trial shipment to and from Amsterdam and China. As with other aspects of the alliance, all members benefit as individual carriers innovate and develop new capabilities.

The collaborative e-freight effort presents a microcosm for SkyTeam Cargo's broader mission—to bring air cargo partners under one roof and provide shippers with a one-stop shop for seamless airfreight service around the world.

SkyTeam Cargo's Perfect 10

The SkyTeam Cargo alliance was initiated in 2000 through the collaboration of its four founding members—AeroMexico Cargo, Air France Cargo, Delta Cargo, and Korean Air Cargo. In the past decade, the alliance has expanded its global presence with the addition of six carriers.

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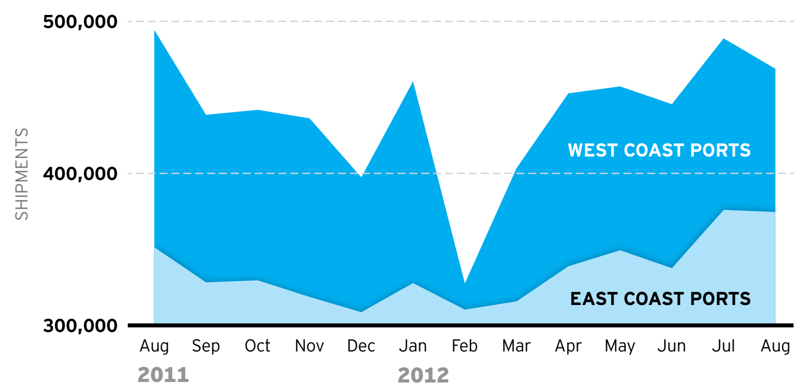
firms—including a warehouse operator and a parcel delivery company—by the end of 2012.

While the company publicly stated it has no intention of making any acquisitions, some speculate that Alibaba may be looking at the logistics sector as another area for growth, while also supporting its own core business.

Alibaba is facing new competition from other Chinese Internet companies, notably 360buy, providing incentive to improve service with better and faster delivery capabilities. To point, Alibaba is already moving ahead with plans to build a regional network of six to eight mega-warehouses across China.

U.S. Import Shipments Into East and West Coast Ports

Imports on both U.S. coasts show a recent upward trend, as importers stock up before the holiday rush. The threat of a port workers strike, however, worried many in August.



Source: Zepol Corporation, www.zepol.com

Vietnam Lacks Logistics Talent

Among Southeast Asia's logistics hotspots, Vietnam's star has been on the rise for some time. The country is a favored destination for labor-intensive, low-cost manufacturing activity, and Ho Chi Minh has emerged as a Top 50 cargo port in the world, according to American Association of Port Authorities statistics.

But one challenge of rapid economic development is nurturing the transportation and logistics talent and expertise necessary to support continued growth. Vietnam now faces a dearth of qualified professionals in the freight industry, according to officials at the Vietnam Freight Forwarders Association (VIFFAS).

The shortage comes as Vietnam looks to capitalize on an advantageous maritime location and grow its presence as a freight transshipment hub. Though the government has made a concerted effort by investing in transportation and logistics infrastructure to facilitate cargo flows and attract manufacturing and distribution business, VIFFAS anticipates a shortfall of 18,000 skilled professionals in the logistics services sector over the next three years. Currently, the supply of human resources represents 40 percent of demand.

To help fill the gap, various efforts are underway to help publicize and promote logistics as a career path. Additionally, there is impetus to create a formalized university dedicated to grooming management talent, as well as develop a long-term national strategy that would outline funding and technical support to drive such an effort. [ ]

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Visibility is the Key to Mitigating Supply Chain Risk

As last year's tsunami in Japan and massive floods in Thailand demonstrated, natural disasters and other events a world away can wreak havoc on supply chains, forcing sudden and major disruptions in business operations.

While it may be impossible for a company to entirely escape the consequences of a widespread deluge, volcanic plume or labor unrest abroad – or of volatile demand at home – a business with an agile supply network can thrive in spite of them, potentially outperforming peers.

A key element of a resilient supply chain is end-to-end visibility, the ability to track products at every point from raw materials to manufacturer to customer and spot potential hiccups anywhere on that route. Visibility helps businesses respond to major external events and to smaller, troublesome snags.

Enhanced by GPS tracking, cloud-based systems and other "smart" technology, as well as innovative strategies and old-fashioned relationship-building, a clear picture of the supply chain can provide nearly instant information that enables companies to adapt operations immediately.

Supply chain visibility helps flag upcoming supply or demand problems, allowing a company either to take action to prevent disasters or to respond by activating backup plans.

A lack of visibility even into the precise path a shipment takes can place a company at high risk. You need to know, for example, if your product ships directly from Singapore to the United States, or stops in Indonesia for transfer to a U.S.-bound vessel.

Would you be caught off-guard by learning your container was sitting in a troubled port?

Risk Grows in Frequency, Impact

Industry analyst Bob Ferrari wrote recently on his *Supply Chain Matters* blog that "something is happening in the frequency of highly unusual climate and natural disaster patterns" that is causing so-called one hundred year milestones "to suddenly be much more frequent and much more impactful to supply chains."

The Japan tsunami eliminated most supplies of certain components for some manufacturers, requiring months of recovery and "herculean efforts by supply chain teams," and the Iceland volcano that halted air traffic in Europe in 2010 showed the need for backup transportation plans, he noted.

"The real message regarding supply chain risk management in 2012 should be that today, every supply chain needs to have a supply chain risk mitigation and management plan. No exceptions!" Ferrari wrote.

Visibility: Easier Said Than Done

Supply chain management is a complex business, however, and achieving full visibility is easier said than done.

Companies judged to have the best-managed supply chains are typically the biggest, although others can learn from their experiences.

Apple, Amazon, McDonald's, Dell and Procter & Gamble led Gartner Inc.'s Supply Chain Top 25 this year, a list whose members included many companies hit by last year's natural disasters in Asia. Resiliency was a notable trend among the leaders.

Gartner said top companies like Intel, P&G and Unilever "improved multitier supply chain visibility and advanced network management capabilities to be agile in the face of disruptions, and we see it continuing to be a highly valued supply chain characteristic." The firm linked resiliency to a company's ability to post "industry-leading financial results year after year," despite demand and supply disruptions.

PepsiCo, number 12 on the list, collaborates with retail partners to reduce out-of-stock store shelves and accelerate demand visibility, while Nike, at number 14, delivers its products across a complex web of suppliers, contract manufacturers and logistics providers, "building the visibility and velocity upstream that allows it to meet dramatic swings in demand," Gartner said, adding that others can learn from Nike's practice of building partnerships with suppliers.

There are many tools and strategies available to help companies improve visibility in their supply chains, and you will have a chance to see them at the ProMat 2013 expo coming to Chicago's McCormick Place January 21-24, 2013. Many of ProMat's exhibitors and educational sessions will focus on supply chain visibility solutions.

To learn more, visit www.ProMatShow.com.

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Understanding the Implications of Related Party Transactions and Transfer Pricing

Many multinational organizations are embracing tax-effective supply chain management to reduce costs and increase margins. Supply chain managers need to understand the ramifications of these tax-based strategies when it involves the transfer of tangible goods to their own foreign subsidiaries or parent companies. Reducing taxes is a desirable outcome, but not when it runs afoul of related party transaction regulations from tax and Customs authorities.

Doing cross-border business with a related party, which includes foreign subsidiaries and parent companies, can be complicated. A related party is any entity that can exercise control or significant influence over the operating policies of another entity. In global trade, it's an individual or business that exercises a 10 percent interest in both the exporter and the ultimate consignee.

A related party transaction occurs during the transfer of resources, services, or obligations between related parties – regardless of whether a price is charged. The term "transfer price" refers to the price at which one company sells goods or services to a related affiliate in its supply chain. While the transfer price may be negligible, the tax obligations, Customs declaration and reporting requirements that go along with the transaction are not.

Countries have adopted various laws and practices to ensure transferred goods and services are appropriately priced based on market conditions. The goal of this legislation is to ensure that revenue generated within a country, and thereby taxable by that country, is not inappropriately transferred to a related party outside that country to avoid taxes. Therefore, in a related party transaction, taxes are assessed on transferred goods regardless of whether money changes hands. In any related party transaction, disclosing the relationship, reporting the transactions and conducting business "at arm's length" are important ways to mitigate audit risks and satisfy tax authorities.

The Organization for Economic Cooperation and Development (OECD) has promoted the acceptance of "the arm's length principle" as the international standard to guide transfer pricing. The arm's length principle is defined as "where conditions are made or imposed between two affiliated enterprises in their commercial or financial relations which differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly."

Multinational organizations can face significant compliance challenges with the regulations and administrative requirements around transfer pricing, since they differ from country to country. Tax authorities are increasingly sophisticated in the way they operate, and are focusing more closely on transfer pricing activities. However, Customs authorities are also concerned with related party transactions and any difference between the transaction value and the Customs valuation that might affect duties collected.

Imported goods are appraised for the payment of duties. In the case of non-related party transactions, the transaction value is typically used for this appraisal under the assumption that it reflects prevailing market conditions and is comparable to similar goods.

However, in a related party transaction, there is no such assumption. Therefore, Customs authorities must determine the value of the goods on which to base import duties. Under the "circumstances of sale" test, the transaction value between a related buyer and seller is acceptable if an examination of the circumstances of the sale of the imported merchandise indicates that the relationship between the buyer and the seller did not influence the price actually paid or payable.

An importer must use reasonable care to determine whether transaction value is acceptable according to the circumstances of sale or test value conditions (where the transaction value is close to identical or similar goods exported at or about the same time as the imported merchandise under review). The importer must also have sufficient information available to demonstrate how it meets the particular test conditions before a related party transaction value declaration is made.

Supply chain managers need to be aware that although there may be legitimate tax benefits involved with conducting related party transactions, there may still be tax and duty implications to consider. Both tax and Customs authorities must be satisfied that the transaction was conducted according to the arm's length principle.

Therefore, supply chain managers should work closely with compliance professionals and corporate tax specialists when making decisions about related-party transactions. And keep in mind it is the importer's responsibility to provide information and evidence regarding the transaction value to tax and Customs authorities.

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VIEWPOINT

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Return to Sender: Managing Reverse Logistics

Most e-commerce businesses focus time and money on providing customers with efficient and flexible delivery options. Many companies, however, neglect to extend this attention to the return of unwanted goods.

While many factors influence customer loyalty, a well-run returns process drives repeat orders and improves consumer satisfaction. Eighty-five percent of consumers surveyed by research firm Harris Interactive report they will stop buying from a retailer if the returns process is a hassle, while 95 percent will return to the same catalog or Internet retailer if the process is convenient.

Despite these findings, some e-tailers—especially new ones—feel that because their business is small, a returns process is unnecessary. Other companies put a solution in place, but fail to give it the attention it deserves, forcing customers to endure inefficient and inconvenient processes.

Getting it Right

To encourage customers to make repeat purchases and promote growth, an efficient returns service is important to e-commerce businesses of all sizes.

Companies must consider three key factors to ensure their returns function will both meet customer expectations and be workable for their business. The returns process must be:

1. Easy to implement. This factor includes being scalable so that as the business grows, the system can keep pace with increased traffic.

2. Cost-effective. The service may be offered for free or at a cost. There may be import and duty considerations for international customers, so it's important that the system is set up to ensure regulations compliance and cost efficiency.

3. Customer-friendly. View the process from a customer perspective to ensure it is easy to use and reliable.

The Cross-border Question

As many companies seek to expand globally, the subject of how to manage returns across borders becomes more prevalent. Here are some questions to consider when implementing a cross-border returns process:

- How long will customers have to wait for a refund or replacement item?
- How can customers track items in the system?
- How can you monitor the rate of returns by market?
- How can you manage stock re-integration?

Third-party Assistance

Because implementing or improving a returns process is complex, many forward-thinking businesses are partnering with third-party logistics providers to plan and/or administrate the returns solution. These solutions not only include current requirements, but also how the business might grow, and whether the returns process can sustain that growth.

The best providers tailor the solution to the business, customizing it to deal with national and regional differences where necessary. It should also be possible to integrate with existing IT systems and logistics providers to ensure minimal disruption and cost. Ideally, the returns process should be integrated into the e-tailer's Web site, so everything looks and feels the same to the consumer.

Ultimately, the returns process needs to be tailor-made and carefully planned from the outset, to ensure that it works for the business and for the customer. ■

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Eliminating Wasted Motion

At some point in our careers, most of us have felt we've wasted time or effort accomplishing a job that should have been easier, more efficient, and possibly safer to do. One way to help workers make better use of their time and effort is to identify and eliminate sources of wasted motion.

In a truly Lean work environment, workers should be able to quickly and easily identify items they use most often, while those they use less often should be farther away and less conveniently reached. Lean practitioners call this Point of Use Storage.

Another Lean concept, Visual Workplace, can be applied to any facility. It emphasizes that a work environment should display easy-to-understand labels, lines, and instructions.

A third concept or tool known as Kanban minimizes motion and transportation waste by providing visual clues to manage minimal inventory through the pull of downstream processes. This concept requires stocking just enough supplies or inventory in an area to keep it from being cluttered, while at the same time maintaining enough inventory for workers to perform their tasks without running out of the needed materials.

These Lean concepts can be applied in various areas of your supply chain, such as an office or warehouse, as part of a system called 5S or Workplace Organization. The 5S elements are: Sort Out, Set in Order, Shine, Standardize, and Sustain. 5S is a team-based tool that represents an excellent starting point to develop the culture and discipline needed to implement Lean.

Implementing 5S

The 5S process begins with assembling a team and identifying a workplace area to improve. It is usually best to start in a messy area, such as a supply closet or maintenance room, so you can show greater improvement.

The team starts with a workplace scan. They take "before" photos, rate the area's current state, list action items, and diagram the current layout and movement of materials and people.

Then the team tackles each 5S element in turn:

1. Sort Out. The team goes through the area and throws away or relocates items—garbage, furniture, equipment, tools, excess inventory—that are not necessary to perform the activities normally done there.

2. Set in Order. This step refers to the ideal organization of the area. The guiding principle is "a place for everything, and everything in its place." In this step, consider concepts such as an improved layout emphasizing efficient flow and a Visual Workplace.

3. Shine. The team gives the area and all its equipment a heavy-duty cleaning.

4. Standardize. The first three S elements are intended to transform the area to an ideal, safe condition. To maintain this condition, the fourth S element—Standardize—defines activities that support the ideal condition, such as review rules; inventory, tool, and equipment checks; and housekeeping checklists.

5. Sustain. The final step may be the hardest 5S activity of all: maintaining the area in its best possible condition, keeping it "tour ready." If a culture of workplace organization doesn't take hold, the entire activity becomes a spring cleaning exercise that has to be periodically repeated.

If we can focus on reducing motion waste using Lean concepts such as 5S, Visual Workplace, more efficient layout, and Kanban, we can make our workplace safer and more efficient for the long run. ■

Parts of this column are adapted from *Lean Supply Chain & Logistics Management* (McGraw-Hill; 2012) by Paul A. Myerson with permission from McGraw-Hill.


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WHERE THE RAIL MEETS THE ROAD

Intermodal solutions gather steam as shippers track the financial and efficiency benefits of combining truck and rail transport.

by Joseph O'Reilly

The U.S. railroad has always been measured by time. At the outset, it was a uniform system to mediate time differences across the United States, and build reliability into an erratic and rapidly expanding rail network. Railroad time remains a lasting standard.

By the time the Staggers Rail Act of 1980 rolled around a century later, however, the railroad's relevance as a mass means for moving non-commodity freight had waned considerably. It was no longer symbolic of an industrial and cultural awakening; rather, it became an indictment of an archaic and constrained mode of transport that had been quickly passed by a freewheeling motor freight industry.

Switch tracks to the present, and history is repeating itself. The transportation industry is turning back time. Supply chains have become more sophisticated in accurately forecasting and responding to demand. In turn, this flexibility allows for longer transportation

APL Logistics recently re-entered the domestic intermodal market after a 10-year absence, and currently handles half a million intermodal loads annually.

moves, making time slightly less relevant. Cost and capacity are critical flashpoints, so shippers are willing to trade lead times for space availability at a lower price. They also recognize the advantages they can gain by pairing over-the-road flexibility with longer-haul economy. Past misconceptions about rail are now largely muted as industry moves toward an intermodal tipping point.

Over the past 30 years, the rail industry has made great strides re-inventing itself within a 21st-century supply chain defined by efficiency, economy, and sustainability—all hallmarks of today's railroads.

"This is not the old railroad. In the past, rail deliveries took up to two weeks," says Jim Kleist, vice president of operations for Railex, a Riverhead, N.Y.-based rail distribution company. "Companies that shipped by rail lived with long lead times because they had no other options. It was the nature of the system."

"Twenty years ago, shippers perceived intermodalism as unreliable," says John Lanigan, executive vice president and chief marketing officer for Fort Worth, Texas-based BNSF Railway. "Over time, their concerns have been erased."

Uncorking Efficiencies

Woodinville, Wash.-based Ste. Michelle Wine Estates takes great care with its product shipments. In the wine industry, every ounce of attention and detail helps ensure the product's quality remains uncompromised from source to cellar to sommelier. Rail transport was never a viable option for Ste. Michelle—until it began working with Railex.

Railex, which began operations in 2006, is a transportation company moving in a 3PL direction. Its U.S. network features three rail-served, refrigerated mega-transload distribution centers in Delano, Calif.; Wallula, Wash.; and Rotterdam, N.Y., and a 55-car refrigerated unit train with multiple weekly departures. Railex's service can transport the equivalent of 220 trucks of refrigerated merchandise coast-to-coast in five days.

The rail carrier's on-time assurance turned Ste. Michelle in its direction. "Railex is located just 40 miles from the Columbia Crest winery, our major production facility," says Rob McKinney, vice president of operations at Ste. Michelle Wine Estates. "The price of fuel was rising, so we consulted Railex."

The winery had explored rail transportation before, but never found the appropriate circumstances or partner to meet its stringent requirements.

"We evaluated rail shipping, and considered the metrics of breakage, product damage, and temperature control, but couldn't find a way to bridge our quality concerns to minimize damage and move shipments efficiently," says McKinney.

In previous test runs, the rigors of intermodal transit resulted in bottle scuffing and product damage. Temperature is the biggest concern. If it's too cold, certain wines produce sediment or tartrate fallout; conversely, too much heat can push the cork and oxidize the wine. Ste. Michelle's second-highest expense after the wine is its packaging. Damage to either is unacceptable.

But the winery's business was growing, and it needed a partner to manage its transportation and logistics. "We had been our own distribution point and warehouse, and oversaw truck traffic and orders," McKinney says. "We reached the point where it would require significant capital to expand infrastructure."

Railex was well aware of Ste. Michelle's expectations when the carrier entered the picture. "When you ship French fries, for example, you deal with experts in moving frozen food," says McKinney. "But when you manage wine, you may be dealing with the winemakers. It's their passion, their creation—an art form."

Railex proved to be up to the task, providing reliable and secure five-day service from Wallula to Rotterdam. The railcars are temperature-controlled, and Ste. Michelle can track the shipments during transit. With pre-determined temperature thresholds in place, it can be alerted if conditions change. Then Railex can coordinate with its rail partners—Union Pacific in the western United States and CSX in the eastern states—to manage the problem.

The transportation company's value to shippers is its capacity to be multi-dimensional. In addition to moving product by rail, it also stores inventory and arranges truck transportation—which is especially convenient for Ste. Michelle on the East Coast, where it imports product from partners in Italy. Railex can move shipments via truck out of its Rotterdam facility instead of sending them to the West Coast for re-distribution.

Prior to working with Railex, Ste. Michelle was transporting approximately two million cases per year by truck, in 10 to 15 loads daily. While it still uses over-the-road transport to make shorter-haul deliveries in the west, the rail/intermodal component now serves a large share of its business.

Railex moves roughly one million cases annually, and stores about 500,000 units. More telling, it can squeeze three times as much wine on a train than a truck, which provides considerable sustainability gains in terms of reducing fuel use and carbon emissions.

Pulling the Trigger

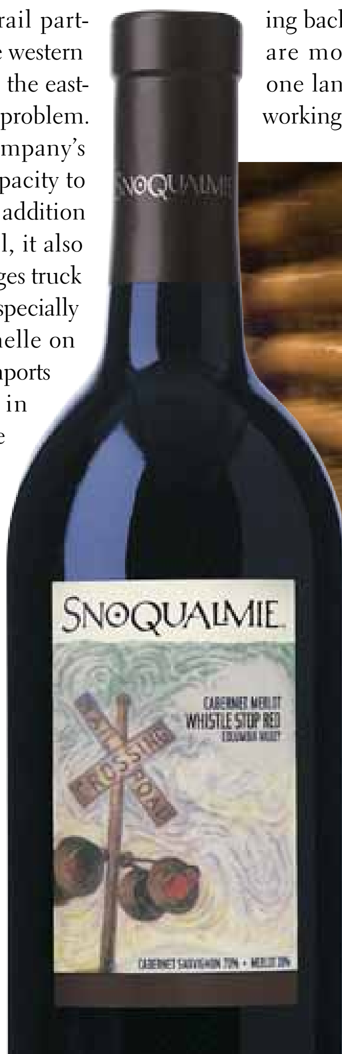
Ste. Michelle's patience in waiting for the right opportunity to come along before it made the switch to intermodal has served the company well. For other intrepid users that jumped in early on, experiences weren't always successful.

"Some shippers started using intermodal extensively, and the results weren't always what they expected," says Dave Howland, vice president of land transport services for APL Logistics, a global third-party logistics (3PL) provider with U.S. headquarters in Scottsdale, Ariz. "Companies coming back into the marketplace now are more disciplined—opening one lane, then another. They are working their way into the business rather than jumping in with both feet. That works better, because they are in a more controlled environment."

The 3PL only recently re-entered the domestic market after a 10-year absence following ocean carrier NOL's acquisition of its steamship line and divestiture of the intermodal business. APL Logistics continued to invest in and develop intermodal capabilities elsewhere around the world, and by 2011, the time was right to get back into the U.S. domestic game. "Many ocean shippers were asking when we'd begin serving them domestically again," Howland explains.

APL handles half a million intermodal loads annually, including 100,000 automotive moves between the United States and Mexico, so getting back into the U.S. game didn't require a huge leap of faith. Plus, U.S. market demand for intermodal has been on a marked growth trajectory.

In the first quarter of 2012, domestic intermodal container volume increased 14.9 percent year-over-year, according to the Intermodal Association of North America's *Intermodal Market Trends and Statistics* report. Gains were largest in the



Careful attention to temperature control and handling during warehousing and intermodal transport helps ensure the quality of Ste. Michelle Wine Estate's products.

east, where intermodal faces more competition from trucking.

In 2011, intermodal container volume set a new record with 12.4 million moves, surpassing 2007's record year by nearly four percent. Over the past five years, international and domestic growth has progressed at a steady clip, despite the recession (*see chart, below*).

The reasons for this surge are myriad. Welch's, a Concord, Mass.-based food manufacturer famous for its grape juice, made the switch to intermodal about four years ago—largely to offset rising fuel costs, but also to achieve sustainability gains.

"Intermodal was a less expensive approach," says Dan Biggs, director of customer logistics, Welch's. "The downside lies in the longer lead times, which are not always well-received by customers." Consignees often fear rail service is inconsistent, or that they will have to hedge risk by carrying more inventory.

Intermodal is a small part of the total freight mix for Welch's. The company has used it in certain lanes—such as between Michigan and the Pacific Northwest, and from Erie, Pa., to Florida—where it doesn't have a distribution presence or can get competitive transit times. It also has the ability to switch between intermodal and truck transport, as it plans to do in the Pacific Northwest per promises to customers.

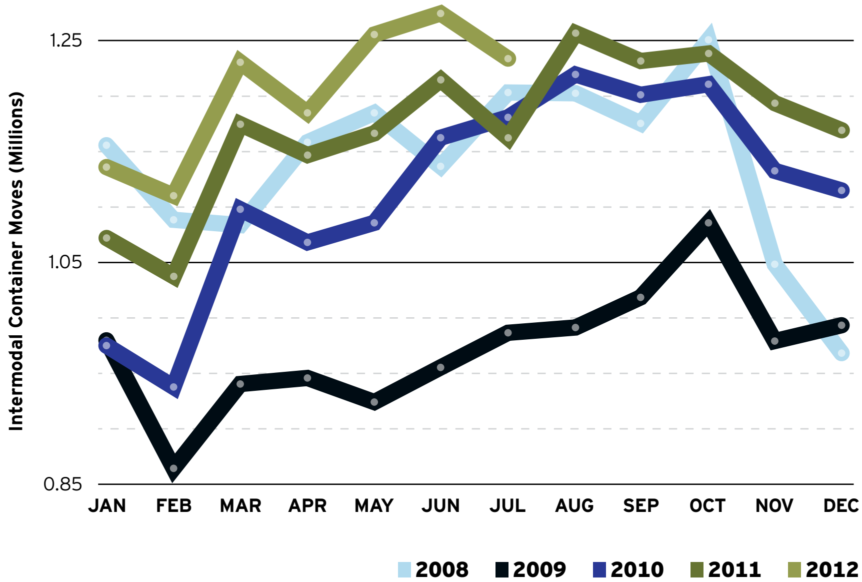
While some shippers foreign to intermodal are still cautious, there are also reasons for optimism. For example, on-time delivery times are becoming more competitive with trucks in certain lanes.

"Intermodal services are becoming more dependable, with most service lanes in the high-90 percentile for on-time delivery," says Howland. "Industries across the board are coming to us. If fuel costs stay high and the driver pool remains tight, intermodal will be more competitive in the 700-mile length of haul. In the eastern United States, it is used for even shorter distances."

Improved service levels, the environmental benefits of converting truck to rail, and the availability of capacity are all intermodal drivers. "The flex capacity that rail brings—such as the ability to add units or train starts—allows responsiveness not available to motor carriers that are overbooked or short of drivers," says Lanigan. "The threat of a driver shortage has caused shippers to hedge bets in case the trucking industry experiences capacity issues. The move to intermodalism is a combination of all these factors. Are they weighted equally? No. Each shipper has its own trigger points."

Intermodal Traffic: Movin' On Up

Over the past five years, international and domestic intermodal traffic has grown steadily overall, despite the recession. In 2011, more than 12.4 million intermodal containers moved worldwide.



Source: IANA Intermodal Market Trends and Statistics

After the Conversion

Ste. Michelle's trigger was recognizing it could transport product across the United States more economically and sustainably without sacrificing quality. That its partnership with Railex has moved beyond a functional need and now allows it to grow more organically on its own is an added bonus.

"Handing off transportation to an expert allowed us to focus on our core business," says McKinney. "We're maintaining our staff; we haven't reduced labor. We're taking the opportunity internally to re-train employees and build a flexible, agile, cross-functional work team that can float anywhere within our winery operations."

As Railex expands its network—it is considering a distribution location in the Southeast—Ste. Michelle benefits by being able to deliver product closer to customers via rail, reducing the last-mile dray. Intermodal also provides a security blanket as looming capacity concerns threaten transportation economy and efficiency.

"Shippers are weighing two factors: transportation costs and space availability," says Kleist. "Where is capacity, and what will it look like down the road?"

Ste. Michelle's conversion has also compelled it to evaluate all the inbound raw materials it transports via truck—empty glass and packaging, for example—to determine if there is an opportunity to use rail.

"We transport thousands of barrels by truck annually," says McKinney. "We can analyze our freight needs to determine if it makes sense to leverage rail and Railex's buying power with other carriers. We'll consider anything that increases efficiency and improves quality."

Ste. Michelle expects Railex to eventually take care of special projects, such as export orders that require compliance labeling. The service provider may also manage Ste. Michelle's direct-to-consumer business, because it is already tasked with storing inventory and building orders. All these functions are currently performed on- site at the winery's Columbia Crest facility. In the future, they will be transitioned to Railex to free up space and resources.

"If we're holding all the product, we need to be able to perform the peripheral tasks," says Kleist. "Our focus is on ensuring we provide the necessary care, custody, and control through the rest of the chain, from pickup to delivery. Ste. Michelle and Railex are finding all the savings possible in the entire process."

No Time Like the Present

As a transportation concept, intermodalism is far from new. It has always been an important part of the global supply chain. Motor freight is the anchor at both ends of the divide, with air and ocean in between. But on the U.S. domestic side, intermodal has never been compulsory. Ample opportunities exist for shippers and consignees to leverage the economy of rail transport—whether it's converting truckloads to railcars, or expediting containers in and out of congested cities and ports.

Intermediaries such as Railex and APL Logistics understand the value of pushing more freight onto the tracks, as well as their importance in liaising between railroads, shippers, and truckers.

"We view our role as being an integrator," says Howland. "Many shippers have outsourced transportation management, not just intermodal, to us. Our goal is to take the entire book of freight, find the best solution, and uncover more intermodal and load consolidation options. We're converting 10 to 15 percent of over-the-road moves to intermodal with many customers."

The railroads play their own unique role, as well. For example, BNSF Railway's Next Generation Intermodal service provides a platform for trucking companies and shippers to work together more collaboratively.

"We're rewriting the script on what an acceptable dray is from a length-of-haul standpoint, and how shippers can access

Ample opportunities exist for shippers to leverage the economy of rail transport by converting truckloads to railcars, or expediting containers through congested ports.

denser markets and take advantage of intermodal opportunities by draying a little farther to origins and destinations," says Lanigan.

Then there's the matter of site selection. Railex's Wallula distribution center is 40 miles from Ste. Michelle's Columbia Crest winery, providing a relatively short truck haul by West Coast standards.

"In eastern Washington, many frozen and fresh food processors are migrating from the west side of the state closer to where the product is being grown," explains Kleist. "Companies may follow a similar pattern with transportation. Businesses gain options if they are located near an intermodal facility. Intermodal won't be the complete answer for every company, but it can be a bigger part of the solution."

Some companies are looking to locate even closer to intermodal ramps so they can radically reduce trucking costs. Lanigan cites retailers that move a high volume of low-value product and can pad the bottom line by using rail. Craft supply retailer Michaels Stores, for example, has a major distribution center near BNSF Railway's intermodal facility in Fort Worth. Companies that locate DCs in these areas can greatly reduce drayage time and expense.

This type of exposure is having a sea-change effect within the transportation and logistics sector. As more well-known brands make the jump, they raise the profile of intermodal solutions, making them an easier sell for carriers such as BNSF Railway. "When you can show a prospective customer a list of top companies that are moving freight with you, it's pretty tough for them to say intermodal can't work," notes Lanigan.

The change in industry's perception of intermodalism is pervasive enough that the only pockets of resistance Lanigan sees among shippers tend to be generational—people who were around 15 to 25 years ago and had a negative experience in intermodal's early days.

Industry has come a long way in mediating the complexity of moving freight between modes and ensuring visibility through interchanges. The execution piece is no longer the sticking point. "What challenges us now is skepticism," says Kleist.

For companies such as Ste. Michelle, Welch's, and Michaels Stores, few doubts linger about intermodal's potential. Its time is now. ■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party shall use reasonable efforts under the circumstances to avoid or remove such causes of non-performance and shall
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arbitration in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Associa-
tion. The parties shall select a mutually acceptable arbitrator knowledgeable about issues relating to the subject matter
of this Contract. In the event the parties are unable to agree to such a selection, each party will select an arbitrator and
the two arbitrators in turn shall select a third arbitrator, all three of whom shall preside jointly over the matter.

Negotiating Contracts That Will Float Your Boat

Ocean contracts are notoriously complicated. What can shippers do to help ensure the contract they sign is win-win?

by Justine Brown

Ocean carrier contracts are complex. Dozens of carriers serve myriad trade lanes, and the format and content of each carrier's contract is unique. Every carrier applies a multitude of surcharges in various ways; in fact, more than 350 different surcharges are applied worldwide, according to some estimates.

"Ocean contracts are complex because they must be comprehensive," explains Dan Jakubauskas, vice president of pricing and procurement at Yusen Logistics Americas Inc., a logistics and freight forwarding company with U.S. headquarters in Secaucus, N.J. "Carriers tend to account for all contingencies.

"Rates and surcharges, in particular, can be very complicated, with extensive exclusions and exceptions," he adds. "And each carrier uses different systems, structures, and rates."

The complexity of ocean contracts puts the onus on shippers to negotiate carefully or risk being locked into an unsatisfactory arrangement for one year or longer. The good news: both shippers and ocean carriers are looking for contracts that are more stable and simple, and they have been working together to come up with new approaches that benefit both sides.

When negotiating an ocean contract, striking a balance is critical. Both shippers and carriers must feel they are getting a fair deal in order for the relationship to go smoothly.

"Relationships can turn bad if contracted rates are too high, or market conditions are too low," says Joerg Twachtmann, global head of product and procurement, ocean FCL, for ocean forwarder Panalpina. "To keep both sides happy, we review our ocean contracts and terms quarterly to determine whether we need to adjust the figures so no one is locked in at rates that are too high."

But it is the shippers' responsibility to do their homework prior to negotiations. "Ocean carrier contracts contain a lot of verbiage written to the carriers' advantage," warns Howard Finkel, executive vice president of COSCO Container Lines Americas, a full-service intermodal ocean carrier with U.S. headquarters in Secaucus, N.J.

Contracting Choices

When negotiating ocean freight contracts, shippers first must decide which type of contract to pursue: long-term, short-term, or index-linked. Each carries benefits and drawbacks.

Long-term contracts. Shippers frequently seek long-term contracts with fixed surcharges to eliminate the need to continuously adjust rates in their transportation management system. In addition, shippers that sign long-term contracts often gain an advantage when capacity is tight, and tend to get better service overall.

But shippers under long-term contracts can suffer during periods of rate volatility. "Because of great volatility in the current market, container shippers face major challenges when entering contractual relationships," says Martin Dixon, development manager at maritime consultancy firm Drewry Shipping Consultants. "That volatility will continue for years to come."

Short-term contracts. Some experts suggest shippers push for short-term contracts, rather than typical 12-month contracts. Negotiating more frequently takes some of the surprise out of the equation, and helps shippers avoid major dips and peaks.

"Short-term contracts are a smart way to go," notes Stefan Weber, head of ocean procurement for Damco North America, a global freight forwarder, supply chain management company, and non-vessel-operating common carrier. "Shippers don't have to lock in a long-term rate when they are uncertain about what might happen down the road."

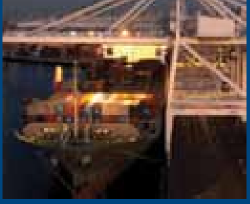
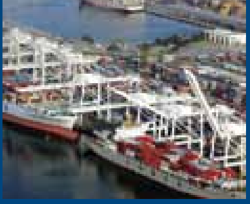
In addition, some shippers use freight forwarders and pay spot market rates, which are often lower than contract rates.

Index-linked contracts. Index-linked contracts, which enable the contract rate to fluctuate relative to an external index, are growing in popularity. The concept emerged in 2012, after a number of shippers involved in trans-Pacific trade got caught up in a peak-season capacity crunch.

"Index-linked contracts are a response to the failure of traditional fixed-rate contracts to provide the necessary space, volume, and price protections," says Dixon. "Index-linked contracts tie the contract rate to an external index, thereby following market rates. These contracts give shippers a better security of capacity, particularly at peak season. For carriers, they provide better security of cargo volume to fill their ships.

"More frequently, shippers are considering index-linked contracts during periods of significant rate volatility, when they can spend a lot of time trying to determine if they are indeed getting a competitive rate," he adds. "Shippers that are paying market rates don't have to contemplate that question every time the rate changes."

Many shippers commit to long-term contracts in hopes of securing space on ships when capacity gets tight—but may sacrifice potential savings when rates drop.

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Index-linked contracts can also potentially help prevent contract default. "One main reason for contract defaults in recent years is the large divergence between spot rate (short-term) versus contract rate (long-term) agreements to move cargo," Dixon says.

"When those rates diverge greatly, shippers tend to break their contracts," he says. "But if capacity is tight, they may be unable to move their cargo. Carriers seek to force up the rates between those contracts, or favor cargo moving on spot rates. Enabling the contract rate to vary relative to an external index serves to reduce any possible divergence between contract and spot rates, therefore addressing the drivers of contract default."

Index-linked contracts work best over contract periods longer than one year, allowing both shippers and carriers to benefit, according to *Index-Linked Container Contracts*, a whitepaper produced by Drewry Shipping Consultants in June 2012.

"By enabling long-term contracts and decoupling price from negotiations (as this is determined by the index), shippers can reduce their procurement process costs, and carriers their cost of sale," the whitepaper explains. "It is important that the selected index follows the spot market (not contract rates or a combination of the two.) Otherwise, the index-linked contract will fail in its mission to reduce the differential between contract and spot market rates and the resultant risk of contract default."

> "Shippers and carriers have to negotiate contracts in good faith. If rates are higher than the market, shippers are unhappy. If rates are lower, carriers are unhappy."
>
> –**Howard Finkel,** Executive Vice President, COSCO Container Lines Americas

"The pros and cons of index-linked contracts depend on the fundamentals of the agreement," adds Jakubauskas. "Those fundamentals include factors such as the shipper's volume consistency, and the rate adjustment scheme within the contracts. Shippers always run the risk of paying higher rates than their contemporaries, and vice versa."

For example, shippers that have negotiated an index-linked contract, and have upper and lower adjustment limits, may end up at the high end during their peak shipping season.

"The key is the duration," says Jakubauskas. "A long-term contract provides the full benefit due to volatility and fluctuating fuel prices."

But some shippers and carriers have been hesitant to use index-linked contracts. Some are unsure of rates. And, there is no set formula for implementing an index-linked contract. Shippers don't want to get left behind if rates drop, and carriers don't want to get caught with low fixed rates when rates go up.

Index-linked contracts don't suit all organizations. "Some big shippers feel annual fixed-rate contracts have served them well," Dixon says. "And some shippers that have taken advantage of spot markets sometimes end up paying the price later."

Despite the caveats, the future of index-linked contracts looks bright. "Index-linked contracts are new, and the industry has not yet readily adopted them," says Weber. "But these contracts will become more popular as carriers learn more about their benefits. A few years down the road, the use of index-linked contracts will rise, and a large percentage of shippers will be using them."

Dixon agrees, and says he is already seeing a strong uptick in index-based contracting. "Momentum is building, and we expect index-linked contracts to take off," he says. "A lack of understanding of the concept has been holding it back. Most shippers haven't grasped how index-linked contracts work, and are not sure how to confidently implement them.

"On the carrier side, salespeople need to be trained to sell index-linked contracts, and gear up to handle this type of contracting," Dixon adds. "Once shippers and carriers get up to speed, we'll see a big jump in the use of index-linked contracts."

Key Considerations

Given the various options and caveats surrounding ocean freight contracts, shippers should consider the following elements before they sign on the dotted line.

It's not just price. When picking a carrier, shippers should also consider access to capacity, particularly in peak season when they may be moving more cargo than usual.

Start by devising a list of providers that suit your requirements, Dixon suggests. "Shippers should undertake a formal process by which they invite a large number of carriers and forwarders to provide quotes, then shortlist them," he says. "In addition to cost and capacity, provider reliability and product security are critical selection criteria."

Know what you need. Communicating requirements upfront is also critical. "Shippers should understand how their cargo fits into

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When evaluating carriers, shippers should look beyond pricing to also weigh capacity, especially during peak season.

carrier service patterns," says Jakubauskas. "For example, one carrier may run from Hong Kong to Long Beach every week, and provide ample capacity. Another may offer lower rates, but provide less capacity and consistency. How do the carrier's offerings align with your requirements?"

Know your carriers. Shippers should also have full knowledge of their providers' profiles, and understand their strengths and weaknesses.

"How carriers allocate space, route cargo, and handle problem escalation and resolution are important factors," says Jakubauskas. "Also, shippers should know how providers will handle their business on both sides of the ocean under various potential scenarios. The more you know, the better prepared you are to narrow down carriers and start negotiation."

Be willing to compromise. Shippers should also know what service elements are most important, and where there is room for flexibility in the negotiations.

"Carriers are typically willing to give up things that don't add cost," says Jakubauskas. "Understand where you are willing to compromise, and where your carriers can give and take. Knowing that can help lead to a deal that is suitable for both sides. The key is to be able to deliver what you commit to, and expect the same in return."

Shippers should understand prevailing and forecasted market rates and charges—including the high end and low end—prior to negotiation. To reduce risk, shippers should split their volume by moving some cargo under an index-linked contract and some under a long-term contract.

Shippers aren't the only ones that stand to lose due to market volatility.

"Carriers expect to ride the markets up and down consistently, so they prefer stable rates with shippers over time," says Weber. "That lets them enjoy the same benefits as shippers.

"If our foresight doesn't hold true in terms of rates, we are on the losing side of the equation, and at that point we can't adjust contracts and agreements to align to market conditions," he adds. "Agreements must be written to allow both parties to come out winners."

Fuel surcharges. Most shippers manage at least some domestic distribution, so fuel surcharges have been a fact of life for them for several years. But fuel is a different animal when it comes to ocean shipping, and carriers have struggled to come up with a unified formula for applying surcharges.

"Fuel is a given; every business addresses fuel costs on some level," says Finkel. "But shippers should understand how carriers determine surcharges—what they use to measure the rate among different ports, and how fuel surcharges work."

Good Faith Deals

While taking these elements into consideration can help shippers sign a deal they are satisfied with, carriers also must be content in order for an optimal business relationship to come to fruition.

"Shippers and carriers have to be able to negotiate in good faith, where both sides understand their responsibilities and the price is fair for everyone," says Finkel. "If rates are higher than the market, shippers are unhappy; if rates are lower, carriers are unhappy."

Shippers and carriers also need to be patient during the contract negotiation process. "Achieving a win-win contract is not a short-term goal," says Twachtmann. "Getting it right for both sides is achieved over the long term." ■


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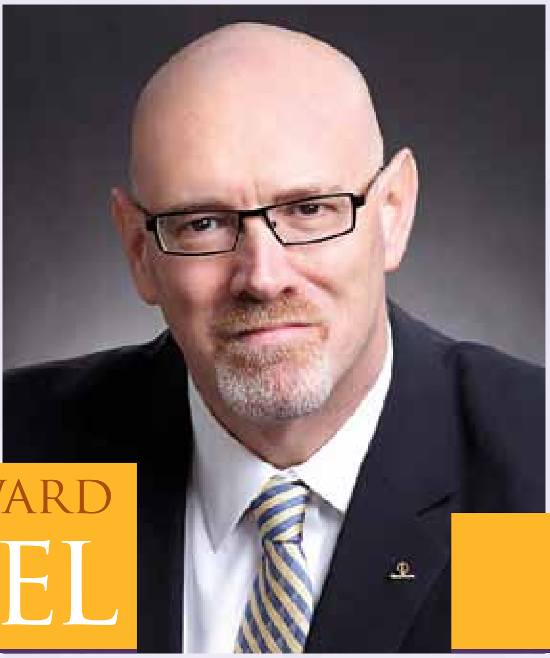

HOWARD FINKEL
Executive Vice President
COSCO Container Lines Americas Inc.

Q: How are ocean carriers and shippers addressing security standards?

A: When U.S. Customs and Border Protection (CBP) introduced the Customs Trade Partnership Against Terrorism (C-TPAT) initiative after the Sept. 11 attacks, it gave government, shippers, carriers, port authorities, and other transportation and logistics intermediaries a platform to build better security protocol into the supply chain. As a consequence, supply chain partners are taking cues from CBP and making concerted efforts to share and apply security best practices throughout their organizations and supply chain operations. In fact, some are making voluntary C-TPAT certification a compliance requirement among partners.

Q: These methods and standards apply mostly to U.S. ports. What's being done overseas to address the same issues?

A: Before C-TPAT, there was the Container Security Initiative (CSI). CSI is designed to push the security border beyond America's shores to foreign ports. It consists of four key elements: using advanced intelligence to identify and target containers that may pose a threat; pre-screening suspicious containers while they are still overseas; using technology to quickly pre-screen suspicious containers; and employing smart containers.

Q: What are some methods to manage the process?

A: C-TPAT requires companies to conduct periodic spot-checks to ensure all procedures are being performed. One way shippers can address this is by employing detailed, standardized checklists. Steamship lines use this approach when sweeping a vessel for potential security breaches, examining internal/external compartments, and reviewing shipboard training programs. Shippers can engage a similar step-by-step process within their facilities to ensure a shipment's chain of custody remains intact.

Q: How can shippers and their supply chain partners enhance security and also save time?

A: Ensuring containers remained sealed is important – and required by C-TPAT. Containers with seal security issues should not be allowed to move on until the discrepancy is resolved. Stopping the container as close as possible to the point of discovery makes it easier to identify the nature of the problem. Proper action may involve applying a high-security seal, requiring a shipper to verify the contents and add a seal, or refusing to lade a container on its next means of conveyance.

Q: What would you suggest as an overall unifying philosophy for the industry?

A: Stay alert. Monitoring the work environment, especially on the waterfront, is critical to any maritime security program. Some steamship lines routinely and randomly inspect containers in transit to keep shippers, suppliers, and other intermediaries on their toes. If breaches arise, they can use this information to identify the problem's root and develop solutions to prevent future compromises.

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SaaS-Based Transload Management Systems Enable Transport Efficiencies

Q: Why are rail shippers turning to transload facilities to ship products to receivers?

A: Transload facilities bring significant economic advantage to shippers who are not directly served by railroads, but desire the cost-effectiveness of rail shipping. Transloading operations provide the capability to transfer products between transport modes—primarily truck to rail. Typically, products are transported by rail to transload facilities, where cargo is transferred from railcars into trucks for final-mile delivery to the receiver—or in the reverse, "first mile" from truck to rail.

ERV BLUEMNER
Senior Vice President, Product Strategy, Research & Development
RMI, a GE Transportation Company

As many as 1,800 transload centers operate in North America today, with many more in the planning stages. This has created a growing demand for software solutions to manage transload inventory quickly and easily.

In addition to lowering shippers' overall transport costs, transload operators provide a range of additional capabilities, including inventory management and automated replenishment planning, product storage, transport planning/coordination, shipment paperwork processing, and other value-added services such as equipment maintenance, product packaging, and equipment cleaning. These efficiencies allow shippers to reduce delivery times and ensure ready access to product.

Q: How can today's transload facilities effectively respond to the operational complexities of managing on-site shipper inventory/shipments, and deliver decreased transport costs?

A: Transload facilities have become the central hub of end-to-end supply chain product transport and fulfillment processes for many rail shippers. Transload management systems must orchestrate appropriate inventory availability and replenishment cycles, while also coordinating inbound and outbound movements between rail and other carriers. Transload facilities find great benefits from Software-as-a-Service (SaaS) solutions that deploy quickly, and easily integrate with enterprise resource planning systems and electronic data interchange sources to provide seamless inventory and operations management, and network transport coordination.

Q: What should a transload owner or operator look for in a transload software solution provider?

A: Transload facility operators should expect their solution provider to have a deep understanding of the rail supply chain, and close association with railroad companies. Providers must demonstrate an understanding of transload operational processes and bring intuitive, innovative solutions that apply advanced technology components to automate, orchestrate, and optimize workflows; manage product inventories; and streamline transportation transfers. Such solutions provide a winning solution for transload operators by facilitating real value delivery to their shipper customers.

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Shared Technology Resources Hold the Key to Supply Chain Optimization

Q: How can value chain partners cooperate to create and share efficiencies?

A: While it is understandable for each supply chain partner to maintain its own information technology, many companies rely on more than one IT system—along with spreadsheets and email—to manage supply chain operations. To further complicate matters, every transaction in the complex global supply chain may involve a buyer; seller; carrier; and various forwarders, warehouse operators, and compliance/Customs brokers on both the origin and destination side.

With so many parties involved, exchanging so much information among them, it is hard to comprehend why some companies add complexity by using multiple service providers, just to save a nominal amount on logistics costs—often at the expense of supply chain coherence and visibility.

Without a global control tower to manage this complex workflow and dataflow across partners, chaos rules. Supply chain managers must determine the best trade-off in their supply chain based on specific organizational needs.

Here are some approaches that can help improve supply chain operations:

- Implement integrated logistics execution by linking order management to warehouse and freight management (both international and domestic), as well as compliance, either across systems or through one system.
- Operations and IT groups within organizations need to collaborate better to define a partner-inclusive supply chain vision. IT has to be the enabler, leveraging the power of Internet tools rather than relying on existing legacy technologies.
- Establish an enhanced data model across multiple supply chain partners. This goes back to the idea of a global control tower with a data model far beyond the boundaries of your business. Data can be used to control the events and workflow proactively, and with today's technology can be dispensed across companies, countries, locations, and more importantly across platforms—such as mobile, tablets, and notebooks—while still respecting the concern for data security across partners.
- Limit the number of trading partners in your supply chain to enable easier collaboration and drive out hidden costs whenever a handover occurs.
- Because multiple IT systems across partners is the norm, not having real standards of communication across various parties and their IT systems in the supply chain is a large problem. Investing in a reliable and cost-effective integration tool that supports translation and multiple communication standards such as EDI, XML, and Web Services is important.

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Information Access Differentiates Transportation Providers

Q: What are the most important elements of an information technology (IT) strategy for participants in the transportation chain?

A: Strategically, there is only one IT goal: to differentiate your service from your competitors. Tactically, you need to figure out how to deploy mobile computing for customer- and employee-facing iPad and smartphone applications.

Today, information is the only differentiator in transportation. All the carriers are steaming slow—half as fast as in the 1970s—and schedules are fairly reliable. When a shipment moves without error, which carrier you choose doesn't make much difference. Shipment information visibility, and the ability to fix problems early and inexpensively, are the only differences between carriers.

What makes a carrier stand out is its ability to enhance the customer experience with shipment visibility, much like Amazon does for all its orders. When you order from Amazon with ground shipping, the site notifies you within minutes that the order was logged, and updates you again when the order ships. A single click from the Amazon email takes you to the UPS tracking system. Both Amazon and UPS offer premium, fee-paid service that allows you to further enhance the delivery. We expect this kind of visibility for a $100 purchase. We should demand the same for a $100,000 shipment from our supplier. Amazon's supply chain acumen should be the benchmark.

Ocean and domestic carriers have traditionally been slow to adapt to new technologies. The recently released *Information Week* Annual IT Leaders and Innovators lists only 15 logistics and transportation companies among the businesses selected. Besides FedEx and UPS, only five of the companies are domestic—and no ocean carriers or railroads are even listed.

Q: How do you see mobile technology evolving in transportation?

A: In today's environment, customers have high expectations for on-time delivery, but also want visibility of cargo in transit, and the ability to change or reroute shipments. Many truck drivers now carry smartphones that can locate their exact position and allow shipment recipients to sign for proof of delivery. Also, if an exception occurs in the supply chain, all parties are instantly alerted.

The dashboard information deployed on mobile devices for salespeople is also available on each customer service representative's desktop while they are communicating with customers. Sales reps can display customers' entire shipment history and current visibility while they are meeting.

The carriers that provide customers with this kind of shipment information on mobile devices will be the ones that dominate the future.

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Photo courtesy of Matson

INBOUND LOGISTICS'

2012 OCEAN CARRIER GUIDE

ALL ABOARD

THE GLOBAL OCEAN FREIGHT industry is swelling with capacity as New Panamax ships come online. But after enduring one of its worst years in 2009, container volumes continue to dip as the tides of economic recession sweep across Europe and parts of Asia. Steamship lines have been working cooperatively within alliances, and on their own, to scale capacity to demand. Many are idling ships; re-deploying assets; and realigning services, port rotations, and sailing frequencies to target markets and lanes where freight volumes are flush.

While steamship lines are challenged with balancing long-term investments and short-term changes in demand, ocean freight buyers are fully exposed to current market variables. Ocean transport remains the go-to mode for global shipping. No less important, more companies are looking at opportunities to leverage their supply chains and lengthen lead times so they can convert air freight to ocean, and reduce transport costs.

Market volatility has given ocean shippers a lot to think about. *Inbound Logistics* provides some clarity with our annual *Ocean Carrier Guide*. To help you keep abreast of current industry dynamics, we cast our net far and wide to find out where steamship lines are investing capital, and how they are enhancing fleets, services, solutions, and coverage areas to better meet your demands.

Atlantic Container Line (ACL)

800-ACL-1235

www.aclcargo.com

PARENT COMPANY: Grimaldi Group

Since 1967, ACL has been a specialized transatlantic carrier of containers, project and oversized cargo, heavy equipment, and vehicles, with the world's largest combination roll-on/roll-off (RoRo)/containerships (CONROs). Headquartered in Westfield, N.J., with offices throughout Europe and North America, ACL offers five weekly transatlantic sailings and direct RoRo/container service under its parent company, Grimaldi Lines, between North America and West Africa. The company also offers service for non-containerizable cargo from North America to the Mediterranean, Middle East, South Africa, Australia, and the Far East.

WEB TOOLS: Booking and rate requests, express documentation.

FLEET SIZE: Five vessels operate in the core North Atlantic service, and various vessels are time-chartered to the Grimaldi Group.

CUSTOMER AWARDS: Honda Premier Partner Award; Canadian International Freight Forwarders Association Customer Service Award

WHAT'S NEW: In 2015, ACL's five new Generation 4 (G4) vessels, the world's largest CONROs, will replace its existing fleet of G3 CONROs operating in the company's transatlantic service. The new vessels will be the first of their type ever built, and will be bigger, faster, greener, and more efficient than their predecessors. The G4s will have a 3,800-TEU container capacity, plus 311,077 square feet of RoRo space, with a car capacity of 1,307 vehicles.

APL

800-999-7733

www.apl.com

PARENT COMPANY: NOL Group

SISTER COMPANY (LOGISTICS): APL Logistics

APL is a global container shipping company offering more than 80 weekly services and 500 calls at more than 140 ports worldwide. It combines intermodal operations with information technology and e-commerce to provide shippers with seamless and integrated transportation solutions. APL is a unit of Singapore-based global shipping and logistics company Neptune Orient Lines (NOL).

WEB TOOLS: APL's HomePort Web portal enables shippers to book and track cargo electronically, and provides e-bills of lading.

Atlantic Container Line (ACL)

Terminals connect with truckers via the Internet and mobile devices, enabling them to manage cargo pickup and delivery.

FLEET SIZE: 150 ships

CUSTOMER AWARDS: 2012 Top Ocean Carrier, Agricultural Transportation Coalition.

WHAT'S NEW: APL announced plans to cut key carbon exhaust 30 percent by 2015; launched the *APL Southhampton*, the first of 30 new, environmentally friendly vessels to be delivered over the next three years; and established the G6 Alliance in the Asia-Europe trade with Hapag-Lloyd, Hyundai Merchant Marine, Mitsui O.S.K. Lines, Nippon Yusen Kaisha, and Orient Overseas Container Line.

China Shipping

888-712-7811

www.chinashippingna.com

PARENT COMPANY: China Shipping Group Company

China Shipping offers container transportation and related services including storage, transshipment, Customs arrival manifest filing, and intermodal on-carriage. Its 560,000-TEU fleet calls 12 China base ports and most river ports along the Yangtze River, the Pearl River, and their branches, providing fast, safe, economical containerized freight transportation. A total of more than 40 international routes round out the line's current service profile.

WEB TOOLS: Tracking/tracing, electronic data interchange (EDI), eBrochure, sailing schedules.

FLEET SIZE: 150 vessels

WHAT'S NEW: China Shipping introduced Transpacific, Transatlantic, Mediterranean, North Europe, China Pearl River Delta, and China Yangtze River Delta services.

CMA CGM

757-961-2100

www.cma-cgm.com

LOGISTICS DIVISION: CMA CGM Logistics

CMA CGM, founded in 1978 by Jacques R. Saadé, provides regular services to 400 ports on more than 170 main shipping lines around the world. With a presence on all continents, and in 150 countries through its network of 650 agencies, CMA CGM employs 17,200 people and transports nine million TEUs annually. The group offers a complete range of activities, including transport by sea, river, and rail, and operates facilities in port, as well as logistics on land, to guarantee high-quality, door-to-door services. CMA CGM has also been investing in rail, inland waterway, and road haulage services and strategic shipping terminals worldwide.

WEB TOOLS: Interactive schedules; routing finder, including line services and voyage finder; quotation requests; tariffs; container tracking; bill of lading printing (draft, waybill, original bill of lading); and shipment details.

FLEET SIZE: 394 vessels

CUSTOMER AWARDS: 2011 Matty Award, Mattel; 2011 Best Partner Carrier of the Year, Sony; 2011 Ocean Carrier of the Year Award, Lowe's Home Improvement.

WHAT'S NEW: CMA CGM signed an agreement for the operation, equipment, and expansion of the Gordon Cay Container Terminal in Jamaica's Port of Kingston.

COSCO Container Lines Americas

800-242-7354

www.cosco-usa.com

PARENT COMPANY: China Ocean Shipping Company (COSCO)

Celebrating the 50th anniversary of its founding in 1961, COSCO maintains 85 representative offices in 49 countries around the world, and operations agencies in 1,000 cities in 160 countries. Cargo handling capabilities include 20-foot and 40-foot dry containers, refrigerated containers, flat-racks, open tops, high cube, and other specialized equipment. Routes and scheduling are designed for rapid and cost-efficient service worldwide.

WEB TOOLS : Automated 24/7 cargo tracking service, complete listings of services and schedules.

FLEET SIZE: 120 vessels

WHAT'S NEW: In addition to equipment improvements, recent scheduling additions and revisions have resulted in significantly faster transit times. COSCO's 23 main line services connect more than 1,000 ports.

COSCO

Crowley

800-CROWLEY

www.crowley.com

PARENT COMPANY: Crowley Maritime Corporation

LOGISTICS DIVISION: Crowley Logistics

Crowley Maritime Corporation, a privately held family and employee-owned company established in 1892, provides marine solutions, and transportation and logistics services in domestic and international markets. Services include cargo shipments by containers and trailers; refrigerated and speed-to-market shipping; breakbulk, heavy lift, and over-dimensional items; and rolling stock such as cars, trucks, buses, and construction equipment, all with company-owned specialty equipment and top-quality Lift-on/Lift-off (LoLo) and RoRo vessels.

WEB TOOLS: Track-and-trace, tariff retrieval, e-bill of lading registration, 24-hour manifest schedule, downloadable shipping documents, booking, rate requests.

FLEET SIZE: 250 vessels

CUSTOMER AWARDS: Outstanding Customer Service and Quality Award, Toyota; International Partnership Award, Payless ShoeSource; World Excellence Award and Silver Award for Supplier Excellence, Ford Motor Company; Dana Corporation Outstanding Supplier; Costa Rica Chamber Exporters Award; SC Johnson Service and Customer Award.

WHAT'S NEW: With Crowley's Speed to Market service, shippers can export cargo from the U.S. Northeast, Southeast, and Gulf coasts to the Caribbean Basin, Central America, and Canada. In December 2012, Crowley's logistics team will open Crowley Fresh, a new cold storage facility for produce, in Miami.


Crowley

Evergreen Line

201-761-3000

www.evergreen-line.com

PARENT COMPANY: Evergreen Group

LOGISTICS DIVISION: Evergreen Shipping Agency (America)

Taiwan-based Evergreen was founded in 1968 by Group Chairman Dr. Yung-fa Chang, and commenced full container liner services in 1975. It has developed into a global carrier, operating a 560,000-TEU-capacity fleet and serving six continents.

WEB TOOLS: Integrated e-commerce services via Evergreen's ShipmentLink portal; enhanced e-reports available to all customers, with new functions including event-driven notification, tracking reports, and statistics to help manage and monitor shipments.

FLEET SIZE: 150 vessels

WHAT'S NEW: Evergreen Line launched a new intra-Asia service linking Kaohsiung, in southwestern Taiwan, with Cebu, a province of the Philippines.

Hamburg Süd

973-775-5300

www.hamburgsud.com

PARENT COMPANY: The Oetker Group

Hamburg Süd specializes in containerized temperature-sensitive cargo shipping. Company services link North America, South America, Europe, the Mediterranean, Asia, India, Pakistan, and Australia/New Zealand.

WEB TOOLS: Cargo booking, tracking, and tracing.

FLEET SIZE: 174 vessels

WHAT'S NEW: Hamburg Süd added a direct Asia Pacific Northwest transpacific service that connects Yantian, Hong Kong, Xiamen and Busan with Seattle and Vancouver. It is Hamburg Süd's first direct transpacific service.

Hapag-Lloyd

800-223-4443

www.hapag-lloyd.com

PARENT COMPANY: The Albert Ballin consortium and TUI AG

Hapag-Lloyd connects all major ports worldwide via 93 liner services – including U.S. flag services. The carrier operates 300 offices in 114 countries, and offers a container stock of more than one million TEUs of all types, including one of the largest reefer fleets in the industry.

WEB TOOLS: Schedule overview, download, and subscription; shipment overview listing; tariffs, freight rates, inland rates, essential terms, and local charges; detention and demurrage rules and regulations; shipping instructions (for registered customers); sea waybill of lading download; track-and-trace by booking, container, or bill of lading number; import overview with Customs information; invoice copy download; shipment/vessel rate of exchange; general rate of exchange information.

FLEET SIZE: 147 vessels

CUSTOMER AWARDS: 2011 Carrier of the Year, Whirlpool; 2011 Excellence Award, Eastman Chemical Company; 2011 PPG Excellent Supplier Award, PPG Industries Inc.; 2011 Ocean Carrier Award, Alcoa; Gold-Award of Green Gateway Program, Port of Seattle.

WHAT'S NEW: Hapag-Lloyd started a dedicated U.S. flag feeder service into the Baltic Sea, connecting the Port of Bremerhaven with Riga and Tallinn. The carrier also upgraded its Med Pacific Service to weekly frequency, connecting the U.S. West Coast via the Panama Canal with the Mediterranean. In addition, Hapag-Lloyd introduced a new eastbound Lisbon call in its MCA service from Montreal to the Mediterranean. The carrier took delivery of its first new 13,200-TEU vessel in 2012.

Horizon Lines

877-678-7447

www.horizonlines.com

PARENT COMPANY: Horizon Lines Inc.

LOGISTICS DIVISION: Horizon Logistics LLC

Horizon Lines is a domestic ocean shipping and integrated logistics company comprised of two primary operating subsidiaries. Horizon Lines LLC operates a fleet of 15 U.S.-flag containerships and five port terminals linking the continental United States with Alaska, Hawaii, and Puerto Rico. Horizon Logistics LLC offers customized logistics solutions to shippers from a suite of transportation and distribution management services, information technology developed by Horizon Services Group, and intermodal trucking and warehousing services provided by Sea-Logix. Horizon Lines Inc. is based in Charlotte, N.C.

WEB TOOLS: Booking, track-and-trace, and payment applications that allow shippers to create customized reporting; event notification; and e-mail or threshold activity alerts.

FLEET SIZE: 15 vessels

CUSTOMER AWARDS: 2012 Platinum Carrier Award, Lowe's Home Improvement.

WHAT'S NEW: Horizon Lines received recognition from both the U.S. Coast Guard and the Chamber of Shipping of America for its record of safety and stewardship.

Hyundai Merchant Marine (HMM)

877-7-HYUNDAI

www.hmm21.com

LOGISTICS DIVISION: Hyundai Glovis, specializing in auto logistics

HMM is an integrated logistics company, operating 160 vessels and a global business network serving more than 100 ports of call worldwide.

WEB TOOLS: Track-and-trace, booking, bill of lading, vessel schedules, customer reports, EDI, rates/tariffs, HMM21 Mobile.

FLEET SIZE: 160 vessels

CUSTOMER AWARDS: 2012 Best Partner of the Year, Samsung; Best Supply Chain Ocean Carrier, Best Buy; Global Partnership Carrier, Sony; 2012 Provider of Year, Target Stores; International Supply Chain Provider of the Year, JCPenney.

WHAT'S NEW: HMM added its third dedicated transatlantic service, connecting Europe, the United States, and the Caribbean via Panama. HMM security compliance now covers the United States (C-TPAT), Korea (AEO); and Europe (AEO).

Intermarine

504-529-2100

www.intermarineusa.com

PARENT COMPANY: Intermarine LLC

New Orleans-based Intermarine provides worldwide ocean transport and inland heavy-haul services for breakbulk, specialized project, and heavy-lift cargo. The company also operates offices in Houston, Caracas, Buenos Aires, Shanghai, Seoul, and Mumbai.

WEB TOOLS: Company information, weekly sailing schedules.

FLEET SIZE: 30 vessels

WHAT'S NEW: In support of growing economic development in the West Coast of South America region, Intermarine added the port of Paita, Peru, to its regular liner schedule out of Houston.

Maersk Line

973-514-5000

www.maerskline.com

PARENT COMPANY: A.P. Moller–Maersk Group

Established more than 100 years ago, The A.P. Moller–Maersk Group is a worldwide conglomerate that operates in 130 countries and employs more than 100,000 people. Maersk Line, the ocean shipping unit, offers a comprehensive service network.

WEB TOOLS: Online sailing schedules; e-rates; e-booking; e-shipping instructions; electronic transport documentation and bill of lading printing; track-and-trace; and reports. In 2012, Maersk introduced MyFinance, a Web-based invoice review and payment solution with dispute resolution, to help drive efficiencies and streamline the management of key financial processes.

FLEET SIZE: More than 600 vessels

WHAT'S NEW: In March 2012, Maersk Line introduced Flagship Service, an import ocean/rail service direct from Asia to five key inland North America markets. These dedicated, non-stop Flagship Services, powered by BNSF Railway, arrive at a pre-determined time.

Matson Navigation Company

800-4MATSON

www.matson.com

PARENT COMPANY: Alexander & Baldwin Inc.

LOGISTICS DIVISION: Matson Integrated Logistics

Matson's transportation offerings span the globe from Shanghai to Savannah, and encompass everything from providing a vital lifeline to the island economies of Hawaii, Guam, and Micronesia to offering a premium, expedited service from China to southern California. Matson continues to strengthen its ocean transportation services through fleet enhancements, industry-leading on-time arrivals, and award-winning customer service.

WEB TOOLS: Online booking, tracking, billing, account balances, container tracking, EDI.

FLEET SIZE: 13 containerships, including four specialized barges

WHAT'S NEW: Matson launched its expanded China-Long Beach Express, offering weekly service from Hong Kong and Yantian and a new second weekly call at Shanghai. This expansion augments its weekly service from Xiamen, Ningbo, and Shanghai to southern California, and extends its geographic reach to the South China region.

MOL

800-449-7575

www.molpower.com

PARENT COMPANY: MOL Ltd. (Mitsui O.S.K. Lines)

CONSOLIDATION DIVISION: MOL Consolidation Services Ltd.

LOGISTICS DIVISION: MOL Logistics (U.S.A.) Inc.

MOL (America) Inc., MOL's wholly owned liner subsidiary in North America, employs approximately 400 transportation professionals in 16 sales offices throughout the United States. Founded in 1884, MOL's business diversity makes it one of the world's most financially solvent transportation companies.

WEB TOOLS: Online booking requests and shipping instructions; bill of lading searching, viewing, and printing; global shipment tracking; reports; sailing schedules.

FLEET SIZE: 917 vessels, including 104 containerships

CUSTOMER AWARDS: 2011 Transportation Partner of the Year, Michael's Stores Inc.

WHAT'S NEW: MOL began weekly feeder service between Gothenburg, Sweden, and German ports at Bremerhaven and Hamburg, and opened offices at Fuzhou and Zhongshan, China.

Mediterranean Shipping Company SA (MSC)

212-764-4800

www.mscgva.ch

MSC is a privately owned shipping line, founded in 1970. The carrier operates 438 container vessels, with an intake capacity of more than two million TEUs. During recent years, MSC's maritime fleet has expanded substantially to consolidate its position as the second-largest carrier in respect to container slot capacity and container vessels operated.

WEB TOOLS: Track-and-trace, schedules, container specs, contact information.

FLEET SIZE: 438 vessels

WHAT'S NEW: MSC introduced its Jaguar service from central China to Los Angeles, and enhanced its existing transpacific service network.

NYK Line

201-330-3000

www.nykline.com

PARENT COMPANY: Nippon Yusen Kabushiki Kaisha

LOGISTICS COMPANY: Yusen Logistics Co. Ltd. (YLK)

Founded in 1885, Nippon Yusen Kabushiki Kaisha (NYK Line) is a comprehensive global logistics group offering ocean, land, and air transportation services that draw on fleets of specialized vessels, trucks, warehouses, and aircraft.

WEB TOOLS: Bill of lading processing, bookings, customized reports, rate inquiries, shipment alerts and information, shipping instructions, container tracking, and vessel schedules.

FLEET SIZE: 838 major ocean vessels, including 129 containerships (including semi-containerships)

WHAT'S NEW: NYK enhanced its intra-America services with upgrades on the U.S. West Coast to its weekly MAREX service and on the East Coast to ANS. A new South Pacific Gulf Express service links the Middle East and North America.

OOCL

888-388-OOCL

www.oocl.com

PARENT COMPANY: Orient Overseas International Ltd. (OOIL)

LOGISTICS DIVISION: OOCL Logistics (USA) Inc.

As one of Hong Kong's most recognized global brands, OOCL provides shippers with fully integrated logistics and containerized transportation services, with a network that encompasses Asia, Europe, North America, and Australasia.

WEB TOOLS: OOCL's Web site and My OOCL Center portal provide advanced visibility and exception management, enabling shippers, consignees, and logistics providers to keep cargo moving and delivered on time.

FLEET SIZE: 120 vessels

CUSTOMER AWARDS: 2011 Partner Award, John Deere; 2011 Best Freight Forwarder Award, Canon.

WHAT'S NEW: OOCL introduced the Scan Baltic Express 3 service. Two 1,000-TEU containerships serve the route, which connects Hamburg and St. Petersburg.

Safmarine Container Lines

866-866-4723

www.safmarine.com

PARENT COMPANY: A.P. Moller–Maersk Group

As an independent container shipping brand in the AP Moller-Maersk Group, Safmarine is a global shipping line conducting business in more than 130 countries around the world.

WEB TOOLS: Online sailing schedules; e-rates; e-booking; e-shipping instructions; electronic transport documentation and bill of lading printing; track-and-trace; reports; alerts and notifications; online transport certificates; arrival notices; shipment status overview and deadlines.

FLEET SIZE: Safmarine's vessel fleet is managed by Maersk Line.

CUSTOMER AWARDS: 2011 Excellence in Service Provision Award (Gold), Ford Motor Company of South Africa.

WHAT'S NEW: Safmarine opened a 3,000-TEU capacity container depot in the Coega Industrial Development Zone near the Port of Ngqura in South Africa's Eastern Cape Province.

Trailer Bridge

800-554-1589

www.trailerbridge.com

PARENT COMPANY: Trailer Bridge Inc.

Trailer Bridge provides multiple weekly U.S. flag sailings between Jacksonville, Fla., and San Juan, Puerto Rico; weekly sailings between Jacksonville and the Dominican Republic; and weekly inter-island service between Puerto Rico and the Dominican Republic. Its innovative processes have brought the efficiencies of larger, high-cube equipment to the markets it serves. By utilizing a fleet of primarily 53-foot by 102-inch-wide high-cube equipment, along with single carrier door-to-port service, Trailer Bridge is able to provide increased value to its customers.

WEB TOOLS: Shipment tracking, customizable reports, booking, rate request, sailing schedule.

FLEET SIZE: Seven vessels

WHAT'S NEW: Trailer Bridge has three 400-by-100-foot ocean-going barges available for charter-hire for project work. The barges are U.S. flag and Jones Act qualified, and are designed for RoRo, float-on/float-off, breakbulk, and container cargoes.

United Arab Shipping Company (UASC)

908-272-0050

www.uasc.net

UASC is the largest ocean carrier of dry cargo to the Middle East. Maintaining a commitment to serve the Arabian Gulf, UASC offers a wide scope of services to the Arabian Gulf/Red Sea and Indian Sub-Continent regions.

WEB TOOLS: Shipment tracking, bill of lading, and sailing schedules.

FLEET SIZE: 46 vessels

WHAT'S NEW: UASC launched an e-commerce platform, UASC Online, to promote and deliver shipping process efficiencies to its customers. Shippers can submit simple re-usable bookings, edit and approve their bills of lading, and manage their UASC business via this new portal.

Yang Ming

201-222-8899

www.yangming.com

PARENT COMPANY: Yang Ming Marine Transport Corporation

SUBSIDIARY COMPANIES: Kuang Ming Shipping Corporation, Yes Logistic Corporation, Kao Ming Container Terminal Corporation

Established in 1972, Yang Ming operates a fleet of 87 vessels with a 364,000-TEU operating capacity, of which container ships are the main service force.

WEB TOOLS: Scheduling, vessel tracking, shipment track-and-trace, bill of lading processing, booking, and tariffs.

FLEET SIZE: 87 vessels

WHAT'S NEW: Yang Ming has invested in exclusive terminals in Los Angeles and Tacoma; Keelung, Kaohsiung, and Taipei Harbors in Taiwan; Antwerp, Belgium; and Rotterdam, the Netherlands.

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FREIGHT FORWARDING • CUSTOMS BROKERAGE • DECONSOLIDATION • TRANSPORTATION MANAGEMENT

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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.

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SPONSORED EDITORIAL

GREAT SITES ALL-STAR LOGISTICS LINEUP

When it comes to siting manufacturing and distribution facilities, these locations don't just get on base; they knock it out of the park.

U.S. U.S. manufacturers and distributors rely on a roster of locations ideally situated for quick turnaround and efficient transportation to points across the globe. These sites step to the plate with geographic, workforce, economic, transportation access, and business climate benefits that give local companies a home field advantage.

Kentucky leads the line-up of great U.S. logistics sites. "Kentucky is at the center of a 34-state distribution area," says Larry Hayes, secretary, Kentucky Cabinet for Economic Development.

Two-thirds of the U.S. population lies within one day's drive of Kentucky, but the state's logistics assets are by no means limited to over-the-road traffic. For example, Louisville International Airport houses UPS's worldwide air hub.

"If you are eating fresh lobster in Singapore, it probably spent last night in Louisville," says Hayes.

Kentucky's strategic logistics location helps explain the concentration of third-party distribution facilities near Louisville International Airport and the Greater Cincinnati Airport in Florence, Ky., located minutes away from DHL Worldwide Express operations in Erlanger, Ky.

"The two facilities give shippers global reach," says Hayes. "More than 200 flights leave Kentucky daily to every part of the world."

The presence of UPS, DHL, and other logistics providers has earned Kentucky recognition among global logistics professionals. "Kentucky's role in global logistics is acknowledged abroad," says Hayes. "Distribution has become a major industry in Kentucky; so has automobile and truck manufacturing. There's more to the state than bourbon and horses."

Although much of the state is rural, local communities are accustomed to foreign companies having a major presence. Thirty percent of new investment, and more than 20 percent of new jobs announced in the state in 2011, resulted from foreign direct investment (FDI)—investment by foreign-owned companies.

"Kentucky has the second-highest number of Japanese-owned businesses in the United States per capita, after Hawaii," Hayes says. "Many Americans might be surprised to learn that."

INDIANA: POSITIONED FOR POWER

When pitching to site selectors, Indiana serves up three main advantages: low costs, excellent highway access, and a collaborative business environment.

Indiana's Hoosier Energy Power Network provides electricity to developed sites and industrial parks along the I-70, I-65, I-64, and I-74 corridors. Hoosier Energy's workforce lives in adjacent metropolitan areas such as Indianapolis, Louisville, Cincinnati, and Evansville. That fortunate geography benefits the companies and agencies, such as Henry County, Ind., that fall within its midst.

"Henry County is strategically situated along Interstate 70 between the two key logistics markets of Indianapolis and Dayton," says Robert Grewe, president and CEO at New Castle/Henry County Economic Development Corporation. "The area's considerably low development and operations costs allow companies to take advantage of these logistics hubs while avoiding the steep development costs typically associated with urban markets."

The Henry County Redevelopment Commission is planning a 50,000-square-foot shell building to attract new business to the area.

Logistics operations have special considerations when relocating or expanding. Indiana is known for excellent road, rail, and air transportation, as well as a favorable business climate and abundant sites. Better yet, Hoosier Energy can help facilitate every step of the process. Learn more at **tdl.HoosierSites.com.**

HOOSIERENERGY
A Touchstone Energy® Cooperative

www.tdl.HoosierSites.com
Call 812-876-0294

The Coca-Cola Company recently broke ground on a new distribution facility in Joplin that will serve as a hub for its operations in southwest Missouri and southeast Kansas.

With three exits along I-70, Henry County is preparing to conduct a market-based planning initiative that will identify optimal design considerations to accommodate the logistics sector. The area's other transportation connections include U.S. Highway 40, which runs parallel to I-70 through eastern Indiana. The four-lane highway provides a redundant route should I-70 experience delays.

NEBRASKA: GRAND SLAM CENTRAL

Nebraska is another power hitter in the U.S. logistics lineup. "Geographically, Nebraska is central to both regional and national markets," says Ken Lemke, Ph.D., economist for the Nebraska Public Power District (NPPD). As the state's largest electric utility, NPPD's chartered area includes 91 of Nebraska's 93 counties.

Passing through the state, Interstate Highway 80—the most traveled east-west transcontinental route of the interstate highway system—offers 482 miles of quick access to everywhere in the nation. Through Nebraska's roadways, goods delivered by truck reach more than 25 percent of the U.S. population in just one day. Within two days, that percentage rises to more than 90 percent.

Moreover, the nation's two largest rail companies—BNSF Railway Company and Union Pacific Railroad—provide service to many Nebraska communities. Ten freight railroads operate more than 3,200 miles of track throughout the state. No major city in the United States is more than five days by rail from Nebraska.

Also of particular importance to logistics leaders is having a geographical position amid a large regional customer base. The Illinois-Missouri region of the United States enjoys precisely that advantage.

"The population base within an eight-hour driving radius of some sites in the area approaches 78 million people with above-average income," notes Cheryl Welge, business development executive in the Economic Development Department of electric power provider Ameren Corporation.

"The region offers unsurpassed transportation infrastructure, particularly in its well-distributed transportation network of interstate and other highways, railroads, and commercial and cargo airports," she continues. "Most highways in Ameren's territory receive high marks for quality of design and maintenance, and for absence of traffic congestion and bottlenecks.

"All seven U.S./Canadian Class I railroads serve Ameren territory," Welge adds. "Many communities and sites are served by more than a single carrier—and offer the associated negotiating benefits such competition brings."

Seventeen intermodal terminals lie in, or within, driving distance of Ameren's service territory. "Intermodal is vital to the wholesale trade sector," Welge says. "As much as 80 percent of the materials passing through some distribution centers travels by dual modes."

A PITCH FOR JOPLIN, MISSOURI

In Missouri, Joplin provides another advantageous location for siting manufacturing and distribution facilities. The Joplin region is comprised of 10 communities and five counties in southwest Missouri and southeast Kansas. Economic development efforts throughout the region are promoted through the Joplin Regional Partnership. Joplin is the hub of the region's market area, home to nearly 250,000 people. The overall market reach within 60 miles of Joplin is more than 700,000 people.

"The Joplin region is located near the population center of the United States, and is situated nearly equidistant between Los Angeles and New York, as well as the Mexican and Canadian borders," says Rob

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O'Brian, president, Joplin Area Chamber of Commerce.

An excellent highway system that includes east-west Interstate 44, north-south U.S. Highway 69, and interstate-grade U.S. Highway 71—currently being converted to I-49—creates connections throughout North America.

Three Class I and two regional shortline railroads also are important parts of the transportation system. These rail lines provide direct access to major ports on the Gulf of Mexico and Pacific Ocean.

In addition, the Joplin Regional Airport and three other airports within 60 to 90 minutes drive time provide air cargo service to markets throughout the world.

ELEMENTARY, WATSON

Through the twin ports of Los Angeles and Long Beach, the West Coast provides the Pacific gateway for products manufactured in Asia. Some logistics experts predict that, even after the Panama Canal expansion opens in 2014, it may still be faster and less expensive to route freight to the West Coast and transport it via landbridge to the Midwest.

That's one value proposition of Watson Land Company, which is celebrating its centennial this year. The company develops, owns, and manages industrial properties throughout southern California. Watson Land Company has developed several million square feet of master-planned centers within four miles of the ports of Los Angeles and Long Beach, and maintains a footprint that includes facilities in Carson/Rancho Dominguez, Chino, Apple Valley, Fontana, and Redlands, Calif.

Most recently, the company leased a 553,963-square-foot industrial property to M. Block & Sons in Redlands. The building is a part of Watson Land Company's Legacy Building Series, an initiative to develop and offer highly flexible, Class-A industrial facilities with distinctive architectural detail. The property will be used for warehousing, distribution, and managing third-party logistics.

Watson Land Company's legacy extends back two centuries to the Rancho San Pedro Spanish Land Grant. Today, the company is among the largest industrial developers in the nation. Watson holds a Foreign Trade Zone (FTZ) designation on more than eight million square feet of its distribution buildings. The FTZ designation allows customers to significantly reduce operating costs through such methods as single weekly entry of containers, which reduces merchandise processing fees and duty deferral.

The Meramec Power Station near St. Louis is owned and operated by Ameren, the largest electric power provider in Missouri.

Watson Land Company affirmed its commitment to sustainable design by becoming the first developer in southern California to design and construct speculative buildings in accordance with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) guidelines.

Each LEED-certified building features design elements, materials, functionality, and construction procedures that reduce environmental impact, enhance energy efficiency, and reduce operating costs. Watson Land Company has completed construction on more than two million square feet of speculative industrial buildings designed for LEED certification.

POWER HITTERS

Operating costs are a key factor in site selection, and one major element of their total is utility costs.

Ameren Corporation works to promote energy efficiency for its 2.4 million electric and more than 900,000 natural gas customers in Missouri and Illinois. Ameren ranks as the largest electric power provider in Missouri, and Ameren Illinois ranks as the third-largest natural gas distribution operation (in total number of customers) in Illinois.

In Indiana, Hoosier Energy makes the most of the strategic advantages offered by the region it serves. "Hoosier Energy can effectively leverage these assets by providing competitive electric rates to the area," says Harold Gutzwiller, Hoosier Energy's manager of key accounts and economic development.

In Nebraska, NPPD's industrial utility rates are 26 percent lower than the national average. "NPPD is the state's largest electric utility, and uses a diverse mix of generating facilities, such as nuclear, coal, gas, oil, hydro, and renewable energy to meet customer needs," says Lemke. "In 2011, NPPD relied on carbon-free energy sources for more than 40 percent of its overall energy mix."

More than 5,000 miles of high-voltage transmission lines make up the NPPD electrical grid system, which delivers power to one million Nebraskans. As a member of the Southwest Power Pool, NPPD has the advantage of selling its excess power into the regional marketplace.

"Nebraska's status as the only public power state in the union provides significant advantage to businesses that choose our state," says Lemke. "It means the primary goal of Nebraska's electric utilities is to provide low-cost power, rather than shareholder profits."

LEADERSHIP AND LABOR

If cost is a key to progress, teamwork is a key to cost. That means, to qualify as a great logistics site, a region must enjoy a commercial climate in which the forces of business, government, and labor are moving in the same direction.

Nebraskans understand that essential truth. No matter how temperatures may fluctuate on the plains, the business climate in Nebraska is characterized by far more sun than rain and snow.

"Nebraskans take pride in the quality of their work, and the workforce consists of productive, dependable, educated, and well-trained individuals who care about what they do," says Lemke. "This contributes to high productivity and success rates, and low absenteeism and turnover rates."

Nebraska maintains an unemployment rate that is about half the national average. Unemployment insurance costs and worker's compensation insurance also are lower than the national average.

And while business benefits from a favorable workforce, so, too, is it assisted by agencies dedicated to its success.

NPPD's Economic Development Team helped hundreds of companies find productive and profitable locations in Nebraska. Services range from supplying requested information to guiding firms through the entire site selection process, including gathering community proposals, identifying information and financial resources, or facilitating final negotiations at the local level.

"NPPD, in conjunction with the Nebraska Department of Economic Development and other allies, aggressively targets the logistics sector through advertising, trade show attendance, and personal visits with decision-makers," says Lemke.

The Nebraska Advantage Act includes expanded incentives for investment and/or job creation, including incentives targeted to small business, research and development, microenterprises, and rural development. Nebraska also offers additional development assistance programs, including tax increment financing, community development block grants, customized job training programs, and industrial revenue bonds.

Henry County and East Central Indiana also offer ample workforce resources to support continued logistics growth.

"From a quantity perspective, large pools of workers are looking for new employment opportunities as a result of the local auto industry's restructuring," says Grewe. "The quality of the area's talent is positioned to increase, because Henry County has partnered with Ivy Tech Community College to build a new $3-million campus in New Castle. Ivy Tech has a strong track record of providing training that meets the needs of logistics and manufacturing companies."

Henry County is constructing a spec building in the county's industrial park, located 1.5 miles from I-70. "To capitalize on logistics opportunities, the building is designed with 32-foot clear height ceilings, and 50,000-square-foot initial buildout, with site prep that allows for immediate expansion to 200,000 square feet," says Grewe.

The Illinois-Missouri region served by Ameren also has distinct business and labor cost advantages.

"The expenses of labor and other key aspects of distribution center operations have risen at a demonstrably lower rate in most of Ameren's territory, averaging 17 percent below the national average," says Welge.

In addition, she notes, the region boasts an available labor pool with experience in all aspects of wholesale trade, distribution, logistics, and related businesses.

Selected business costs in the region are at least 18 percent below typical or national average costs for DCs. Even more relevant is that these costs in most of Ameren's territory are up to 32 percent below certain competing locations in the Midwest.

"While Ameren remains focused on providing reliable and reasonably priced electricity and natural gas, we are more than just an energy consultant," says Welge.

"Ameren's economic development team helps facilitate new projects throughout the entire development process, including community assessment, site selection, infrastructure planning, and incentive review," explains Mike Kearney, manager, economic development for Ameren. "Whether in Illinois or Missouri, the team offers a comprehensive approach, bringing decades of experience in real estate development, engineering, operations, and urban planning."

In Illinois, Ameren recently introduced a 10-year Modernization Action Plan (MAP) that involves investing $625 million in thousands of infrastructure projects. Ameren will create up to 450 new jobs during MAP's peak year.

"Customers can expect enhanced

reliability, convenience, service, efficiency, and savings," says Welge. "Smart sensors and switches detect and isolate outages, so we can fix them faster. Meanwhile, new software and technology helps us pinpoint problems more precisely to reduce outage duration and frequency."

The Missouri Public Service Commission recently approved Ameren Missouri's filing under the Missouri Energy Efficiency Act, which calls for Ameren to invest $147 million in energy efficiency programs over the next three years. Annual energy savings from these programs are expected to total nearly 800 million kilowatt-hours.

GETTING ON BASE WITH SITE SELECTORS

For the Joplin region, the Joplin Regional Partnership provides site selection assistance, incentive and business tax information, key contacts in business and local government, demographic and economic data, and other services.

"Through this unique partnership, site selectors have access to information about multiple locations throughout our area that meet their specifications," says O'Brian. "This can reduce the number of inquiries a site selector has to make, and help expedite the selection process for companies looking to move, expand, or begin operations."

In Kentucky, state government works side-by-side with companies seeking to create or increase business. This collaborative relationship has resulted in a staggering level of success. Hayes says that UPS, with the help of state agencies, has helped bring 140 companies to the state.

"We work closely with UPS to identify prospects," he says. "Then we help identify workforce, training, and tax incentive needs."

Because as every successful logistics provider—and the leadership at every great logistics site—knows, teamwork at all levels helps create an all-star logistics site. ■

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

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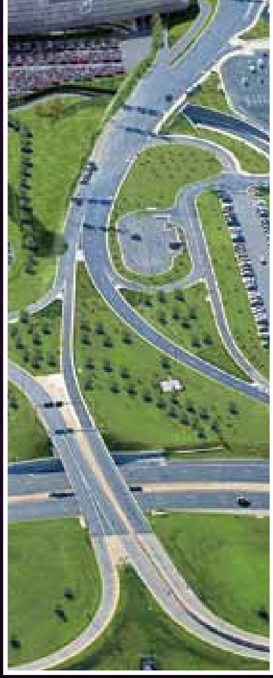

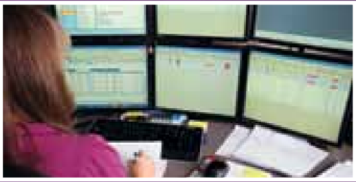

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Transportation via the Four Rs – rail, runway, roads, and river – gives Memphis a tremendous reach. Most of the major East, West, and Gulf Coast ports, the contiguous U.S. states, Canada, Mexico, and all the world's major markets are reached with an easy trip from Memphis, thanks to the dense transportation network that radiates from this prime logistics market.

With five Class I railroads, seven interstate and U.S. highways, one of the world's leading cargo airports, and the nation's fourth-largest inland port, Memphis offers shippers an outstanding combination of efficiency and flexibility. Add the city's broad array of logistics services, and its abundant and reasonably priced warehouse space, and it's easy to see how Memphis earned its reputation as America's Distribution Center and America's Aerotropolis.

New Rail and Intermodal Investments

Much of the big logistics news in Memphis these days has to do with its rail and intermodal infrastructure.

The third-largest U.S. rail center, Memphis offers service via Norfolk Southern (NS), BNSF Railway, Union Pacific (UP), CSX, and Canadian

Memphis' logistics success lies in its central U.S. location and wealth of transportation options. The Mississippi River, railroads, expedited air services, and highway network keep shippers connected to trading partners worldwide.

National (CN) Railway. Companies shipping from Memphis by rail can reach 45 U.S. states, Canada, or Mexico within two days. Rail carriers also tie Memphis to a wide variety of North American ports.

Memphis houses six fully operational railyards that offer the combined capacity to lift more than two million intermodal containers per year. And that capacity is growing as rail carriers continue to invest in Memphis.

In 2010, BNSF completed a $200-million project to expand and rebuild its Memphis hub. This new Memphis Intermodal Facility doubled the railroad's lift capacity at the site to one million lifts per year. Equipment at the facility includes eight wide-span, electric, rail-mounted gantry cranes. Three of those are stacking cranes that move containers between trucks and stacks. The other five are production cranes used to load and unload trucks, and stack containers on railcars.

Six railyards—including Norfolk Southern's new Memphis Regional Intermodal Facility—offer the combined capacity to lift more than two million intermodal containers per year.

The site also features an automated gate system for moving trucks in and out with maximum efficiency. This new system has improved truck turn times from 60 minutes to about 25 minutes.

"Memphis is one of the nation's most strategic logistics hubs," says Steve Branscum, BNSF group vice president, consumer products. "BNSF's significant investment in this new facility not only makes it one of the most efficient and environmentally friendly intermodal facilities in the country, but also improves Memphis' position in the global supply chain by offering shippers more capacity and service options."

CN is also expanding, with plans to construct its new Memphis Logistics Park next door to the CN-CSX intermodal gateway in the Frank C. Pidgeon Industrial Park. In early 2012, the Port of Memphis granted CN a 10-year option to purchase up to 800 acres in the park. The new facility will provide space for distribution centers that ship or receive intermodal freight.

Expanding Capacity

In July 2012, NS opened the first section of its new Memphis Regional Intermodal Facility in Rossville. When complete, the $105-million project will cover more than 400 acres and provide the capacity to handle more than 327,000 containers and trailers per year.

The facility, which is expected to create or enhance 6,200 jobs in the Memphis region over the next 10 years, is part of NS's $2.5-billion Crescent Corridor project to develop a high-speed 2,500-mile intermodal rail line linking Memphis and New Orleans with New Jersey.

"The Memphis intermodal facility anchors Norfolk Southern's Crescent


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Corridor rail route, connecting the Northeast and Southeast with high-speed, reliable, truck-competitive intermodal services," says Norfolk Southern CEO Wick Moorman.

The facility uses the latest in gate and terminal automation technology, which shortens the wait time for trucks entering the terminal, reducing exhaust emissions and improving truck driver productivity. Additionally, state-of-the-art, low-emission cranes will operate within the terminal, and the main administration building was built to Leadership in Energy and Environmental Design Certification standards.

These expansion projects, combined with Memphis' position as a hub on so many major rail lines, make the city a superior distribution point, says Buzz Fly, vice president of Patterson Warehouses. The Memphis-based logistics services provider maintains five buildings in the city, with a total of 1.5 million square feet of warehouse space. Patterson specializes in import distribution and retail fulfillment, medical and food products, construction materials, and general commodities.

Memphis' expanding capacity to handle intermodal containers provides a major advantage for shippers importing freight from Asia. Although Chicago is also served by five Class I railroads, that city is already so developed that there's little room for rail carriers to enlarge their facilities there. "If you try to send freight to Chicago, it might get delayed waiting to be unloaded from the trains," Fly explains.

But Memphis still has a great deal of available land, and the ability to expand its infrastructure. "That gives the city a natural advantage," he adds.

The Memphis-Panama Connection

The number of transportation options Memphis offers shippers will increase even further in 2014 with the reopening of the Panama Canal.

"Memphis as America's Distribution Center will be enhanced further with the Panama Canal expansion, by adding a third coast for expedited inbound freight options," says Neely Mallory III, president of Mallory Alexander International Logistics and chair of the Greater Memphis Chamber's Regional Logistics Council. "These assets yield operating efficiencies for the city's current and prospective businesses."

The Regional Logistics Council focuses on promoting Memphis' assets, including its geographic location and world-class infrastructure in all four transportation modes. It also works to enhance that infrastructure.

Quadramodal City

Memphis' rail and intermodal infrastructure are enough to make the city a prime business location, but it is the variety of transportation options that

Memphis' transportation connections would be meaningless without ample storage facilities. Patterson Warehouses maintains five locations in the area, offering a total of 1.5 million square feet of warehouse space for import distribution and retail fulfillment.

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"Memphis is a 'quadramodal' transportation hub," says Yossi Sheffi, Elisha Gray II professor of engineering systems at the Massachusetts Institute of Technology, and director of the MIT Center for Transportation and Logistics.

Sheffi devotes an entire chapter to Memphis in his new book, *Logistics Clusters: Delivering Value and Driving Growth*, a study of cities that have developed particularly dense concentrations of logistics facilities and services. According to the book, published by MIT Press in September 2012, these clusters are strong engines of economic activity and job creation.

"Memphis started to become a logistics cluster with the cotton trade," Sheffi notes. "Today, the city's logistics success lies with the presence of the railroads, FedEx's World Hub, the highway network, and the Mississippi River."

UPS, DHL, and the U.S. Postal Service also have major operations in Memphis. More than 400 trucking companies and numerous logistics service providers operate in the city. A world-class cargo airport and one of the largest inland ports in the United States also help to extend Memphis' reach.

Memphis International Airport has been the busiest air cargo airport in North America for 19 years in a row, and currently ranks second in the world to Hong Kong.

Air Cargo Advantage

For some companies, the most compelling reason to locate in Memphis is a facility that occupies a sizeable portion of the Memphis International Airport: the FedEx World Hub, a transportation nerve center that processes more than 3.3 million packages every day, and connects shippers to more than 220 countries and territories on six continents.

Companies that locate close to FedEx in Memphis gain a big advantage: they can drop off packages for next-day delivery later than their counterparts in any other U.S. city.

"The cut-off is midnight Central Time," says Tom Kaden, vice president of warehousing and distribution at Mallory

Alexander, a Memphis-based firm whose services include customs brokerage, freight forwarding, warehousing, distribution, and transportation. Late cut-off is a boon for companies that use Mallory's distribution services.

"West Coast customers can take orders out of their inventory stock in Memphis until 10 p.m. Central time, and have them delivered the next day," Kaden notes.

Another group that benefits greatly from the FedEx factor in Memphis is consumers who order flowers from Mallory customer 1-800-Flowers. "During their key holiday periods, we ship 50,000 to 60,000 fresh bouquets to recipients all over the United States," says Kaden.

A central location in the continental United States and a mild climate make Memphis an attractive choice for air cargo.

Many procrastinating consumers have escaped embarrassment on Valentine's Day thanks to Mallory's employees and FedEx's late cut-off time in Memphis.

"We fill those orders up to midnight on Feb. 13, and FedEx sends them out to reach their destination on Valentine's Day," Kaden says.

Thanks to late cut-off times at Memphis' FedEx World Hub, 1-800-Flowers customers can order until midnight Central Time for next-day delivery.

Proximity to the World Hub also allows Medtronic, one of the world's largest manufacturers of medical devices, to fill orders from physicians who need items for surgery the next day, points out Larry Cox, president and CEO of the Memphis-Shelby County Airport Authority.

That access is key to the success of the massive Flextronics repair depot in Memphis. "The company ships laptop computers into Memphis, works on them overnight or the next day, then ships them out," says Cox.

In addition to the World Hub, FedEx's other Memphis operations include two FedEx Ground hubs, a FedEx SmartPost hub, and two FedEx Freight service centers. The city is also the world headquarters for FedEx Corporation, FedEx Express, FedEx Freight, FedEx Supply Chain Services, and FedEx Trade Networks.

Attracting Air Freight

As big an influence as it wields, FedEx is far from the only factor making Memphis a magnet for companies that ship by air. Memphis International Airport has been the busiest air cargo airport in North America for 19 years in a row, and currently it is second in the world only to Hong Kong. In 2011, 3.9 million tons of air cargo passed through Memphis.

UPS operates a major sorting center on airport property, serving both its air and surface transportation operations. Five other all-cargo airlines provide niche services and flights to smaller cities.

"Memphis can serve any cargo need a shipper might have," says Cox.

Memphis International has four



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runways and the newest, most efficient air traffic control tower in the country. A central location in the continental United States and a mild climate, with few weather interruptions, also make Memphis an attractive choice for air cargo.

To make air shipments to and from Memphis even more convenient, Memphis International recently opened Cargo Central, featuring a dedicated cargo ramp to serve chartered cargo planes. "We can park 12 747-400s at one time," says Cox.

When Cargo Central's five-phase development is complete, it will offer 282,000 square feet of build-to-suit space for warehousing and other activities for companies that need easy access to air cargo services.

Air transportation is so central to Memphis' economy that local officials have made the airport the centerpiece of an initiative to further develop the city's transportation infrastructure and

Magnet for Manufacturers

While manufacturing is on the decline in much of the United States, Memphis has experienced a resurgence. In the past few years, at least eight manufacturers have made investments ranging from $50 million to more than $300 million in Memphis. They are: Blues City Brewing Company, Cargill, Electrolux, Kruger Products, Mitsubishi Chemical Corp., Mitsubishi Electric Power Products Inc. (MEPPI), Nucor Steel, and Riviana Foods.

Their investments include new locations in the city, expansions of existing operations, and consolidation of operations from several cities into Memphis. Montreal-based Kruger, for example, is spending $316 million to upgrade its KTG USA facility in Memphis, which manufactures White Cloud bathroom and facial tissue.

Most of these companies have chosen to locate or expand in Memphis in part because of the multiple transportation options available there. For example, MEPPI's new facility for producing large power transformers is in the Rivergate Industrial Park, giving it immediate access to the rail lines and barges needed to transport those immense products, as well as access to highways for smaller components. Electrolux's North American Cooking Products plant in the Frank C. Pidgeon Industrial Park enjoys the same sort of access to multiple transportation modes.

Other recent investment in Memphis includes:

- In January 2012, Nucor announced plans to expand production of specialty steel bar at its Memphis plant. Nucor has made $350 million in capital investments in that facility since 2006, and in 2012 the company approved another $113-million expansion in Memphis.

In 2011, the facility received shipments of scrap steel from more than 20 states. Fifty percent of that tonnage moved by rail, 34 percent by truck, and 16 percent by barge. The same year, Nucor shipped 60 percent of its finished product out of the facility by rail and 40 percent by truck.

- In 2010, Riviana Foods opened a new 400,000-square-foot manufacturing facility in Memphis, part of an expansion in the city that started in 2006. The plant receives an average of 30 truckloads of rice per day, along with an average of nine truckloads of supplies such as corrugate, cartons, and CHEP pallets.

For outbound shipments of finished products, Riviana takes advantage of an array of transportation options. In 2012, it shipped an average of 76 loads per week by truck, 128 loads via intermodal, and six by boxcar. Buyers made their own arrangement to pick up another 14 loads.

- Cargill has been conducting an $82-million renovation and expansion of its corn mill on President's Island in Memphis. In 2011, Cargill received an average of 209 shipments of raw material per week via rail and seven via barge. In that same year, it shipped an average of 628 loads of finished goods by truck, 201 by intermodal, 162 by rail, and four by barge.

Manufacturing leaders understand that efficient transportation links and flexible options help drive the bottom line. The variety of rail lines, air routes, highways, and waterways stretching from the heart of Memphis to all corners of North America gives these companies the extended reach it takes to hit their goals.

Appliance manufacturer Electrolux maintains its North American Cooking Products plant in Memphis' Frank C. Pidgeon Industrial Park.


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economy, basing their efforts on a concept called the aerotropolis – a thriving urban region with an airport at its heart.

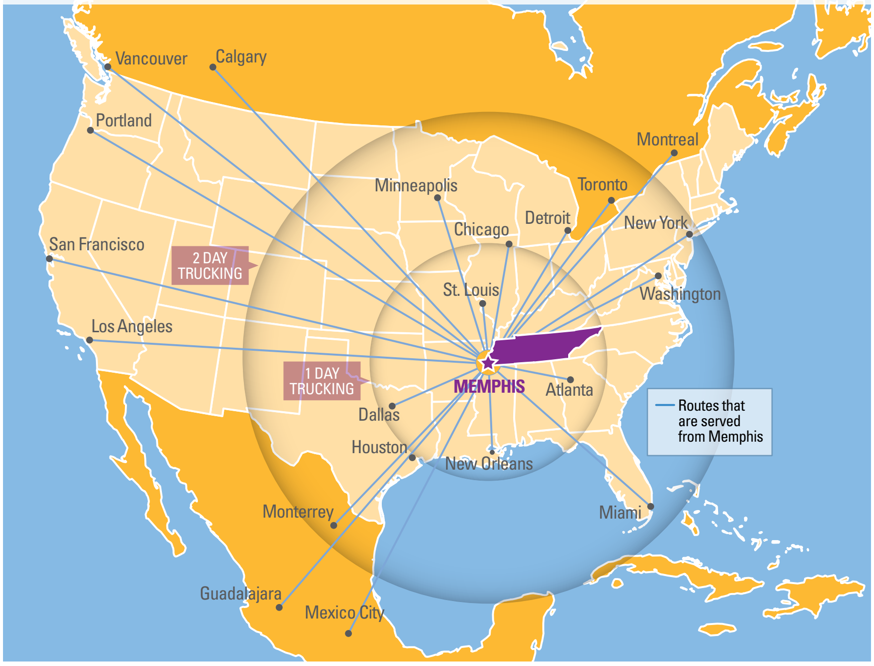
Roads and Rivers

No matter how a company ships goods, at some point that freight will probably travel by truck. Memphis' central U.S. location, and access to several important highway corridors, make it one of the best spots in the country for truck transportation.

"You can reach more points next-day by truck than from any other city," says Fly. Those points include major markets such as Chicago, Atlanta, Dallas, Houston, St. Louis, and Kansas City. "And about 70 percent of the U.S. population is two days away by truck," he adds.

On the Road

Truck shipments can reach more points next-day from Memphis than from any other U.S. city. And 70 percent of the U.S. population lives within a two-day drive from the city.



Helping to speed product to and from those population centers are several interstate highways that converge in Memphis. Running through the center of the city is I-40, a coast-to-coast route across the United States. The stretch of I-40 from Memphis to Little Rock, Ark., is the nation's third-busiest trucking corridor.

I-55 puts Memphis on a major midwestern route that includes New Orleans, St. Louis, and Chicago. The city also stands at the midway point of the NAFTA Highway, a new corridor built on I-69 that, when complete, will run from Montreal to the Texas-Mexico border. And Memphis is the starting point of the future I-22, which will provide a direct connection to Birmingham and Atlanta.

The Fourth R

The fourth R, the Mississippi River, has been vital to Memphis' economy since the city's founding in 1827. Today, the Port of Memphis is the fourth-largest inland U.S. port, and the second-largest inland port on the shallow draft portion of the Mississippi. It handles more than 16 million tons of cargo per year by barge, and U.S. Customs collects more import duties there than from most major U.S. seaports.

The top commodities handled at the Port of Memphis are petroleum, coal, food and agricultural products, crude material, and chemicals and related products. Nearly 200 companies have facilities at the port, in the Frank C. Pidgeon Industrial Park or in the President's Island complex. Among those companies is the only petroleum refinery in Tennessee, operated by oil refiner Valero.

No matter which modes or transportation lanes a company builds into its

Room to Grow

When it comes to finding available space for manufacturing and distribution facilities, businesses have plenty of choices in Memphis – and more could be on the way, due to more than 1.5 million square feet of positive absorption in third quarter 2012.

"Currently, availability exists in Class A, B, and C properties in the greater Memphis area," says Jim Mercer, executive vice president at commercial real estate services firm CB Richard Ellis Memphis LLC, an affiliate of CBRE Group Inc., headquartered in Los Angeles. "Seven available buildings are 400,000 square feet and larger, but only four are Class A properties – and leasing of Class A space continues to be the dominant trend in the Memphis market."

Generally, Class A properties are newer, and feature ceiling heights of 28 to 30 feet; Early Suppression, Fast Response sprinkler systems; and truck courts of at least 135 feet. Companies seeking spaces between 100,000 and 400,000 square feet can choose from 53 availabile facilities in Memphis, 12 of which are Class A properties.

To meet demand for larger, Class A properties, speculative facility construction is occurring in Memphis for the first time since 2008. Real estate developer Industrial Developments International is building two speculative facilities, available by the end of 2012.

One property offers 869,000 square feet of space, while the other is 267,000 square feet – of which 150,000 square feet is already pre-leased. Three other developers are evaluating speculative construction, as well.

The majority of these properties are, or will be, located in industrial parks with easy access to the interstate system, Memphis International Airport, the FedEx World Hub, and railroad intermodal yards.

Shippers are taking full advantage of all the logistics benefits Memphis has to offer. "One medical supply company recently relocated a large distribution operation to Memphis to be closer to its markets and take advantage of the lower logistics costs provided by the four major transportation modes existing in the city," notes Mercer.

Several industrial parks in Memphis offer convenient access to the interstate system, Memphis International Airport, the FedEx World Hub, and railroad intermodal yards.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strategy, developing a backup plan is always wise. Memphis offers an advantage that's key to contingency planning – the ability to easily substitute one good transportation choice for another.

"Memphis has flexibility because it serves almost every port in the United States and Canada with a single rail connection," says Dexter Muller, senior vice president, community development at the Greater Memphis Chamber. Companies importing goods through the Port of Los Angeles-Long Beach, for instance, can easily move to Canada's Port of Prince Rupert, or through the Panama Canal to ports such as Mobile, Jacksonville, Savannah, or Halifax should conditions make one of those locations a better option.

"Any number of factors could cause supply chain disruption," says Jim Apple, senior vice president, business development at Raymond James and chair of the marketing council of the Greater Memphis Chamber's Regional Logistics Council. "Memphis offers shippers the greatest flexibility."

Memphis-based logistics and transportation company Dunavant assists shippers in finding alternate routes or modes when supply chain disruptions occur.

Whether there's an impending port strike, a weather disaster, or another condition that forces a change in transport plans, Memphis provides many opportunities for rethinking routes or switching modes.

Richard McDuffie, chief operating officer of Memphis-based logistics and transportation company Dunavant, cites the example of grain shipments that normally travel by barge from Memphis to New Orleans. The recent drought has caused problems for that route.

Reducing the Carbon Footprint

Many companies these days are working hard to reduce their carbon footprints. Consumers want to support companies that demonstrate concern for the environment. And when large corporations evaluate potential suppliers, one measure they often apply is how effectively the company is working to minimize its carbon emissions.

"Transportation can contribute 25 to 50 percent toward a company's carbon footprint—or even more, in certain businesses," says Dexter Muller, senior vice president, community development at the Greater Memphis Chamber.

With its numerous transportation options, Memphis represents an excellent location for companies that are serious about reducing fuel consumption and its impact on the environment.

"Barge transportation releases less carbon into the atmosphere than other transport modes," says Muller. "The second-best option is rail, and Memphis has an edge over most cities in both modes."

Although trucking requires more fuel per unit of freight than rail or water transportation, most freight travels over the road at least part of the way. For many loads, time constraints or cost factors make truck transportation the optimal choice. But even in this case, a location in Memphis offers an environmental advantage. "Truck trips from Memphis are shorter, and therefore use less fuel, because the city is closer to more metropolitan markets than most other cities," Muller says.

Transporting shipments via barge on the Mississippi River cuts carbon emissions.

"The Mississippi River is currently at its lowest point in years," McDuffie says. "Dunavant is actively exploring all opportunities to help manage products impacted by the drought."

Some bulk shippers in Memphis make tradeoffs between different modes as a matter of course. "Depending on where shipments are going and what the rates are, bulk shippers use more rail or river transport," says Sheffi. "They can switch between them to get the optimal combination of cost and service for movement in and out of a plant."

Memphis' multimodal character benefits all kinds of shippers, says McDuffie, whose company serves customers in the agriculture, automotive, food, retail, and chemical industries, among others.

"Depending on the product's required lead time, Memphis offers multimodal and multi-carrier options that allow shipping by barge, rail, intermodal, truckload, less-than-truckload, or air," he says.

"If businesses have critical shipments with late-night cut-offs that must arrive the next morning, the FedEx main hub or UPS are both options," McDuffie continues. "Being in Memphis allows shippers to pick the best service and price relationship to serve their own needs, or serve their customers."

The ability to switch modes is especially important in the current era of high fuel prices, says J. Kenneth Hazen, president and CEO of CTSI-Global, a Memphis-based provider of transportation management systems and other logistics technology. Memphis' multiple options might pose an even greater advantage as the graying of the truck driving population exacerbates the capacity shortage.

"The average truck driver age today is 56 years old," Hazen says. "A lot of strategic planning is happening. What will companies do in 10 years, when all the Baby Boomers are retired? They need a backup option."

With its well-connected transportation network, Memphis offers backups in abundance – and an incomparable reach to U.S. locations and beyond. ■

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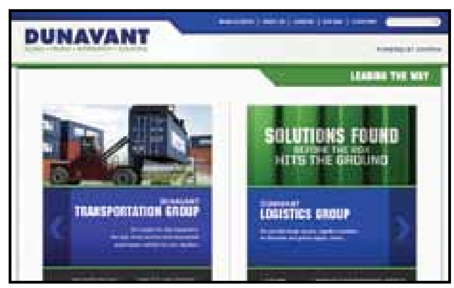

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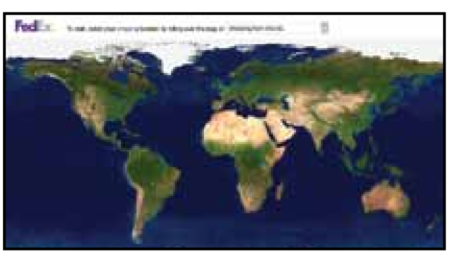

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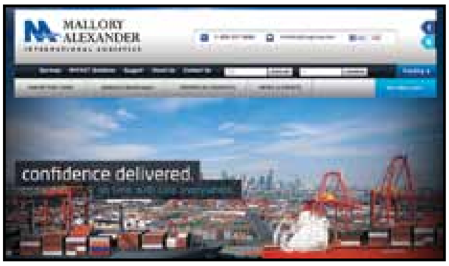
Memphis Regional Chamber • www.memphischamber.com
More and more companies are doing business in Memphis, for good reason. If you or your organization are looking to expand your operations, relocate to a business-friendly community, or take advantage of the economy of scale that Memphis' logistics infrastructure can provide, contact the Memphis Regional Chamber, the economic development agency for the mid-South region. For all the details, visit the Memphis Regional Chamber's Web site.

The Best of Memphis on the Web



Mallory Alexander International Logistics • www.mallorygroup.com
Mallory Alexander International Logistics is a leading third-party logistics provider. As a specialist in global logistics and supply chain services, Mallory Alexander acts as a single source for all logistics and supply chain needs. Specifically, Mallory Alexander provides public and contract warehousing, freight forwarding (international, domestic, air, and ocean), customs brokerage, import/export services, intermodal trucking and transportation, logistics services, and consulting.

Memphis International Airport • www. memphisairport.org
Memphis International Airport is the only airport in North America considered to be an "aerotropolis" – an airport-integrated region extending outward from the airport in strings and clusters of airport-linked businesses and their associate residential complexes.
Memphis International Airport and the concept of America's Aerotropolis are at the forefront of the Memphis Fast Forward initiative that has been launched by a partnership of Memphis Tomorrow, the Greater Memphis Chamber, and both the City of Memphis and Shelby County.

MIT Press • www.mitpress.mit.edu
Why is Memphis home to hundreds of motor carrier terminals and distribution centers? Why does the tiny island-nation of Singapore handle one-fifth of the world's maritime containers and half the world's annual supply of crude oil? Which jobs can replace lost manufacturing jobs in advanced economies? Some answers to these questions are rooted in the phenomenon of logistics clusters – geographically concentrated sets of logistics-related business activities. In his new book, *Logistics Clusters*, published by MIT Press, supply chain management expert Yossi Sheffi explains why Memphis, Singapore, Chicago, Rotterdam, Los Angeles, and scores of other locations have been successful in developing such clusters, while others have not.

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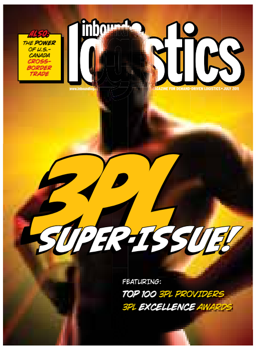

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D.C. Solutions | by David Frentzel

Putting Labor Management Systems to Work

> Many companies dismiss labor management systems as too expensive or unnecessary. But these misconceptions may cause them to miss out on big benefits.

Many supply chain experts extol the virtues of labor management systems (LMS), citing distribution center (DC) operations cost savings of up to 15 percent. These solutions collect worker data, such as inventory handled, equipment used, and paths traveled.

LMS investments may be high on companies' wishlists, but many businesses remain reluctant to take the plunge. In some cases, the reasons for this resistance—such as not having a large enough DC workforce to merit an automated approach—are valid. In other cases, however, the lack of enthusiasm for LMS may be based on outdated or exaggerated perceptions.

Here's a look at some reasons companies cite for not implementing LMS—and the benefits they might be missing as a result.

PERCEPTION: *A good LMS will be expensive, and we can't afford it.*

Some well-known LMS options are indeed expensive, with price tags that can quickly add up to $1 million with implementation and support costs—and extraordinary functionality that can make them worth every penny.

But the current market also includes numerous lower-priced LMS offerings, many of which provide all the horsepower most facilities need, especially in the years immediately following implementation. Mid-range systems cost less than six figures per facility, and work exceedingly well.

Don't assume your company can't participate in an LMS initiative just because

Using a labor management system to identify training needs allows companies to implement programs and initiatives that help motivate workers toward continual performance improvement.

it is not prepared to fund a top-tier system. It may be possible to achieve most of your objectives for a fraction of the price. And you can always upgrade later.

PERCEPTION: *It requires too much time and effort to collect the day-to-day individual performance data an LMS needs.*

Detailed, accurate performance data is the lifeblood of an LMS. But unless a facility is starting the process from scratch – and most are not – obtaining this data doesn't have to turn into a work-intensive headache. In fact, if your DC has a warehouse management system (WMS), keeps transaction logs, or maintains other forms of line-item detail, it's probably already gathering much of the information an LMS will need.

Granted, that information may not be available in exactly the LMS format required. That can be remedied by either opting for an LMS that's part of your existing WMS, or by having your IT personnel create scripting that allows your WMS and LMS to integrate. And should you still have data input gaps, floor-sited, data-entry kiosks are often a viable solution.

PERCEPTION: *Our company's facilities wouldn't get much benefit from an LMS, because we're already doing a good job of measuring how well our DC workforce performs.*

Any DC worth its salt is already monitoring and measuring its productive time. Even so, few are able to do it on the granular level an LMS allows.

Facilities managers who have deployed an LMS often praise the many doors this degree of precision has opened. One manager says LMS allowed his facility to better stratify and set realistic productivity standards, even for those activities that already seemed to have well-defined performance targets.

Another manager expresses surprise at how well LMS helped identify employees most in need of coaching or additional training—and they weren't always the employees he would have predicted. In fact, the numbers revealed that some of the least productive-appearing employees were instead some of the most efficient, because their jobs involved more steps.

An LMS also allows facilities to capture and categorize something other systems and methodologies usually don't: the approximately 15 percent of each shift that constitutes the typical warehouse worker's unproductive time. When this time becomes measurable, it becomes far more manageable—and ultimately more controllable. This area could be where your company finds some of its largest productivity gains.

PERCEPTION: *An LMS is only useful*

for reducing non-productive time, and we're already doing that well, so we don't have much to gain.

LMS solutions provide the ability to identify under-performing shifts or individuals. How your company chooses to use this information is up to you.

If you employ it only as a tool to isolate problems and lower the boom on sub-par performers, you may successfully reduce inefficiency. If you use the data to identify and fulfill coaching, mentoring, and training needs, however, you can realize more important gains: improved productivity and enhanced morale.

Although the two intentions may not seem that far apart, the latter is much more conducive to building an operational culture focused on continuous improvement and doing the best work possible. And often, those are the qualities that yield a more dramatic and sustained return on investment.

LMS productivity-enhancing potential can be even more pronounced if your company also uses it to analyze, recognize, and reward employees who are performing particularly well. In addition to motivating them to keep up the good work, it may help you uncover some innovative ways they're performing a task – insight that can help improve standard processes.

It may also serve as motivation for others—because sometimes simply knowing that someone else is ahead is all it takes to encourage a better effort.

PERCEPTION: *Our workforce won't like having an LMS.*

The thought of being monitored and measured can be disconcerting, which is why many companies anticipate trepidation from their workforce when an LMS is introduced. But that doesn't have to be the case.

Be open with the facility's workforce about the upcoming LMS implementation, bringing these personnel into the loop long before engineers arrive to begin setting standards. Educate them about why LMS is such an important tool, how it will enable their facility to work even better and smarter, and why that will support business retention and growth—and, hence, everyone's job security.

Don't underestimate the importance of effectively communicating with your workforce throughout your LMS journey. And don't leave that communication to just anyone—use the expertise of HR and other experienced communications professionals to help ensure you've considered all the nuances.

Should you wish to give your LMS effort an additional dose of grassroots enthusiasm, consider allowing members of your workforce to be the beneficiaries of some improvements it yields. Nothing has the potential to earn an LMS lots of extra fans quite as quickly or effectively as a formal employee gainsharing initiative.

PERCEPTION: *If an LMS doesn't show immediate results, we didn't make a good decision to use one.*

Just as Rome wasn't built in a day, the journey from LMS implementation to efficacy isn't likely to be rapid.

It can take a while to get primary users up to speed, even in an operation that is systems-savvy. And it can take even longer to try out all the capabilities and see how—or whether—they should work at your particular operation.

For example, one facility that has been especially successful with LMS spent several months tweaking its data processes and tasks—and determining exactly how many categories it wanted to measure—after its system was installed. Among the lessons it learned: There is such a thing as too much granularity, which is why it backed off from a high of 44 measures to the 28 in place today.

Just as importantly, the facility spent several more months using the system in tandem with its previous productivity managing tools and getting all its personnel familiar with the LMS before going fully live.

A commitment to operational disciplines is also imperative, because even small matters such as waiting a few days before getting a temporary employee onboarded, or having multiple employees share user IDs, can dilute the validity of the information an LMS provides—and ultimately how well it will work for your facility.

Implementing an LMS isn't for the faint of heart, but it is usually more than worth it, especially in labor-intensive industries such as warehousing.

An LMS can work wonders, but only if you pay attention to the fundamentals.

PERCEPTION: *Considering all these caveats, it's just not worth it.*

By now, you probably realize that establishing an LMS isn't for the faint of heart. But here's the good news: It is usually more than worth it, especially in labor-intensive industries such as warehousing, where staffing is typically the largest single variable cost.

From better-running pick lines to more efficient receiving, the rumors of the potential savings LMS delivers are not exaggerated. Nor are the other benefits, which can include the ability to better plan and forecast day-to-day staffing needs, mentor employees, and accurately budget long-term expenses—and to establish a true culture of excellence and efficiency within your operations.

Do your homework. Calculate the return on investment. Look into the options available. And consider doing a pilot to test the concept for yourself. You'll probably be glad you did—and sorry you didn't do it sooner. ■

David Frentzel is vice president, global contract logistics, APL Logistics. Email him at *david_frentzel@apllogistics.com.*

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3PLs – Global Logistics

3PLs

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GLOBAL LOGISTICS

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The Port of Long Beach is one of the world's busiest seaports, a leading gateway for trade between the United States and Asia. During the next 10 to 15 years, the Port of Long Beach plans to create at least four container terminals of more than 300 acres each and to build at least one other large terminal. The new terminals will have dockside rail facilities, which allow cargo to be transferred directly between ships and trains. Such transfers speed deliveries between Long Beach and markets nationwide. For more information on the advantages and services offered by the Port of Long Beach, visit www.polb.com.

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Ports America Chesapeake's new 50-foot draft berth and four super-post-Panamax cranes were scheduled to be completed by August 2012. In addition to the Seagirt container terminal, Ports America Chesapeake operates Dundalk Marine Terminal, Port of Baltimore's largest and most versatile general cargo facility that includes Ports America Packaging. As the largest stevedore and terminal operator in the United States, we provide ocean, intermodal, freight stripping, skidding, cradling, shrink-wrapping services, and more. For information, call 410-631-5950 or visit www.portsamerica.com.

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Hoosier Energy • www.hepn.com

Hoosier Energy is a generation and transmission cooperative providing electric power to 17 member electric distribution cooperatives in central and southern Indiana and one member cooperative in Illinois. Based in Bloomington, Ind., Hoosier Energy operates coal, natural gas, and renewable energy power plants and delivers power through a 1,450-mile transmission network. Hoosier Energy is a Touchstone Energy Cooperative, one member of a nationwide alliance of electric co-ops providing high standards of service according to four core values: integrity, accountability, innovation, and commitment to community.

Joplin Regional Partnership • www.joplinregionalpartnership.com

At the Joplin Regional Partnership of Southwest Missouri and Southeast Kansas, you'll find five counties working to provide you with a central U.S. location for a manufacturing, distribution, or transportation hub. The Joplin Regional Partnership region's close proximity to Walmart headquarters makes this choice ideal, especially for both manufacturing and distribution. Three Class I railroads and two short-haul railroads are also important parts of the transportation network.

Watson Land Company • www.watsonlandcompany.com

Watson Land Company is a developer, owner, and manager of industrial properties throughout southern California. With a legacy spanning more than two centuries, Watson's dedication to customers is based on delivering functional, high-quality buildings within masterplanned centers, coupled with unmatched customer service. Watson Land Company's long-standing tradition of integrity, innovation, and fiscal responsibility has made it one of the region's most respected names in commercial real estate, and one of the largest industrial developers in the nation.

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Amber Road

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SUMMARY: Retailers are facing unprecedented challenges as they respond to rapid shifts in consumer behavior and economic forces. Amber Road's latest eBook, *Meeting the Challenges of Global Retailing*, examines three distinct challenges faced by today's retailers and how a global trade management system can help them succeed.

GT Nexus

TITLE: ***Five Steps to a High-Performance Supply Chain***
LENGTH: *9 pages*
DOWNLOAD: *http://www.gtnexus.com/landing-pages/il-five*
SUMMARY: Traditional ERP systems are no longer enough to make the cut in this complex global manufacturing arena. To extend the functionality of their legacy software, companies are plugging into a cloud-based supply chain network—one that connects partners, shows a complete supply chain picture through better visibility and data quality, and allows for a new level of collaboration and efficiency. *Five Steps to a High-Performance Supply Chain* is a guide to reaching new levels of agility by enhancing ERP software with collaborative cloud technology.

Loftware

TITLE: ***Chemical Industry Barcode Labeling: Demands, Risks and Implications***
LENGTH: *6 pages*
DOWNLOAD: *http://g.loftware.com/df1a3Bu*
SUMMARY: Chemical industry executives must rise to the challenge of supply chain issues in an evolving global economy, and seize competitive opportunities by meeting them quickly. Companies must optimize their ERP, SCM, or WMS systems to achieve profitability, which includes the product's label. The correct information on a label provides a company a competitive foothold in the global marketplace with:

- Customer responsiveness
- Business continuity
- Regulatory/compliance
- Brand and product security
- Supply chain efficiency

Ryder

TITLE: ***Small Parcel Shipments: Rethinking Inbound Supply Chains To Boost Visibility, Increase Control and Cut Costs***
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TITLE: ***Evaluating Your Inbound Supply Chain***
LENGTH: *5 pages*
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SUMMARY: How is your supply chain performing? The inability to do the necessary supply chain analysis can have consequences, both financially and operationally. Smart companies follow a repeatable, consistent approach that determines whether a change can be implemented and identifies the associated risks. Download *Evaluating Your Inbound Supply Chain* to discover GENCO's process for evaluating supply chains.

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Crowley added less-than-containerload ocean and air cargo lifts, and Customs brokerage services to Cartagena, Colombia, from several points within the United States, including Miami, as well as its San Juan, Puerto Rico; and Colón, Panama, distribution centers.

www.crowley.com 800-CROWLEY

Panalpina

Three new weekly guaranteed direct less-than-containerload services connect Singapore to Prague and Budapest, and Shanghai to Graz, Austria. The services replace intermodal routes that included rail transport via Hamburg to Linz, Austria, where cargo was loaded onto trucks. The new routes reduce carbon emissions by up to 33 percent, and cut transit time by two to five days.

www.panalpina.com 973-683-9000

MOBILE DEVICES & APPS

PITT OHIO

A new app allows Android users to schedule pickups, create and maintain pickup templates, view shipment status, access and save bills of lading and proof of delivery documents, see less-than-truckload (LTL) transit times, and track and trace LTL and ground shipments in real time.

www.pittohio.com 800-366-7488

MobileDemand

The xTablet T7200 meets military drop and shock standards, and features an IP65 sealant rating to protect against water and dust. Suitable for all transportation, distribution, manufacturing, and warehousing environments, the tablet's high-resolution seven-inch touchscreen display provides enhanced viewing in both intense sunlight and low-light indoor conditions.

www.ruggedtabletpc.com 877-784-4338

WEB

Zepol Corporation

The TradeIQ Export database contains U.S. export bills of lading for four major carriers. The information represents all electronically available export data from U.S. Customs' Automated Export System. Bill of lading records date back to 2010, and are available within weeks of shipment departure.

www.zepol.com 612-435-2191

TRUCK EQUIPMENT

Frommelt Products Corporation

Frommelt, a division of Rite-Hite, introduced the Insulator Dock Seal with Light-blocking Header, which seals small light gaps caused by trailer protrusions, preventing dust, insects, and other contaminants from entering the trailer.

www.ritehite.com 414-355-2600

▲ Mobile Devices & Apps: Vocollect

The SRX2 wireless headset for distribution center and warehouse applications reduces ambient noise by 50 percent, delivering better recognition so workers achieve higher accuracy, fewer errors, and improved productivity. The headset is designed to withstand and work equally well in refrigerated, high-noise, and fast-moving piece-picking environments. The SRX2 provides optimal recognition and response in freezer environments with temperatures as low as -22 degrees F.

www.vocollect.com 425-348-2600

MATERIALS HANDLING

TriEnda

Designed for the export market, the 100-percent recyclable HP4048 SP One Way pallet meets all ISPM-15 shipping standards, weighs 10 pounds, and nests to fit 2,610 pallets per truckload. The pallet carries a static load rating of up to 5,000 pounds and a dynamic load rating of up to 2,200 pounds.

www.trienda.com 800-356-8150

SOFTWARE

Aldata

Aldata Omni-Replenishment provides multi-channel replenishment optimization across distribution center, store, drive-in, and home delivery service networks. The solution offers advanced import management, forecasting quality, and truck capacity management.

www.aldata.com 404-355-3220

Accellos

The latest version of *AccellosOne Warehouse Management System* features new capabilities for managing orders, receipts, inventory, and tasks. It includes integrated document imaging, order consolidation, and load/route planning.

www.accellos.com 719-433-7000

TEMPERATURE CONTROL

Thermo King

A new trailer temperature control platform, Precedent, will launch in January 2013. Fully compliant with EPA Tier IV regulations, Precedent units feature Diesel Direct Electric architecture to optimize efficiencies, temperature control, and fuel savings.

www.thermoking.com 800-499-8620

3PLs

Encompass Global Logistics

Encompass Global Logistics enhanced its refrigerated services with a peak-season service guarantee for shippers exporting to Asia and Australia/New Zealand. In addition to coordinating all transportation, documentation, and Customs clearances, the reefer-cargo customer service team also manages late gates and works closely with suppliers and packing houses, and with transload and fumigation facilities, to ensure delivery windows are met.

www.encompassglobal.com 949-468-4400

▲ **Packaging: Ecospan**

Available in three sizes, BioFlow protective cases are designed for high-value consumer goods reverse logistics. The durable cases are made from sustainable bioplastic alternatives to petroleum-based plastics, and can be used for up to 20 transport cycles to reduce product damage. At end of life, they are reground and repurposed into new products and put back into the system.

www.ecospan.com 415-925-6700

Matson Logistics

Expansion at Matson's Port of Savannah distribution operations will add 237,600 square feet and provide crossdocking space, heavy trailer storage, deep truck courts, and access to I-16 and U.S. Highway 280.

www.matson.com 510-628-4000

Yusen Logistics

Weekly direct less-than-containerload service sails from Port Klang, Malaysia, every Tuesday before calling at Yantian, China. Vessels arrive at Los Angeles 19 days later, saving approximately 10 days over traditional multi-country consolidation services from Malaysia. Yusen Logistics runs a comprehensive distribution and consolidation network across Malaysia, including 250 trucks and operating more than 1.6 million square feet of warehouse space.

www.us.yusen-logistics.com 201-553-3800

TRUCKING

Averitt Express

Averitt introduced two new Express Lanes through The Reliance Network, expediting shipments from selected regions of the Southeast to the West Coast. Shippers with end-of-week shipments can now get two- and three-day premium delivery service to the West Coast at no extra cost. In conjunction with Mountain Valley Express, also a member of The Reliance Network, Averitt's less-than-truckload transit time to the West Coast is two to four days. Averitt's Nashville, Tenn., and Dallas, Texas, facilities serve as hubs for freight consolidation along the way.

averittexpress.com/trnexpresslane 800-AVERITT

Dayton Freight Lines

Located off I-65, a new service center in Lowell, Ind., features 32 doors and an on-site maintenance facility. The location provides one- and two-day less-than-truckload delivery service for shippers in the Chicago area.

www.daytonfreight.com 800-860-5102

New England Motor Freight

Serving northwest Ohio and Michigan, a new facility in Toledo–the carrier's fourth terminal in the state–offers 46 doors and an on-site maintenance shop.

www.nemf.com 908-965-0100

FREIGHT PAYMENT SERVICES

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The Momentum carrier payment system offers simplified accounting and billing processes, streamlined payment processes, the ability to upload documents to the system, and the option for carriers to choose payment timing.

www.tts-us.com 214-778-0800

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November 12-14, 2012, IDGA Cargo Security Summit, Arlington, Va. This is the only event in the United States that delivers topical information on cargo security policy, tracking technology, and logistics guidance. Learn from industry leaders about their complex supply chains and apply their lessons learned to your own systems. Get front and center with policy officials to understand upcoming changes federal agencies are planning that could affect your business – and give them feedback on what industry can accomplish.

800-882-8684
www.cargosecuritysummit.com

January 21-24, 2013, ProMat, Chicago, Ill. See the latest materials handling solutions and innovations the industry has to offer. At this event, sponsored by the Material Handling Industry of America, attendees learn to streamline transportation and logistics operations and improve visibility; maximize efficiency, flexibility, and supply chain security; cut costs; and reduce their carbon footprint.

800-345-1815
www.promatshow.com

February 17-20, 2013, Retail Supply Chain Conference – Logistics 2013, Orlando, Fla. Retail is becoming more and more multi-channel. It's imperative that your supply chain provide seamless transitions whether customers purchase online, in the store, or over the phone. This RILA conference brings you the content, people, and solutions to make that happen.

801-331-8949
www.retailsupplychain.org

March 18-19, 2013, American Association of Port Authorities Spring Conference, Washington, DC. This event examines issues in the maritime industry relevant to all Western Hemisphere ports, including federal port security initiatives, new economic development opportunities, export initiatives, and infrastructure funding and policy reform efforts.

703-684-5700
www.aapa-ports.org

April 21-24, 2013, COSTHA Annual Forum and Expo, San Diego, Calif. The Council on Safe Transportation of Hazardous Articles presents expert guidance on navigating the continually evolving regulations for shipping dangerous goods. The program's diverse offerings explore new technologies, regulatory requirements, legal trends, and strategies for protecting your corporate profits through enhanced compliance, risk management, best practices, and training.

703-451-4031
www.costha.com

United States Postal Service Statement of Ownership, Management and Circulation

(Required by 39 USC 3685)

1. **Publication Title:** Inbound Logistics
2. **Publication No.**: 703-9903
3. **Filing Date:** October 2012
4. **Issue Frequency:** Monthly
5. **Number of Issues Published Annually:** 12
6. **Annual Subscription Price:** Request
7. **Complete Mailing Address of Known Office of Publication:** Five Penn Plaza, New York, NY 10001
8. **Complete Mailing Address of Headquarters or General Business Office of Publisher:** Five Penn Plaza, New York, NY 10001
9. **Full Names and Complete Mailing Addresses of:**
   Publisher – Keith Biondo, Five Penn Plaza, New York, NY 10001
   Editor – Felecia Stratton, Five Penn Plaza, New York, NY 10001
10. **Owner:** Thomas Publishing Company LLC
   Five Penn Plaza, New York, NY 10001
   C.T. Holst-Knudsen, Five Penn Plaza, New York, NY 10001
   J. Andrade, Five Penn Plaza, New York, NY 10001

15. Extent & Nature of Circulation	Average No. Copies Each Issue of Circulation During Preceding 12 Months	Average No. Copies of Single Issue Published Nearest to Filing Date
a) Total No. Copies	54,265	51,072
b)Paid and/or Requested Circulation	49,671	47,497
c)Total Paid and/or Requested Circulation	49,700	47,528
d) 1. Free Distribution by Mail	1,535	1,494
d)4. Free Distribution Outside the Mail	1,287	929
e)Total Free Distribution	2,822	2,423
f)Total Distribution	52,522	49,951
g) 1. Copies not Distributed	1,743	1,121
2. Return from News Agents	–	–
h)Total	54,265	51,072
Percent Paid and/or Requested Circulation	94.63%	95.15%

17. Signature and Title of Editor, Publisher, Business Manager or Owner: Keith Biondo, Publisher

Combined Statement of Digital and Print Circulation

1. Publication Title: Inbound Logistics

	Average No. Digital Copies Each Issue During Preceding 12 Month	No. Copies of Single Issue Published Nearest to Filing Date
Printed Circulation as reported on PS Form 3526, Line 15A	49,671	47,497
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Total Circulation	60,064	60,032

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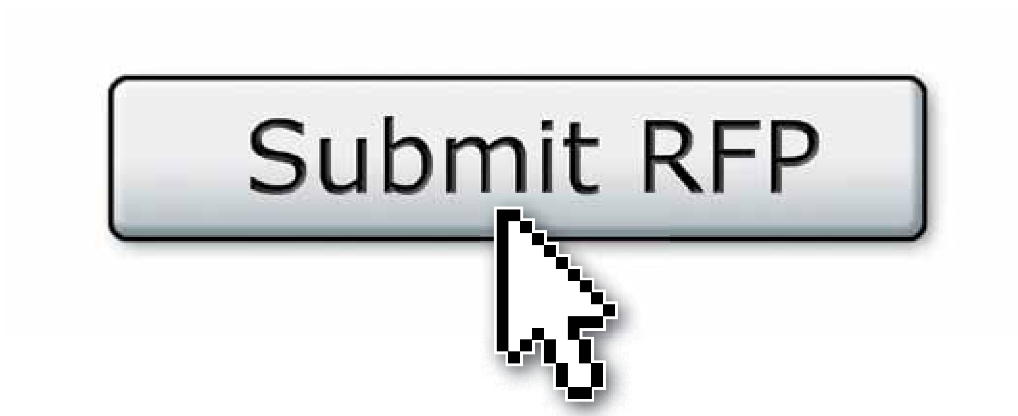

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Inbound Logistics (ISSN 0888-8493, USPS 703990) is published on the 15th of the month for approximately 60,000 business professionals who buy, specify, or recommend logistics technology, transportation, and related services, by Thomas Publishing Company 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.

POSTMASTER SEND ADDRESS CHANGES TO: Inbound Logistics, 5 Penn Plaza, New York, NY 10001

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