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THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS • SEPTEMBER 2009

1919–2009

Celebrating 90 Years of

SHIP BY TRUCK

SHIP BY TRUCK
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INSIGHT

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CHECKINGIN

Keith Biondo

by Keith Biondo | **Publisher**

Dialing Into Truck Tone

You pick up the phone and get a dial tone. You move to a keyboard and you have Web tone. Many of us take these amazing enablements for granted, rarely considering how they work, just expecting that they will–all the time, every time. We only consider their absence when and if they fail.

But what about truck tone? Our profession is aware of the intricacies of truck transportation, but we expect it to always be there, in one form or another, in many flavors and specialties–solutions when and where we need them.

Yet, not too long ago, commerce was conducted without the nationwide arterial product flow that trucks so seamlessly and, seemingly effortlessly, now provide. Imagine for a moment what was missing: the thousands of different carriers, the multitudes of good drivers, the miles of road, the complexity and abundance of equipment, and the ubiquity of technology threaded throughout.

Trucks rarely moved beyond local hauling. There were no coast-to-coast lanes, no truckload carriers, no advanced level of technology, expertise, reliability, or speed. Can you see the parched hard clay? The deep ruts and rocks in the way? There were no up-to-the-moment weather reports to warn of muddy washouts, the slippery precipices from which there was no recovery. No lights, or food, or water at every turn. Transportation was difficult. But don't take my word for it.

Set your GPS to page 30, then thumb your way to this month's feature article, *Celebrating 90 Years of Ship by Truck*. These tales illustrate the tough reality of conducting commerce in a landscape without truck tone.

Thanks to one man's spin and another's turn, motor freight began rolling over ruts, then steamrolling across interstates. Tire baron Harvey Firestone's 1918 *Ship by Truck* advertising campaign, and a brief encounter with 29-year-old Dwight D. Eisenhower one year later, sparked a vision. In 1956, President Eisenhower brought that idea home by legislating the U.S. Interstate Highway System. But he had some roadside assistance along the way. With hard backs and minds to match, truckers won with blood, sweat, and axle grease.

We won, too. Where trucks rolled, roads developed and linked together into highways. Commerce and jobs followed. Enterprises grew and created futures for the skilled and unskilled alike. A nation flourished and helped drive prosperity across the world.

Today we face not potholes, ruts, or washouts made by Mother Nature; not breakdowns or fatigue; but impediments of another kind. These new obstacles are crafted by powerful people in high places who have an imperfect comprehension of what it is we do in this industry. They don't understand how every action you take is also a small act of stewardship for our economy.

In the end, these new impediments won't matter. As history shows us, there are plenty of strong backs and minds in our industry. The road to greater progress lies ahead. ■

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10TIPS

STEP-BY-STEP SOLUTIONS

by Deborah Catalano Ruriani

Getting Lean to Boost Warehouse Labor Performance

Implementing lean principles through all facets of a warehouse operation is an effective, economical way to boost labor performance. The relentless pursuit of eliminating waste transforms corporate culture, and builds a foundation for optimal performance from the warehouse floor to the corner office. Tim Sroka, senior manager, lean operations for Menlo Worldwide Logistics, a third-party logistics provider based in San Mateo, Calif., suggests 10 ways to encourage a shift in culture, and spark improvements in warehouse employee performance, morale, and engagement through lean principles.

1 **Frequently recognize a job well done.** Recognition and teamwork are critical elements of boosting warehouse labor performance. Recognizing employee efforts doesn't require trophies or bonus checks. Small tokens from peers can make a difference. Some companies use card systems to instantly recognize any employee–from entry-level to leadership. Implementing a solid recognition program with incentive plans boosts morale and performance.

2 **Make teamwork the rule.** Create a cultural shift from the old-school, autocratic, top-down style to one that increases employee engagement and creativity. Involve the people who perform day-to-day tasks in improving every process they touch in their work. In an atmosphere of open communication, their talents and experience will lead to the best improvement ideas and they'll feel a sense of pride and ownership in the new processes implemented.

3 **Focus on continuous improvement utilizing "A3" thinking.** Create a solid plan in A3 format–a one-page summary on legal-size paper that tells the story of a proposal or progress review at a glance. The plan motivates employees to continuously review and improve existing processes, and maintains a spirit of teamwork and engagement. When everyone works together to eliminate waste and improve flow throughout the facility, the group can agilely respond to business changes as they arise.

4 **Use lean tools, such as value stream mapping, to create a blueprint for improvement.** Value stream mapping is the process of establishing a clear picture of product and information flow. It depicts both current state and desired future state, in ways all team members can understand. The value stream map provides employees an overall view of all warehouse activities, allowing them to suggest improvements in other areas, as well as their own. Display the map in the warehouse so that employees are able to reference improvements and bring the next steps to life.

5 **Establish a visual management system.** Installing prominent status-at-a-glance boards is critical to success and optimum warehouse employee performance. Just as a fan should be able to look up and quickly see the score at a ball game, an associate should be able to do the same to find out what's happening on the warehouse floor. Clear and consistent signage makes it easier for employees to do their jobs and function effectively in all areas of the operation. One best practice is to position the status boards so that they are viewed and used in specific locations, such as Inbound or Outbound, close to the dock. The intent is to regularly track how the warehouse is doing without looking on a computer, then display the progress in "real time."

6 **Take the 5S path to workplace organization.** Following the 5S's–sort, set in order, shine, standardize, and self-discipline–minimizes waste in time, motion, and travel. It also allows for the best possible utilization of available space. The 5S system means efficiency, because an employee who doesn't have

CONTINUED FROM PAGE 6

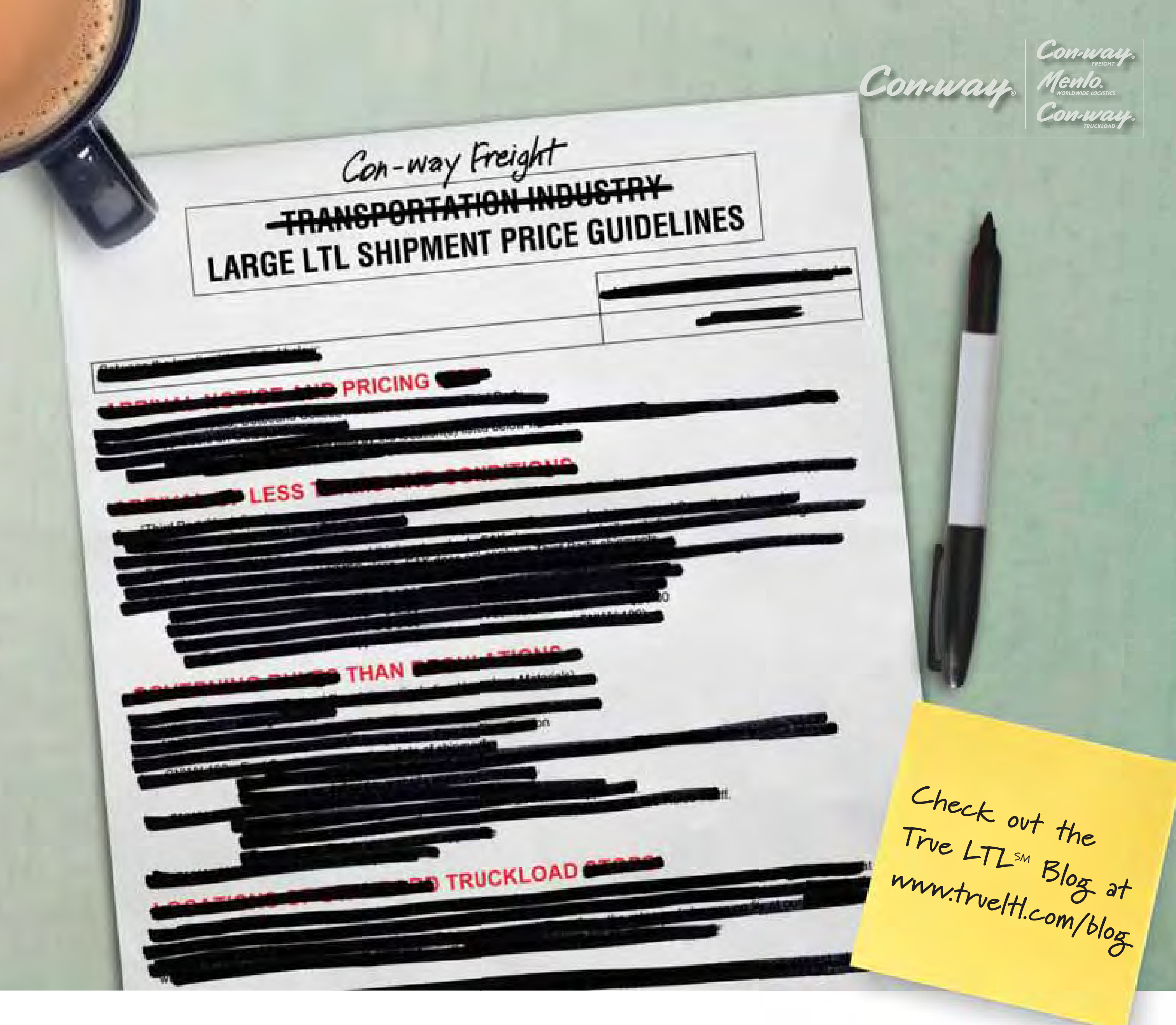
to go hunting for a tool has a better chance of finishing a job and identifying potential process improvements. Periodic facility-wide assessments ensure that 5S remains in place over time and attrition.

7 **Level the workload.** The best-run warehouse operations balance workloads for the most efficient use of each associate's time and abilities. Continuous cross-training yields a nimble, flexible staff with solid morale and the ability to quickly respond to changing business needs. Each manager should maintain an updated cross-training matrix to monitor the progress of the team and their evolving skill sets.

8 **Implement standardized work.** Developing detailed and illustrated standard operating procedures (SOPs) and standard work instructions (SWIs) for every job is a crucial step toward the quality goal of repeatable processes. With SOPs and SWIs in hand, new employees walk onto the floor with specific reference material to consult. This results in a shallower learning curve, and makes it easier for managers to monitor and assess performance.

9 **Build quality into processes.** Accurate quality measurement systems establish quantitative baselines and enable the organization to monitor the current status at all times. When a variance or mistake occurs, the team focuses on the process, not the person involved. Utilize a "Five Why's" investigation, where team members ask "why?" not once, but at least five times. For example, if a forklift knocks off a sprinkler head, you don't simply ask why it happened, but why the forklift was so high, why it was in that location, why the sprinkler head was placed there, and so on. Drilling down to root causes allows the team to collaboratively rebuild the process to prevent recurrence.

10 **Aim for a just-in-time (JIT) strategy.** Just-in-time warehouse management strives to eliminate the waiting, storing, and unnecessary movement of product, materials, or information. The goal is to establish as close to continuous flow as possible without constant movement and the need for intermediate steps. Stagnation in the movement of parts, people, process, or communication within the warehouse – for example, an e-mail that sits in someone's in-box for three days – interrupts proper flow and can lead to process errors. ■



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READER PROFILE

by Merrill Douglas

Leading From the Center

Pick up a frozen pizza, moisturizer, or weekly planner, and you may well be holding a product from MeadWestvaco (MWV). Formed in 2002 by the merger of the Mead Company and Westvaco Corp., MWV provides packaging solutions for leading brands in health care, personal care, food and beverage, media and entertainment, and many other industries. It also produces consumer and office products and specialty chemicals.

Since the merger, this diverse, global company has been centralizing its supply chain management. Chris Osen leads the team that works from the center to create greater value for MWV's business units and for customers around the world.

As vice president of supply management, Osen is responsible for several broad areas. One team handles the company's logistics execution, moving an impressive volume of cargo. "MeadWestvaco is the 10th-largest container exporter in the United States," says Osen.

A second piece of Osen's job involves crafting deals with the carriers moving that volume. "I source $450 million in transportation globally," he says.

Osen also oversees a strategic outsourcing team that decides which products MWV will manufacture itself and which it can source more effectively elsewhere. He runs Supply Chain Solutions, a consulting organization that helps MWV's facilities around the globe improve their supply chain processes, and he manages

THE WHOLE PACKAGE

NAME: **Chris Osen**

TITLE: Vice president of supply management, since 2002

COMPANY: MeadWestvaco, Glen Allen, Va.

PREVIOUS EXPERIENCE: Soil scientist, International Paper; regional MRO purchasing director, Scott Paper; purchasing manager, Simpson Paper; acquisition system manager, SAP implementation leader for logistics and procurement, vice president of logistics, MeadWestvaco.

EDUCATION: BS, wildlife management, Southwest Missouri State University, 1983; MBA, University of West Florida, 1991.

The Big Questions

What do you do when you're not at work?
My twin boys are in their senior year of high school, so I try to devote as much time to them as I can. We especially like to play golf and travel. I recently took a "Diners, Drive-ins, and Dives" vacation with one son.

Ideal dinner companion?
My dad, who passed away 14 years ago. He's the one who gave me my values. I'd want to have dinner with him and say thanks.

Business philosophy?
To surround myself with people who are smarter than I am. Then if we can't add value, we need to quit.

If you didn't work in supply chain management, what would be your dream job?
I would own a corner bar like "Cheers," where I knew everybody in the place.

a supplier quality and development program.

MWV's roots reach back many years, and it inherited a traditional culture from the pre-merger companies. "Introducing new and innovative ways to manage the supply chain is a challenge," Osen says. In particular, getting individual locations to cede control to a central supply organization has been difficult. But each time a successful initiative proves the value of an enterprise-wide supply chain, more people sit up and listen.

Case in point: In the past, different business units sourced and transported products from Asia independently. Today, a third-party logistics provider in Asia consolidates some of those shipments, increasing transportation efficiency. "Without the visibility of a central organization, we never would have seen that opportunity," Osen says.

The centralized approach also helped MWV last year, when a shortage of outbound containers plagued the East Coast. Because of the volume that the corporation commands as a whole and the long-term relationships that MWV maintains with ocean carriers, the company was able to get the containers it needed to satisfy customers.

Managing from the center is far from easy, given the diverse delivery demands that customers place on MWV, such as 15-minute delivery windows and 8,000-mile moves in one or two days.

MWV seeks to combine shipments and processes, but only when that's the best solution. "We commonize as much as we can," Osen says. "We specialize where it's needed."

Striking the balance between standardized practices and unique services, the supply management group continues to find ways to contribute to MWV's success. "We're all about bringing value to the company," Osen says. ■

SCPERSPECTIVES

BY ROBERT A. MALONE
Contributing Editor, Inbound Logistics
RMalone@inboundlogistics.com

The Costly Art of Tracking

The success of a supply chain can be measured by how its activities are monitored and tracked. But is all this data worth the cost?

On Aug. 4, 2009, Astronaut Heidimarie Stefanyshyn-Piper's $100,000 NASA tool bag dropped out of its heavenly orbit and into the Pacific Ocean. The 30-pound bag, filled with grease guns, trash bags, and a scraper tool, was detected not from a locating signal in the bag, but by sight. Clearly, Boeing's contract with NASA does not provide for an RFID-based tracking system that helps locate tools in a work or liftoff area.

In another instance, the recently "lost" *Arctic Sea*–a merchant vessel cargo ship that was reported as missing between late July and mid-August 2009–has been found, but details surrounding its two-week disappearance are sketchy. The ship, which was headed for Algeria, emitted its last automatic tracking system signal on July 30. But an automatic tracking system is only useful when operating. The Russian Navy searched for the vessel while reporting that it was attacked twice by pirates who may have been seeking ransom for the crew.

Isn't it odd that we can spot a two-foot by two-foot bag dropping from space, but take more than two weeks to find a ship hundreds of feet long in the Atlantic Ocean?

Not all supply chain tracking is as esoteric as these two examples. But using RFID to track activity within the supply chain can be sticky.

Any examination of the use of RFID in the supply chain reveals those two once-dominant specters: The U.S. Department of Defense (DoD) and Walmart. Their mandates, we assume, have been efforts to better track and inventory a wealth of goods from a multitude of suppliers at a host of distribution centers and warehouses.

The DoD claims good results from its RFID mandates with large, "prime rib" contractors, all of whom are, for the most part, delivering expensive products or materials. These suppliers appear to be able to afford the cost.

Walmart, on the other hand, appears to have succeeded with large customers such as Procter & Gamble, but failed with a large share of small suppliers who can't cough up the necessary investment to provide both active and passive RFID tags, along with all the software, planning, execution, and maintenance such an effort requires.

To add confusion to mystification, Walmart has developed another mandate: the requirement that the products it sells display their carbon content. More than 100,000 Walmart suppliers, most of whom are still playing catch-up on RFID, now have to start accounting for carbon.

Such eco-labeling might well be a good thing. But the cost of creating and maintaining such a comprehensive system becomes an essential factor in its success. That cost also will vary depending on the type of product–a pair of jeans is nowhere as complex in carbon accounting as a high-definition, wide-screen TV. It remains to be seen if there's a synergy between RFID compliance and carbon compliance.

THE PRICE OF VISIBILITY

According to a recent survey by IBM, supply chain visibility was the top concern of 400 executives in 25 countries. Despite that concern, however, the majority of executives said they would not make visibility high priority for one simple reason: the cost of the data.

Having 300,000 facts or 30 million facts as part of a tracking process is almost like having no information at all. To process and understand volumes of data is not only time-consuming, it demands highly intelligent analysis. Not to mention the cost, which will be like a deer fly persistently biting your neck.

That bad? Probably worse. ■

Network Design Successfully Transferred to Purolator's Montreal Operations

How applied operations research at Purolator is delivering $800,000 in direct savings

With the global economic downturn and plummeting volumes, all courier and package delivery organizations are under mounting pressure to ensure operational efficiency and reduce costs. Reports of double digit percentage volume reductions year on year and job losses are becoming alarmingly commonplace.

In these challenging economic times, Purolator Courier Ltd. (Purolator), Canada's largest courier company is a beacon of hope and has attained impressive efficiency improvements and substantial cost savings through applied operations research. It has Canada's most extensive national network and supporting infrastructure, and employs more than 12,500 people. Purolator handles 275 million packages annually.

After building a new state-of-the-art automated hub sorting facility in Montreal, Purolator focused on the inbound logistics as an area that could achieve efficiency improvements. With over 80,000 conveyable packages processed daily in the Montreal hub, it was important that the inbound volumes were planned at appropriate levels throughout the shift. The new automated Montreal Hub was the enabler that allowed the inbound and outbound networks to be redesigned through added capacity and streamlining sorting. Purolator's Network Design Team, with a network optimization tool from Jeppesen, were the enablers that allowed the operational stakeholders to fulfill an efficient new network design by providing alternatives based on cost, service and sustainability.

Richard Weiner, Senior Manager of Network Engineering at Purolator, wanted a better match between route schedules and hub operations: "We needed to see the effects of optimizing vehicle routes and crew schedules in concert with providing a designed hub inward sorting profile. We weren't just looking for cost savings in the inbound network; we needed to ensure the new Montreal Hub received freight the way they could process it the best. To do this, we needed to approach the project with a comprehensive change management and stakeholder engagement plan."

The Montreal project had a Lean Six Sigma business process goal to keep the sorting volumes steady throughout the hub to improve productivity and reduce the costs of the customer bulk pick up network. Purolator also wanted enhanced visibility of the network.

Using Jeppesen's network optimization tool, Purolator optimized existing baseline routes and improved driver shift and vehicle schedules.

To enable Purolator to meet its project goals, they realized that they had to find a new network modeling software solution. Previous attempts to model and optimize vehicle routes, crew schedules and hub operations had delivered unacceptable results that were not readily transferrable to operations.

Richard Weiner describes the search: "We hunted extensively for a software solution that provided accurate modeling, scenario planning, and 'what if' analysis. As our distribution network is large and complex, we needed to be certain that the solution selected would accurately model our operations. We ultimately selected PlanOp–a cutting edge distribution and logistics modeling tool produced by Jeppesen. The software is comprehensive and is backed up by a whole team of expert consultants who really understand freight pick up and delivery operations, and optimization".

Using PlanOp, Purolator created a baseline of the Montreal operations. Data collection for the creation of the baseline was one of the key challenges and the most time and labour intensive aspect of the project. It involved gathering data from the existing Purolator Montreal routes and placing it into PlanOp to get a clear picture of the current costs. The Network Engineering team worked closely with their Operations colleagues and Jeppesen's PlanOp consultants to refine and perfect the baseline.

It was critical that the baseline was an accurate reflection of the Montreal bulk customer pick up operations for a number of reasons. The baseline enabled Purolator to measure savings and compare costs once the network

Using Jeppesen's network optimization tool, Purolator optimized existing baseline routes and improved driver shifts and vehicle schedules.

was optimized. Also, any error in the baseline data would more than likely have meant the solutions PlanOp obtained would have been useless because the vehicle tours could not have been run in real life. The challenging job of accurately representing current operations gave a solid foundation and enabled the team to confidently enter the optimization phase of the project.

Purolator optimized their existing baseline routes and obtained new and improved driver shifts and vehicle schedules. The size of the problem space was large with over 700 shipments to be carried and over 500 locations in the model. This, coupled with many other constraints on the network such as variable load and unload rules at locations and peak-hour travel time overrides, made the optimization problem very complex. Two of PlanOp's optimization engines were used on the model. The Vehicle Routing Optimizer was used initially to create new lower-cost vehicle tours using its Metaheuristic optimization engine. The Metaheuristic engine proved very effective at eliminating inefficient vehicle tours in the model while minimizing vehicle kilometers at the same time. The Vehicle Crew Schedule Optimizer was then used to create efficient driver shifts from the vehicle routes and minimize the number of vehicles necessary to run all the tours. At the end of the optimization process an efficient set of vehicle and crew schedules were ready to be tested in the real world.

Purolator recognized that a strong network plan would not be enough to meet its goals and that carefully managed stakeholder engagement and change management needed to occur. The Network Engineering team frequently met with their Operations colleagues receiving feedback on the scenarios to model, measure and compare.

Operations were initially skeptical of the new plan and concerned about the accuracy of the new vehicle routes, since the Network Engineering team had used PlanOp to do a clean slate route overhaul. Montreal Operations went out on-road and tested almost 80% of the new routes and all of them passed with 100% accuracy. PlanOp had the detail to answer all questions with facts and allay any concerns.

"This is an amazing case of theory meeting reality. Our team has earned total buy-in from our Operations colleagues and from other parts of the organization on our ideas to improve efficiency. PlanOp provides an unbiased analytical set of figures as our organization considers the implications of different scenarios as opposed to intuition and gut feeling about what's better".

Purolator handles 275 million packages annually, serving 210 countries worldwide.

Following the vehicle route testing, Operations accepted the new plan. The plan was then reviewed with the employee groups to gain support. Results were then shared with directors and senior management.

RESULTS

The scenario selected has changed the inward hub sorting profile of the Montreal hub operations. The new plan ensures that enough volume reaches the hub before 8pm for better productivity and capacity utilization. For many years there was a 30 minute break from 7.30pm–8pm. The break was not conducive to the new automated hub due to start up and shut down times. Filling the 30 minute void has helped Purolator work out a continuous shift with the labour force, achieve a steady package flow, and fully leverage the investment in the automated hub, which has fulfilled project goals.

Purolator will achieve annual savings in excess of C$800,000/US$733,000 attributed to the inbound network. It was also able to reduce its power equipment needs as PlanOp allowed Purolator to model situations where a tractor can swap trailers. Purolator's product shipments are either in the form of an actual trailer with a partial or full load on or just the portion of product to be carried in skids or pieces. Through the use of a sophisticated cost function it is possible to model both these types of shipments in PlanOp. The Vehicle Routing Optimizer capitalized on this flexible modeling structure and was able to intelligently place trailer exchanges in tours to minimize non-productive time and distance during the trailer swaps. Purolator was able to remove power equipment assets from the operation, redeploying to other operational areas.

Jeppesen consultant Graham Prickett explains: "The Purolator Montreal project is an excellent example of the paradigm, 'model conservatively but optimize aggressively'. Richard Weiner and his team modeled the Montreal network with its implementation in mind and were able to achieve accurate routes that are able to be run in real life".

Richard Weiner concludes, "We are immensely proud of our achievement with the recent optimization and remodeling of the Montreal inbound network. All of our project goals have been achieved or exceeded. Acceptance from our employees was attained, and the operation is running more effectively than ever, and we have reduced costs by over $800,000 while maintaining a quality service."

For further information, please contact Richard Weiner at Purolator (rweiner@purolator.com).

Purolator
Where business is going

TRENDS

The Spicy Side of Supply Chain Integration

by Joseph O'Reilly

Hormel Foods is adding a little zing to its U.S. product offering thanks to a joint venture with Herdez Del Fuerte, a Mexico City-based manufacturer and marketer of consumer-branded food and beverages. Together, they are launching a new brand, MegaMex Foods, to market Mexican foods in the United States.

MegaMex Foods, which is expected to debut in the fall of 2009, combines the indigenous Mexican food products and brands of Herdez Del Fuerte with the manufacturing and distribution clout of Hormel, the Austin, Minn., manufacturer and marketer of high-quality, brand name food and meat products such as Spam.

In order to provide focus to the business, MegaMex Foods will be a free-standing entity with an independent management team based in Chino, Calif. The venture is looking to optimize efficiencies by aggregating competencies such as manufacturing, research and development, and supply chain across both parent companies.

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To get a better feel for the behind-the-scenes supply chain integration, *Inbound Logistics* posed some questions about the new initiative to Luis G. Marconi, joint venture manager and senior product marketing manager, and Thomas A. Klein, manager of logistics and customer service, Hormel Foods.

IL: Will you integrate the two companies' supply chains?

MARCONI: Yes, we will merge the supply chains previously operated by Herdez Del Fuerte and its subsidiary, Authentic Specialty Foods (ASF), with the supply chain operated by Hormel and Herdez Del Fuerte. Our objective is to integrate ASF's distribution center into the Hormel supply chain. This DC will be supported by Hormel's warehouse control system as well as its order, logistics, and transportation systems.

An integration team comprised of members from ASF, Herdez Del Fuerte, and Hormel was assembled to ensure that supply chain integration occurs on time and with minimal disruption. This team is charged with developing best practices for all supply chain functions and determining which current practices will work best to support the new organization.

IL: What are the logistics hurdles in launching a new product line?

KLEIN: We really aren't launching a new product line; we are building a better international supply chain by merging the independent pipelines operated by ASF/Del Fuerte and Herdez/Hormel. The new supply chain will be able to leverage the resulting MegaMex sales volumes with the national scale of the Hormel supply chain to provide cost efficiencies as well as increased service capabilities.

IL: Does this cross-border alliance create any other special challenges?

KLEIN: Good communication is key to ensuring that both companies are aware of each other's business needs. You can never assume that the Mexican partner knows what the U.S. business needs. Good, open communication allows both companies to be alert to potential issues and work together to solve problems and take advantage of new growth opportunities.

One specific area that requires good communication is supporting proper Mexico/U.S. Customs and Food and Drug Administration clearance. Putting together a plan that ensures both parties are familiar with proper procedures necessary to move a "clean" import is absolutely critical. The extremely punitive penalties resulting from non-compliance make this an area for zero tolerance when it comes to communication issues.

IL: What best practices is Hormel sharing?

MARCONI: One example of a best practice that Hormel and ASF will be sharing is working together to determine the best process for communicating a sales forecast and production plan to the Herdez Del Fuerte planners in Mexico. Prior to the merging of the supply chains, ASF communicated its needs to Herdez Del Fuerte differently than Hormel Foods communicated theirs.

The integration is giving us the opportunity to review each company's different processes and determine what worked and what didn't work. We are using this knowledge to develop a new process for improving our communication.

Sea Change in Florida Port Security

Piloting a new precedent for securing U.S. ports, Port Everglades, the Port of Miami, and the Port of Palm Beach recently signed a memorandum of understanding to begin sharing information and accepting one background check for entry into all three seaports.

Under the agreement, port workers and truck drivers now need only one Florida criminal background check instead of multiple, duplicate checks to work at the three South Florida seaports—eliminating cost, time, and paperwork.

Prior to this agreement, workers had to pay for and complete a separate Florida criminal background check to gain entry at each seaport. Now, those who have a current and valid credential from any of the three facilities can obtain an access card to each port with the same background check.

"Even though each of our ports has a different access system, we have agreed to share a database verifying that an individual has passed a state-mandated background check and is eligible for port access according to state security standards," says Manuel Almira, port director for the Port of Palm Beach.

While the Florida Legislature recently amended the state's seaport security laws to establish a statewide port access eligibility reporting system that will allow for access to all Florida's public seaports with a single background check, implementation of that system will take a few months. This reciprocity agreement will provide some relief to South Florida port workers until the system is in place.

Port Everglades is among three Florida seaports that will benefit from shared security and background checks.

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UP THE CHAIN

PEOPLE ON THE MOVE

Innovation Fuels, a New York-based renewable energy company that manufactures, markets, and distributes second-generation biodiesel fuel, has named **Paul Niznik** ▶ as vice president of strategic operations, managing its New England market. He will be responsible for spearheading the development of the company's New Haven terminal, which will feature barge, truck, vessel, and rail access to heated storage for 1.2 million gallons of biodiesel fuel. Niznik joins Innovation Fuels after leading a biofuels research and consulting company and developing new biofuels for heating applications. **Justin Gilpin** has been named chief executive officer of **Kansas Wheat**, a cooperative venture between the Kansas Wheat Commission and Kansas Association of Wheat Growers. A 10-year industry veteran, Gilpin served as the association's marketing specialist from 2000 to 2006, then began working at General Mills, where he coordinated logistics for three flour mills. **B&G Foods**, a manufacturer and distributor of high-quality, shelf-stable foods, has hired **William F. Herbes** as executive vice president of operations. He will assume responsibility for the company's supply chain functions, including all logistics, purchasing, planning, and co-packer manufacturing. Herbes comes to B&G with 24 years of experience in operations and supply chain management at Warner Lambert and its successor companies, Pfizer and Cadbury Schweppes.

T&L M&A Contraction

Merger and acquisition movement in the transportation and logistics (T&L) sector has plunged with the economy, according to PricewaterhouseCoopers' recent *Q2 2009 M&A* analysis. At the current rate, the 31 deals announced thus far in 2009 with a value of $4.5 billion, places M&A activity 67 percent below 2008 figures–when 189 deals were announced with a total value of $96 billion.

While global deal activity reflects the current state of the economy, the importance of BRIC (Brazil, Russia, India and China) countries, particularly China and Russia, to the T&L deal market is increasing. During the first half of 2009, BRIC acquirers and targets accounted for 20 percent and 26 percent of the deals in the sector, respectively. This is up from 15 percent and 18 percent in 2008.

Additionally, Asia and Oceania contributed to the majority of transactions greater than $50 million at 39 percent, and accounted for approximately one-third of deals greater than $50 million.

"Given the current state of the economy and difficult access to capital, it is not unexpected that the volume and value of deal activity in the transportation and logistics sector has dropped in the first half of 2009 in comparison to 2008," says Kenneth Evans, U.S. transportation and logistics leader for PricewaterhouseCoopers. "The BRIC nations, however, continue to show promise and growth."

Interest in transportation and logistics targets has shifted among modes during 2009 compared with 2008. In particular, the relative interest in passenger air and trucking targets has increased significantly. Passenger air targets accounted for 30 percent of all deals in the first half of the year, up from 17 percent in 2008. Trucking targets also saw an increase, rising to 12 percent in the first half of the year from only five percent in 2008. ■

GLOBAL LOGISTICS

by Joseph O'Reilly

Demand and Strategy Drive India's Retail Trade

India's retail industry is enjoying boom times as its economy continues to develop. As the country's second-largest employer after agriculture, retail is estimated to reach US $590 billion in the next two years, growing at a 13-percent clip between 2007 and 2012.

India's consumer reckoning is largely a result of changing social behavior and market dynamics, as well as freer access to capital. This trend will sustain further growth in the retail and logistics sectors as overseas brands penetrate the country's expanding middle class and domestic vendors ramp up their own efforts to capture demand.

Already, the country has become fertile ground for both domestic and foreign business. The government currently limits foreign direct investment in the retail trade to single-brand product retailers such as Nike, Sony, and Marks & Spencer–all of whom have made their presence felt.

Multi-brand sellers, banned from direct investment but allowed to operate in a wholesale capacity, are also making an impression. Australia's Woolworths, for example, has partnered with Infiniti Retail, owned by Indian industrial conglomerate Tata Sons. Walmart, too, has had a successful entry with its wholesale cash-and-carry stores.

Not to be outdone by foreign dollars and incursion, India's domestic retailers are leveraging this competition and economic pressures to reduce costs and stir their own interests. Leading players such as the Future Group, Aditya Birla Retail, Spencer's, and Reliance Retail are pooling supply chain resources to streamline back-end costs. The retailers have formed a coalition to align sourcing operations and rationalize private labels, logistics, warehouses, and hiring details on a transactional payment basis to share markets and cut costs.

Given the lingering impact of a global recession, India's retailers are hoping to improve operating margins by sharing back-end resources. One tactic is exploring opportunities where they can piggyback on peer assets while using their own for others; selling other retailers' power brands, but not necessarily competing store brands; and using alternate sales channels to liquidate inventory.

Such collaboration marks a watershed change in how Indian companies capitalize on supply chain management to empower the enterprise. On average, supply chain costs account for 12 to 50 percent across product categories.

India's retail environment is thriving as domestic consumerism attracts foreign direct investment and encourages home-grown businesses to embrace collaborative logistics strategies.

CONTINUED FROM PAGE 21

Mexican Customs Gets a Makeover

How bad is security and theft in Mexico? So bad that Customs is starting from scratch. The government recently replaced all 700 of its customs inspectors with 1,400 newly trained agents to detect goods smuggled into the country to avoid import duties.

The shake-up–part of a broader effort to root out corruption and improve vigilance at Mexican ports with new technology–doubles the size of Mexico's customs inspection force, according to Pedro Canabal, Mexico's Tax Administration Service spokesman.

The government hopes to improve its tax collection with the new system, Canabal says, noting that more than 40 percent of Mexico's value-added tax is collected at customs. The primary benefit, however, will be stopping the flood of pirated and cheap goods that undermine Mexican industries.

The new agents, more than 70 percent of whom are university educated, underwent a strict selection process that included psychological and toxicological checks, as well as criminal background checks. They are trained in legal aspects of foreign trade and taught to use new equipment installed at border crossings. Dogs trained to sniff out drugs and other banned goods are also being added.

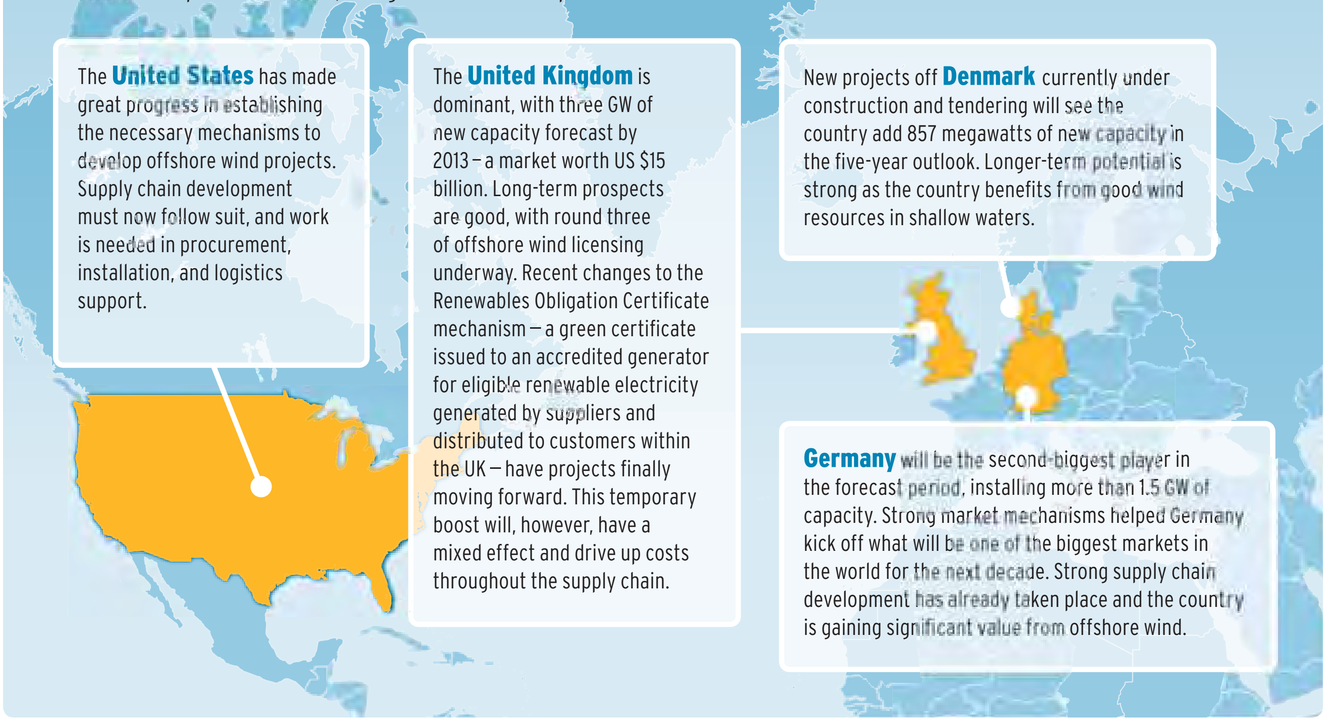
Previously, Mexico had been checking only 10 percent of the 230,000 vehicles that cross the border each day, according to the federal Attorney General's Office. Now, with new technology, agents weigh and photograph every car and truck that crosses the border and run license plate numbers through a database of suspicious vehicles in the hopes of catching more hidden contraband.

As The Wind Blows

Demand for renewable energy sources worldwide is precipitating a global gale-force storm, and the forecast for the wind industry is pretty clear: steady long-term growth with periods of calm. Wind component manufacturing is now showing its long-promised growth and market development, with record levels of capacity under construction, according to UK-based analyst Douglas-Westwood's latest *World Offshore Wind Report 2009-2013*. The industry's growth is stimulating economic development as well as the need for transportation and distribution infrastructure and resources to facilitate increasing demand.

Deployment rates will grow in the near term, with levels of installed capacity peaking in 2011, and declining slightly in 2012 and 2013, the firm anticipates. Capital expenditures through 2013 will amount to US $31 billion as 6.6 gigawatts (GW) of new capacity are installed globally. With 1.5 GW of capacity currently online, this represents significant market growth and will lead to an annual capital expenditure of more than US $9 billion at peak.

In terms of specific markets, Douglas-Westwood reports:



The **United States** has made great progress in establishing the necessary mechanisms to develop offshore wind projects. Supply chain development must now follow suit, and work is needed in procurement, installation, and logistics support.

The **United Kingdom** is dominant, with three GW of new capacity forecast by 2013 – a market worth US $15 billion. Long-term prospects are good, with round three of offshore wind licensing underway. Recent changes to the Renewables Obligation Certificate mechanism – a green certificate issued to an accredited generator for eligible renewable electricity generated by suppliers and distributed to customers within the UK – have projects finally moving forward. This temporary boost will, however, have a mixed effect and drive up costs throughout the supply chain.

New projects off **Denmark** currently under construction and tendering will see the country add 857 megawatts of new capacity in the five-year outlook. Longer-term potential is strong as the country benefits from good wind resources in shallow waters.

Germany will be the second-biggest player in the forecast period, installing more than 1.5 GW of capacity. Strong market mechanisms helped Germany kick off what will be one of the biggest markets in the world for the next decade. Strong supply chain development has already taken place and the country is gaining significant value from offshore wind.

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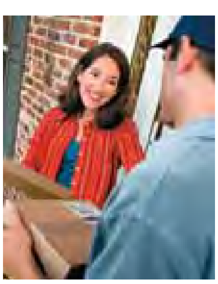

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CONTINUED FROM PAGE 22

Red Manufacturing In the Black

Even with foreign demand for consumable goods largely dented by a global recession, China's economic engine continues to fire on all cylinders. The country can thank its ever-expanding middle class for the spark.

Production accounts for more than 40 percent of China's economy, which has been hit hard by evaporating demand for its products in key export markets such as the United States and Europe.

Even still, manufacturing in China hit a 12-month high in July 2009, according to a leading independent index, thanks in great part to government stimulus and domestic demand. The CLSA China Purchasing Managers Index, or PMI, rose to 52.8 last month, the highest since July 2008, when it stood at 53.3. A reading higher than 50 means the sector is expanding; a reading lower than 50 indicates an overall decline.

Domestic demand was the principal driver behind new-order growth, while external demand remained lackluster in July, despite rising for a second successive month.

The independent reading confirms official data suggesting that the recovery trend of the key sector is consolidating. The China Federation of Logistics and Purchasing's figures show the sector expanded in July for the fifth consecutive month to 53.3, up from 53.2 in June.

> Despite lackluster demand from key export markets such as the United States and Europe, **China's economy is showing its mettle.** Strong domestic consumption and government spending have triggered a spike in production.

The official index tends to be more optimistic because it attaches greater weight to state-owned enterprises, which usually follow government directions and benefit first from stimulus policies.

To point, Beijing announced a US $585-billion stimulus package last year in a bid to prop up growth in the country by boosting investment in infrastructure and other government-backed projects. Beyond positive manufacturing data, China's economy expanded by 7.9 percent in the second quarter, up from 6.1 percent in the first quarter, mainly as a result of this government spending. ■

Dan Montgomery is vice president, business development, APL Logistics.
626-966-4236 • *daniel_montgomery@apllogistics.com*

3PLLINE

by Dan Montgomery

Defining the Ideal Pacific Rim Warehouse

Warehouses may serve the same function regardless of where they are located, but the criteria for choosing and operating these facilities is anything but consistent from one continent to the next. If manufacturing or distribution in Asia is part of your business, keep in mind the following ways in which the ideal facility might look different over there.

■ **Proximity is powerful.** Although some Asian countries have begun improving roadways and railways, few have adequate infrastructure to move products rapidly from warehouse to point-of-sale. To achieve delivery turnaround times comparable to those in the United States, Asian warehouses usually must be located closer to their companies' customers.

■ **Multiple locations simplify moves.** Centralizing warehousing operations is common practice in the United States, where every facility is subject to the same commerce and import/export laws. Centralization may not make economic sense overseas, however, because the borders crossed frequently involve different countries instead of different states. Keeping track of relevant laws and regulations adds time and complexity to a multi-country warehouse manager's job and can also add substantial duties and tariffs to a company's overhead. Many companies elect to operate at least one warehouse in virtually every country where they do business–even if those countries are a stone's throw away from each other.

■ **More inventory might make sense.** Opinions about how much inventory to store vary, but the general rule in the United States is that less is best; the ultimate goal is to substitute information for inventory whenever possible. That strategy may not work overseas because some countries' systems aren't sophisticated enough to provide the necessary data. Unless you are working with a global logistics provider that imports its inventory management systems, your business may need to carry more inventory in your Asian warehouses than you're used to.

■ **Going up?** Most U.S. businesses would never dream of leasing a multi-level warehouse–much less one in Hong Kong that's 24 stories high. But in many developing countries or locales where land is scarce, single-level warehouses are more difficult to come by. When looking for space in Asia, think in terms of "best available" instead of "best all around."

■ **Mechanization? Maybe, maybe not.** When it comes to determining how mechanized to make your overseas warehouse–using machines instead of employees to do the bulk of your picking and packing, for example–look closely at prevailing wage vs. real estate rates. The balance between the two varies from country to country, and an economical decision in one venue might not be as financially viable in another.

■ **Standardize processes, not people.** Even if you're running your international distribution centers based on American operational principles, it's not acceptable to make overseas warehouse workers fit an American mold. Honor the differences. Observe the local traditions and significant holidays. Become acquainted with each group's communications styles and taboos. And try to learn at least a bit of the language, even if you're far from being fluent. These efforts convey a high level of respect that goes a long way toward building employee loyalty and improving workforce morale, both of which ultimately could have a huge impact on international logistics success. ■

John Westerholm is vice president of assets,
Ruan Transport Corporation.
402-689-0672 • *jwesterh@ruan.com*

GREEN LANDSCAPE

SUSTAINABILITY IN THE SUPPLY CHAIN

by John Westerholm

Ensuring Your Carrier Promotes Supply Chain Value Through Sustainability

Consumers used to appreciate an environmental consciousness in the businesses they patronized. Now they expect it. Improved sustainability has become the right choice for corporations–economically, environmentally, and legally.

Corporate sustainability programs should provide guidelines and measures for strategies such as reducing fuel consumption, reducing or eliminating materials for disposal, and preventing pollution.

Shippers formalizing and strengthening their programs need to recognize the benefits of choosing carriers with the same commitment. Some shippers now require carriers to provide sustainability positioning statements and participate in government sustainability programs such as the Environmental Protection Agency's (EPA) SmartWay Transport Partnership.

As a result, carriers are increasingly examining their processes and implementing innovative solutions to minimize impact on the environment while achieving efficiency, responsiveness, and cost savings for shippers.

Emphasizing sustainability promotes value along every channel of the supply chain. Hire carriers that demonstrate their sustainability strengths with proactive, purposeful endeavors, such as:

■ **Participation in government sustainability programs such as SmartWay.** SmartWay is a voluntary collaboration between the EPA and the freight industry designed to increase energy efficiency while significantly reducing greenhouse gases and air pollution. SmartWay designation means participating carriers work to improve aerodynamics, freight logistics, engine idling, and driver training regarding fuel economy, and employ automatic tire inflation systems, among other vital initiatives.

■ **Formal driver training programs.** Proper training shapes drivers' influence on vehicle maintenance and fuel consumption. Carriers should also implement speed reduction policies, such as 65 mph limits, as roughly 60 percent of consumed fuel is used to overcome air resistance on the vehicle with increased highway speeds.

■ **Eco-friendly facilities.** New and renovated terminals, maintenance facilities, and offices may be LEED-certified by the U.S. Green Building Council, which recognizes green design standards and construction practices that increase efficiency and profitability.

■ **Investment in technology and equipment.** Expect carriers to use clean equipment–both in appearance and emissions controls–with the least possible environmental impact. Trucks should use low viscosity, synthetic lubricants. Installing Auxiliary Power Units in sleeper cabs reduces emissions from idling engines. Also, attention to aerodynamics is a must, with upgraded tractor designs consuming less fuel.

■ **Compliance with government regulations.** In 2006, Congress passed the EPA's 2007/2010 Diesel Engine Emissions Rule requiring oil refineries to manufacture and sell ultra-low sulfur diesel fuel that reduces nitrogen oxide and other particulate matter emissions. As a result, new engine technologies are available to comply with the ruling, which becomes effective January 2010.

Finally, ask your carriers to propose creative, value-added green objectives that your employees can implement in their work and personal lives. By working toward a common goal, shippers and carriers can improve supply chain value through persistent sustainability endeavors. Sustainability is no longer a choice, but an imperative. ■

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

NEW JERSEY

National Retail Systems, Inc. • Maher Terminals, LLC • Camden International Commodities Terminal

The company we keep, keeps getting better.

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Programs & Services

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Incentive & Tax Credit Programs

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

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

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

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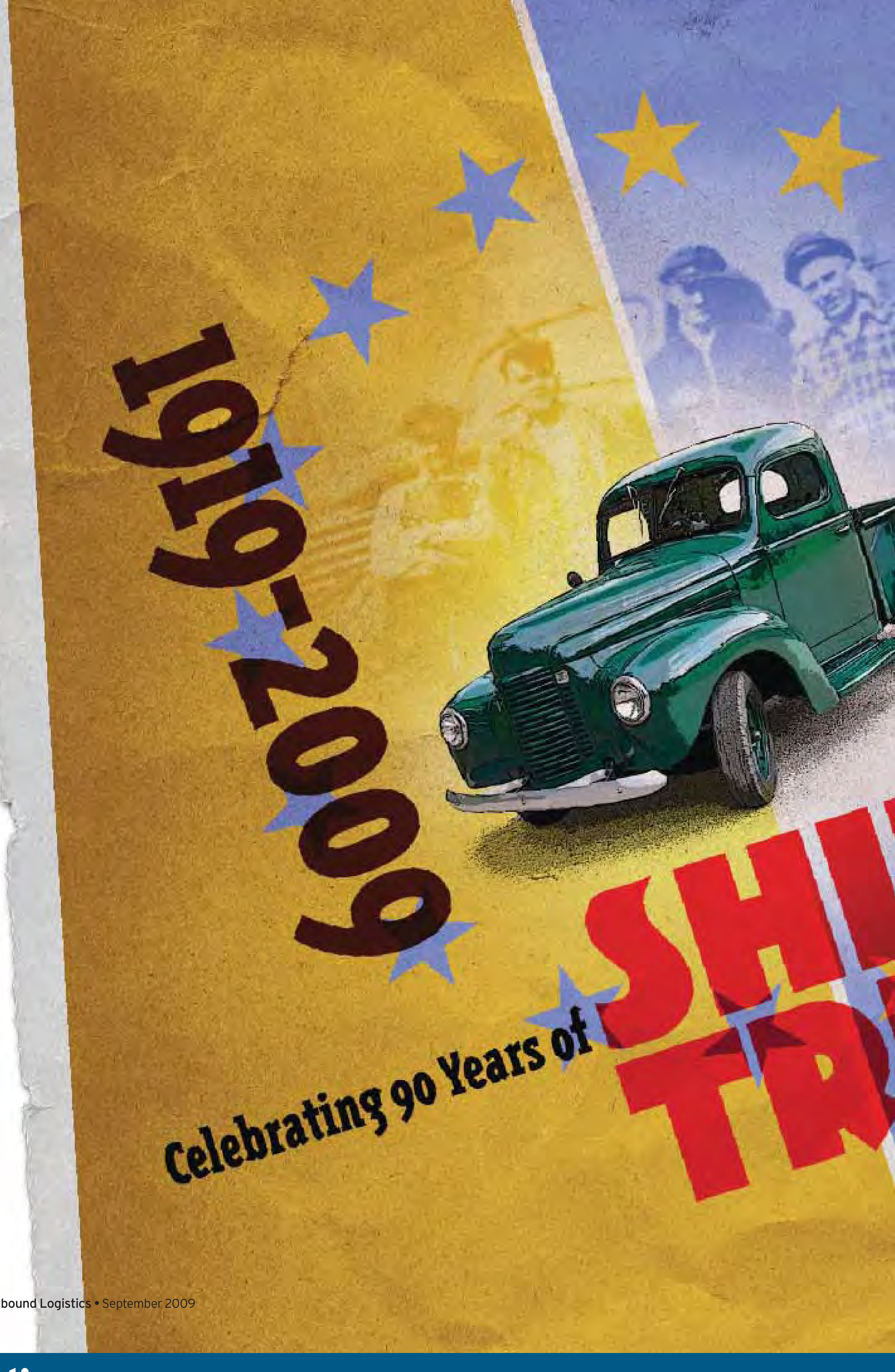
Expansion Management Magazine

IL/1009


1919-2009
Celebrating 90 Years of

They did things the hard way because they had to. They saw opportunities and seized them, took risks, rolled with the punches, and reaped the rewards. They didn't squeeze pricing or pinch service; everything was set in stone. And they hauled everything and anything during the Great Depression, World War II, and beyond. Join *Inbound Logistics* as we celebrate the legacies that made motor freight move.

When the Transcontinental Motor Convoy–the first coast-to-coast movement of automobiles–rolled into the Columbiana, Ohio, homestead of rubber baron Harvey Firestone on Sunday, July 13, 1919, no one could have imagined the significance such serendipity might bring. But the experience left an indelible mark on a dashing, 29-year-old lieutenant colonel in the U.S. Tank Corps named Dwight D. Eisenhower.

The military caravan debarked at 6:30 a.m. the next day, enduring many of the same routine challenges that typified the 63-day, 3,251-mile trek from Washington, D.C. to San Francisco: broken rod bearings, radiator leaks, blown gaskets, punctured tires, and most discouraging, roads to nowhere.

Arriving in Wooster, Ohio, on July 14, the convoy of 300 soldiers and 70 vehicles encountered few exceptions from the norm. "Boxing and wrestling at camp in evening," wrote Eisenhower in his daily log. "Warm with light rains. Fine brick roads, except eight miles [sic] dirt. Made 83 miles in nine hours."

Few exceptions apart from a pair of new trucks equipped with Firestone's pneumatic treads.

The opportunity to "kick his tires" on the most ambitious mass movement of vehicles across the country must have piqued Firestone's imagination and tipped his hat and hand to the convoy. One year earlier, in 1918, he debuted his *Ship By Truck* advertising crusade, plugging a new way to sell tires and transport goods. It served as a novel promotion for the Firestone Tire and Rubber Company, and an important endorsement for emerging motor freight carriers.

A chance encounter between Harvey Firestone *(far left)* and Dwight D. Eisenhower *(far right)* during the 1919 Transcontinental Motor Convoy helped inspire the rubber baron's Ship By Truck campaign and the future President's Interstate Highway system.

To Eisenhower, the message resonated as well. Firestone's generosity and friendship, and the performance of his tires on a rutted cross-country odyssey, set in motion a transportation revolution that rolls to this day.

Uniting the States

If you've ever driven the Alaskan triangle between Tok, Anchorage, and Fairbanks; or ventured to the island of Oahu, Hawaii; crossed the U.S.-Canadian border in Houlton, Maine; or circumnavigated Puerto Rico, you know where Eisenhower's Interstate System can take you. And, likely, you can appreciate the value of good treads.

President Eisenhower's role in the development and expansion of the U.S. transportation system is well documented. In 1956, he introduced what was popularly titled the National Interstate and Defense Highways Act (later The Federal-Aid Highway Act of 1956), earmarking $25 billion to develop highway infrastructure across the United States.

In a letter to Congress on Feb. 22, 1955, Eisenhower addressed the importance of such endeavor: "Our unity as a nation is sustained by free communication of thought and by easy transportation of people and goods," he wrote. "The ceaseless flow of information throughout the Republic is matched by individual and commercial movement over a vast system of inter-connected highways crisscrossing the country and joining at our national borders with friendly neighbors to the north and south."

Eisenhower's vision of a national network of roads was a conflux of influences: his experiences during World War II and the efficiency of the German Autobahns; the 1919 Transcontinental Motor Convoy; and the existing, if nebulous, Lincoln Highway system. But his objective was far more cohesive. Eisenhower wanted a reliable means for effectively transporting military armaments to defend the country in case of foreign attack, and, ultimately, conveying commercial goods more efficiently and expeditiously.

His casual encounter with Harvey Firestone in 1919 had an immeasurable consequence. "Many years later, Ike wrote to Harvey Firestone, Jr. [the industrialist's son] that the visit to Columbiana was still 'memorable,'" write Paul Dickson and William D. Hickman in *Firestone: A Legend. A Century. A Celebration*. "It was the transcontinental caravan that Eisenhower said 'started

him thinking' about the value of good roads. While on the trip, the seed of an idea for an extensive system of highways took root."

But between 1919 and 1956 another important development ignited the idea kindled by Firestone's *Ship By Truck* advertising campaign and Eisenhower's military one: the birth of the modern-day motor freight carrier.

Ninety years removed from that fair July afternoon, a day tangled in celebration and fate, *Inbound Logistics* turns back the clock to celebrate the trucking

A. DUIE PYLE

THE GOLDEN RULE

Growing up on a farm gave Duie Pyle a good idea of the work ethic necessary to succeed in business. "When interviewing prospective employees, he would always ask three questions: 'Do you drink? Do you smoke? Have you ever worked on a farm?'" says Peter Latta, his grandson and current chairman of A. Duie Pyle. "The first two questions really didn't matter—the last one did."

Duie Pyle valued the integrity and principles of working on a farm, where necessity was truly the mother of invention. This belief was similarly infused by the golden rule—treat others as you would like to be treated. Duie Pyle motivated and came to the aide of his employees, his extended family, with those words in mind. Latta points to two anecdotes recently unearthed while researching and writing a book about the history of the company, *The First 85 Years—A History of A. Duie Pyle, Inc.*

There was a high school student named Preston Layfield (now 89) who was employed part-time on the Pyle family farm in the 1920s. One day Duie Pyle asked him to drive a truck to the company's warehouse in Coatesville, Pa.

"I told him that I had never driven a truck on the highway before," recalls Layfield. "To this Duie replied, 'You drive the truck on the farm, don't you?'" So Layfield got in the truck and drove to the warehouse.

When he dropped off the truck, he asked for a ride back to the farm. Instead, Duie Pyle told him to take the truck to the Lukens Byproducts Mill, also in Coatesville, and load it up. Layfield responded: "'You think I can do that?' He said, 'You brought it in here, didn't you?'" Again Layfield followed orders and drove the truck to the steel mill.

Then Duie Pyle told him to go home and get a good night's sleep—because he was taking a load to New York City the next morning.

"I had never been there in my life," remembers Layfield. "But before I knew it, the next morning I was driving to New York City sandwiched in between other Pyle trucks. Unbeknownst to me, the other drivers were ordered not to pass me so if I was driving up a hill and had trouble shifting gears, they would be able to bump me up the rest of the way."

That was on-the-job training in Duie Pyle's book.

Peter Latta also cites his grandfather's compassionate side, through the words of Gladys Flamer, the wife of Paul Flamer, one of the carrier's first drivers. Gladys, now 102 and still driving, recalls how Duie Pyle helped them when they got "sheriffed" out of their house during the Great Depression.

"My family had trouble paying the rent, but Mr. Pyle rescued us by paying most of our overdue bills. And he gave Paul enough work to maintain our home and keep the family alive," says Gladys. Duie Pyle found a new place for the Flamers to live—with indoor plumbing—a fact that Gladys gushed about.

For Duie Pyle then, and for the company today, work and family remain one in the same.

Mr. & Mrs. Duie Pyle

legacies that bought Firestone's sell and swayed Eisenhower's way.

Through the stories of industry vanguards, we explore the innovation and invention, leadership and vision that sparked mainstream commercial use of trucking in the United States. Firestone reinvented the wheel and gave it a spin. Eisenhower legislated how far it could go. A group of trucking pioneers embraced the vision and brought it home.

Making a Name

Today their identities are synonymous with the road, plastered on thousands of tractors and trailers, spanning as many miles and more across the United States. Two and three generations ago, Alexander (A.) Duie Pyle, Al Schneider, the Vander Pol brothers, Louis Saia Sr., Lillian and Earl Congdon, James Ryder, and John Ruan were the names answering the phone, dispatching loads, driving the trucks, and selling their word.

These forebears realized the synergies between transportation innovation and industrial demand. Where their trucks rolled, commerce followed. And where agriculture and manufacturing sprouted, they began.

Duie Pyle was the product of a Coatesville, Pa., farm and the state's famed steel industry. "He was working at a Lukens Steel mill when a neighbor came looking to unload a couple of hard rubber-tired trucks. It was April 1, 1924," says Peter Latta, his grandson and current chairman of A. Duie Pyle. Duie figured he'd be a fool if he didn't take the chance. So he bought the trucks, took on their existing customers, and added some others through his steel mill contacts.

Al Schneider shared a similar upbringing and entrepreneurial spirit. Raised on a Wisconsin farm, he sold the family car in 1935 and bought a single-axle tractor, operating as an independent contractor in the Green Bay area. Then he managed a small, 60-truck operation until he

JAMES RYDER

AN HONEST MISTAKE

Opportunities never passed James Ryder by. His willingness to take risks was a reflection of his philosophy. "He approached business like drilling for oil. Some wells are productive, others are not, but you have to keep drilling," explains David Bruce, vice president of corporate communications, Ryder.

In 1938, Ryder began diversifying the company's footprint outside of hauling concrete materials, acquiring his first warehousing facility to store and move furniture, liquor, general merchandise, and building materials.

At the same time, Ryder encountered a business proposition that would ultimately define his future. He heard about a company in New York that was leasing its trucks to customers. So when an opportunity presented itself to deliver a similar offer to a Florida beer distributorship that had recently acquired the rights to move Champagne Velvet beer in Florida, he jumped.

James Ryder

Ryder priced the deal at $37.75 per truck, per week, and nine cents a mile. The distributor jumped on his quote, but for the wrong reason—they believed it was far too high.

Ryder, who had spent a long night crunching numbers to come up with the quote, reacted "hotly" to their counter, explains Bruce. Eventually, the distributor accepted his bid because they believed his reaction was honest, which they valued more than the price. Ryder outfitted five Swamp Holly Orange-colored International Harvester trucks with Champagne Velvet splashed on the side, and his truck-leasing business was off and running.

Years later, and in retrospect, Ryder admitted that the price he quoted the distributor was indeed too high—an honest mistake. But he also figured that he ultimately repaid the debt to the company because Champagne Velvet became the unofficial beverage of choice for Ryder employees, who demanded that their favorite establishments serve it all over Miami.

In 1938, James Ryder seized an opportunity to expand the business into truck leasing.


>>> Saving you money,
no matter the financial climate.
DUPRE

Draining their life savings, Lillian and Earl Congdon launched Old Dominion Freight Line in 1934. She dispatched loads from the dining room table; he hauled freight between Richmond and Norfolk.

bought and incorporated it as Schneider Transport in 1938. Today it's the largest truckload carrier in the United States.

As legend goes, the Vander Pol family got into trucking because they had too many sons to work their farm on Whidbey Island, Wash. So, in 1936, John and Gus Vander Pol purchased Oak Harbor Transfer, a local cartage carrier founded in 1916, for $600 cash. Their younger brother Henry joined them one year later. In 1942, the brothers purchased another small trucking company called Oak Harbor Freight Lines, which they merged and adopted the name.

As with the Vander Pol brothers, most trucking companies that cut their treads during the 1920s and 1930s were family affairs.

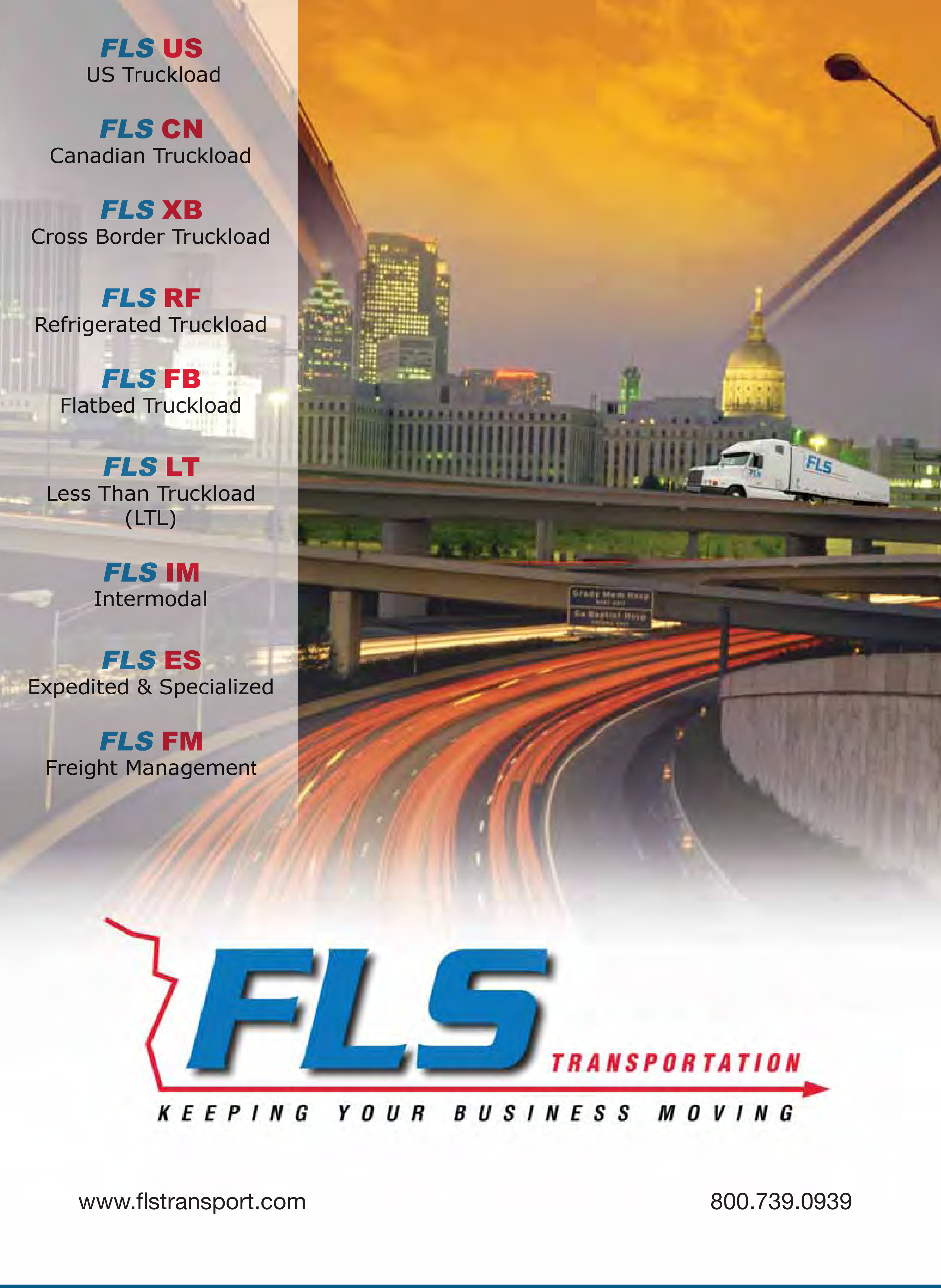
Earl and Lillian Congdon started up Old Dominion Freight Line in the wake of the Great Depression. They first sold the family car, a wedding gift from Lillian's parents, and bought a truck that Earl drove until it was wrecked. Thereafter he worked various jobs, including stints with Virginia Motor Express and as a salesman for a Packard dealership. In 1934, he and his wife poured their savings into a dream. Lillian dispatched pick-ups from their dining room table and Earl drove the truck between Richmond and Norfolk, hauling coffee, paper, chemicals, and bales of burlap.

"On his first load, Earl had to hawk his spare tire to pay for fuel," says Chip Overbey, vice president for Old Dominion. "After he made the delivery and got paid, he bought back the tire. The rest is history."

The Saia family started their trucking business in 1924–without a truck. Louis Saia Sr., who came to America from Sicily in 1912, began hauling produce from New Orleans to his sisters' grocery store in Houma, La., 60 miles to the southwest. It started out as a horse-and-wagon enterprise but soon evolved.

With Louis Saia working as the driver and salesperson, and his wife

In 1935, Al Schneider sold the family car, bought a truck, and drove as an independent contractor before acquiring the assets that became Schneider Transport in 1938.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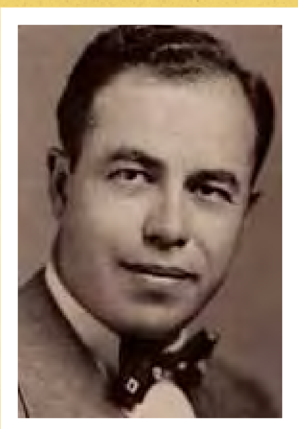
JOHN RUAN

RENAISSANCE MAN

John Ruan may not have considered himself worldly wise, but that's how he approached the business. He brought a work ethic to thought that saw innovative ideas through to execution.

When the Great Depression struck in 1929, his resourcefulness paid dividends. Many of Ruan's customers could only afford to purchase small batches of coal, compared to full truckloads. To avoid hauling semi-full trucks, he crafted a divider for the truck bed that allowed several pre-measured units of coal to be shipped as a single load. This way he could still deliver to multiple customers in a single run.



John Ruan

During the War, he developed the "key-stop system"–a time-saving innovation borrowed from the railroads for the tank truck industry. It allowed drivers to pick up or drop off petroleum day or night using their own keys to unlock necessary valves at unattended facilities, says John Ruan III.

If Ruan wasn't exploring better ways to move things, he was finding better things to move. Just a few months after starting the business, carrying his first load of gravel, Ruan bought two more trucks, hired drivers, and switched to hauling coal. When he learned he might have a chance to carry goods for Western Grocer, Ruan secured a loan for 10 new trucks, which he had customized specifically for groceries. Eventually, when demand for petroleum spiked during World War II, he turned his attention to that and became a leading player in the industry.

His thought leadership didn't end there. As a hands-on leader of his thriving transport business, Ruan keenly understood the art of politics and advocating for legislation that would benefit his business and customers, while persuading legislators to forgo measures that would not.

"I've always found that good work gets good results–that people are the center of any successful enterprise," says the man himself. "The more we invest in the improvement of our society, the more we'll succeed in making our own lives more satisfying. Underlying the success of the Ruan companies is our strong desire to make things better, not only for ourselves and our nation, but for people throughout the world."

Christine handling the office, their three sons–John, Vincent, and Louis Jr.–drove when school allowed. When a load of freight arrived in Houma, the brothers would remove the backseat from the family automobile to deliver small package shipments to their customers.

Still other trucking pioneers found their inspiration in the school of hard knocks.

A shoddy, mismatched suit and dateless senior prom stirred James Ryder to do something with his life. He started out as an unskilled laborer for CR Clark Construction in Miami, toiling six days a week and earning 25 cents an hour. While working one day, Ryder had a conversation with a former classmate who was delivering materials to one of the contractor's sites.

"He learned he could make 35 cents driving a truck, then wondered what he might make if he actually owned the truck," shares David Bruce, vice president of corporate communications, Ryder. "So he made a $35 down payment and paid $25 per month for a black 1931 Ford Model A."

Eighteen-year-old John Ruan left Iowa State University in 1932 to earn money for a family struggling during the Great Depression, says his son, John Ruan III, now chairman of Ruan Transportation. "When he discovered a road builder needed gravel at his work site, Ruan traded the family car for a truck and hauled his first load on July 4."

A cracker of an idea popped in his head. Ruan soon discovered a talent for selling and a passion for business that exists to this day. On February 11, 2009, he celebrated his 95th birthday.

The Great Impression

The 1920s and 1930s produced their fair share of trials and travails as companies struggled to gain a footing in the grip of the Great Depression. But through adversity, motor freight carriers gained credibility and respect and grew their businesses the old fashioned way–by earning it. They expected as much and more from themselves and their employees, and they valued the merits of self-sufficiency and enterprise.

John Ruan had a knack for selling from early childhood–he trapped animals and sold their pelts, picked berries, hunted mushrooms, and popped corn, peddling his wares to neighbors. "My father often credits his success to hard work, saying he might not be smarter than the average man, but he works harder. He also was willing to take risks–acting on ideas others considered too uncertain," says John Ruan III.

Nineteen-year-old James Ryder brought a similar work ethic and penchant for perfection to his first job at CR Clark Construction–qualities that served him well later in his career. Among his responsibilities was making cement.

"Mixing one batch of cement at a time with wheelbarrows waiting to move, he recognized there was a better way to do the job," explains Bruce. "So he built a second mixing box, allowing him to begin a fresh batch before the other one was depleted. Working in a more just-in-time manner resulted in less lag time, and earned him a nickel raise to 30 cents an hour."

Hard work came naturally to Ryder. When he acquired his first truck in 1933, Miami Beach was just beginning to come into its own and construction was rampant. Ryder would pick up anything he could find–construction materials, tree trimmings, trash, and bag cement, transporting them between warehouses, rail yards, and local beaches. Recognizing an opportunity, Ryder engaged his friend Ed Bond to join him on the job and in the cab. This way they could run the tractor 22 hours a day.

The Heavy Hand of Regulation

While carriers explored innovative ways to get the job done better and attract more business, they did so under the heavy hand of government regulation. As the trucking industry grew, the Interstate Commerce Commission (ICC), first introduced by President Grover Cleveland in 1887 to regulate unbridled railroad monopolies, extended its sanctions to over-the-road transport. The 1935 Motor Carrier Act gave the ICC authority to regulate interstate truck and bus companies, dictating which companies could become motor carriers, what services they could offer, and what rates they could charge.

The Vander Pol brothers *(top)* acquired what came to be Oak Harbor Freight Lines in 1936, transporting cargo between Whidbey Island, Wash., and the mainland.

"Trucking companies had to buy or acquire lanes," says Mike Hobby, accounts receivable manager for Oak Harbor. "For example, they had to go to the state operating authority and request permission to move freight between Oak Harbor and Washburn, Wash."

In the 1930s, Oak Harbor was primarily delivering goods to and from Whidbey Island, which was connected to the mainland by bridge.

The carrier's business grew as it added routes other trucking companies willingly ceded or forfeited when they went out of business. There was a strict quota on truck movements in specific lanes and the state authority set pricing as well.

"Because of these restrictions, Oak Harbor would haul everything and anything in its lanes, inbound and outbound," adds Hobby. "Henry Vander Pol used to talk about how they would truck fertilizer one way, then watermelons back; haul horse manure, hose out the box, and load the truck with apples for the backhaul."

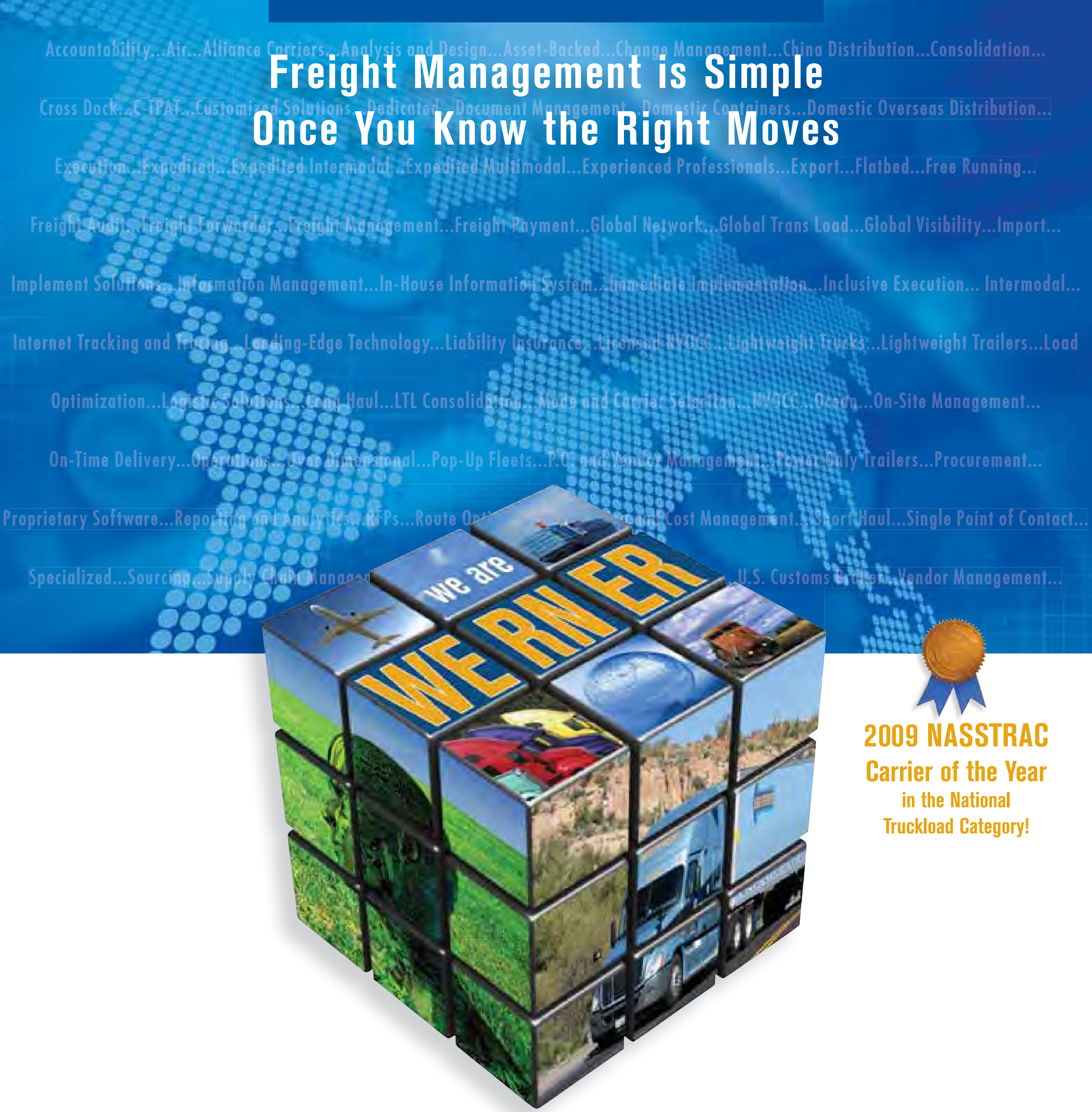
Customer Service Takes Root

Regulation may have limited profitability and expansion, but it also forced trucking companies to engage customers and grow their business organically.

In its early years, Schneider Transport operated as a local carrier hauling paper, pulp, and foodstuffs for companies such as Kimberly Clark, Proctor and Gamble, Fort Howard Paper, and Schreiber Foods. As these companies expanded, their needs changed. "A loyal customer base supported Schneider from the start–they had a need for interstate service," shares Wayne Lubner, senior vice president of associate relations at Schneider National.

Lubner, whose tenure at Schneider National spans 36 years, fondly recalls the founder's ethos: "He used to say, 'Without the customer, we are nothing. If we can't provide what the customer wants, we'll be out of business.'"

Customer service and technological improvements paved the way for Schneider and other carriers to expand their market presence and scope of operations. Up until the 1950s, trucking moves were essentially "less than truckload" local runs direct to consignees or between terminals. But as equipment and highway infrastructure improved, and customers demanded greater coverage, the Schneiders of the world followed their lead. In time, Eisenhower's



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Interstate gave them access to a larger swath of the country.

"The advent of truckload transportation allowed us to move goods on irregular routes from any point-to-point location in the United States," says Lubner. This provided a competitive alternative to traditional boxcar rail service.

As the United States clawed itself out of a depression and began ramping up production to provision the U.S. military for World War II, the trucking industry was on the brink of another resurgence. A new generation was being groomed to take the helm, expectations were heightened, and expansion was imminent.

War and Peace

The buildup to World War II had a marked impact on the United States' manufacturing pulse and economic recovery, but the motor freight industry was beset by new challenges.

Trucks became scarce as new equipment was swallowed up by the war effort and fleets were frozen. James Ryder had to temporarily abandon truck leasing because there weren't enough trucks to lend. But it gave him incentive to concentrate efforts on trucking and warehousing, especially as military activity in Miami Beach picked up.

John Ruan felt similar pressures. In 1937, he bought the majority share of McCoy Trucking of Waterloo, Iowa, which served Iowa, Illinois, Minnesota, and Nebraska. He soon acquired two more trucking companies and later began hauling petroleum products, for which demand had increased as a result of World War II.

"During the war, keeping up with business was a challenge as shortages in truck parts and drivers forced my father to become more efficient–to the point of driving loads himself to ensure delivery," says John Ruan III.

Old Dominion had mixed fortunes. Serving an important lane between military bases in Richmond and Norfolk, it benefited from an increase in freight volumes. But a Teamster's strike forced the company to reinvent itself as a non-union carrier shortly after the war.

World War II presented the Saias with a different challenge. The family's workforce, namely John and Vincent, was called away to the U.S. Army and U.S. Marines, respectively. Louis and Christine Saia struggled to keep the business moving without their muscle.

But sacrifices made during the first half of the decade were redeemed in spades following the war. As the "next generation" returned to the workforce, trucking companies were welcome beneficiaries.

Peter Latta's parents had married before his father, James, shipped off. When he returned, Duie Pyle offered his son-in-law a job with the company. It presented a natural continuity, shares Latta: "My grandfather had the entrepreneurial spirit, but he needed the business discipline, which my father provided. This helped the transition from generation to generation."

Louis Saia Sr. initially delivered produce sourced in New Orleans to local customers. As demand grew, he began hauling different types of cargo.

Equal fortune befell the Saias when the two brothers returned, and with their younger sibling, Louis Jr., resumed familiar roles in the family enterprise. Soon after, Saia opened its first terminal outside New Orleans in Lafayette, La.

Following the war, trucking companies began to expand their services and coverage areas by aggressively targeting new customers and acquisitions.

When Ryder entered into a lease arrangement with an Anheuser-Busch distributorship in the summer of 1945, it took the carrier statewide. Later that year, the company secured its first dedicated contract carriage arrangement–a handshake agreement between James Ryder and John S. Knight, owner of Knight-Ridder Newspapers–to distribute daily editions of the *Miami Herald*. The contract remains in effect to this day.

Between 1945 and 1949, Ryder's fleet grew from 172 trucks to 450, and by the end of the decade it was operating five facilities in state. That same year it locked in an agreement with Minute Maid to haul 109 refrigerated trailers from the company's Plymouth, Fla., location to Midwest and East Coast locations, taking the carrier outside the confines of Florida for the first time.

Earl Congdon's death in 1950 pressed Lillian into a new role as president, and later chairman, of Old Dominion–at a time when matriarchal leadership was anything but common. Then her two sons, Earl Jr. and Jack, joined the company. With the acquisition of Bottoms-Fiske Truck Line in 1957, Old Dominion extended its market presence throughout southern Virginia and North Carolina.

Schneider, which had dabbled in storing household goods since the 1930s, discontinued that part of the business in 1944. In 1958, it was granted its first interstate authority by the ICC, carrying a shipment for Procter & Gamble from a plant in Green Bay, Wisc., to Cheboygan, Mich. By 1961, Don Schneider, Al's oldest son, joined the company as manager, bringing the office staff to five.

"Al had a great entrepreneurial spirit," shares Lubner. "Don took that and built a company that could innovate on a broader scale. When he took over, he said we need to lead with technology, bigger and better equipment, to deliver the ultimate value to the customer."

John Ruan did as much in 1948 when he bought 76 tractors, one of the largest deals in Iowa trucking history. By the end of the 1940s, Ruan had 10 terminals in Iowa, Illinois, and Minnesota. One decade later the company was the largest hauler of bulk petroleum products in the United States, operating 40 terminals across the country.

The lean 1920s and 1930s made the boom years that much more rewarding.

The labor and sacrifice that helped truckers survive the Depression allowed them to thrive in the post-war era. Challenges turned into opportunities. The capitalist spirit of founding fathers–and mothers–was recast by upstart offspring. They, in turn, sprung a new vision to emerging U.S. industries dependent on trucking services to grow.

When President Eisenhower pitched the Interstate Highway Act in 1956, trucking companies were prepared for the longer haul and committed to making his speculative idea a reality.

The Road Goes on Forever

By the time the Motor Carrier Act of 1980 rolled around and suspended government regulation, the trucking industry was well entrenched in the U.S. economic psyche. The old guard had set an example that, borrowing from Harvey Firestone's *Ship By Truck* pitch, was right then and is right now.

From the very beginning, the Vander Pols and countless others were driving their own trucks and interacting directly with customers.

"Because it was a family-owned company, generation to generation worked every job in the company," says Mike Hobby. "They knew the operations inside and out. The Vander Pol name was attached to everything we did. They owned the level of service and committed to high expectations because they knew they could do it."

With their names literally tied to their word, these trucking companies couldn't hide behind excuses. They did things the hard way because they had to. They saw opportunities and seized them, took risks, rolled with the punches, and reaped the rewards. They believed customers and employees deserved respect, not just because some were family–everyone was treated as family. They didn't squeeze pricing or pinch service; everything was set in stone. And they hauled everything and anything during the Great Depression, World War II, and beyond.

As with Firestone and his *Ship By Truck* mantra, then President Eisenhower and his Interstate vision, A. Duie Pyle, Al Schneider, the Vander Pol brothers, Louis Saia Sr., Lillian and Earl Congdon, James Ryder, and John Ruan are forever linked with one of the greatest legacies of U.S. enterprise.

It took a chance encounter between a leading industrialist and a future war hero and president to excite the imagination and carry it forward. It took another generation of risk takers and opportunists to share the vision and make it reality.

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"People that started in the trucking business had a dream; their story is about American ingenuity and engineering," concludes Lubner. "The Al Schneiders of the world made change possible when it wasn't popular." ■

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EXCLUSIVE INBOUND LOGISTICS RESEARCH

TRUCKING PERSPECTIVES 2009

by Joseph O'Reilly

Cruising down Interstate I-81 through Virginia's Shenandoah Valley two things are obvious—NASCAR doesn't translate well to radio and the trucking industry is alive and well. Negotiating hundreds of miles of white line fever, drafting and passing convoys sandwiched tight with 53-foot trailers, 7,000-gallon tankers, and 96-foot turnpike doubles, offers a shotgun perspective of where the motor freight sector is racing. Here's a hint: it's not backward.

Not unlike any weekend race at Martinsville or Richmond, today's trucking market is a test of patience and will, character and resolve. There are flat straight-aways and pitched turns; there are shredded treads littering the track, evidence of unseen blowouts; but there is also the hum and buzz of tractor-trailers zooming past in perfect unison. Watch closely and names such as Schneider, Swift, Groendyke, Western Express, UPS, and Old Dominion slingshot their way along the Interstate with willful abandon.

Inbound Logistics' 2009 Trucking Perspectives takes a similar read of the road. Amid the still-deafening whir and blinding blur of today's motor freight sector, our research weaves in and out of empirical data and anecdotal insight, isolating and framing challenges and opportunities confronting both shippers and carriers, as well as trends that are shaping their respective futures.

Soliciting more than 200 questionnaires from trucking companies and motor freight buyers, *IL* pits their unique perspectives against each other to expose the real drivers sparking change within the industry. We asked carriers to identify how they are working with customers to neutralize adverse market pressures by expanding service offerings, IT capabilities, and coverage area.

Shippers share their point of view as well, offering insight into factors they value when selecting motor freight partners and how they are working in concert with carriers to move their business forward.

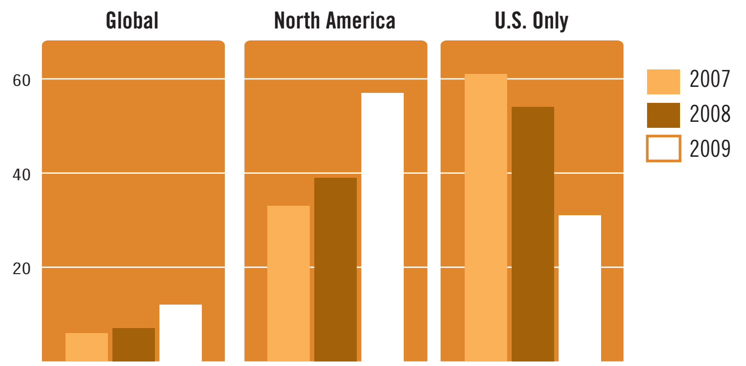
As always, bracing Trucking Perspectives is *Inbound Logistics*' annual Top 100 Motor Carriers list, a pack of the leading players in the trucking segment. Each year we present a nuts-and-bolts directory of carriers that are innovation pacesetters. From global, asset-based truckload carriers towing on both sides of the Asia-Pacific divide to regional less-than-truckload haulers and bulk-shipping stalwarts that carry more than less, our Top 100 Motor Carriers represent a diverse pool of trucking companies that are pushing the pedal to the metal, while delivering speed and reliability to their customers.

The Price is Right...

The reverberations of a global recession and a severe depression in supply chain inventory have had a marked impact on the U.S. trucking sector. Conflating fixed sensitivity to volatile fuel prices, consumer uncertainty has forced trucks to idle and carriers to optimize all aspects of their operations. Cost control has become a clear and present concern, and motor freight companies responding to this year's Trucking Perspectives survey indicate as much.

Pricing pressures from customers and competition are carriers' greatest challenge according to 87 percent of survey participants, followed by rising fuel prices (52 percent), rising equipment expenses (47 percent), taxes, fees, and other regulatory costs (46 percent), and increasing insurance liabilities (45 percent). Given demand dearth and

FIGURE 1. U.S. Truckers by Operating Area



Over the past three years there has been a seismic shift in the areas where motor freight companies are trucking. In 2007, 61 percent of surveyed carriers served the United States exclusively; this year that number drifted to 31 percent.

By contrast, in 2009, 57 percent of motor freight companies report they serve North America, compared to 33 percent in 2007. The growth of NAFTA trade and the rising aspirations of Canada and Mexico as global trade partners, and the maturation of manufacturing, distribution, and consumer markets south of the U.S. border, have helped trigger expansion.

Beyond the North American continent, U.S. truckers are making waves and paving new roads for expansion. In 2009, 12 percent of carriers identified themselves as global, doubling the figure from two years ago. Trucking companies are responding to demand in developing countries to share expertise and resources as well as meet their growing need for capacity. At the same time, carriers recognize the value they bring to customers by offering end-to-end global services.

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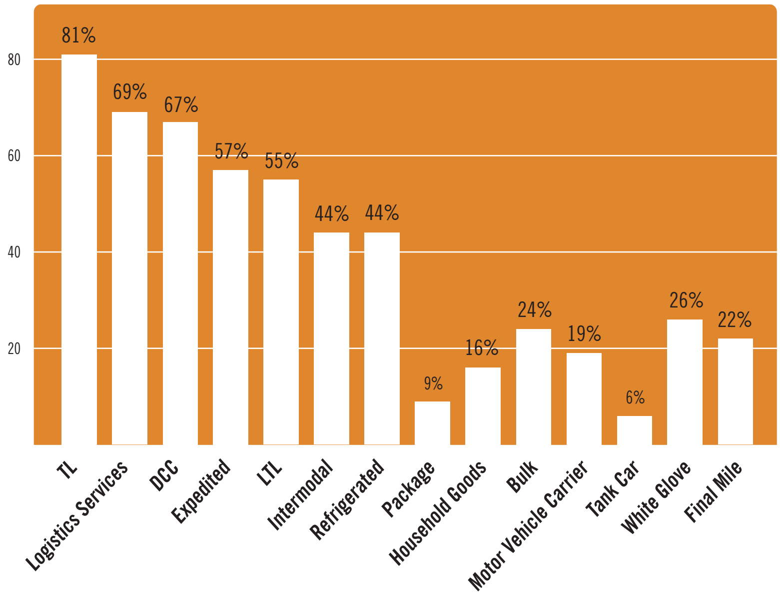
FIGURE 2. **Trucking Services**



Truckload (TL) cartage is most dominant among motor carriers, with 81 percent of survey respondents reporting this capability, compared to 55 percent who provide less-than-truckload (LTL) service–closely paralleling last year's data. Shipper efforts to reduce more expensive LTL miles have made regional markets much more competitive in this segment, while long-haul trucking is increasingly under siege by more affordable rail/intermodal solutions. That said, the number of carriers offering intermodal services remains steady at 44 percent.

One striking change from last year is a six-percent increase in motor freight carriers (67 percent) offering dedicated contract carriage (DCC) services. The cost and responsibility of operating private fleets in a down economy has likely swayed some companies to jettison their assets and rely on for-hire carriers, accounting for this niche growth. From a trucker perspective, DCC business tends to be very profitable. Secondly, the "dedicated" service that carriers provide, and charge dearly for, is often nothing more than their standard offering packaged differently.

capacity softness, driver-related outlay is of least concern, registering with only 27 percent of the survey pool.

Trucking companies have been challenged to optimize fleet use and maximize loads to match shrinking pipeline volumes. Beyond tactical measures addressing their own asset-heavy efficiency improvements, many are embracing logistics services to organically sow and grow shipper partnerships and enhance their value. In light of the economy, some have begun operating "3PLight," mining new opportunities to expand their core freight capabilities and value proposition outside the trucking space.

After cost-related concerns, 32 percent of carriers report technology investment as the next-greatest challenge, indicating they are exploring ways to enhance their value to customers through the lens of communication and visibility solutions.

Dovetailing with customer demand for IT capabilities that deliver greater cost economy and supply chain transparency, more than one-quarter of surveyed truckers (26 percent) are feeling the pull of green mandates from both consumers and government. Regulatory measures to reduce engine and carbon emissions through new equipment, speed, and idling restrictions and bio-fuel requirements are rampant. Trucking companies are answering the call voluntarily and through enforced compliance.

Arguably, the business case for embracing sustainability efforts, rationalizing fuel consumption, and reducing operating expense has grown in importance as a result of, not in spite of, current market conditions.

The Big Squeeze

Shippers, too, have felt equal pressure to squeeze transportation out of their swelling expense reports and within shrinking budgets, placing an even greater burden on trucking partners. Abundant capacity has truckers cinching resources and stretching sales efforts, giving motor freight buyers the upper hand–for now.

Shipper survey respondents overwhelmingly report that price (92 percent) trumps customer service (49 percent), reliability (47 percent), and coverage (44 percent) when evaluating trucking partners in today's market–bringing to bear carrier sensitivity to competitive rate pressures. Capacity (20 percent) was the least-valued consideration.

That shippers value price over customer service raises a key question: How do carriers who market their services and coverage superiority as a competitive advantage, and try to "sell" a higher price as a result, react to this new reality? Motor freight buyers are more willing now to sacrifice a day or three in transit, at a lower cost, as long as they and their customers know when shipments will arrive. Moreover, less service-sensitive carriers are gaining ground with shippers who can balance more time and fewer bells and whistles with improved economy.

Customer service has slid down the totem pole of expectations because failure is no longer an option–it's a deal breaker. If transportation service providers can't consistently deliver on promise, there's a fleet of suitors waiting in line

to take the next order at a cheaper price. Carriers are on a much tighter leash and shippers are cognizant of this leverage.

Nearly half of surveyed motor freight buyers (44 percent) acknowledge switching carriers recently, following last year's trend. Their reasons are mixed, but largely reflect failed expectations: "late pickup and delivery, and no communication," "better carrier fit for service needed," "damaged shipments," and "my contact left for a different company."

Confronted by their own pricing pressures, shippers are more willing and able to reevaluate rates in certain lanes and re-bid accordingly to extract as much value as the current market allows. Even valued shipping customers are feeling the compulsion and seizing the opportunity to negotiate pricing. "The market is such that our long-term collaborative partnerships are under pressure to reduce costs, so we see pricing pressure across the board," reports one carrier.

...Until Capacity Gets Tight

Freight buyers that have established, long-term arrangements with core carrier partners recognize the intangible value of partnership. As one shipper notes, "sorting out the hype to make accurate and real comparisons is important. I'd rather have a carrier I trust who delivers my freight on time and damage free than save a few dollars per move."

Still, the nature of supply and demand, and buyer impulse to wrangle with transportation suppliers over spot-market pricing, is creating a dangerous precedent that will trigger a harsh reality when capacity hardens.

The numbers speak for themselves. Over the past three years, the average fleet size of companies responding to *IL*'s Trucking Perspectives survey has dropped from 2,946 trucks per carrier in 2007 to 2,574 trucks per carrier this year. With little to fall back on, many trucking companies have jettisoned older trucks and winnowed their asset pools to reduce overhead.

Larger motor freight companies have the latitude to simply idle assets until

READER PERSPECTIVES

IL editors never miss a chance to check in with readers. We followed up with a few survey participants to get their thoughts on transportation best practices and trends. Here's what they told us.

ON CAPACITY...

"When the economy rebounds, we could find ourselves facing a capacity crunch. We are concerned this could cause delays in outbound carrier pick-ups. To avoid problems, we'll schedule pick-ups earlier and increase the number of carriers we use."

—**BILL CARDOZA,** facilities administrator, Schurter

ON SOURCING LTL...

"When buying LTL transportation, get quotes from five or six carriers the first few times you make a move. After that, find a few to build a more personal relationship with. This establishes loyalty on both sides, which leads to better discounts and service than using different carriers every other move."

—**BRIAN ROSS,** shipping manager, Ronile

ON CHALLENGES...

"The biggest challenge we face is ensuring that the carrier is on equal footing with the competition. Cost is a vital factor. We ask potential carriers to quote on an equal basis by using the same year base rate, available FAKs [rates based on shipment weight and distance only], and minimums so we can accurately compare discounts."

—**JACK DELEON,** vice president, materials management, Piedmont National

ON SWITCHING CARRIERS...

"When it's time to switch carriers, don't hesitate. I was getting attractive rates from a well-known carrier, but it simply could not get freight through one lane without damaging it. Our ignition coils are not particularly delicate, and it takes quite a bit to damage one to the point of non-use. After receiving three shipments in a row that had significant damage, the last straw was receiving a shipment with a skid that should have been on the bottom, stretch-wrapped in pieces on the top of what was left of the shipment."

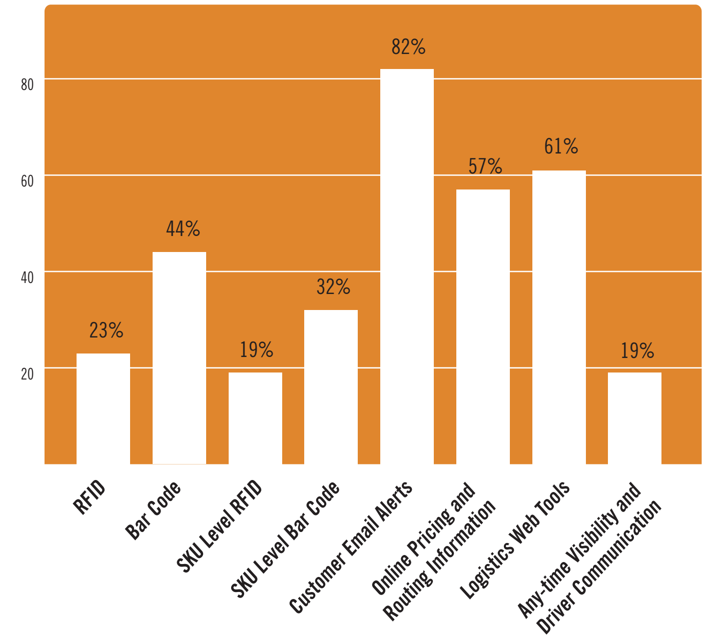
—**TERRI SHEELY,** purchasing/traffic manager, Altronic

demand picks up. Smaller LTL carriers don't have this luxury, nor do TL companies that don't have the terminal yard capacity to store equipment.

Eliminating capacity is a double-edged sword that some carriers are ominously straddling. They are looking to uncover quick, short-term business and fill trucks by delivering competitive prices while also cementing existing relationships for the long term. But removing assets also jeopardizes market position and strength.

"We've recently seen carriers shrink their fleets and/or expand their customer base to ride out this economic storm," reports one trucker. "When overall freight volumes rebound, these carriers will find it difficult to honor commitments made to that expanded shipper base and experience extremely tight capacity. Shippers who take a longer-term view will avoid the difficulties that come with having an oversold, overextended carrier on their side."

FIGURE 3. Trucker IT Capabilities



Truckers satisfy a core need by transporting freight. But many shippers now depend on carrier partners to contribute more than just space.

This year, 82 percent of surveyed carriers indicate they supply customers with email alerts and real-time visibility into shipment movement from origin to destination. Equally important, 61 percent offer online logistics services such as advance ship notices and claims filing, giving shippers actionable information they can convey to supply chain partners and customers; and 57 percent provide online pricing and routing information.

Pinpoint shipment tracking is still taking time to develop. While 44 percent and 23 percent of carriers provide bar code and RFID capabilities respectively, only 32 percent and 19 percent offer item-level visibility for those solutions. Moreover, only 19 percent of surveyed trucking companies offer any-time visibility and communication to their drivers.

Shifting Into the Future

Carriers have been proactive and vocal preaching the gospel of long-term collaboration to stir and awaken their customers to a looming reality: a return to "normalcy" will likely resurrect dormant issues such as driver shortages, Hours-of-Service regulations, capacity scarcity, congestion, and infrastructure neglect. And if that isn't reason enough, both shippers and truckers are waiting with bated breath for the very real possibility of a major market event that could severely tip the capacity/demand scale in the truckers' favor.

Among carriers, 69 percent believe customers are aware of the potential capacity crunch when the economy rebounds, closely paralleling 2008 data. By comparison, only 58 percent of shippers identify this as a concern, a drop of three percent over last year.

This divergence in opinion may simply be attributed to an expectation gap. Shippers are concentrating on the here and now to massage stakeholder interests. Carriers, with little else to hitch their tractors to in the current market, are selling customers on the future.

"We have attempted to make customers aware of the inevitable capacity shrinkage," says one carrier. "Most shippers, however, appear poised to take advantage of current rates as a result of capacity abundance and current production levels."

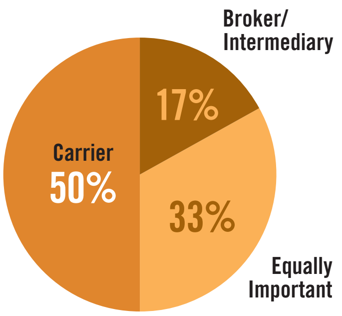
But as other trucking companies note, corporate blinders may exacerbate this anomaly, particularly when the executive level fails to weigh the importance of transportation and logistics on the bottom line.

"We believe logistics departments' decision-making is overridden by CFOs and CEOs, which will negatively impact their ability to gain capacity when volumes return," says one carrier.

If that's not a sign that logistics and supply chain management are still treading water in executive boardrooms, one carrier observes that some customers still don't understand that supply chain solutions cannot be served though short-term reactions: "Collaborative and consultative relationships are vital cogs

FIGURE 4. SHIPPERS RESPOND:

What's more important, your relationship with your carrier or with your broker/intermediary?



When capacity is tight, many shippers rely on brokers and 3PLs to align capacity with demand. But following last year's trend, more companies are relying on intermediaries to locate the best pricing in spot markets and lanes, reinforcing a subtle, if important, shift in how motor freight buyers purchase space.

Half of surveyed shippers acknowledge that their relationship with carriers is most important (compared to 53 percent in 2008), while 17 percent report a higher regard for partnerships with brokers/intermediaries, and 33 percent (30 percent in 2008) perceive both relationships as equally important.

Given current economic pressures, shippers see freight brokers and their networks as a practical means for finding the most competitive rates. At the same time, many carriers are relying on intermediaries themselves to fill capacity and ship fuller loads.

For many companies, the freight broker serves as a complement to core carrier partnerships. "I work with carriers directly for expediting shipments, but with brokers for other loads," says one shipper. Another freight buyer reports that it uses third parties to review individual lane quotes and to keep carriers honest. But it also has a say in which trucking companies are used.

One challenge for shippers is differentiating carriers who act as brokers and brokers who masquerade as carriers. Most carriers also have freight forwarding authority and function essentially as brokers, or utilize brokers to their advantage. Customers needing to move freight call the carrier for quotes and service. Sales people, in turn, contact one or more brokers to get a quote, then respond to the customer with a marked-up price and try to close the deal.

Still, for the majority of freight buyers, and reflecting the 50 percent tilt, working with carriers is the preferred means. "I find less control dealing with transport brokers, and more reliability when dealing with carriers directly," reports one shipper.

in developing comprehensive and sustainable logistics solutions."

The repercussions such oversight might bring to shippers will likely depend on the speed of economic recovery. A slower, more curved rebound will allow carriers to react and acquire necessary capacity to meet demand. A sharper and swifter upturn will only stifle economic expansion and growth.

For the time being, and amid speculation that the recession has turned, the former scenario appears more likely. Motor freight carriers, the leading indicators of fortune and famine, are unanimous that the U.S. economy will remain in a holding pattern for the near term. On the plus side, only five percent of respondents expect conditions to get worse. More sobering, only 32 percent see the economy improving, while 63 percent see more of the same through the end of the year into early 2010. ■

2009 TOP 100 MOTOR CARRIERS

Spotting best-of-breed trucking partners that can meet your unique challenges and take your business down new roads of innovation and efficiency requires a great deal of due diligence. Asking the right questions and finding carriers with the best answers helps align expectations and build a foundation for long-term success.

***Inbound Logistics*' Top 100 Motor Carriers list is a good place to get the wheels rolling. IL editors selected this year's pack from a pool of more than 200 companies, evaluating questionnaires, conducting online research, and talking and emailing with both truckers and shippers.**

The Top 100 list captures a definitive slice of the trucking market, from large TL and LTL players to regional bulk freight haulers and every stripe in between. Their diverse assets and expertise match the unique needs of over-the-road shippers.

As complementary sources of information, our Trucking Perspectives market insight report and Top 100 Motor Carriers directory provide a top-down and inside-out guide to help put your cargo in the right hands and your company in the driver's seat.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INBOUND LOGISTICS' 2009

TOP 100 Motor Carriers

COMPANY & URL	PHONE	GLOBAL	NORTH AMERICA	US NATIONWIDE	US MULTI-REGIONAL	US REGIONAL	LTL	TL	PACKAGE	EXPEDITED	LOGISTICS SERVICES	DCC	INTERMODAL	HOUSEHOLD GOODS	BULK	MVC	REFRIGERATED	TANK CAR	WHITE GLOVE	FINAL MILE
		OPERATING AREAS					TRUCKING SERVICES													
A&R Transport www.artransport.com	800-542-8058		●				●	●		●	●	●	●				●			
A. Duie Pyle www.aduiepyle.com	800-523-5020					●	●	●		●	●									●
AAA Cooper www.aaacooper.com	334-793-2284					●	●					●	●							
ABF Freight System www.abf.com	479-785-8700		●				●	●		●			●	●					●	
Arnold Transportation www.arnoldtrans.com	800-388-8320				●	●		●			●	●	●							
Arrow Trucking www.arrowtrucking.com	800-759-2009		●					●												
Averitt Express www.averittexpress.com	1-800-AVERITT	●					●	●	●	●	●	●	●				●			
Barr-Nunn Transportation www.barr-nunn.com	515-999-3018			●	●	●		●		●	●	●								
Bennett Motor Express www.bennettig.com	800-866-5500		●				●	●			●	●	●			●				
Bilkays Express www.bilkays.com	908-289-2400					●	●	●			●	●								
Bison Transport www.bisontransport.com	800-GO-BISON		●					●		●	●	●	●	●		●	●			
Boyd Bros. Transportation www.boydbros.com	334-775-1400		●					●			●									
Bridge Terminal Transport www.bttinc.com	704-571-2626		●										●			●	●	●		
Bulkmatic Transport www.bulkmatic.com	219-972-7707		●												●					
C.R. England www.crengland.com	801-972-2712		●				●	●			●	●	●		●		●			
Cardinal Logistics www.cardlog.com	800-800-8293			●			●	●			●	●			●		●		●	●
Cargo Transporters www.cgor.com	828-459-3232			●				●		●		●								
Carlile Transportation www.carlile.biz	800-478-1853		●				●	●			●	●	●		●	●	●	●	●	
Celadon Trucking Services www.celadontrucking.com	800-729-9790		●					●					●							
Central Freight Lines www.centralfreight.com	800-782-5036				●		●			●	●	●								

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors only, does not include trailers
DNR	Did Not Report

SPECIALIZATION	FLEET SIZE	UNION STATUS	PUBLIC OR PRIVATE	NUMBER OF TERMINALS	CLAIMS RATIO (% OF SHIPMENTS)	ON-TIME DELIVERY	TECHNOLOGY SERVICES: RFID	BAR CODE	SKU LEVEL RFID	SKU LEVEL BAR CODE	CUSTOMER EMAIL ALERTS	ONLINE PRICING/ROUTING	LOGISTICS WEB TOOLS	VISIBILITY/DRIVER COMMUNICATION
Bulk plastic, refrigerated	700	N	PRIV	23	< .05%	99.1%	●	●	●	●				●
General freight	835	N	PRIV	17	.05%–1%	99.2%	●				●	●	●	●
None	2,200	N	PRIV	81	.05%–1%	98%		●			●	●	●	●
General freight	3,700	U	PUB	283	.05%–1%	92%		●			●	●	●	●
Retail, paper	1,250	N	PRIV	8	< .05%	98.6%					●	●	●	
Steel commodities/FAK	1,400	N	PRIV	6	DNR	95%								
All markets	4,135	N	PRIV	100	< .05%	DNR		●			●	●	●	
Consumer care products, food and food containers, expedited freight	530	N	PRIV	3	< .05%	98.5%					●		●	●
Heavy haul, air and space, government services	633	N	PRIV	137	.05%–1%	99.8%	●				●	●	●	●
General commodities	25	U	PRIV	1	< .05%	99.5%		●		●	●	●		
Retail, manufacturing, food and beverage, paper, agriculture	1,050	N	PRIV	6	< .05%	98%					●		●	●
Metals, building materials	670	N	PRIV	3	< .05%	99.7%					●	●		●
Marine container, ISO tank carrier	2,019	N	PRIV	38	< .05%	98.7%					●			●
Dry/liquid bulk, chemical and food grade, rail-to-truck transfer, bulk	550	N	PRIV	50	< .05%	97%						●		●
Temperature-controlled food, pharmaceuticals, LTL linehaul	3,500	N	PRIV	DNR	DNR	DNR					●	●	●	●
Construction & building materials, automotive, retail, manufacturing	1,560	N	PRIV	124	.05%–1%	99%	●	●	●	●	●		●	●
Dry van, non-hazmat	375	N	PRIV	1	< .05%	96%					●		●	●
Oil/gas, construction, wholesale and retail, mining, government	400	N	PRIV	10	< .05%	95%					●		●	
Dry goods	3,168	N	PUB	7	< .05%	96%								
Retail, chemical, oil/gas, automotive, 3PL, general commodities	1,533	N	PRIV	51	< .05%	98.6%		●			●	●		●

Information supplied by trucking companies. Where data was not provided, historical and web site information was used.

INBOUND LOGISTICS' 2009

TOP 100 Motor Carriers

		OPERATING AREAS					TRUCKING SERVICES													
COMPANY & URL	PHONE	GLOBAL	NORTH AMERICA	US NATIONWIDE	US MULTI-REGIONAL	US REGIONAL	LTL	TL	PACKAGE	EXPEDITED	LOGISTICS SERVICES	DCC	INTERMODAL	HOUSEHOLD GOODS	BULK	MVC	REFRIGERATED	TANK CAR	WHITE GLOVE	FINAL MILE
Central States www.cstruck.com	630-415-9876					●	●			●		●	●							
CEVA Ground www.selectscg.com	888-862-4593		●				●	●		●	●	●								
Challenger Motor Freight www.challenger.com	519-616-0384	●					●	●		●	●	●	●		●		●			
Concord Transportation www.concordtransportation.com	800-387-4292		●				●	●	●	●	●						●			●
Con-way Freight www.con-way.com/freight	734-994-6600		●				●					●								●
Con-way Truckload www.con-way.com/truckload	417-623-5229		●					●				●								
Covenant Transportation Group www.covenanttransport.com	800-974-8332			●		●		●		●		●		●			●			
Crete Carrier Corporation www.cretecarrier.com	402-479-8770			●				●									●			
CRST International www.crst.com	800-204-9607		●					●		●	●	●								
Daily Express www.dailyexp.com	800-733-2459		●					●												
Dart Transit www.dart.net	800-366-9000		●					●			●	●	●							
Daylight Transport www.dylt.com	800-468-9999				●		●			●										
Dayton Freight Lines www.daytonfreight.com	937-415-1715		●				●	●			●									
Epes Transport System www.epestransport.com	336-931-9792				●			●												
Erb Transport www.erbgroup.com	519-662-2710		●				●	●		●	●	●					●			
Estes Express Lines www.estes-express.com	804-353-1900	●					●	●		●	●		●			●			●	●
Evans Network of Companies www.evansdelivery.com	877-39-EVANS			●				●		●	●	●	●				●			
FedEx Custom Critical www.customcritical.fedex.com	800-762-3787	●						●		●						●	●		●	
FedEx Freight www.fedex.com	800-463-3339		●				●													
FedEx Ground www.fedex.com	800-463-3339		●						●											

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors only, does not include trailers
DNR	Did Not Report

SPECIALIZATION	FLEET SIZE	UNION STATUS	PUBLIC OR PRIVATE	NUMBER OF TERMINALS	CLAIMS RATIO (% OF SHIPMENTS)	ON-TIME DELIVERY	TECHNOLOGY SERVICES: RFID	BAR CODE	SKU LEVEL RFID	SKU LEVEL BAR CODE	CUSTOMER EMAIL ALERTS	ONLINE PRICING/ROUTING	LOGISTICS WEB TOOLS	VISIBILITY/DRIVER COMMUNICATION
FAK	300	B	PRIV	2	< .05%	97%					●			●
High-value	450	N	PRIV	7	.05%–1%	96%					●			
All manufacturing and retail	1,550	N	PRIV	10	< .05%	98.7%	●	●	●	●	●	●	●	●
Retail, high-value electronics, entertainment, pharmaceutical	200	N	PRIV	25	< .05%	98.5%	●	●	●	●	●	●	●	●
General	12,000	N	PUB	365	.05%–1%	98.8%		●		●	●	●	●	
General	2,600	N	PUB	5	< .05%	98.6%						●		●
JIT, expedited, hazmat, constant security, deferred ground, retail, food and beverage	3,200	N	PUB	20	.05%–1%	97%					●		●	●
Food and grocery, paper, retail, manufacturing	5,405	N	PRIV	20	DNR	98%					●	●		
Expedited, steel, brokerage	2,944	N	PRIV	19	< .05%	98%					●			●
Construction, agriculture, mining, cranes, materials	310	N	PRIV	10	< .05%	97%					●			●
General commodities	2,500	N	PRIV	6	< .05%	98.3%					●		●	●
General	5,000	N	PRIV	3	.05%–1%	98%					●	●		●
General commodities	950	N	PRIV	40	.05%–1%	98.1%						●	●	●
Home improvement, tobacco, health and beauty, general commodities	750	N	PRIV	5	< .05%	98%					●			●
Refrigerated transportation of food, pharmaceuticals, etc.	703	N	PRIV	10	.05%–1%	98.5%					●	●	●	●
All markets	7,789	N	PRIV	204	< .05%	95%		●			●	●	●	●
Containerized freight	1,400	N	PRIV	80	< .05%	98.5%					●			
Pharmaceuticals, electronics, automotive, art, manufacturing, temperature control	1,300	N	PUB	0	< .05%	99%					●	●		●
Transportation solutions	13,640	N	PUB	470	.05%–1%	DNR		●			●		●	
Small-package ground shipments up to 150 lbs.	22,000	N	PUB	500	< .05%	DNR		●			●	●		

Information supplied by trucking companies. Where data was not provided, historical and web site information was used.

INBOUND LOGISTICS' 2009

TOP 100 Motor Carriers

COMPANY & URL	PHONE	GLOBAL	NORTH AMERICA	US NATIONWIDE	US MULTI-REGIONAL	US REGIONAL	LTL	TL	PACKAGE	EXPEDITED	LOGISTICS SERVICES	DCC	INTERMODAL	HOUSEHOLD GOODS	BULK	MVC	REFRIGERATED	TANK CAR	WHITE GLOVE	FINAL MILE
		OPERATING AREAS					TRUCKING SERVICES													
FFE Transportation Services www.ffeinc.com	800-569-9200		●				●	●			●	●	●				●			
FLS Transport www.flstransport.com	514-739-0939		●					●		●	●		●				●		●	
Furniture Transport Group www.furnituretransportgroup.com	336-812-8207		●				●	●			●									
Gale Triangle www.ptgt.net	562-345-2212				●		●	●		●	●	●	●		●					●
Givens Transportation www.givens.com	800-446-8195		●				●	●		●	●	●	●				●		●	
Gordon Trucking www.gordontrucking.com	800-426-8486		●					●		●	●						●			
Greatwide Logistics Services www.greatwide.com	972-228-7300		●					●		●	●	●			●		●	●		
Groendyke Transport www.groendyke.com	800-843-2103		●												●					
Heartland Express www.heartlandexpress.com	800-451-4621			●	●	●		●												
Interstate Distributor Co. www.intd.com	800-426-8560		●					●		●	●	●	●				●			
J.B. Hunt Transport Services www.jbhunt.com	800-643-3622		●				●	●		●	●	●	●		●		●		●	●
KLLM Transport Services www.kllm.com	601-936-5645		●					●			●	●	●				●			
Knight Transportation www.knighttrans.com	800-489-2000		●					●			●	●	●				●			
Landstar www.landstar.com	800-872-9169		●				●	●		●	●	●	●			●	●			
Lily Transportation Corp. www.lily.com	800-248-5459		●									●								
Lynden www.lynden.com	888-596-3361	●					●	●	●	●	●	●	●	●	●	●	●	●	●	●
Marten Transport Services www.marten.com	800-395-3000		●					●		●	●	●	●				●			
May Trucking Company www.maytrucking.com	503-373-7030			●				●			●	●					●			
Mayflower www.mayflower.com	800-629-6683	●					●	●		●	●	●	●	●	●	●	●		●	●
Megatrux Transportation www.megatruxtrans.com	800-541-7722		●				●	●		●	●	●	●							

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors only, does not include trailers
DNR	Did Not Report

SPECIALIZATION	FLEET SIZE	UNION STATUS	PUBLIC OR PRIVATE	NUMBER OF TERMINALS	CLAIMS RATIO (% OF SHIPMENTS)	ON-TIME DELIVERY	TECHNOLOGY SERVICES: RFID	BAR CODE	SKU LEVEL RFID	SKU LEVEL BAR CODE	CUSTOMER EMAIL ALERTS	ONLINE PRICING/ROUTING	LOGISTICS WEB TOOLS	VISIBILITY/DRIVER COMMUNICATION
Candy, meat products, frozen foods, fresh produce, pharmaceuticals	2,100	N	PUB	14	< .05%	98%					●	●	●	●
Retail	365	N	PRIV	17	< .05%	98.7%	●	●	●	●	●	●	●	●
Furniture	600	N	PRIV	6	< .05%	97%	●	●	●	●	●	●	●	●
Retail, apparel, consumer electronics, hard goods, furniture, cosmetics/accessories	500	B	PRIV	10	< .05%	99.4%	●	●	●	●	●	●	●	●
Automotive, motorcycles and recreation vehicles, retail merchandise	DNR	N	PRIV	7	< .05%	98.5%		●	●				●	
Food, beverage, paper	1,410	N	PRIV	9	< .05%	98.8%					●			
Food, produce, CPG, temperature-controlled	4,000	N	PRIV	71	< .05%	99.7%	●	●	●	●	●		●	●
Chemicals, fuels, acids, lubricants, asphalt, dry bulk	1,003	N	PRIV	32	< .05%	99.9%								●
Consumer goods, retail, food, paper/plastics, manufacturing, automotive	DNR	N	PUB	12	< .05%	98.8%					●			●
FAK	2,500	N	PRIV	8	< .05%	99.5%					●			●
Retail, food and beverage, building materials	9,300	N	PUB	21	< .05%	99%		●		●	●	●	●	●
Food and beverage/produce, household goods, pharma	1,500	N	PRIV	5	< .05%	98.5%					●	●		
General commodities	3,700	N	PUB	49	< .05%	98.6%					●	●		●
Manufacturing, retail, distributors/wholesale, service industries, government	9,039	N	PUB	DNR	.05%–1%	99.9%		●		●	●	●	●	●
Time, temperature, multi-stop, sensitive products	460	N	PRIV	34	< .05%	99%		●		●				●
Oil/gas, mining, construction, retail, manufacturing	631	B	PRIV	65	< .05%	98%	●	●	●	●	●		●	●
Temperature-controlled, food items, beverages, pharmaceuticals	2,492	N	PUB	8	< .05%	98%					●			●
General merchandise	950	N	PRIV	8	< .05%	98.7%					●	●	●	●
Household goods, high-value products, trade shows, special commodities	DNR	B	PRIV	324	< .05%	99.%		●		●				
General freight/ FAK	225	N	PRIV	8	< .05%	99%	●	●	●	●	●	●	●	●

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INBOUND LOGISTICS' 2009

TOP 100 Motor Carriers

COMPANY & URL	PHONE	OPERATING AREAS: GLOBAL	NORTH AMERICA	US NATIONWIDE	US MULTI-REGIONAL	US REGIONAL	TRUCKING SERVICES: LTL	TL	PACKAGE	EXPEDITED	LOGISTICS SERVICES	DCC	INTERMODAL	HOUSEHOLD GOODS	BULK	MVC	REFRIGERATED	TANK CAR	WHITE GLOVE	FINAL MILE
Melton Truck Lines www.meltontruck.com	918-234-8000		●					●		●	●	●				●				
Mercer Transportation www.mercer-trans.com	800-626-5375		●					●												
Milan Express www.milanexpress.com	800-231-7303				●	●	●	●		●		●								
Miller Transporters www.millert.com	800-645-5378		●										●		●					
National Retail Systems www.nrsonline.com	877-345-4NRS	●					●	●			●	●	●	●			●			●
New England Motor Freight www.nemf.com	908-965-0100		●				●	●		●	●	●			●		●		●	●
New Penn www.newpenn.com	800-285-5000		●				●			●										
NFI Transportation www.nfiindustries.com	877-NFI-3777			●				●			●	●	●				●	●		
Oak Harbor Freight Lines www.oakh.com	253-388-8300					●	●	●												
Old Dominion Freight Line www.odfl.com	800-235-5563	●					●	●		●	●	●	●			●			●	
Panther Expedited Services www.pantherexpedite.com	800-685-0657		●					●		●	●	●					●		●	
Pascall Truck Lines www.ptl-inc.com	800-626-3374		●					●			●									
Penske Logistics www.penskelogistics.com	800-529-6531	●					●	●			●	●	●	●	●	●	●		●	●
Pitt Ohio Express www.pittohio.com	800-366-7488					●	●	●	●	●	●	●							●	
Prime Inc. www.primeinc.com	800-848-4560		●					●			●				●		●			
Quality Carriers www.qualitydistribution.com	813-569-7286		●									●	●		●					
R&L Carriers www.gorlc.com	800-543-5589		●				●			●	●									
Roehl Transport www.roehl.net	715-591-3795			●				●								●				
Ruan Transport Corp. www.ruan.com	866-782-6669		●				●	●			●	●	●		●		●			
Ryder www.ryder.com	888-88-RYDER		●				●	●		●	●	●	●	●		●	●			●

U	Union
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FLEET SIZE	Tractors only, does not include trailers
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SPECIALIZATION	FLEET SIZE	UNION STATUS	PUBLIC OR PRIVATE	NUMBER OF TERMINALS	CLAIMS RATIO (% OF SHIPMENTS)	ON-TIME DELIVERY	TECHNOLOGY SERVICES: RFID	BAR CODE	SKU LEVEL RFID	SKU LEVEL BAR CODE	CUSTOMER EMAIL ALERTS	ONLINE PRICING/ROUTING	LOGISTICS WEB TOOLS	VISIBILITY/DRIVER COMMUNICATION
Steel, aluminum, building materials, roofing	1,000	N	PRIV	6	< .05%	99.4%					●		●	
Building and construction materials, metal products, machinery and equipment	1,878	N	PRIV	85	< .05%	96%								
General commodities	1,200	N	PRIV	35	.05%–1%	97%					●	●	●	●
Liquid and dry bulk	400	B	PRIV	18	< .05%	99.4%						●		
Retail, pharmaceutical, electronics, high-value goods	2,200	B	PRIV	31	< .05%	99%		●			●	●	●	●
Grocery, retail	6,000	B	PRIV	40	.05%–1%	99.3%	●	●		●	●	●	●	●
Industrial, retail, hazmat, pharmaceutical	850	U	PUB	25	< .05%	97.8%		●		●	●	●	●	●
Distribution, logistics, intermodal, dedicated and OTR transport	2,000	N	PRIV	36	.05%–1%	99.7%	●	●	●	●	●	●	●	●
General commodities	550	B	PRIV	33	.05%–1%	98.1%		●				●		●
Plastic articles, piece goods, electronic equipment, printed matter	5,400	N	PUB	211	.05%–1%	98.7%	●	●			●	●	●	●
Government, life science, pharmaceutical, high-tech, entertainment, consumer retail	1,185	N	PRIV	11	< .05%	98.7%					●	●	●	●
FAK	1,150	N	PRIV	5	< .05%	99%								
Consumer products, automotive, healthcare/pharma, high-tech electronics	2,100	B	PRIV	DNR	< .05%	DNR	●	●	●	●	●	●	●	●
General commodities	1,061	N	PRIV	21	.05%–1%	98%					●	●	●	●
Transportation service	4,000	N	PRIV	9	< .05%	98.5%					●			
Petrochemicals, dry bulk flowable materials, intermodal	3,000	B	PUB	100	< .05%	98%								
Hazmat, express jet	13,000	N	PRIV	DNR	DNR	DNR					●		●	●
Paper, retail merchandise	1,746	N	PRIV	7	.05%–1%	90.2%					●			●
Bulk dairy and grain, retail, grocery, refrigerated and frozen, industrial gases	4,679	B	PRIV	166	.05%–1%	99.6%	●			●	●		●	●
Aerospace, industrial manufacturing, high-tech electronics, construction materials	3,654	B	PUB	600	.05%–1%	98%	●	●	●	●	●		●	●

Information supplied by trucking companies. Where data was not provided, historical and web site information was used.

INBOUND LOGISTICS' 2009

TOP 100 Motor Carriers

COMPANY & URL	PHONE	OPERATING AREAS: GLOBAL	NORTH AMERICA	US NATIONWIDE	US MULTI-REGIONAL	US REGIONAL	TRUCKING SERVICES: LTL	TL	PACKAGE	EXPEDITED	LOGISTICS SERVICES	DCC	INTERMODAL	HOUSEHOLD GOODS	BULK	MVC	REFRIGERATED	TANK CAR	WHITE GLOVE	FINAL MILE
Saia www.saia.com	800-765-7242				●		●	●		●										
Schneider National www.schneider.com	800-558-6767		●					●		●	●	●	●		●		●			●
Southeastern Freight Lines www.sefl.com	800-637-7335				●		●													
Standard Forwarding www.standardforwarding.com	800-447-2012					●	●			●	●	●				●				
STI www.stidelivers.com	800.234.2788		●				●				●								●	●
Swift Transportation www.swifttrans.com	800-800-2200		●					●			●	●	●				●			
Transport Corp. of America www.transportamerica.com	651-686-2574		●					●		●		●								
Trimac Transportation www.trimac.com	281-985-0065		●												●					
U.S. Xpress Enterprises www.usxpress.com	423-510-3355		●				●	●		●	●	●	●	●	●					
United Van Lines www.unitedvanlines.com	800-225-9544	●								●	●	●	●	●	●	●	●		●	●
Universal Truckload Services www.goutsi.com	586-920-0154		●					●		●	●	●	●	●			●			
UPS www.ups-scs.com	800-742-5727		●				●	●	●	●	●	●	●	●	●	●	●	●	●	●
Vitran Corporation www.vitran.com	416-798-4965		●				●	●		●	●		●				●			
Ward Transport & Logistics www.wardtlc.com	800-458-3625		●				●	●		●	●	●	●		●				●	
Werner Enterprises www.werner.com	800-228-2240		●				●	●	●	●	●	●	●	●	●	●	●	●	●	●
West Bros. Transportation www.westbros.com	919-281-1162			●	●	●		●		●	●	●					●			
Western Express www.westernexp.com	615-259-9920		●					●				●								
Willis Shaw Logistics www.willisshaw.com	479-248-7261			●	●	●		●			●	●					●			
Wilson Trucking Corporation www.wilsontrucking.com	540-949-3200					●	●			●		●								
YRC www.yrc.com	800-610-6500		●				●	●		●	●			●			●		●	●

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors only, does not include trailers
DNR	Did Not Report

SPECIALIZATION	FLEET SIZE	UNION STATUS	PUBLIC OR PRIVATE	NUMBER OF TERMINALS	CLAIMS RATIO (% OF SHIPMENTS)	ON-TIME DELIVERY	TECHNOLOGY SERVICES: RFID	BAR CODE	SKU LEVEL RFID	SKU LEVEL BAR CODE	CUSTOMER EMAIL ALERTS	ONLINE PRICING/ROUTING	LOGISTICS WEB TOOLS	VISIBILITY/DRIVER COMMUNICATION
General	3,500	N	PUB	148	< .05%	97%		●		●	●	●	●	●
Retail, manufacturing, electronics, paper products, bulk specialty chemical, fuel	12,500	B	PRIV	24	.05%–1%	DNR	●	●	●	●	●	●	●	●
General	2,400	N	PRIV	76	< .05%	99.2%		●			●	●	●	●
Manufacturing, heavy industrial	300	U	PRIV	15	< .05%	99%					●	●	●	●
High-tech, medical electronics, trade shows, robotics, copiers, store fixtures	1,100	N	PRIV	44	< .05%	98.7%		●		●	●	●	●	●
Intermodal, container, flatbed, logistics, refrigerated, dedicated	17,346	N	PRIV	40	< .05%	99%					●	●	●	●
Retail, expedited air freight, consumer and food products	1,350	N	PRIV	9	< .05%	98.2%					●	●	●	●
Dry/liquid bulk, industrial gases	2,500	B	PRIV	128	< .05%	98.8%								
Dry freight	10,200	N	PRIV	50	.05%–1%	DNR	●	●	●	●	●	●	●	●
Household goods, high-value products, trade shows, special commodities	DNR	B	PRIV	407	< .05%	99.8%		●		●				
Steel, wind, building products, automotive	4,100	N	PUB	700	.05%–1%	99.5%					●		●	●
Healthcare, retail, automotive and industrial manufacturing, electronics	8,065	B	PUB	215	.05%–1%	DNR	●	●	●	●	●	●	●	●
LTL, logistics	2,253	N	PUB	130	.05%–1%	98%	●	●	●	●	●	●	●	●
Manufacturing, finished products, paper, chemical, retail, pharmaceutical, food	650	N	PRIV	22	< .05%	97.5%					●			●
CPG, retail, manufacturing, industrial, grocery, logistics	7,285	N	PUB	11	< .05%	99%			●	●	●	●	●	●
Pharmaceuticals, corrugated, utilities, manufacturing	255	N	PRIV	6	< .05%	99.3%	●	●			●		●	●
FAK	2,800	N	PRIV	19	< .05%	98%								
Refrigerated	700	N	PRIV	4	.05%–1%	97%					●			
General commodities	1,200	N	PRIV	40	.05%–1%	98.7%		●			●	●		
Manufacturing, retail, government, exhibit/trade shows, associations, importers	13,000	U	PUB	430	> 1%	DNR	●	●				●	●	

Information supplied by trucking companies. Where data was not provided, historical and web site information was used.

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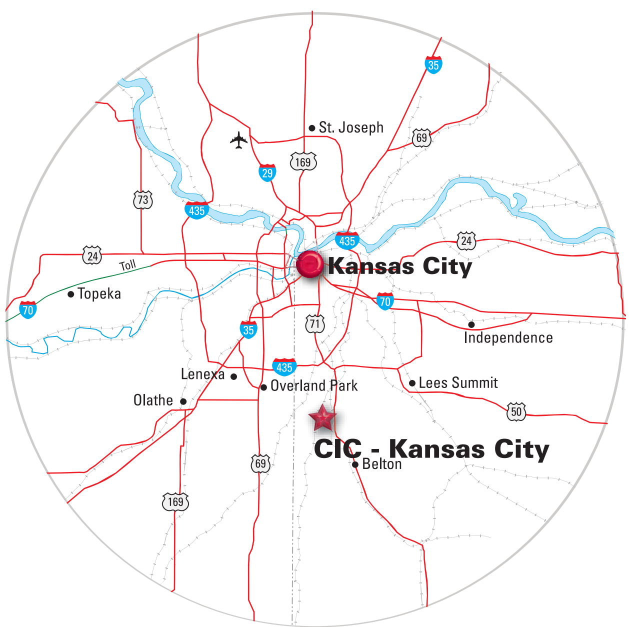

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Need to be within easy reach of just about everything? Missouri is the place to be.

Imagine a huge, flat, rigid map of the country covered with millions of identical chess pieces, each representing a U.S. resident where he or she lives. Place that map on a support, and the spot where it balanced would be the mean center. The last time the Census Bureau did that calculation, it found the nation's point of perfect population balance in Phelps County, Missouri.

That ideal location in the center of the United States is just one of many features that make Missouri a stellar spot for logistics. Locate a production plant or distribution center in Missouri and you're within easy reach of 20 states and a large portion of the nation's commercial markets.

And "easy reach" doesn't mean simply as the crow flies. Missouri's transportation infrastructure includes 18 interstates plus many other four-lane U.S. highways, five Class I railroads, 13 public port authorities, 131 airports, and eight major intermodal facilities. Together, they provide a wealth of options for connecting efficiently with the rest of the country and the world.

Missouri is the 18th most populous state in the United States and one of the largest in the Midwest. Thanks in large part to its state education system, its population of 5.9 million residents includes three million highly educated workers. Those workers, and the companies that employ them, have helped to make Missouri one of the most diversified economies in the nation. The state boasts the fifth-lowest cost of living in the United States and the eighth-lowest business costs of any state. In 2008, the Bureau of Business Research at Indiana's Ball State University ranked Missouri first among the states for manufacturing and logistics.

A WEALTH OF OPTIONS: **Missouri boasts 18 interstates, in addition to other four-lane highways, railroads, airports, and intermodal facilities.**

ROADS TO EVERYWHERE

The story of Missouri as a vital link for U.S. commerce started in May 1804, when the Lewis and Clark expedition pushed off the Missouri River's banks just north of St. Louis to explore the newly purchased Louisiana Territory. That journey of exploration on what would become a major commercial thoroughfare helped open the western half of the continent to settlement and trade.

Today, for companies that move goods in and out of their facilities, the big story about Missouri still centers on its transportation resources. For starters, consider the state's 32,800 miles of highway, including 1,180 miles of interstates. Taken together, these make up the seventh-largest highway system in the nation, an efficient and largely uncongested network for over-the-road transportation.

Major east-west highways in Missouri include I-44, I-64, and I-70; north-south routes include I-29, I-35, and I-55. Other interstate routes providing more localized transportation include 435, 635, and 470 near Kansas City, and 270 and 170 near St. Louis.

Numerous four-lane U.S. highways add to Missouri's inventory of efficient routes. For example, U.S. 61 in eastern Missouri forms part of the Avenue of the Saints, a

Missouri's highway system, the nation's seventh-largest, comprises 32,800 miles of road, including this section in Kansas City.

corridor linking St. Louis with St. Paul, Minn. Highways 60, 54, 50, and 36 are major east-west routes, and Highways 65 and 71 cross the state from top to bottom.

That road network, already excellent, is seeing continuous improvement. During the past few years, Missouri has invested nearly $2.5 billion of state money in expanding more sections of highway to four lanes. Over the longer term, transportation officials hope to make parts of Missouri's highway network even more hospitable to truck traffic, building some of the nation's first dedicated truck lanes on I-70 and I-44. The plan is to add two lanes in each direction to the existing two, separating passenger vehicles from heavy commercial traffic.

"Dedicated truck lanes allow for flexibility," says Pete Rahn, director of the Missouri Department of Transportation. "Heavier and longer-dimension trucks can travel those lanes, separate from family vehicles." Missouri is working to obtain funds to support this initiative, he adds.

Continues on page 78

Logistics. We get it.

The infrastructure of Hazelwood has always been an advantage. Just to the north of Lambert-St. Louis International Airport, and near major U.S. interstate highways, we are the ideal site for logistics, warehousing and distribution. With Park 370 and the Hazelwood Logistics Center already operational, and the Aviator Business Park now being developed, the City of Hazelwood is positioning itself as a leader in the logistics industry.

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The St. Louis Connection

"Perfectly Centered" and "Remarkably Connected"—that's what the St. Louis Regional Chamber and Growth Association (STLRCGA) calls the city. According to STLRCGA, one-third of the U.S. population lives within about 500 miles of St. Louis, and 90 percent of the people in North America live within 1,500 miles of the city.

"St. Louis is a wonderful logistics hub," says Milton Cornwell, chief operating officer at Materialogic, a full-service 3PL based in the city. "You can't do much better if you're looking for a central location to disseminate materials from, and to manage your freight costs and time in transit."

Along with the highways that converge in the city, St. Louis stands at the confluence of three major rivers, the Mississippi, Missouri, and Illinois. The Tri-City Regional Port District, which includes St. Louis, is the second-largest inland port in the country, serving about 2,500 barges each year. That port also is the northernmost facility on the inland waterway that stays free of ice all year. In addition, six Class I railroads and five short lines serve the city.

"St. Louis is an easy place to get to for all of your inbound freight," says Cornwell, whose clients include Fortune 1000 firms and online merchants, about half of them located in the St. Louis metro.

On the outbound side, freight shipped from St. Louis can reach most of the United States within three days. "That's a big key for managing freight costs," he says. Warehouse rates in the city are reasonable as well, he adds.

For a company importing goods from overseas and for distribution throughout the United States, St. Louis makes an extremely cost-effective distribution node. The central location makes distribution less expensive than it would be from, for example, Los Angeles. "Warehouse space, trucking services, and labor tend to be cheaper here," says Mike Short, manager of global logistics service provider Phoenix International's central region.

For companies that conduct logistics activities in St. Louis, another advantage lies in the city's access to Scott Air Force Base in western Illinois, headquarters to the U.S. Air Force's Global Logistics Support Center. "We benefit from the talent pool when the center's logistics personnel retire," says Denny Schoemehl, president and chief executive officer for third-party logistics provider Logistics Management Solutions.

The St. Louis advantage extends into surrounding communities, including the city of Hazelwood, which sits just north of Lambert International and benefits from its foreign trade zones.

"Most of our industrial area on the south side of Hazelwood is now part of the foreign trade zone," says David Cox, the city's economic developer. That includes the Hazelwood Logistics Center. As soon as the U.S. Department of Commerce gives its approval, the zone also will include the Aviator Business Park.

Hazelwood has 16 companies involved in logistics or distribution and 26 others that operate warehouses. "For instance, Supervalu runs grocery distribution out of Hazelwood," Cox says. "Prairie Farms Dairy runs their dairy distribution out of Hazelwood. In fact, they just consolidated some of their older operations in the Hazelwood plant."

Transportation and logistics service companies with facilities in Hazelwood include Davidson Surface/Air, Cheyenne Logistics, Ryder, and Air Express International, among many others.

GOOD NEIGHBORS: Companies in the communities surrounding St. Louis, such as Hazelwood (*top left*) and Lambert (*bottom left*), benefit from their proximity to the city's resources.

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Source: [1]2009 Texas Transportation Institute Study "A Modal Comparison of Freight Transportation Effects on the General Public"

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Continued from page 74

A truck that heads out on Missouri's highway network and travels 600 miles a day can reach most U.S. markets in one or two days. Moreover, drivers who start in Missouri can reach a remarkable variety of population centers within 11 hours, before federal law requires them to take an extended break.

"It takes less than 11 hours to drive from Kansas City to the Arkansas area," says Mark Hogan, president and CEO of UTXL, a national, non-asset-based third-party logistics company (3PL) headquartered in Kansas City. "In addition, Oklahoma can be reached in less than 11 hours, as can Dallas, Denver, Nebraska, Minnesota, Chicago, Indianapolis, Louisville, Nashville, and Memphis."

Numerous trucking companies house their headquarters in Missouri, including large firms such as Prime, United Van Lines, and Mayflower Transit in Springfield; Con-way Truckload in Joplin; and Jack Cooper Transport in Kansas City. Shipping to and from Missouri via these and other over-the-road carriers can be highly economical.

For example, a study conducted by Logistics Management Solutions (LMS), a transportation management firm, considered the cost of less-than-truckload (LTL), truckload (TL), and intermodal transportation in and out of a company headquartered in St. Louis. The exercise compared rates for moves between St. Louis and port cities on the West, Gulf, and East Coasts. It also looked at similar moves between those ports and Memphis, Indianapolis, Kansas City, and Chicago.

"Depending on LTL class, St. Louis ranked either the lowest cost or the second-lowest cost among the cities," says Denny Schoemehl, president and chief executive officer of LMS, which serves customers throughout the United States.

RAIL AND RIVER OPTIONS

Along with its highways, Missouri boasts 4,000 miles of railroad track, making it a major rail transportation center. Class I railroads that operate in the state include: Burlington Northern and Santa Fe (BNSF-1,785 miles), Kansas City Southern Railway (KCSR-187 miles), Norfolk Southern (NS-410 miles), Union Pacific (UP-1,221 miles), and CSX Transportation (13 miles).

Two of the largest rail terminals in the United States operate in Kansas City and

LONG-HAUL ADVANTAGE: **Trucks leaving Missouri can reach many major U.S. markets within 11 hours, before federal law requires the driver to take an extended break.**

St. Louis. In the Kansas City metropolitan area, the Kansas City Terminal Railway manages rail traffic for more than 300 trains arriving every day on 90 miles of track. The Terminal Railroad Association of St. Louis, founded in 1889, manages the interchange of rail traffic in that city. The association's current owners are UP, BNSF, CSX, Canadian National Railroad (CN), and NS.

More than 1,000 miles of navigable waterways in Missouri offer an economical and environmentally sustainable transportation alternative for shippers in many parts of the state. From St. Louis, for example, it is possible to reach 29 industrial centers – with a combined population of 90 million – by barge.

Each year, shippers transport an average of $4.1 billion of cargo on Missouri's waterways. The state is bordered by 488 miles of the Mississippi River. It also has 367 miles of the Missouri River within its boundaries and is bordered by an additional 186 miles. Thirteen public port authorities and one regional port commission operate on the two rivers.

Based in St. Louis, AEP River Operations is one of the nation's largest full-service carriers on the U.S. inland waterway network, with approximately 2,800 barges and 60 towboats carrying cargo among points as far as Brownsville, Texas; Mobile, Ala.; Chicago, and Pittsburgh. Cargo moving by river from St. Louis can consistently reach any of those regions, says Bob Blocker, AEP's director of business development, budgeting, and planning.

Because the Mississippi south of St. Louis is a deep river, unimpeded by locks or dams, shippers using it don't need to worry about delays due to lock breakdowns. Also, thanks to the river's depth, AEP can fully load its high-capacity barges. For example, grain merchants are able to transport more grain without paying a premium. "It doesn't cost too much more to move 2,300 tons versus 1,800 tons in a barge," Blocker says.

Along with grain and grain-based products, the main commodities that AEP hauls are coal, steel, and steel-related raw materials. Shippers of project cargo and intermodal containers also could enjoy the benefits of barge transportation if they locate distribution centers in St. Louis or

Thanks to the Mississippi River's depth, carrier AEP River Operations can fully load its barges.

elsewhere along the rivers in Missouri. "Many products that are imported from China arrive in containers via New Orleans," Blocker says. "Those containers could be loaded into barges."

AIR CARGO TAKES FLIGHT

Among the 131 public airports serving Missouri, two are major commercial facilities: Lambert International in St. Louis and Kansas City International Airport (KCI). Commercial service also is available in Springfield, Joplin, Columbia, Cape Girardeau, Kirksville, and Fort Leonard Wood. Thanks to Missouri's central location on the continent, passengers or freight flying from the state can reach most cities in the United States and Canada in three hours or less.

KCI is the largest cargo airport in Missouri and five adjacent states – Kansas, Nebraska, Iowa, Oklahoma, and Arkansas. Each night, trucks bring cargo from that entire region to load on planes belonging to the four all-cargo carriers that operate at KCI – FedEx, UPS, DHL, and DB Schenker – and to 10 passenger/combination cargo carriers. Two companies with cross-dock facilities at the airport, Forward Air Company and Jet Delivery Service, offer ground transportation and logistics services.

The Kansas City Department of Aviation owns approximately 11,000 acres of land, giving it one of the largest footprints of any airport in the United States. Because it has developed only about 4,000 acres, though, there's plenty of room to expand, says Gary Bartek, the department's manager of cargo development.

KCI recently attracted a new company: Smith Electric Vehicles, a UK-based manufacturer of electric delivery vehicles. "The company was attracted to the space that was available here, as well as our foreign trade zone benefits," Bartek says.

Lambert International doesn't handle nearly as much cargo as KCI. But economic development leaders and officials at the St. Louis Airport Authority are making a big push to boost that facility's cargo

I-70 CORRIDOR: Central and Smart

A direct route between Kansas City and St. Louis, the I-70 corridor offers numerous highlights of its own. Columbia, home of the University of Missouri, sits just south of the interstate. A quick drive from there down U.S. 63 takes the traveler to Missouri's state capital, Jefferson City.

Ditzfeld Transfer, one of the leading logistics firms in the Midwest, has been operating in the region since the 1960s. Today, it offers trucking and logistics services and operates 921,000 square feet of warehouse space. "Ditzfeld provides logistic services to most of the region's major companies," says Tracy Brantner, president of the Central Missouri Economic Development Alliance in Warrensburg.

A logistics operation seeking a cost-effective alternative to the state's larger metropolitan areas will find exactly that in central Missouri, says Mike Downing, executive director at Missouri CORE, an economic development group representing 12 counties, with headquarters in Jefferson City. By locating within 30 miles of Columbia, for example, a business could have access to a population base of more than 100,000 while benefiting from small town real estate pricing – or from something even better. "Several communities outside of Columbia are offering land for free with a minimum number of jobs," he says. "They also are providing 100 percent property tax abatement on real personal property, most of them for 10 years."

Book publisher Scholastic operates distribution centers in Moberly *(above)* and Jefferson City.

Several large companies have taken advantage of the CORE region's benefits by locating distribution centers there. "Dollar General has a 1.5-million-square-foot facility in Fulton, off Highway 54, about 10 miles from Interstate 70," Downing says. "Wal-Mart has a frozen foods distribution center in Moberly, and Scholastic has centers in Jefferson City and Moberly."

Further east, Montgomery County is just an hour from St. Louis but offers significant savings on land and construction. "The property tax structure here is more friendly than in St. Louis, and we've got space," says David Gaines, executive director at Montgomery City Growth, Inc. and Montgomery County Industrial Development. "If you need 100 acres on a railroad site, we've got that."

Tyson has a fresh meats distribution center in the Montgomery City Business Park. Across Highway 19 from that site, several firms have production or distribution operations in the Montgomery City Industrial Park. One is Port-a-King Building Systems, which manufactures guard shacks and toll booths. "They ship their buildings around the world," Gaines says.

Supreme Cuisine produces high-end food products in a processing plant formerly owned by a farmers' co-op. "They added on a 30,000-square-foot frozen warehouse and another 5,000-square-foot kitchen and commissary," says Gaines.

A big selling point for Montgomery County is its capacity for growth. Montgomery City, for example, could triple its population without having to add more water capacity. "And we could double the size of the town and not have to add any more wastewater capacity," Gaines says. The town has two wastewater treatment plants, both connected to the business and industrial parks, and connections to two electric substations give it a redundant power supply.

traffic. The airport has abundant available capacity. It's also uniquely positioned for logistics. "We have all the infrastructure in place that would be required of any kind of logistics business," says Brian Kinsey, the airport authority's assistant director, marketing and business development.

That infrastructure includes numerous highways near the airport, as well as "rail service that comes right into the airport," Kinsey says. "Shipments coming in by air can be readily distributed by surface transportation without the congestion and other issues that some airports experience."

As part of its effort to attract more cargo, the Airport Authority is developing 80 acres on the north side of the property. "We also have another 100-plus acres that can have access to the air field

Kansas City International Airport is the largest cargo airport in Missouri and five adjacent states.

EASTERN MISSOURI: Mississippi River Magnet

Road, river, and rail create a powerful combination for logistics operations in eastern Missouri. To the north of I-70, the region anchored by Hannibal and Kirksville is seeing rapid growth in its transportation infrastructure. Now that construction on the Avenue of the Saints (U.S. 61), the corridor that connects St. Louis and St. Paul, Minn., is complete, Missouri and Iowa are collaborating on highway upgrades to create the "Corridor of the Capitals" (U.S. 63) between Jefferson City and Des Moines. West of Hannibal, Missouri is upgrading U.S. 36 to four lanes, making it an extension to I-72 and connecting I-55 with I-35 and I-29.

"Those improvements really open up Northeast Missouri," says Gordon Ipson, manager of economic development for the Northeast Missouri Electric Power Cooperative in Palmyra and vice president of the Northeast Missouri Development Partnership, a coalition of 13 counties.

The new Mid-America Port Authority is building its first port in Quincy, Ill., just across the Mississippi north of Hannibal, giving the region its first full-featured river port. "There are already places along the river where barges are loaded and unloaded, but this will be a multi-modal port facility," Ipson says. "It will connect rail to the river port and, of course, the highway."

As a rural area, Northeast Missouri offers a ready work force with a strong work ethic. Major employers in the region include General Mills and BASF in Hannibal, and Adair Foods, a division of Kraft Foods, in Kirksville. All three are examples of the strong value-added agricultural and agriculture-related business segment in the area. A new employer in the area is a lab belonging to Human Identification Technologies, a forensics science lab based in Redlands, Calif. "It chose Kirksville because of the two universities there," Ipson says.

A collection of intermodal facilities tied to Mississippi River ports is one of the big attractions in Missouri's "Bootheel" in the southeastern corner of the state. More than 200 miles of the Mississippi River borders this region. At the northern end of that stretch, the Southeast Missouri Regional Port Authority is close to the Cape Girardeau Airport and has a six-mile short line railroad on the property. "Also, the New Madrid and Pemiscot County Port Authorities both have slack water harbors and rail," says Buz Sutherland, executive director of the Southeast Missouri Economic Development Alliance in Portageville.

Adjacent to the New Madrid County Port Authority, the Saint Jude Industrial Park encompasses 4,200 acres, including 1,720 acres available for development, and five miles of railroad. For companies developing sites in Southeast Missouri, the region's flat topography offers a particular advantage. "We have thousands of acres of shovel-ready industrial sites located on or near the interstate and U.S. highway systems," Sutherland says.

One of the most recent arrivals in Southeast Missouri is Orgill, a wholesale distributor of home improvement products, which is consolidating and modernizing its distribution network with a new, 795,000-square-foot facility under construction in Sikeston. Access to major highways and inexpensive electrical power were big draws for Orgill.

LOW COST

KANSAS CITY has the *lowest truckload shipment costs* and the *most central location* in U.S. A wide market reach and competitive shipment costs make Kansas City the *ideal location for your distribution center.*

Source: TransSystems Regional Freight Outlook Study for Kansas City, August 2009

TRUCKLOAD RATES
FROM KANSAS CITY TO MAJOR MARKETS

Los Angeles, CA	1,616 mi	$1,858
Denver, CO	601 mi	$1,262
Laredo, TX	973 mi	$1,508
Dallas, TX	490 mi	$735
St. Louis, MO	249 mi	$353
Chicago, IL	499 mi	$549
Toronto, ON	1,003 mi	$1,825
Memphis, TN	526 mi	$631
Atlanta, GA	790 mi	$987
Newark, NJ	1,189 mi	$2,176

Estimates based on 8/3/09 line haul with no FSC
Source: Transportation Logistics Systems

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in the future," Kinsey says.

Demand for that property could increase if leaders in the region succeed in an initiative to make St. Louis an entry port for air freight from China.

"With its central location and multimodal access, St. Louis makes sense as a distribution point for any goods freighted in from China," says Christopher Chung, president and CEO of The Missouri Partnership, a statewide economic development group.

Federal, state, and local officials, Chinese government officials, and potential business partners have exchanged visits to explore this initiative over the past few years. Now participants are discussing what sort of freight would fly in from China, what kinds of facilities would be needed to distribute it from Lambert International, "and what kind of freight could be received from throughout the Midwest and loaded on a plane back to the Chinese market," Chung says.

KANSAS CITY METRO: Roads, Rail Add Up to Big Business

For firms with distribution centers in the market, transportation infrastructure is one of Kansas City's main attractions. "Kansas City has more per-capita highway miles than any other city in the country," says Chris Gutierrez, president of economic development group Kansas City SmartPort. But these aren't the clogged highways you find in Los Angeles or New York. In a 2007 Texas Transportation Institute study of congestion problems in 90 U.S. urban areas, the Kansas City metro area ranked only 47th in terms of hours lost to traffic delays.

Kansas City also boasts an abundance of trucking terminals, and is the largest rail center in the country by tonnage. Add the area's air and barge capacity, and the resulting competition makes for particularly favorable transportation rates, both into and out of the city.

Kansas City's position in the heart of the heartland makes it a perfect distribution node, not only for domestic transportation networks but for international trade. "Kansas City is one of the largest customs ports for an inland city," Gutierrez says. "It also has more foreign trade zone space than any other city."

The benefits of conducting international trade through Kansas City are obvious to Stephen Puleio, southwest regional manager for Phoenix International, an international freight forwarder, non-vessel-owning common carrier (NVOCC), and customs broker based in Chicago. Compared with larger cities, he says, it's remarkably easy to conduct international trade in Kansas City. Phoenix employees have established good working relationships with local officials at federal agencies such as U.S. Customs and Border Protection, and the Transportation Safety Administration.

Surrounding communities offer many of the same benefits as Kansas City. Saint Joseph is an easy 35-minute drive from Kansas City International Airport and is convenient to I-29 and U.S. 36. "Our business parks are located only about five minutes from the Highway 36 and I-29 intersection," says Brad Lau, senior vice president, economic development, of the Saint Joseph Area Chamber of Commerce.

TRAINING CAMP: Kansas City ranks as the country's largest rail center by tonnage.

Saint Joseph is working on several fronts to attract new businesses. "We are in the process of developing a state-of-the-art business park that will have a number of fully served industrial and business park sites," Lau says. Businesses that locate in the city can benefit from the Buchanan County Economic Development Loan Fund, which offers forgivable loans.

"We also are aggressive in using Chapter 100 bond financing to offset development costs through tax abatements," he adds.

One company that recently took advantage of Saint Joseph's business incentives is Boehringer Ingelheim Vetmedica, Inc., a producer of biological and pharmaceutical products for livestock and pets. "Last September, they announced a $150-million expansion on their campus over a five-year period," Lau says.

In Liberty, another community in the Kansas City metro, work force quality and development are big selling points. "Businesses in Liberty consistently praise the local work force," says Alicia Stephens, director of the Partnership for Community Growth and Development in Liberty. "It's stable and dependable. Most of the companies tell us that their turnover is non-existent."

Strong collaboration among organizations focused on work force training and development and higher education make it easy to connect employers with resources they require. "If an employer mentions that they need to do some new equipment training, I know exactly which contact to give them," Stephens says. Resources in the area include the Full Employment Council and the Metropolitan Community College System's Business and Technology College, which offers businesses customized training.

Kansas City-based Hallmark operates a distribution center in Liberty. Close by stands Heartland Meadows, a 260-acre light industrial park located near U.S. 69 and I-35 and adjacent to a BNSF line. Companies in the park include RR Donnelly (formerly Banta Publications), O'Dell Publishing Company, Continental Disc Corp., Shaped Steel, and Wear-Concepts.

Mizzou Center Lends Logistics Expertise

About 128 institutions of higher learning operate in Missouri, and, as of 2006, the state was granting more post-secondary degrees than seven out of the eight surrounding states. Programs in logistics and/or supply chain management are available at Fontbonne University; Missouri State University; St. Louis Community College; University of Central Missouri; University of Missouri, Columbia; University of Missouri, St. Louis; University of Missouri, Kansas City; and Washington University.

One valuable opportunity that companies in Missouri enjoy is the chance to tap the knowledge of scholars at the Center for Engineering Logistics and Distribution (CELDi) at the University of Missouri in Columbia. "Mizzou," as the university is known, is one of 10 institutions of higher learning across the country that participate in this cooperative research program, sponsored by the National Science Foundation (NSF).

A company that participates in CELDi pays $50,000 to engage with a university on a logistics research project tailored to that company's needs. A faculty member plus at least one undergraduate and one graduate student work on the project. At the University of Missouri, the interdisciplinary program draws upon researchers from five core academic disciplines: industrial engineering, transportation systems within civil engineering, business, agricultural economics, and health management.

The University of Missouri, Columbia, hosts a research center for supply chain projects.

Missouri companies that have worked with CELDi include manufacturer Leggett and Platt in Carthage; power company Ameren in St. Louis; aircraft manufacturer Boeing in St. Louis; Hallmark in Kansas City; and a startup in Columbia called Freight Pipeline Company, which is developing a way to transport freight through underground pipelines.

"Leggett and Platt has about 200 facilities in the United States," says James Noble, director of Missouri's CELDi program. "Initially we looked at consolidation strategies for their network. Then we branched out to their China-U.S. link, and considered how to consolidate and configure their inbound logistics network."

For Hallmark, CELDi analyzed the design of the company's distribution center in Liberty. "We were modeling how to optimally lay out SKUs within the facility to reduce picking costs," Noble says. "With Boeing, we're exploring supply chain energy costs. For example, as energy fluctuates, how might it reconfigure its network, and what transportation modes would it use?"

For Ameren, CELDi worked on de-aggregating the company's inventory forecasts to make them more precise. And for Freight Pipeline, "we're doing some of the modeling for network design and some additional feasibility work," Noble says.

Along with the results of these proprietary research projects, each participating company receives a general report–minus the confidential information–from each CELDi project conducted across the country. The program also funds the development of software products based on selected research projects, which all participants receive. For example, next spring will see the release of a freight consolidation tool based on the Missouri center's work with Leggett and Platt.

"The nice thing about CELDi is that you get more than your money's worth just from the project. And then you get all these add-ons," Noble says.

With so many transportation choices available, it's only natural that Missouri would offer outstanding intermodal facilities. Developers are creating several large logistics parks that soon will make it even easier for companies to take advantage of the convergence of highways with air, rail, and river transportation.

One is CenterPoint Intermodal Center-KC (CIC-KC) in Kansas City. The 1,340-acre site includes approximately 370 acres of Kansas City Southern (KCS) intermodal facilities that have been in operation since mid-2008.

All infrastructure is complete in the first phase of the adjoining 940-acre industrial park developed by CenterPoint Properties. The initial phase includes more than four million square feet of warehouse, distribution, and manufacturing facilities available for sale or lease. KCS will offer direct rail service to CIC-KC from the Port of Lazaro Cardenas, Mexico, in addition to key markets in Mexico City, Toluca, San Luis Potosi, and Monterrey.

PERFECT POSITION

"CIC-KC opened in March 2008 with 11,340 feet of main line track for efficient loading and unloading, ample room for growth, extensive paved parking, gate security, and access to two four-lane divided highways – U.S. Highway 71 and Missouri 150 – providing a direct connection to a wide network of cross-country interstates," explains Patrick J. Ottensmeyer, KCS executive vice president, sales and marketing.

"This facility is well-positioned on the North American trade corridor to serve growing traffic volumes between Asia and North America and between the United States and Mexico," he adds. "With its numerous amenities, this facility is certain to be a crown-jewel for the region, and will ensure that Kansas City continues its tradition of serving as a transportation and logistics hub for North America."

CIC-KC is positioned to be an easy solution for companies looking to cut supply chain costs. The modern buildings and

transportation savings resulting from a location immediately adjacent to the intermodal center create tremendous value for users. Additionally, sites are build-ready, with all incentives in place to further reduce costs and cut transit times.

EYE ON INTERMODAL

As a modern, energy-efficient warehouse/distribution and manufacturing center with low operational costs and efficient distribution systems, CIC-KC results in less truck traffic and less fuel consumption.

"As evidenced in other CenterPoint inland port developments, there is a major trend in the warehouse/distribution real estate industry for companies to be located close to intermodal operations, because often transportation costs outweigh real estate costs," notes Fred Reynolds, vice president, development, CenterPoint Properties.

Kansas City Southern Railroad is fully operational at the site, says Chris Gutierrez, president, Kansas City SmartPort, an economic development organization focused on transportation and logistics. CenterPoint Properties has initially invested more than $30 million in infrastructure for the industrial park. "The park has everything from water and city utilities to roads and pad sites for buildings," he notes.

At KCI, Trammell Crow is developing the KCI Intermodal BusinessCentre in partnership with the Kansas City Department of Aviation. Site grading on phase one of the project, comprising about 200 acres, started in October 2008, Bartek says. When it's completely built out, the business park will encompass 800 acres.

BURIED TREASURES

Many companies looking for space will find just what they need in parks such as those. But Missouri also offers a less conventional option: some 20 million square feet of underground industrial and storage space built in former limestone mines. Underground spaces are available in Columbia, Branson, Springfield, Joplin, and Kansas City, among other cities. In Springfield, for example, Kraft Foods leases a 400,000-square-foot underground refrigerated warehouse from 3PL Exel.

Underground storage tends to cost less than space above ground. With temperatures averaging just below 60 degrees year-round, the caves offer a good way to


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store perishables without spending a fortune on heating and air conditioning, says UTXL's Hogan. His company often picks up shipments from underground spaces in the Kansas City area. "There's nothing like having 100 feet of rock above you and rock all around you," Hogan says. "There's one way in and one way out."

Whatever kind of site a company chooses, it will benefit from the state's business-friendly environment, including affordable taxes and utilities, and a variety of state and local business incentives. According to CNBC, Missouri had the fourth-lowest business costs in the country in 2009. Also in that year, the Small Business and Entrepreneurship Council found that Missouri enjoyed the country's sixth-lowest business energy costs.

> **"Companies want to be located close to intermodal operations because often transportation costs outweigh real estate costs."**
>
> – Fred Reynolds, vice president, development, CenterPoint Properties

Missouri's Quality Jobs program encourages business growth with a tax incentive based on the new jobs a company creates. The employer may retain all, or a portion, of the state income taxes withheld from employees' paychecks, or it may take tax credits. The details depend on the kind of business involved and its location. "The program is incentivizing companies to come in and create jobs that are, by the state's definition, high quality," says Chung at The Missouri Partnership.

"Many states, obviously, offer that sort of

I-44 CORRIDOR:
En Route to Rapid Growth

Providing a link between the Midwest and the Southwest, I-44 connects two major cities, St. Louis and Oklahoma City. The entire corridor, including the regions around Fort Leonard Wood and Joplin, has seen a great deal of growth in recent years.

As home to a U.S. Army base that trains 90,000 soldiers a year, Fort Leonard Wood has a strong heritage of logistics activity. "It handles the logistics of bringing in material to house and feed the soldiers, as well as the logistics of moving people in and out," says Ben Jones, chairman of the Fort Leonard Wood Regional Commerce and Growth Association and president and CEO of America's Heartland Economic Partnership in Lebanon, Mo.

The three-county region that Jones represents offers a unique mix of urban and rural advantages. "We're big enough to attract companies with sophisticated transportation and distribution networks, such as Emerson Electric, Yamaha, G3, Regal Beloit, and Detroit Tool Metal Products," Jones says. At the same time, as a rural area, the Fort Leonard Wood Region offers a less expensive alternative to Missouri's big cities.

Southwest of Fort Leonard Wood on I-44, SRC Logistics, based in Springfield, provides a broad range of logistics services, including public and contract warehousing, non-asset-based transportation management, fulfillment, distribution, and reverse logistics. One customer SRC serves in Springfield is John Deere, which formed a $100-million joint venture with the 3PL to receive and remanufacture used engines.

Springfield's central location makes it a perfect place to send engines from dealers across the United States, refurbish them, and send them back. "We couldn't do this on the East Coast," says Tim Stack, SRC's global sourcing manager. "It wouldn't make sense for companies in California to send engines across the country for remanufacture, then send them all the way back." That, plus the low cost of labor, persuaded John Deere to keep the operation in Springfield when it bought the joint venture back from SRC.

Further along I-44, near the Kansas border, German manufacturer Schaeffler Group recently chose its FAG Bearings plant in Joplin as the site for a new operation that manufactures heavy bearings for wind turbines and other products. Schaeffler started looking for a location for this business two years ago. "It grew into a search among Schaeffler's locations in North and South America, Asia, and Europe," says Rob O'Brian, president of the Joplin Area Chamber of Commerce. In 2009, Schaeffler started investing $40 million to revamp the Joplin facility for the new product line.

Other businesses attracted by Joplin's proximity to Kansas, Oklahoma, and Arkansas, and its access to four-lane highways and railroads, might find space in the 670-acre Crossroads Business and Distribution Park. With financing from the state, a partnership between the City of Joplin, Jasper County, and a special road district is conducting $6 million worth of road construction at the park. "The construction will widen the one-mile stretch of state highway that runs from the park to the interchange with 71 and I-44," O'Brian says. Besides improving access to the existing park, the new construction will open access to another 120 acres for future development.

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- 670 acres Crossroads Business and Distribution Park on I-44
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- 139,000 square foot shell building, seven docks, 4,000 sq. ft. of office

FOR MORE INFORMATION
Rob O'Brian, CEcD/President
Joplin Area Chamber of Commerce
320 East 4th Street, Joplin, MO 64801
www.joplincc.com * robrian@joplincc.com
(phone) 417.624.4150
(fax) 417.624.4303

incentive for new and expanding employers, but this is considered one of the more business-friendly, with clear-cut eligibility criteria," Chung says.

Another program, Enhanced Enterprise Zones, provides tax credits against corporate income tax to companies that create as few as two jobs with $100,000 in investments. These credits are refundable and saleable, providing a source of funds for equipment, land, or building.

Employers that create jobs in Missouri generally are delighted with the work of the people who fill them. "Employees in Missouri possess a genuine work ethic. They believe in an honest day's pay for an honest day's work," says Milton Cornwell, chief operating officer at Materialogic, a 3PL based in St. Louis.

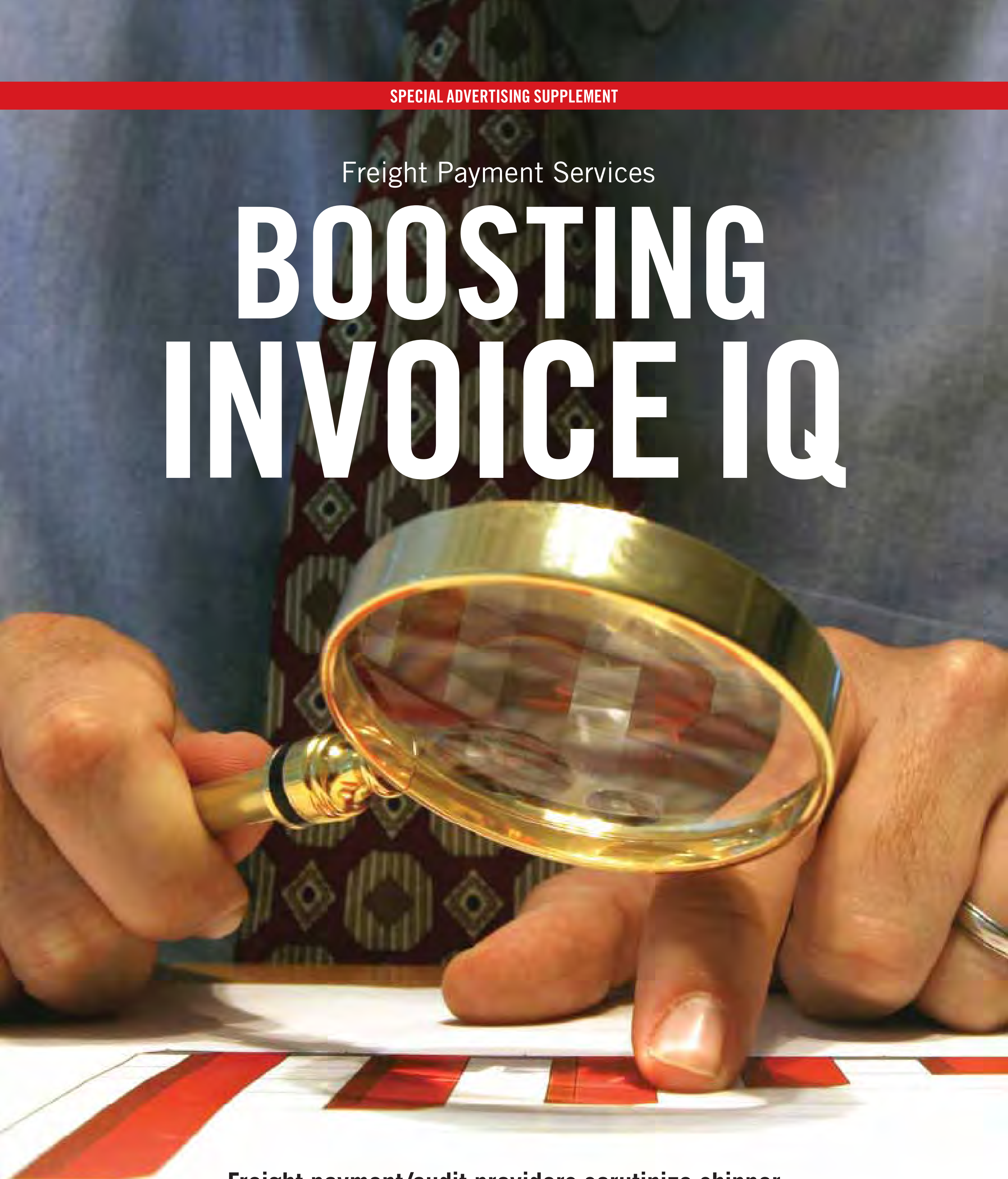
OPPORTUNITIES UNDERGROUND: **With temperatures averaging just below 60 degrees year-round, Missouri's former limestone mines provide natural climate control for subterranean storage.**

With its hard-working employees, business-friendly atmosphere, outstanding facilities, and numerous options for connecting efficiently to markets throughout the United States and the world, Missouri continually adds new chapters to the story of commercial expansion that Lewis and Clark began in 1804. As logistics hubs go, this state at the center of the country is just about perfect. ■

For information on featuring your region in an Economic Development Supplement, contact James O. Armstrong at 815-334-9945 or jim@inboundlogistics.com.

Freight Payment Services

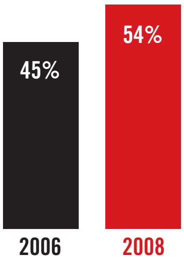
BOOSTING INVOICE IQ



Freight payment/audit providers scrutinize shipper invoices using detailed reporting, sophisticated technology, and international capabilities. Here's a close-up look at how they discover savings and efficiencies.

In today's economy, freight charges represent up to 10 percent of a company's total expenses. Fuel surcharges are driving that cost even higher, and shippers are looking to get a handle on the numerous expenses that are adding to their freight costs.

Many shippers are turning to freight bill payment and auditing services to gain insight. Traditionally a misunderstood part of the supply chain, freight bill audit and payment (FBAP) may be viewed as a mundane clerical process, but smart shippers recognize it as a source of business intelligence. While some choose to maintain control of this process internally, industry data shows that outsourcing freight payment is becoming the preferred option.



Percentage of North American firms outsourcing freight payment activity.

In 2008, approximately 54 percent of North American firms outsourced some part of their freight payment activity, according to *The State of Logistics Outsourcing*, a third-party logistics services survey conducted by Capgemini, the Georgia Institute of Technology, Oracle, and DHL. This figure is up from 45 percent in 2006, indicating that shippers appreciate how outsourcing FBAP can contribute to service improvements and reduced transportation costs.

The benefits of FBAP boil down to simple math. It costs a large company about $11 in fully allocated costs to pay a freight bill internally. If the FBAP pays the same bill, the cost to the company will be five to 10 percent of the internal expenses. Subtract another two to five percent by reducing incorrect or duplicate bills, and the savings can be significant. In fact, most shippers claim that outsourcing FBAP helps them recover three to five percent on their overall freight spend, according to data from supply chain consulting firm Spinnaker Management.

It's no wonder that more companies are giving FBAP services their business. "In this economy, cost cutting is a motivator," says Clifford F. Lynch, executive vice president of Memphis-based CTSI, a global supply chain technology and services company. "The overcharges we uncover in freight bill audits provide significant cost savings."

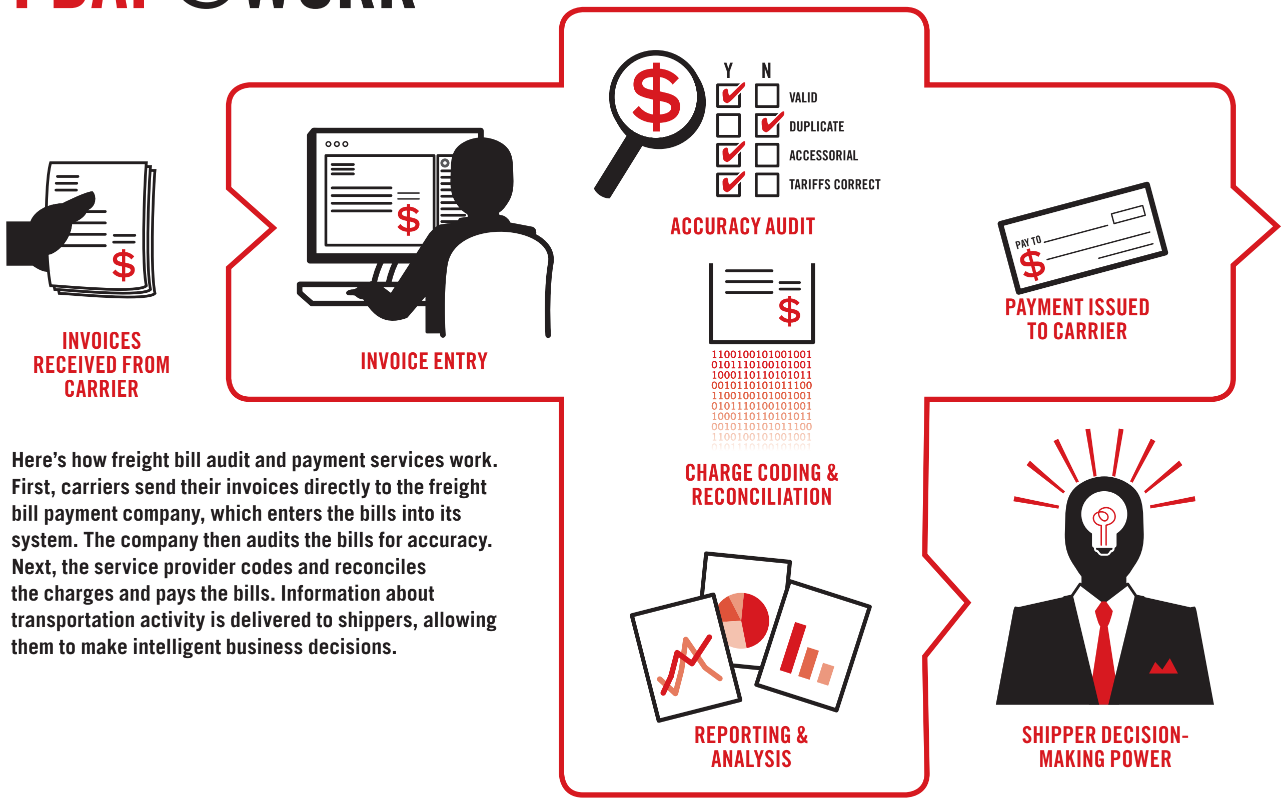
HOW IT WORKS

To begin the auditing process, a freight bill payment company receives its clients' freight bills directly from carriers. When the bills are received, either via electronic data interchange (EDI) or manually, they are entered into the contractor's system, providing immediate visibility. Once the bills are entered, they are audited for accuracy. Auditors verify the bills' validity, mileage, duplicate payments, accessorial charges, and use of correct tariffs. After auditing, the charges are coded and reconciled, and the bills are paid.

Shippers reap the benefits of this close attention to their bills. "It's imperative today that a company audit its freight invoices," says Garry Oswald, vice president of sales and marketing for National Traffic Service, a freight audit and bill payment service provider located in Amherst, N.Y. "Too many benefits are missed by skipping this process."

One key benefit a provider can offer customers is robust reporting and data flow of transportation activities. FBAP

FBAP@WORK



Here's how freight bill audit and payment services work. First, carriers send their invoices directly to the freight bill payment company, which enters the bills into its system. The company then audits the bills for accuracy. Next, the service provider codes and reconciles the charges and pays the bills. Information about transportation activity is delivered to shippers, allowing them to make intelligent business decisions.

companies deliver information in usable forms, such as graphs and charts, so that more intelligent business decisions can be made concerning transportation activity. Providers are able to drill down the shipping data to generate reports about how much each carrier is paid, how much is being spent in each transportation lane, whether the correct mode/carrier is being used, the potential savings of using parcel versus LTL (and vice versa), and how much is being spent on individual product groups. Shippers can then adjust their business decisions accordingly.

"Getting down to these granular levels allows us to provide clients with intelligent data," says John Mecchella, president and owner of Technical Traffic Consultants, Congers, N.Y., a third-generation, family-owned-and-operated company that provides customized FBAP to clients. "We capture and report information in a way that allows clients to make the most appropriate business decisions for their organization. This is where the true savings are generated."

In many cases, this information is accessible to the shipper via a Web-based portal. For instance, CassPort Internet Reporting Services, from Cass Information Systems Inc., a Missouri-based bank holding company, provides standard and customized reporting, data files, metrics, and transportation/financial analysis through the Internet. "This makes it extremely easy to share information with customers," says Tom Zygmunt, marketing executive at Cass.

CassPort condenses data into one display, at the summary level for a day, week, month, or year. If additional data


Not All Companies Can
Process Global Freight Bills...
nVision
Global
nVision Global Can!

"We report information that helps companies make appropriate business decisions. This is where true savings are generated."

John Mecchella,
president and owner,
Technical Traffic Consultants

is required, the shipper can click on the links to drill down into more detailed information.

In addition to providing FBAP services like these, CTSI offers customers the benefits of a transportation management system (TMS), which helps select carriers, route shipments, plan loads, and handle delivery notices. "Companies won't suffer if their freight payment provider doesn't market a TMS, but it's a sophisticated supply chain tool," Lynch says.

Somerville, N.J.-based The TransVantage Group also offers the power of TMS capabilities. For one customer looking to shift from a decentralized distribution footprint to a centralized one, TransVantage was able to calculate the cost of making that move.

"The customer initially thought the cost of a single location would increase spend, but the TMS showed the costs would decrease due to proximity to customers and more just-in-time shipments," says Ken Pehanick, executive vice president of technology for TransVantage.

"Many companies are looking for more than a freight payment and audit provider," he adds. "Technology such as EDI and TMS can move them in that direction."

FINDING A PROVIDER

Choosing an FBAP company requires some research. Once you assemble a list of possible service providers, learn as much as you can about them. Some issues to consider include:

- **Financial stability.** This factor is especially important in today's economy, as a lot of money will flow through the operation. How long has the provider been in business? Does it have the resources to survive economic downturns?
- **Business experience.** What is the provider's experience in the industry and with other clients? How many bills does it pay annually and for whom?
- **Commitment to technology.** Is the provider committed to offering the most current technology and maintaining systems that can be integrated with the clients' solutions? Is the technology scalable? Does the company have the resources to continually invest in updated solutions?
- **Reputation with other clients.** Ask for a client list of five names with contacts and telephone numbers. Also, don't be afraid to request the names of former clients to find out why they no longer conduct business with the provider.
- **Continuous improvement programs.** Is there a formal quality or performance enhancement program in place?
- **Growth potential.** Is the payment company in a position to support growth through excess capacity or new services?
- **Security.** Information systems must be fully protected from outsiders. If your company is publicly traded, it is bound by the Sarbanes-Oxley (SOX) Act. While the provider is not bound by the act (unless it is publicly traded), make sure it is SOX-compliant.

■ **Customer support.** Will an individual account representative be assigned to your company? Do you need to schedule an appointment to get assistance or is daily help available?

■ **Corporate culture.** Find a provider that shares your business philosophy.

■ **Employee-to-customer ratio.** Does the provider have enough employees to support all its customers?

PURPOSEFUL REPORTING

Ampacet Corporation, a manufacturer of masterbatches (pellets used to form plastic products) based in Tarrytown, N.Y., has been working with freight bill payment and audit services provider Technical Traffic Consultants, Congers, N.Y., for more than eight years. The company values Technical Traffic's ability to provide customized solutions. For example, the vendor's transportation data reports let Ampacet gather specific information for a particular purpose. "Technical Traffic can pull figures on our volume per shipping lane, which we can then use to negotiate with our carriers for more favorable rates in high-volume lanes," says John Picyk, Ampacet's manager of corporate distribution.

Another tool Ampacet uses is the "Ad Hoc Query" capability. With this Web-based reporting tool, the company can log on to Technical Traffic's site and perform freight bill inquiries on the fly. Reports can range from simple lane queries to freight as a percent of sale for individual product lines by customer.

Finally, Technical Traffic's in-house transportation attorney provides Ampacet with guidance on regulatory and legal issues, and consults on matters such as structuring contracts and filing loss and damage claims.

Much more than just handling Ampacet's bills, Technical Traffic helps the manufacturer create a more efficient business environment.

What about cost? Experts say FBAP service pricing should not be the foremost consideration. "When shopping for a new car, you wouldn't buy the cheapest one on the lot," says Mecchella. "The same holds true when shopping for a FBAP company."

Consider cost along with all the other information you've gathered about your prospective providers. "Don't base the decision on cost alone," says Lynch. "Don't give your business to the lowest-cost provider. The value of outsourcing FBAP is in the service and the business intelligence that you receive."

GLOBAL VIEW

One additional capability to consider is whether the freight payment company specializes in global payment and auditing.

"It used to be difficult for shippers to gain visibility of overseas freight forwarders, carriers, and brokers," says Allan Miner, president of CT Logistics, which offers FBAP capabilities from its international headquarters in Birmingham, UK. "And international bills are very complex, with multiple lines of charges. Shippers had a hard time determining if their bills were accurate."

To improve the situation, CT Logistics developed an international module for its *FreitRater* software system. The tool helps audit and process international shipments anywhere in the world, in any language. "It's amazing how many errors we find in international shipments," notes Miner.

As shippers clamor for international FBAP, providers are answering that call with increasingly streamlined processes. "Shippers want one provider–not multiple providers–to process bills and perform audits on a global scale," says Keith Snavely, vice president of sales, North America, at nVision Global Technology Solutions, headquartered in Atlanta.

nVision currently conducts business in 190 countries and remits payment in 45 currencies. "About 350 freight payment companies are in operation; only about five can do this," he notes.

RATE EXPECTATIONS

Once you've selected a service provider that meets your domestic and international needs, the next step is negotiating a contract. This document ensures your company and the FBAP service provider know what's expected

SHIPPERS TAKE MATTERS INTO THEIR OWN HANDS

While many shippers are outsourcing FBAP, others choose to take advantage of an alternative solution: insourcing the activity. Companies choose this route to maintain control of the coding and payment functions, or to avoid transferring funds to an outside vendor for carrier payment.

In-house processing assumes a certain level of expertise and requires the shipper to invest both time and resources. If bills will be processed manually, shippers have to ensure there is someone on staff with the technical knowledge to perform a satisfactory audit. And if capturing data from the invoices and bills of lading is important, the company will need data entry personnel.

Automating the in-house process also requires a substantial commitment of time and resources to set up and maintain these procedures. EDI has to be implemented to receive invoice data from carriers. And a rating program has to be developed to automatically audit freight invoices from high-volume carriers.

Freight auditing and payment products are available to streamline and automate the processes via EDI invoicing and auto-rating carrier invoices. Many of these products are marketed by FBAP service providers who already have carrier rating, EDI, and information processing expertise.

These products allow shippers to audit freight invoices, pay carriers, and analyze and report logistics information with minimal manual intervention. They typically offer the following features:

- **Ability to accept EDI invoices from carriers.** This is critical to reducing processing costs by eliminating extensive data entry of hard-copy bills.
- **Auto-rating of carrier invoices.** These programs have carrier rates built into a rating engine. As the freight bills are processed, they are compared to the shipper's contract rates and overcharges are identified.

from the arrangement and will yield smoother transactions.

"Both sides must view this as a partnership or the relationship will not take hold," says Snavely.

While each service agreement will vary in length and content, at a minimum it should provide the following:

- **Preliminary statements.** Define the parties involved and their intentions.
- **Services.** This includes responsibilities the shipper expects such as pre-audit, bill payment, data capture, and reporting. Internet service can also be outlined in this section.
- **Contract term.** Termination privileges should be outlined.
- **Confidentiality clause.** Consider a formal ethics policy, or at least a code of ethics, to ensure that valuable information will not be divulged.

Next, agree on what the FBAP service provider will charge your business. Certainly, the partnership will not last long if both sides cannot agree on a fee schedule. While each provider will have its own formula, a shipper can expect to incur an implementation fee, which covers the cost of FBAP personnel visiting your site to develop specifications; loading rates into the provider's systems; customized programming; loading reference files; and other start-up activities.

In addition, charges for pre-auditing, processing, and payment of each individual bill could be included. And while certain reports will be provided at no

■ **Automatic general ledger account coding.** Account codes can be automatically assigned to freight expenses through shipper-defined programmed logic.

■ **Ability to create carrier payments.** Once freight invoice data has been audited and processed, it is exported for carrier payment.

■ **Data analysis and reporting capabilities.** Probably the greatest benefit to these programs is the ability to easily query, analyze, report, and export logistics information. This function is invaluable for tracking freight costs including fuel expenses; allocating costs to account codes, customers, and vendors; and producing volume reports by shipping lane for carrier negotiations.

CT Logistics, Cleveland, Ohio, provides outsourcing as well as technology solutions for shippers that choose insourcing. "Some companies' senior management philosophies dictate FBAP as a core competency," says CT Logistics President Allan Miner.

Depending on their shipping volumes, some clients license CT Logistics' *FreitRater* freight bill audit, payment, and management reporting system for in-house use, while others use *FreitRater* as a remotely accessed Software-as-a-Service solution. The system determines transportation rates both for pre-shipment routing and accrual information, and post-shipment pre-audit. It also checks for duplicate billings and matching processes for authorized shipments and freight payments.

ABC Logistics, Greensboro, N.C., blurs the lines between service provider and user: the company licenses National Traffic Service's *TrafficPro* software program to aid its own shipper customers. Electronically receiving and auditing invoices has produced significant results.

"The ability to receive invoices electronically via EDI transfer has saved countless hours of data entry," says Bryan Fary, vice president of ABC Logistics. "Since we've been using the product, it has nearly paid for itself in time and labor savings."

charge, customized reports or services may incur a nominal fee. There might also be monthly fees for Internet services or graphic and mapping reports.

"Reporting services will no doubt be the most valuable to clients," says Lynch. "The modern freight bill payment provider is a supply chain information company with a wealth of accumulated data about its clients' shipping practices."

"The cost savings realized from the data analysis and reporting services make them a wise decision for virtually any company," adds Oswald.

CREATING A WIN-WIN

For many companies, outsourcing could be the most economical way to properly audit and process freight invoices.

"Once companies bring us in to process their bills, they wish they had done it a long time ago," says Bryan Fary, vice president, ABC Logistics Inc., Greensboro, N.C. "Companies with any number of freight invoices can benefit from using a third-party freight payment company. ABC Logistics has customers with as few as 25 freight bills a week that see the advantages of using an FBAP company.

"Certainly, the customers with hundreds of freight invoices see the savings," he continues. "Outsourcing to a freight payment company is a win-win situation for shippers." ■

WMS BUYER'S GUIDE 2009

Distribution centers are vital supply chain conduits, capable of matching demand currents to supply flows, detecting demand fluctuations or exceptions, and locating alternate channels to ensure seamless and efficient product movement. Warehouse management system (WMS) vendors engineer solutions with these requirements in mind. Whether the buyer's demands are vertical-specific, dictated by existing ERP systems, or based on cost and complexity, IT providers offer solutions and implementation services to steer and facilitate warehouse investments.

With so many available options, buyers need to be well-informed as they research and select the perfect WMS solution. To provide some guidance, *Inbound Logistics* canvassed leading vendors to aggregate a directory of WMS solutions and capabilities. How can a WMS recharge your supply chain? Turn the page and find out.

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	COMPANY	PRODUCT	WHAT IT DOES
B	**Accellos** *Colorado Springs, CO* accellos.com 719-433-7000	**Accellos One Warehouse**	Integrates accounting/order and shipping software systems, electronic data interchange systems, Crystal Reports software, radio frequency and bar-code hardware, and warehouse automation equipment.
L	**AL Systems** *Rockaway, NJ* alsystemsinc.com 973-586-8500	**DynaPro**	Combines paperless picking and packing systems, shipping and manifesting tools, and warehouse control systems with real-time reporting and labor optimization tools.
L	**Apriso** *Long Beach, CA* apriso.com 888-400-7587	**FlexNet Warehouse Management System**	Synchronizes raw materials, production, and finished goods with just-in-time, just-in-sequence, and Kanban techniques; measures performance in the warehouse and across other departments; and enforces process improvements through business process management.
B	**ASC Software** *Dayton, OH* ascsoftware.com 937-429-1428	**ASCTrac WMS**	Manages space and labor resources of warehousing and manufacturing operations, and provides full lot traceability of raw materials into finished goods—from order entry, through pick, pack, and ship operations, all the way to delivery.
L	**Cadre Technologies** *Denver, CO* cadretech.com 866-25-CADRE	**Cadence WMS**	Helps manage receiving and putaway; location management; product/SKU management; lot, serial number, and date control; order processing; picking/packing; replenishment; equipment interfaces to pick-to-light, conveyor, and sortation; and WMS Web access to warehouse performance.
L	**CAPE Systems** *Piscataway, NJ* capesystems.com 908-756-2000	**CAPE eWMS**	Provides automated receiving, putaway, and replenishment; pallet handling/tracking; and transaction recording. Controls and records all product movement activities - from product receipt through order processing and shipment to the customer.
L	**CDC Software** *Atlanta, GA* cdcsupplychain.com 770-351-9600	**CDC Supply Chain WMS**	Plans, controls, monitors, executes, and follows up all warehouse activities. Performs and prioritizes tasks in real time to increase the productivity of available resources. Optimizes warehouse operations through timely and fast movement of products through the supply chain.
L	**Daifuku America** *Salt Lake City, UT* daifukuamerica.com 801-359-9900	**eWareNavi WMS**	Directs equipment and multiple people simultaneously. Provides control, flexibility, and visibility of warehouse inventory operations. Effective for conventional warehouses, partially-automated, and/or fully-automated distribution facilities.
B	**Datex Corporation** *Clearwater, FL* datexcorp.com 800-933-2839	**Footprint WMS**	Controls the movement and storage of all the materials within a warehouse, as well as all the operations associated with it, including receiving, putaway, crossdocking, inventory management, picking, packing, shipping, replenishment, and load building.
H	**Deposco** *Alpharetta, GA* deposco.com 877-770-1110	**ShipForce**	Manages receiving, directed putaway, and directed picking, packing, and shipping. Provides real-time visibility into inventory and orders. Directs and monitors worker activity, and automates repetitive tasks.

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	COMPANY	PRODUCT	WHAT IT DOES
L	**Epicor Software** *Irvine, CA* epicor.com 949-585-4000	**Epicor Warehouse Management**	Offers total warehouse management, inventory control, finite bin and package definitions, task and load management, and interactive, real-time management of activities and consumption. Features inbound and outbound serial tracking, pick planning, consolidated picking, order pack-out, cross-docking, carton packing, RFID, and manifesting interfaces.
L	**HighJump Software** *Eden Prairie, MN* highjump.com 800-328-3271	**Warehouse Advantage**	Executes processes such as receiving, putaway/flow-through, inventory management, order processing, replenishment/pick/pack, loading, and shipping. Utilizes wireless and bar-code technology for quick fulfillment through directed, optimized workflow.
L	**HK Systems** *New Berlin, WI* hksystems.com 800-HKSYSTEMS	**HK Warehouse Management Software**	Tracks and controls the flow of raw materials and finished goods across both production and distribution operations. Prioritizes, directs, and confirms activities based on real-time conditions and space constraints.
L	**IES** *Midland Park, NJ* iesltd.com 201-639-5000	**The IES WMS Solution**	Provides visibility of receiving, stocking, assembly, and load operations from any local or remote location. Integrates with international and domestic shipping modules to maximize resources and revenue by combining the warehousing and transportation processes.
L	**Infor** *Alpharetta, GA* infor.com 800-260-2640	**Infor SCM's Warehouse Management**	Enables users to see what inventory is or will be available, organize work, align resources and labor to satisfy customer requirements, and optimize fulfillment and distribution processes to ensure that products are delivered on time and in full.
L	**Infosite Technologies** *Boisbriand, Quebec* infositetech.com 888-395-0354	**DM Warehousing**	Automates customer-specific charges by cycle; handles re-pack, cross-docking, and storage; manages customer inventory, perpetual counts, annual counts, and adjustments; controls stock rotations; allows user-defined warehouse planning; and generates all documents, such as packing slips and bills of lading.
L	**IntelliTrack** *Hunt Valley, MD* intellitrack.net 888-583-3008	**IntelliTrack Warehouse Management System**	Available in three versions, it maximizes efficiency and optimizes labor productivity in warehouses of all sizes. Each version provides the basic functions for warehouse operations, including physical inventory, shipping, receiving, and picking, as well as management features such as queries, reporting, and bar-code labeling.
L	**Interlink Technologies** *Perrysburg, OH* thinkinterlink.com 800-655-5465	**Warehouse Link (WHSe-LINK)**	Provides detailed tracking of raw materials through finished product, expiration dates, lot/batch/serial numbers, and vendor. Other capabilities include environmental controls, kitting, wave picking, staging, cross-dock, and shuttle transfer.
L	**International Business Systems** *Folsom, CA* ibsus.com 800-886-3900	**IBS Warehouse Management System**	Supports bar code and RFID for increased accuracy and productivity; suggests stock locations and pick sequences based on frequency of movement; and enables efficient ordering with cross docking to bypass the put-away process entirely.
L	**IQMS** *Paso Robles, CA* iqms.com 805-227-1122	**EnterpriseIQ**	Enables either serialized or non-serialized bar code transactions using hand-held devices or PDAs, so users can completely manage inventory from receipt through shipment without keying any information into a desktop computer.

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	COMPANY	PRODUCT	WHAT IT DOES
L	**Knapp Logistics & Automation** *Kennesaw, GA* knapp.com 678-388-2880	**KNAPP Warehouse Logistics Software**	Helps increase warehouse picking performance up to 30 percent by using pick-by-voice and RF terminal solutions. Myriad off-the-shelf features optimize all warehouse processes, and provide a standard interface to all common or homegrown ERP systems to ensure short implementation time and flexibility.
B	**Knighted Computer Systems** *Ossining, NY* knightedcs.com 914-762-0505	**Vision WMS**	Manages a variety of picking methods, including batch, case, pallet, piece, wave, zone, voice-directed, and pick-to-light. Enables multi cross-channel retail and wholesale distribution, and process and automation control.
L	**Logility** *Atlanta, GA* logility.com 800-762-5207	**Logility Voyager WarehousePRO**	Ensures shipping and inventory accuracy by optimizing the flow of materials and information through distribution centers, and helps cut operating costs while improving productivity, order fill rates, space utilization, and customer service.
L	**LOG-NET** *Red Bank, NJ* log-net.com 732-758-6800	**LOG-NET Shipment and Warehouse Management**	Provides operational functionality to plan, receive, process, and invoice warehouse activities. It specifically facilitates warehouse bookings, receiving, transfers, load plans, and manifests; worldwide view of on-hand inventories; and over, short, and damage exception processing.
L	**Made4net** *Paramus, NJ* made4net.com 201-645-4345	**WarehouseExpert**	Enhances inventory accuracy, maximizes space utilization, and performs order fulfillment to ensure customer satisfaction. Tracks and manages every unit from receiving to the warehouse through its storage, inventory management, replenishment/pick and pack, and loading and shipping.
L	**Manhattan Associates** *Atlanta, GA* manh.com 770-955-7070	**MA WMS**	Improves warehouse facility layout; increases billing, inventory, and order fulfillment accuracy; calculates item velocity to ensure inventory is optimally located; provides picking, packing, and replenishment tools; and identifies hidden costs of doing business.
L	**Mincron Software Systems** *Houston, TX* mincron.com 800-299-7010	**Warehouse Manager**	Offers a menu of capabilities that can reduce inventory, fill orders more quickly, improve accuracy, prioritize shipments, maximize worker productivity, minimize wasted space, and ensure customer fulfillment.
L	**Oracle** *Redwood Shores, CA* oracle.com 800-633-0738	**Oracle Warehouse Management**	Automates and optimizes materials handling processes to reduce labor costs, improve facility utilization, and increase order accuracy. Supports inbound, outbound, and reverse logistics; finished, raw, and work-in-process materials; and manufacturing and distribution environments.
L	**Quality Software Systems** *Somerset, NJ* qssi-wms.com 800-338-4420	**PowerHouse WMS**	Improves inventory accuracy and customer service levels; reduces order processing time, putaway, and picking errors; enhances human and warehouse resources; and decreases inventory carrying costs and physical inventories.
B	**RedPrairie** *Waukesha, WI* redprairie.com 800-990-9632	**RedPrairie's Warehouse Management Solution**	Optimizes order and inventory management; inbound, outbound, and work order processing; and warehouse tasking.

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	COMPANY	PRODUCT	WHAT IT DOES
L	**Retalix USA** *Plano, TX* retalix.com 469-241-8400	**Retalix InSync Warehouse Management; Retalix Power Warehouse**	Tracks and manages goods from receiving to the warehouse with functions including storage, replenishment, pick/pack, loading, and shipping.
L	**Robocom Systems International** *Farmingdale, NY* robocom.com 631-753-2180	**RIMS, ROC Enterprise**	Definable options include paper, RF, or voice, as well as functionality such as receiving, picking, and shipping. Tracks date, lot, weight, length, size, serial number, and point of origin at the item level.
B	**Royal 4 Systems** *Long Beach, CA* royal4.com 562-420-9594	**WISE**	Manages inbound, value-added services, outbound, AS/RS integration, and sequencing for just-in-time deliveries. Includes tools for load planning, delivery scheduling, and EDI Advance Ship Notices confirmation.
L	**SAP** *Newton Square, PA* sap.com 800-872-1727	**SAP Warehouse Management System**	Offers item management and queries, and lets users define unlimited price lists and associate them with each customer or vendor. Records prices for unique customers or from unique vendors, and enables users to set quality-sensitive prices. Operates as a stand-alone WMS or in conjunction with SAP's ERP.
B	**SmartTurn** *San Francisco, CA* smartturn.com 888-667-4758	**The SmartTurn Inventory and Warehouse Management System**	Facilitates warehousing operations with features such as inbound and outbound order management, inventory control and reports, item/location management, tracking, and security and role management.
B	**Sterling Commerce** *Columbus, OH* sterlingcommerce.com 800-876-9772	**Sterling Warehouse Management System**	Centrally manages inventory, labor, and processes across a network of facilities regardless of size, location, or process mix. Enables warehouse operations to optimize business processes across complex distribution networks while facilitating internal and external collaboration throughout the supply chain.
B	**Technology Group International** *Toledo, OH* tgiltd.com 800-837-0028	**Enterprise WMS**	Stand-alone or fully integrated, handles environments ranging from electronic distributors to cheese manufacturers. The system architecture empowers users to achieve improved productivity and accuracy, while at the same time maintain ease of use.
B	**TECSYS** *Montreal, Quebec* tecsys.com 905-752-4550	**EliteSeries Warehouse Management System**	Enhances enterprise visibility through inbound, outbound, putaway, planning, inventory control, and reporting tasks, enabling the warehouse to become an extension of the order desk.
L	**Westfalia** *York, PA* westfaliausa.com 800-673-2522	**Savanna.NET**	Configurability allows users to choose only the material flow modules they require. Systems can be expanded incrementally with full or partial upgrades. Interface add-ons include pick-to-light, wireless/RF terminals, and pick-to-voice components.
H	**WITRON Integrated Logistics Corp.** *Arlington Heights, IL* witron.com 847-385-6000	**Witron Warehouse Management System**	Allows distribution centers to automatically pick cases, build pallets of mixed SKUs, and stretch wrap and ship orders. Multi-language support for user interfaces allow the same platform to be used internationally.

10+2 SOLUTIONS

For many shippers and consignees, U.S. Customs and Border Protection's (CBP) Importer Security Filing mandate, commonly referred to as 10+2, adds up to nothing less than a whole lot of confusion. Enforcement is currently in a quiet phase, but by early 2010, CBP will begin holding companies accountable. Finding properly certified supply chain partners that can facilitate compliance, as well as identify other opportunities where this information can drive visibility, will become critically important. This resource of 10+2 experts is a good place to start.

ASCI of Miami Inc.
PRODUCT: **ISF (10+2) Software**
8390 W. Flagler St., Suite 104
Miami, FL 33144
305-554-1325
sales@asciofmiami.com
www.asciofmiami.com

ASCI of Miami specializes in software for importers and customs brokers. The ISF program streamlines the process of data entry and transmission to an automated broker interface, and is available as a stand-alone application or via the Internet. EDI options are available. The ISF (10+2) application can also be linked with ASCI web-tracking and import programs for seamless integration and traceability.

CargoSmart Limited
PRODUCT: **Importer Security Filing Solution**
2700 Zanker Rd., Suite 100
San Jose, CA 95134
408-325-7600
info@cargosmart.com
www.cargosmart.com

CargoSmart's Importer Security Filing (ISF) solution provides an online platform for importers and logistics service providers to streamline data collection and submit filings. Advanced visibility tools automatically alert you to data collection and filing status exceptions so that you can focus on the shipments that need the most attention to ensure accurate and on-time filings. Packages start at $1 per shipment. Contact CargoSmart today to learn about its package details and 30-day free trial.

CargoWise EDI
PRODUCT: **10+2 Web Portal**
Schaumburg, IL
847-364-5600
www.cargowise.com

CDM Software Solutions
PRODUCT: **CDM ISF (10+2) Solution**
233 S. Wacker Dr., 84th Floor
Chicago, IL 60606
312-867-8778
isf@isfsoftware.com
www.isfsoftware.com

Certified and approved by CBP, CDM ISF Solution is a Web-based software tool that helps importers, freight forwarders, and customs house brokers comply with the Importer Filing Security Initiative.

Descartes
PRODUCT: **Descartes ISF**
Waterloo, ON
800-419-8495
www.descartes.com

eCustoms
PRODUCT: **10+2 Importer Security Filing**
Buffalo, NY
877-328-7866
www.ecustoms.com

Freightgate
PRODUCT: **Compliance-Trek!**
15061 Springdale St., Suite 111
Huntington Beach, CA 92649
714-799-2833
info@freightgate.com
www.freightgate.com

After pioneering shipment tracking and tracing, the first multi-modal online freight exchange, and the Web-service enabled PLTX platform, Freightgate continually evolves to provide its customers with competitive advantage along the entire logistics management lifecycle–procure, optimize, execute, comply, monitor and control, audit and pay, and tune. Only PLTX provides a fully modular, scalable, and integrated solution that adapts to the business needs of enterprises and service providers.

GMS International Inc.
PRODUCT: **International Trade & Electronic Commerce System**
Closter, NJ
201-784-9919
www.gmsint.com

GT Nexus
PRODUCT: **Easy ISF**
Oakland, CA
510-808-2222
www.gtnexus.com

IES Ltd.
PRODUCT: **The IES 10+2 Solution**
Midland Park, NJ
201-639-5000
www.iesltd.com

Integration Point
PRODUCT: **Integration Point 10+2**
P.O. Box 49175
Charlotte, NC 28277
704-576-3678
sales@integrationpoint.com
www.integrationpoint.com

Integration Point 10+2 is a Web-based solution that makes it easy to collect data from disparate systems and worldwide vendors. With a built-in workflow tool, the system manages the entire filing process from collecting the data to validating it, to the final transmission to CBP. Even if companies are not fully automated in terms of receiving data from their suppliers, the Integration Point solution can assist with a phased-in approach to data automation.

International Trade Systems
PRODUCT: **ITS4ISF**
6663 SW Beaverton-Hillsdale Highway, Suite 203
Portland, OR 97225
888-861-7227
sales@its4abi.com
www.its4abi.com

International Trade Systems has been a leading provider of U.S. import and export management solutions for more than 18 years. ITS provides timely and seamless preparation of paperwork for moving freight from origin point to destination, anywhere in the world.

Kewill
PRODUCT: **Kewill ISF**
Chelmsford, MA
877-872-2379
www.kewill.com

Livingston International
PRODUCT: **Insight ISF Solution**
Tonawanda, NY
800-837-1063
www.livingstonintl.com

LOG-NET Inc.
PRODUCT: **Official U.S. Customs ISF/10+2 Service Provider**
230 Half Mile Rd., 3rd Floor
Red Bank, NJ 07701
732-758-6800
info@log-net.com
www.log-net.com/isf

LOG-NET is an official U.S. Customs ISF provider. Using LOG-NET's Web-based *portal services, importers or their agents can file the 10 importer data elements directly to CBP to comply with the 10+2 regulation. LOG-NET's ISF service enables importers to file from any location via shippers, forwarders, or broker. Sign up for a free 30-day trial today.*

Logistical Data Solutions
PRODUCT: LDS Direct Filing
Jamaica, NY
718-554-7439
www.logisticaldatasolutions.com

Management Dynamics
PRODUCT: 10+2 Compliance
East Rutherford, NJ
201-935-8588
www.managementdynamics.com

NetChb LLC
PRODUCT: 10+2/Importer Security Filing Module
3577 E. Lizard Rock Pl.
Tucson, AZ 85718
520-577-6801
isf@netchb.com
www.netchb.com

NetChb's ISF module is Web based, powerful, and easy to use. The Importer Security Filing has been mandated by CBP. Importers will face penalties of $5,000 per shipment for ocean imports beginning in January 2010. NetChb provides unparalleled flexibility for ISF filing by importers, their customs broker, or freight forwarder, all directed toward keeping the importing client in the loop and compliant.

Netwin Solutions, Inc.
PRODUCT: Netwin ISF
5455 Garden Grove Blvd.
Suite 325
Westminster, CA 92683
714-903-2121 ext. 253
sales@netwinsolutions.com
www.netwinsolutions.com

Netwin Solutions provides a feature-rich, user-friendly software to meet all your ISF filing requirements. Software can be installed on your server or used as a service. Our system is designed to support the requirements of self-filing importers as well as customs brokers supporting multiple importers. With flexible pricing options backed by our commitment to excellence in customer support, your search for an ISF solution ends here.

NG Jensen
PRODUCT: ISF Express
Minneapolis, MN
888-645-9777
www.ngjensen.com

Oceanwide Inc.
PRODUCT: Oceanwide ISF 10+2
Montreal, QC
888-289-7744
www.oceanwide.com

QuestaWeb
PRODUCT: QuestaWeb 10+2 (ISF) Module
Westfield, NJ
908-233-2300
www.questaweb.com

SmartBorder
PRODUCT: Smart Border ISF
Niagara Falls, NY
800-572-2734
www.smartborder.com

TradeBeam
PRODUCT: Import Management Solution
San Mateo, CA
650-653-4800
www.tradebeam.com

TradeCard
PRODUCT: The TradeCard Platform
75 Maiden Lane, 12th Floor
New York, NY 10038
212-405-1800
info@tradecard.com
www.tradecard.com/10plus2

Complying with 10+2 is easier than you think. With TradeCard, data from purchase orders and packing and shipping documents reside on one platform. A global network links all necessary transaction parties. Importers have access to all 10 data elements in one place. TradeCard automates transactions between buyers, vendors, manufacturers, agents, LSPs, and factories, providing unique access to transaction data necessary for 10+2. Obtain data visibility into suppliers and manufacturers all the way down to the factory floor.

TradeMerit
PRODUCT: ISF Enhanced
225 Franklin St., 26th Floor
Boston, MA 02110
617-217-2859
sscott@trademerit.com
www.trademerit.com

TradeMerit, the leader in providing electronic services in the area of compliance, is offering ISF Enhanced at a total cost of 99 cents per 10+2 filing and a one-time $100 set-up cost. In order to encourage importers to begin filing before the CBP deadline of January 26, 2010, TradeMerit is offering a 30-day free trial of the service. Please visit our Web site or contact Sandra Scott to learn more.

TradeTech
PRODUCT: 10+2/ISF Solution
Bellevue, WA
425-837-9000
www.tradetech.net

TRG Direct
PRODUCT: 10+2 ISF Web-based Software
325 North Hough St., 2nd Floor
Barrington, IL 60010
847-756-7553
jleary@trgdirect.com
www.trgdirect.com

TRG Direct offers a low-cost, easy-to-use software for importers to self-file their ISF. This Web-based system requires no start-up fee and costs only three to five dollars per ISF. Beyond cost savings is time savings; importers have the ability to set up templates for repetitive ISFs, as well as grant access to overseas vendors. TRG Direct is a trusted service provider with an extensive background in direct filing of CBP entries.

Xtheta
PRODUCT: Xtheta Advantage
Skippack, PA
610-584-1262
www.xtheta.com

HOW CAN WE HELP? *Inbound Logistics* strives to give readers every advantage in their transportation and logistics operations. Email us at *editorial@inboundlogistics.com* to tell us which resources you'd like to see listed in Inside Info.

3PLs

Aspen Alliance Group • www.aspenlogistics.com

The Aspen Alliance Group provides global brand name partners with a competitive advantage through high-quality customized, integrated, cost-effective logistics services. We offer customer-focused solutions in contract and public warehousing, transportation, and value-added services with a special emphasis on temperature-controlled environments. Our superior service is driven by leading-edge technologies, which provide timely flow of information to manage complex supply chain environments.

C.H. Robinson • www.chrobinson.com

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

The Gilbert Company • www.gilbertusa.com

With more than 20 years of experience, The Gilbert Company, a leading integrated logistics services provider, delivers warehousing and distribution services, nationwide consolidation and deconsolidation, retail store deliveries, domestic and international freight forwarding, and electronic processing and tracking systems. Warehousing capabilities include two million-plus square feet in Chino, Calif., and 275,000 square feet in Keasbey, N.J. The Gilbert Company is committed to providing unparalleled logistics services coast to coast. For further information, visit us at www.gilbertusa.com.

NFI • www.nfiindustries.com

Founded in 1932, NFI offers a variety of integrated supply chain services to help businesses manage, grow, and succeed in today's marketplace. The company is one of the largest privately held third-party logistics providers in North America. NFI divisions include NFI Distribution, NFI Logistics, NFI Transportation (Dedicated and OTR), NFI Intermodal, NFI Real Estate and Development, NFI Global, NFI Contract Packaging & Decorating, and NFI Consulting.

IN THIS SECTION:
3PLs – Freight Bill Audit/Payment

PenserSC • www.pensersc.com

PenserSC understands the supply chain challenges of the Southeast region. The evidence is in the fully integrated supply chain solutions it offers. PenserSC provides full visibility and on-time delivery, along with the attention to detail your company deserves. It also manages, tracks, reports, and delivers vital information in real time. The latest technology allows for customized online client access, giving you information to make quick and thorough decisions. At PenserSC, it's not just about reducing costs; it's about offering solutions that provide a sustainable landed cost and service levels.

TLC-Total Logistic Control • www.totallogistic.com

TLC-Total Logistic Control delivers exceptional value in the design, implementation, and operation of logistics systems. TLC provides full end-to-end supply chain services, including supply chain planning, contract manufacturing/packaging, transportation services, multi-temperature warehousing, logistics management services, and supplier management/procurement. The company has received the Top 10 Provider of Logistics Excellence award for 10 consecutive years. As the independent arm of one of the world's largest retailers, TLC combines operating excellence with global economic resources to bring new value to our customers' supply chains. The company is headquartered at 10717 Adams St., Ste. 200, Holland, MI 49423.

ECONOMIC DEVELOPMENT

Northwest Iowa Development • www.northwestiowa.org

Northwest Iowa can offer your company affordable building sites, qualified workers, excellent training programs, world-class education, and a can-do attitude. Let us show you how we can provide a low-cost place to do business... Beyond Expectations. Take a tour through the Web site, then come and take a personal tour of Northwest Iowa. See why so many successful businesses call Northwest Iowa home.

FREIGHT BILL AUDIT/PAYMENT

Cass Information Systems, Inc. • www.cassinfo.com

Cass is an information services company with a primary focus on transaction processing in the area of payables and payables-related services. Cass performs transaction processing at the highest levels in an integrated, efficient, systematic approach using proven core competencies: data acquisition, data management, information delivery, and financial exchange. Since its founding in 1906, the Cass organization has continually renewed and reinvented itself in response to a changing and challenging marketplace. Find out more at the Cass Web site.

IN THIS SECTION:
Freight Bill Audit/Payment

CT Logistics • www.ctlogistics.com

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

CTSI • www.ctsi-global.com

For more than 50 years, CTSI has been a valuable resource to companies by providing the technology and industry expertise to help them manage all aspects of their supply chain–physical, informational, and financial–through freight audit and payment, transportation management systems (TMS), information management tools, and global consulting. The end results are improved shipping efficiencies, greater control, and significant ongoing savings. CTSI is your link to supply chain solutions.

National Traffic Service • www.natraffic.com

National Traffic Service is a leader in the freight audit and freight bill payment industry for a simple reason: it provides significant advantages, including maximum freight bill audit savings, reduced internal administrative expenses, extensive Internet reporting tools, a wide variety of reporting formats, and UPS and FedEx parcel audits. Last year, National Traffic Service saved clients more than $40 million in potential overcharges. Get in on the savings; contact National Traffic Service today.

nVision Global • www.nvisionglobal.com

nVision Global offers complete Web-based freight bill audit and payment software capable of capturing from 24 to 110 pieces of information from carrier freight bills and other related documents. Date verification is performed automatically to ensure the accuracy of crucial information on your freight bills by cross-referencing against bills of lading, purchase orders, and others. Pricing audits are also performed to verify freight bill prices based on your own negotiated carrier pricing agreements. Freight charges are also itemized to include accessorial charges and other shipping expenses. Tolerances based on dollar amounts or percentages can be set, and multiple allocations of accounting codes are possible.

IN THIS SECTION:
Global Logistics – Transport/Freight Mgmt.

GLOBAL LOGISTICS

Ryder • www.ryder.com

Ryder provides end-to-end supply chain, warehousing, and transportation solutions including: third-party logistics (3PL), fleet management, RFID operations, reverse logistics, supply chain management, transportation management/freight management, truck rental, truck leasing, warehousing, lead logistics provider, lead logistics manager, service parts operations, and distribution center management.

RAIL

Norfolk Southern Corporation • www.nscorp.com

Norfolk Southern Corporation is one of the nation's premier transportation companies. Its Norfolk Southern Railway subsidiary operates approximately 21,000 route miles in 22 states and the District of Columbia, serves every major container port in the eastern United States, and provides superior connections to western rail carriers. Norfolk Southern operates the most extensive intermodal network in the East and is North America's largest rail carrier of metals and automotive products.

SMARTWAY

Hassett Air Express • www.hassettair.com

Hassett Air Express, a leader in time-sensitive freight services, offers a full line of transportation services including same-, next- and second-day; two-day regional and three- to five-day time-definite; expedited truckload; international; charter; and trade show. Hassett customers can access a secure Web portal called My H-Trac, where they can obtain vital shipment information, download current invoices, request shipping quotes, create management reports, and more.

TRANSPORTATION MANAGEMENT/FREIGHT MANAGEMENT

National Traffic Service • www.natraffic.com

National Traffic Service offers the TrafficPro system, which eliminates all over-charges and duplicate payments to ensure that your freight invoices are paid once, correctly and on time. Easily generated management reports allow you to benchmark, forecast, and analyze all aspects of your logistics expenses. All of this is available without dedicating your own valuable IT resources to developing an audit and payment system from scratch. National Traffic Service customizes your TrafficPro system for seamless integration with your current in-house systems and tailors the program to your specific needs and applications.

TRUCKING

AFN-Advantage Freight Network • www.afnww.com

If you are looking to expedite a single piece of freight across country, set up dedicated routes, or want to manage your supply chain more efficiently, talk to AFN today. AFN focuses on your unique needs and applies analysis and ingenuity to find the answers that no one else can. AFN thinks around corners and moves beyond traditional resolutions to better manage your supply chain challenges.

Bilkays Express • www.bilkays.com

Bilkays Express sets the standards in shipping by which all others are judged. Businesses throughout the Northeast have come to depend on Bilkays' accurate, on-time delivery for all their shipping needs. Why? Because we get the job done better for less by maintaining a modern state-of-the-art fleet so you can be sure your shipments are on the road to an on-time delivery. We provide overnight delivery to the greater New York, New Jersey, and Connecticut metropolitan areas. In addition, Bilkays provides extended overnight and second-day delivery to all of New England and the Middle Atlantic region. Find out more about how Bilkays can meet your transportation needs by visiting its Web site.

CEVA Ground • www.selectscg.com

In today's competitive marketplace, companies are looking for partners and solutions to help operate and run their business effectively. Agility, experience, and leadership are key components to success. CEVA Ground's portfolio of products and services provides the right solution to meet your business needs. CEVA Ground demonstrates its commitment to provide best-in-class transportation solutions through measured performance and proactive communication.

Con-Way Freight • www.con-way.com/freight

Con-way Freight provides day-definite less-than-truckload freight delivery throughout the continental United States, Hawaii, Alaska, Puerto Rico, the Caribbean, Canada, and Mexico. With more than 450 locations, the company provides next-day direct service to more locations than any single LTL carrier in North America. To learn more about Con-way Freight, visit us at www.con-way.com/freight.

IN THIS SECTION:

Trucking

FLS Transportation Services • www.flstransport.com

With 75 years of experience between its combined subsidiaries, FLS knows the impact transportation has on rendering quality service to customers. This understanding allowed FLS to develop a reputation as the leading cross-border carrier between Canada and the United States. Handling a wide range of services, FLS manages even the most challenging customer requirements. From a truckload of paper with delivery within three days to a truckload of automotive parts requiring JIT delivery, FLS is ready to take on your challenge.

Lynden • www.lynden.com

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

Meyers Transportation • www.meyers.ca

Meyers Transport and its 500 employees serve the daily needs of hundreds of cities throughout Ontario, Quebec and the United States. Recent developments include increased coverage of U.S. markets and expansion of direct service areas to include much of SW Ontario west along the 401 to London and including the Niagara area back to Toronto. For more information, contact Shawn Dearman, VP Sales & Marketing, at 800-565-3708, ext. 246.

Old Dominion Freight Line • www.odfl.com

Old Dominion Freight Line is a less-than-truckload carrier providing complete nationwide service within the continental United States. Through its four product groups, OD-Domestic, OD-Expedited, OD-Global and OD-Technology, the company offers an array of innovative products and services to, from, and between North America, Central America, South America, and the Far East. The company also offers a broad range of expedited and logistical services in both domestic and global markets.

Ruan Transport Corporation • www.ruan.com

At Ruan, we understand what moves business: ideas. It's a matter of vision, creativity, innovation, and strong partnerships. In terms of transportation services, it's about moving goods or materials to where they need to go, when and how it's most efficient and profitable. This is what we've delivered for our customers, day in and day out, since 1932. Find out why the right partner can drive costs out of your supply chain–call 866-RUAN-NOW or visit our Web site: ruan.com.

Werner Enterprises, Inc. • www.werner.com

Werner Enterprises, Inc. is a premier transportation and logistics company, with coverage throughout the United States, Canada, Mexico, and China. Werner maintains its global headquarters in Omaha, Neb., offering 24/7 service 365 days a year. Werner is among the five largest truckload carriers in the United States, with a portfolio of services that includes long-haul, regional and local van capacity, temperature-controlled, flatbed, dedicated, and expedited. Werner's value-added services portfolio includes import and export freight management, PO and vendor management, truck brokerage, intermodal, load/mode and network optimization, and global visibility. Internationally Werner provides freight forwarding and customs brokerage services, and is a licensed NVOCC.

West Brother's Transportation Services • www.westbros.com

West Brother's brings a unique commitment to dedicated transportation services and to its clients across the continental United States. Through our Productivity in Motion™ culture we align and optimize our dedicated resources with the continuous productivity improvement goals of each client. West Brother's affiliated companies go beyond transportation services to include commercial truck leasing and contract maintenance, distribution and warehousing, transportation brokerage, and trailer storage and rental.

TRUCKING–TL

Colonial Freight Systems • www.cfsi.com

From its beginning in 1943 as a small, intrastate, Alabama trucking operation to the national, multi-service transportation company of today, Knoxville, Tenn.-based Colonial Freight Systems has maintained the same philosophy of innovative service at competitive prices. The carrier specializes in serving the frozen food industry and offers perishable LTL service from points in New Jersey, Eastern Pennsylvania, New York City, and Baltimore to points in North Carolina, South Carolina, Georgia, Alabama, Tennessee, and Texas.

MATERIALS HANDLING

Airgas Inc.

Airgas provides distribution, installation, monitoring, and maintenance programs for Nuvera Fuel Cells Inc.'s PowerTap hydrogen generators and stations, used to power materials handling equipment such as forklift trucks. The PowerTap generator uses steam reformation technology to produce hydrogen from natural gas.

www.airgas.com 610-687-5253

Southworth Products

Dura-Dock loading dock lifts feature galvanized construction, steel platforms ranging from six feet by eight feet to eight feet by 12 feet, weatherproof push-button controls with 20 feet of coiled cord, and removable steel handrails with mid-rails and four-inch-high kickplates. The dock lifts work from grade level to a maximum height of 59 inches, and can be installed to accommodate any dock or loading configuration, whether the truck is parked perpendicular or parallel to the dock.

www.southworthproducts.com 207-878-0700

Westfalia Technologies

Westfalia added two products to its beverage case packing and case handling line: a half-gallon/two-liter carton caser and a hybrid-powered case stacker. The carton caser packs two 16-quart plastic dairy cases simultaneously in a three-by-three packing pattern, and comes with a case conveyor and dual carton in-feed conveyors with carton brakes. Capable of stacking 25 cases per minute, the stainless-steel case stacker operates with a hydraulic lift and compressed air to stack 16- and 24-quart dairy cases up to six high.

www.westfaliausa.com 800-673-2522

▲ Schmalz

The JumboFlex vacuum tube lifter provides one-handed materials handling for goods weighing up to 75 pounds. The unit can be installed on cranes, and the vacuum can be generated with an electric pump or with a multi-stage ejector powered by compressed-air. Rotating, turning, and quick-change adapter features offer flexibility for a variety of materials handling applications.

www.schmalz.com 919-713-0880

CONTINUED FROM PAGE 125

▲ **Quantronix Inc.**

Designed for high-volume applications requiring accurate cube and weight data collection for warehousing, freight manifesting, or transportation use, the CubiScan 200-TS conveyorized cubing and weighing system handles packages measuring up to 60 inches long by 48 inches wide and weighing up to 110 pounds. It features an operating speed of 230 feet per minute, color touchscreen display for operating statistics and diagnostics, and customized software to interface with bar-code scanning equipment, label printing devices, and shipping/manifesting, invoicing, or warehouse management system software.

www.cubiscan.com 800-488-CUBE

3PLs

Agility

A new Container Freight Station (CFS) in Dubai provides consolidation and redistribution service for less-than-containerload shipments. The CFS offers handling and temporary storage of import/export full and empty containers carried under customs control. Other CFS features include free cargo pick up with Dubai's Jebel Ali Free Zone; value-added services such as repackaging and labeling; door-to-door services; precise service schedules; and multiple weekly frequencies.

www.agilitylogistics.com 713-452-3500

C.H. Robinson

C.H. Robinson has expanded its produce operations by opening a Europe-based produce-sourcing company, C.H. Robinson Sourcing, in Avignon, France. Focused on trading fresh produce globally, the new company primarily sources French, Italian, and Spanish fresh produce products for sale to North America, South America, Europe, Asia, and the Middle East.

www.chrobinson.com 952-937-8500

FedEx Trade Networks

FedEx Corp. subsidiary FedEx Trade Networks expanded its global presence with new freight forwarding offices in Asia and Latin America. In Asia, the new facilities in Singapore; Taiwan; and Qingdao, Beijing, Guangzhou, and Shenzhen, China, support the company's international airfreight forwarding operations and provide comprehensive coverage in key Asia-Pacific trade lanes. In Latin America, the company opened an air and ocean forwarding office in São Paulo, Brazil.

www.ftn.fedex.com 800-GO-FEDEX

ShipWire

With upgrades to its distribution centers in Toronto and Vancouver, ShipWire offers Internet retailers the ability to import into and store inventory in Canada, and automate product fulfillment to Canadian buyers. ShipWire provides shippers real-time visibility into inventory, tools for tracking and controlling product status, direct-to-consumer pick/pack warehouse fulfillment pricing, and integration and connections to Web fulfillment services.

www.shipwire.com 888-SHIPWIRE

HARDWARE

CipherLab

Designed to improve productivity in warehousing stock control, picking and order processing, and manufacturing goods control, CipherLab's 8400 series industrial mobile computer features increased screen size to better accommodate terminal emulation, an ergonomic keypad that facilitates one-handed use, and a tilted scan engine to make data capture easier and more efficient.

www.cipherlab.com 888-300-9779

LXE Inc.

LXE's MX9, MX9CS, and MX9HL handheld computers are suitable for use in an array of heavy industrial and outdoor data collection environments. Features include an outdoor display, multiple scanning and imaging options, back-lit keypads, a built-in GPS positional location option, and multiple communications options.

www.lxe.com 770-447-4224

Tharo

The PR100 RFID reader features an LCD display, long battery life, and internal memory able to save up to 4,000 RFID scans. It includes software that saves RFID data in a *Microsoft Access*-compatible MDB database, creates custom reports, and exports CSV files for system integration.

www.tharo.com/pr100.php	800-878-6833

AIR

United Cargo

Designed for pharmaceutical and healthcare products requiring strict temperature controls and monitoring during transport, United Cargo's Temp Control service offers three temperature ranges to meet shippers' specific needs: Freeze (-4°F to 14°F), Cool (36°F to 46°F), and Ambient (59°F to 77°F). United Cargo's centralized customer service team takes readings at specified points in the shipment's transport and provides temperature notifications 24 hours a day.

www.unitedcargo.com	800-UA-CARGO

Lufthansa Cargo

Expanding trade opportunities to Europe for regional industries and consumers, Lufthansa's MD-11 freighter now serves Seattle-Tacoma International Airport twice a week from Frankfurt, Germany, with a connection continuing to Los Angeles.

www.lufthansa-cargo.com	800-LH-CARGO

OCEAN

APL Logistics

In partnership with Con-way Freight, APL offers OceanGuaranteed day-definite container service from origin ports in Asia to major metropolitan markets in Mexico. The service network's vessels and trucks receive late-gate privileges at origin ports and first-off priority on arrival at the Port of Los Angeles. Shipments move on dedicated Con-way Freight trucks to Laredo, Texas, where they cross the border to Mexico and proceed to their final destination.

www.apllogistics.com	510-272-8000

Atlantic Container Line (ACL)

ACL is the only ocean carrier offering weekly RoRo service from the United States and Canada to Casablanca. ACL's West Africa service calls every Thursday in Baltimore; Friday in Portsmouth, Va.; Saturday in New York; and Monday in Halifax, N.S. It arrives in Hamburg on Saturday, and continues to 38 ports in West Africa and the Mediterranean, including Casablanca.

www.aclcargo.com	800-ACL-1235

United Arab Shipping Company (UASC)

UASC resumed its Asia-Europe Container 2 (AEC2) service, which was temporarily combined with AEC1 service in December 2008. The AEC2 deploys nine 6,900-TEU vessels on the following port rotation: Pusan-Qingdao-Shanghai-Yantian-Singapore-Port Kelang-Jeddah-Suez-Le Havre-Rotterdam-Hamburg-Antwerp-Suez-Jeddah-Khor Fakkan-Singapore-Pusan. The AEC1 service introduces direct calls at the ports of Jubail, Dammam, and Bandar Abbas with the following rotation: Xingang-Pusan-Xiamen-Yantian-Hong Kong-Singapore-Khor Fakkan-Jebel Ali-Dammam-Jubail-Bandar Abbas-Khor Fakkan-Singapore-Xingang.

www.uasc.net	908-272-0050

Maersk Line

Liner shipping company Maersk Line revised its Trans-Pacific (TP) network services, including changes to services operated under a Vessel Sharing Agreement with Mediterranean Shipping Company and CMA-CGM, as well as other independent TP products. Changes include replacing the TP2 string with other TP network strings; expanding TP5's service to include a Long Beach, Calif., call; and removing a call at Busan, Korea from TP7 service.

www.maerskline.com	973-514-5000

CONTINUED FROM PAGE 127

WAREHOUSING

Zenith Global Logistics

A new 204,000-square-foot, multi-tenant warehouse in Claremont, N.C., serves furniture and home accents shippers and retailers facing fluctuating storage capacity needs. The new warehouse also serves as Zenith Global's dedicated East Coast in-home delivery center and offers pick, pack, and ship service for home accent products.

www.zenithfreight.com 800-937-3876

TRUCKING

New Penn

New Penn, a YRC Worldwide Inc. regional operating company in the Northeast, introduced guaranteed service options including 9 a.m. and 3:30 p.m. day-definite delivery. New Penn's guarantee states that delivery will be complete and on-time or the invoice will automatically be reduced to zero dollars, with no need for the shipper to file a claim.

www.newpenn.com 800-285-5000

▲**Axxom Software AG**

The new release of *ORion-PI Logistics Optimization* supports restructuring existing distribution centers and logistics systems, as well as designing new ones. It provides analysis and optimization of warehouse assignments, pick strategies, and warehouse and materials handling technologies.

www.axxom.com +49(0)89/56823-300

RAIL

RailAmerica

RailAmerica's new Contract Switching Services (RACS) moves railcars into, out of, and within a shipper's manufacturing or distribution facility. In addition to railcar switching, RailAmerica offers track maintenance, railcar and locomotive repairs, and railcar cleaning.

www.railamerica.com 800-342-1131

SOFTWARE

Accellos

Designed for scheduling key resources such as dock doors, fleet assets, drivers, and yard locations, *Accellos One Schedule* provides enterprise-wide visibility to the status and availability of assets and minimizes the potential of penalties from third parties for delays caused by poor scheduling.

www.accellos.com 719-433-7000

FreightScan

FreightScan's *Efficiency Software Package* solution provides a simplified user interface for its FS100 cargo scanning product. The new offering automatically dimensions cargo and displays length, width, and height in four seconds. A more robust option, the *Complete Software Package*, creates a detailed, retrievable record of dimensional data and images for each waybill.

www.freightscancargo.com 877-866-SCAN

CALENDAR

YOUR LOGISTICS DATEBOOK

October 5-7, 2009, Parcel Forum 09, Chicago, Ill. This conference arms logistics professionals with as much knowledge as possible so they'll be ready when the economic tide changes. Real-world-focused educational sessions are organized into five tracks: transportation fundamentals, advanced topics, operational efficiencies, technology applications, and managing change. Attendees can tap transportation experts' knowledge in a Q&A session.

608-442-5063
www.parcelforum.com

October 5-9, 2009, Essentials of Supply Chain Management, University Park, Pa. Co-sponsored by the Center for Supply Chain Research at Penn State's Smeal College of Business and the Council of Supply Chain Management Professionals, this intensive continuing education program equips supply chain professionals to integrate supply chain functions, develop common performance matrices, and improve customer satisfaction through shorter delivery times.

814-865-3435
www.smeal.psu.edu/psep

October 6-8, 2009, International Maritime Dangerous Goods, Secaucus, N.J. This program, led by the International Vessel Operators Hazardous Materials Association, provides a working knowledge of the International Maritime Dangerous Goods Code (IMDG) regulations for transporting and securing dangerous goods by water. Training subjects include classification, packaging, labeling, documenting, handling, container packing, consolidating, forwarding, and other commerce within the scope of the IMDG Code.

201-348-2000
www.vohma.com

October 14-16, 2009, Achieving Warehouse Success, Long Beach, Calif. Warehouse supervisors and managers need a blend of state-of-the-art warehouse concepts, tried-and-true management techniques, and real-world applicability. This three-day seminar by the Warehousing Research and Education Council teaches ways to make the most of three basic resources–space, equipment, and labor.

630-990-0001
www.werc.org

IANA
Intermodal Association of North America

NITL
The National Industrial Transportation League

Intermodal Expo and TransComp Exhibition

Join us in Anaheim for the year's premier multi-modal transportation industry event!

November 15-17, 2009
Anaheim Convention Center • Anaheim, California

For more information contact

Intermodal Association of North America
301-982-3400
ianaexpo@intermodal.org
www.intermodal.org

The National Industrial Transportation League
703-524-5011
transcomp@nitl.org
www.nitl.org

Limited exhibit space available!

Visit **www.freightexpo.net** *for information on exhibiting and an updated floor plan or call Stacie Fagan, IANA at 301-982-3400 or Ellie Gilanshah, NITL at 703-524-5011 today.*

The Intermodal Expo and TransComp Exhibition are held in cooperation with IANA's Annual Membership Meeting, NITL's 102nd Annual Meeting, and TIA's Fall Meeting.

POSITIONS WANTED

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Logistics Operations Manager

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David Penchina

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dpenchina@aol.com

International Logistics Professional

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Rogelio Antillon

817-899-3429
antillon_rogelio@hotmail.com

Global Logistics and Supply Chain Manager In DFW

APICS Certified Supply Chain Professional, with MBA and Engineering Degrees.

Over 12 years of experience in Supply Chain and Logistics. Proven track record in optimizing supply chain operations, transportation and logistics in public companies with multiple sites. Expertise in TMS management and operations.

Looking forward to new challenge in Dallas-Fort Worth.

David Bratton-Kearns

925-200-9472
davidbk.51@gmail.com

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- Possessing excellent communication and interpersonal skills.
- Working collaboratively in cross-functional, team settings.

RESOURCE CENTER

09.09

INBOUND LOGISTICS WORKS FOR YOU!

3PLs

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  A&R Logistics, an asset-based provider of bulk and van trucking, warehousing, and Web-based transportation solutions, has been servicing the bulk industry for 40 years and counting, providing shippers with best-in-class service at every level of the supply chain.
  www.artransport.com 800-542-8058

- **AFN** pg. 59
  AFN offers logistics solutions to drive business forward. As your strategic partner, AFN keeps goods moving with customized solutions to meet your specific supply chain needs–every time.
  www.thebestwayeveryday.com 866-7MOVE-IT

- **Aspen** pg. 108
  Looking for best-in-class logistics solutions? Aspen offers what you need. From warehousing to transportation to value-added services, Aspen can help.
  www.aspd.com 800-741-7360

- **Bilkays Express** pg. 96
  Discover what Bilkays Express can do in the Northeast. Warehousing, inventory control, and the latest technology blended with transportation efficiency adds up to a winning combination.
  www.bilkays.com 800-526-4006

- **C.H. Robinson Worldwide** pg. 5
  C.H. Robinson is one of the world's largest third-party logistics providers of freight and transportation logistics, fresh produce sourcing, and information services.
  www.chrobinson.com 800-323-7587

- **CRST International** pg. 3
  From van expedited to flatbed, short haul to dedicated fleet, or total logistics management, CRST has the resources and is ready to roll for you, today and for years down the road.
  www.crst.com 800-736-2778

- **Dupré Logistics** pg. 35
  Dupré Logistics looks for better ways of doing things at every turn and can significantly improve supply chain predictability and cut costs.
  www.duprelogistics.com 800-356-3659

- **EA Logistics** pg. 123
  Whether by truck, air, ocean, or rail, consider EA Logistics for your everyday shipping, trade show shipments, rollouts, and warehousing. Delivering freight forwarding values since 1977, EA Logistics knows how to help you stretch your shipping dollar.
  www.ealogistics.com 800-863-5948

- **FLS Transportation Services** pg. 37
  FLS offers a variety of transportation services across the continental United States and all 10 Canadian provinces.
  www.flstransport.com 800-739-0939

- **J.B. Hunt Transport Services** Cover 4
  From large-scale construction projects to seasonal surges, J.B. Hunt is an industry leader in transportation management.
  www.jbhunt.com 866-790-3938

- **Lily Transportation Corp.** pg. 53
  Lily helps shippers improve profits and the environment. It has lowered its top speed to 60 mph, resulting in reduced fuel consumption and carbon footprint, and improved safety.
  www.lily.com 800-248-LILY

- **Lynden** pg. 20
  A full-service freight forwarder, including air, ocean, and customs brokerage, Lynden connects you with hard-to-reach locations.
  www.lynden.com 888-596-3361

- **NFI** pg. 48
  NFI provides transportation, fulfillment, and technology solutions–a completely integrated supply chain solutions company. Find out how you can join its list of satisfied customers.
  www.nfiindustries.com 877-NFI-3777

- **Performance Team** pg. 57
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  www.ptgt.net 866-775-5120

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For general questions about particular industry segments, use the card between pages 24-25 and pages 122-123.

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RESOURCE CENTER

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  www.regallogistics.com 253-922-2250

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- **Werner Enterprises** pg. 41
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  www.werner.com 800-228-2240

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To: Inbound Logistics

Subject: Logistics Challenge

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THE LAST MILE

ALL PHOTOS: STEPHEN BUCHANAN

To honor the first mile of track laid in the United States and the father of modern timekeeping, Webb C. Ball, the Baltimore & Ohio Railroad Museum and BALL Watch Company recently debuted a commemorative watch.

Time to Get Horological

The next time you glance at your watch, cell phone, PDA, computer, or clock, consider where it all began–the hours, the minutes, the seconds spinning in time, on time, all the time.

Modern timekeeping as we know it is a product of "Railroad Time," a standard of accountability and reliability that U.S. railroads officially adopted at noon on November 18, 1883.

Soon thereafter, the railroad industry commissioned Webb C. Ball, an Ohio jeweler and eventual founder of the BALL Watch Company, to develop the first commercial chronometer.

In celebration of the first mile of railroad track laid in the United States in 1831 by the Baltimore & Ohio Railroad Company and the "father of modern timekeeping," the Baltimore & Ohio Railroad Museum and BALL Watch Company are teaming up to introduce an iconic BALL Fireman B&O First Mile timepiece.

The Swiss-made commemorative watch is built on the respected ETA 2824-2 automatic mechanical movement, providing accuracy under adverse conditions–those encountered by railroaders in the 1800s and 1900s.

The BALL Watch Company and Little Treasury Jewelers sponsored an unveiling of the new watch at a ceremony hosted by the Baltimore & Ohio Railroad Museum in Baltimore.

Not to be outdone by their timely forebears, officials commenced the event at precisely 11:00 while traversing the first mile of commercial track laid in the United States. Talk about being on the ball!