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THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS • SEPTEMBER 2010

ANNUAL TRUCKING ISSUE

STEEP GRADE

CAN TRUCKERS MAKE IT TO THE TOP?

Top 100 Motor Carriers

EXCLUSIVE RESEARCH:
Trucking Perspectives

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

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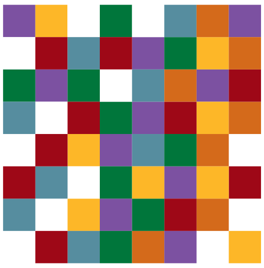

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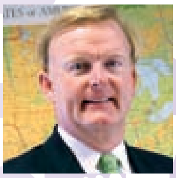

CHECKINGIN

Keith Biondo

by Keith Biondo | **Publisher**

First They Came For Our Trucks

The War on Trucking. Are You Prepared? That's the headline of the ad on page 111 of this issue, sponsored by NASSTRAC, an association comprised of a cross-section of shippers. Citing the challenges posed by CSA 2010, cap and trade, and Hours-of-Service changes, NASSTRAC is undertaking advocacy to guard the interests of anyone using trucks in America.

Is there a war on trucking? Last month, Federal Judge Christina Snyder ruled that independent truckers draying at the Port of Los Angeles will be prohibited from serving the port as owner-operators by 2013 because of their inability to meet diesel emissions standards. If they want to work the port, they'll have to dump their trucks and hire on with a larger carrier.

Green stewardship aside, does a local entity have the power to regulate an industry that is already regulated at the federal level? Wouldn't that create a patchwork of conflicting state and local regulations at odds with uniform federal regulations? Isn't this the same patchwork argument the U.S. Department of Justice is using in its lawsuit to prevent states from enforcing immigration law? Does a federal judge have the right to use environmental concerns to put hundreds of small truckers out of business?

If this precedent is rolled out nationwide, that number will grow to thousands. That's one reason why the American Trucking Associations is planning to appeal, and why many ports are watching closely to see how this plays out.

Truckers have issues with the Obama Administration's aggressive stance on greenhouse gas regulation. Poor job growth may make ratification of the job-killing cap and trade law impossible, at least for now. Yet, the Administration is attempting an end run around Congress by using a "tailoring rule" to rewrite the Clean Air Act passed by Congress more than 40 years ago. Ultimately, this takes regulatory power away from the states and brings it back to Washington.

Some states are already rebelling. In an open letter to the EPA, Texas Attorney General Greg Abbott writes: "In order to deter challenges to your plan for centralized control of industrial development through the issuance of permits for greenhouse gases, you have called upon each state to declare its allegiance to the recently enacted greenhouse gas regulations–regulations that are plainly contrary to U.S. laws... On behalf of the State of Texas, we write to inform you that Texas has neither the authority nor the intention of interpreting, ignoring, or amending its laws in order to compel the permitting of greenhouse gas emissions."

If the Administration succeeds with this anti-jobs end-run around Congress, costs will rise at every supply chain touch, and jobs will go to where jobs come first. Every warehouse, manufacturing plant, or anyone emitting CO_2–meaning you–will be next. Trucks are on the front lines of the CO_2 issue also.

First they came for our trucks. Will we do nothing? ■

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DIALOG

LETTERS TO THE EDITOR

Memphis Blues

After reading Merrill Douglas' May 2010 article, *Logistics Hotspots*, on your Web site, I was surprised to notice that Memphis was not included in the Southeast section. Based on the points listed in the article, Memphis is superior to all of the locations in its area, as well as most other places mentioned.

As a practicing industrial real estate broker in Memphis, I pride myself on keeping up with not only local market statistics, but also those of competitive cities. Memphis is one of the top locations for any type of distribution and logistics activity. I feel your readers should want to consider Memphis for their next site location. Perhaps this would be a good idea for a future article.

I enjoy reading your magazine. Please let me know if you ever need any insight on Memphis, or as we say, "America's Distribution Center."

–**Hank Martin,** Vice President, NAI Saig Company

EDITOR'S REPLY: As testament to the growing importance of transportation and logistics investment, and its value in driving economic development, there is no shortage of cities that qualify as logistics hotspots. Unfortunately, there are far too many to include in our yearly roundup.

Memphis' exclusion from this year's *Logistics Hotspots* feature was not without reason. We featured "America's Distribution Center" in our 2007 site selection article, and most recently in our 2009 iteration–along with 14 other different cities. You can read that article in our online archive: www.inboundlogistics.com/digital/siteselection09.pdf

As to your editorial suggestion, we're listening! Stay tuned for a special Memphis supplement in the October issue and our newest On the Road installment in January–*Midnight in Memphis*.

The Company 3PLs Keep

I enjoyed your *Checking In* columns on 3PL partnerships and communication in the July 2010 issue. I am just getting back in gear with *Inbound Logistics* so I can stay tuned to all the relevant information you distribute.

My personal opinion is that successful 3PL relationships should be like marriages. However, all too many are more like escort services–"I want a relationship but absolutely no commitment. I'm willing to pay for your company, but unless I am 100-percent happy all the time, I want to be able to go in a different direction."

As a married guy with 33 years experience, I know how much work and communication is required from both parties to succeed. As a founder of two 3PLs, I also know how critical it is to communicate and set the right expectations from the start.

Anyway, I'm glad to be back in the fold as an avid *IL* reader.

–**Jim Bramlett,** COO, SmartFreightWare

Any Way You Want It

I just completed the necessary information for an *Inbound Logistics* subscription. How long will it take before I receive an issue?

–**Kelly Hammond,** Muskoka Transport

EDITOR'S REPLY: It generally takes four to six weeks for new subscriptions to cycle through the system. In the meantime, you can download and read the issue immediately by navigating your Web browser to: www.inboundlogistics.com/digital

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10TIPS

STEP-BY-STEP SOLUTIONS

by Deborah Catalano Ruriani

Locating a Global Distribution Hub

Before adding a global distribution hub, hone your skills in compliance and cross-border import and export, advises John Miller, senior vice president global business development, Flash Global Logistics, Inc. He offers these tips on what companies should consider when locating and choosing a global distribution hub.

1 **Map your market.** Determine your customer install base, which is the exact location of sites that are under contract for service. If company X sells widgets, and the widgets are installed in locations 1, 2, and 3–that area would be the install base, and it is the key to locating and choosing a distribution center.

2 **Understand regional transit times.** Each geographic region presents its own challenges and advantages to supporting clients. Know the regional transit times and ensure they will support your customers and customer contracts.

3 **Look at transportation availability.** A qualified DC will meet most of your contractual timeline obligations through its ability to source carrier-based services to meet service delivery requirements. Same-day, overnight, and second-day transportation services have to be in place and map to your shipping guidelines. You can also greatly improve shipping cut-off times by selecting a location with existing carrier activity.

4 **Research taxes and regulations.** Choose areas that offer a favorable tax situation and have legal entities or fiscal presence. This may allow your company to claim back value-added tax. Make sure the area offers favorable trade terms and facilitates easy movement of product into and out of the region through advantages such as fast customs processing, ease of import, and few restrictions.

5 **Consider a free trade zone.** Seek out areas that have economic and geographic advantages for cross-border trade. Sites near international airports and seaports are preferred for developing free trade.

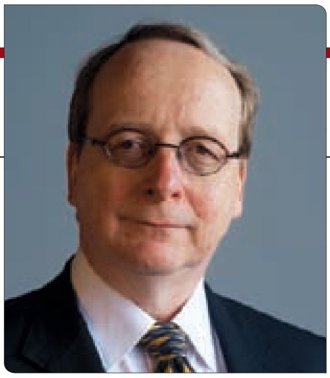
6 **Identify regulatory compliance issues.** Global regulations change every day, and these shifts impact areas surrounding your distribution center. Know your compliance responsibilities and manage denied party checks, export licenses and filings, and commercial invoice preparation either in-house or with a qualified partner.

7 **Check cut-off times.** Consider regional work time cut-offs, flight arrangements, and transport cut-offs in the distribution center and its surrounding area. Times vary within different countries based on local traditions, holidays, and customs.

8 **Plan to establish a local command center.** Make sure you select an area where you are able to create a command center to manage parts and service orders from the DC. Staff the center with experts who speak the local language.

9 **Consider your finances.** Your business growth and distribution center expansion is directly tied to management of your balance sheet. Consider costs for asset-based and asset-light resources, along with opportunities for shared or dedicated real estate. Balance your growth and distribution center against the economy and weigh your cost options.

10 **Seek expert advice.** Consult referring companies, industry associations, competitors, or your third-party logistics providers. Just make sure you seek knowledge and advice about distribution center locations from qualified professionals and look at historic examples. ■



INPERSPECTIVE

BY PERRY A. TRUNICK
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Conflict in the Supply Chain

Everyone wants a smooth-flowing supply chain, free of conflict. But the U.S. government has added a new wrinkle to the issue of supply chain management in the context of global politics and human rights.

You have to mine deep inside the Dodd-Frank Wall Street Reform and Consumer Protection Act to find it, but the U.S. Congress took the opportunity to add provisions to stop the flow of raw materials termed "conflict minerals." Just as we've seen initiatives for food safety–nicknamed "field-to-fork" for their close scrutiny from source to consumption–we now have a provision to ensure sourcing of certain minerals doesn't contribute to human rights atrocities in the Democratic Republic of Congo.

On its surface, that may not sound like a complex matter or even one with much impact outside the Congo. But minerals such as tantalum are an important part of nearly every electronic tool and entertainment device we have come to depend on–from iPods to mobile phones.

The electronics industry supported efforts to regulate conflict minerals trade. And, in an e-mail circulating around the Internet, Apple CEO Steve Jobs explains that Apple requires all suppliers to certify they do not use conflict minerals. Jobs points out that until a method is developed "to chemically trace minerals from the source mine, it is a very difficult problem."

At the source, a United Nations group reportedly found that nearly all mining operations are controlled by armed groups who are demanding illegal taxes before they allow goods to be transported. A ban on conflict minerals, therefore, could amount to a defacto boycott of Congo-origin minerals. This has led some suppliers to attempt to obscure the origin by claiming the minerals originated in neighboring countries.

The problem is exacerbated when conflict minerals are transported to another country where there are no restrictions or they are loosely enforced. The conflict minerals may then be incorporated into parts and components that are, in turn, exported as originating in that country.

From a risk-management perspective, importers, manufacturers, and assemblers of products that use materials containing potential conflict minerals face at least two major problems. One is enforcement action from governments trying to stop the flow of funds to groups guilty of human rights atrocities. The other is public perception, where there is ample precedent–genetically modified foods are one example.

Supply chain management comprises the tools to monitor much of the inbound logistics chain from source to consumption, through reuse or disposal. Motivated by cost, quality, security, and even public perception in some cases, we have hardened the supply chain against many types of threats. Where the technology is limited, we have supplemented with process controls.

As Steve Jobs' comments imply, and others in the electronics industry have said, we may not be able to reach 100-percent compliance. But we can squeeze tolerances tight and eliminate willful or knowing violations.

We aren't likely to run out of regulatory or legislative actions that seek to regulate supply chain functions. We may run out of nicknames–"mine-to-mobile"?

It is a good time to look at our supply chains and find and plug information gaps. It is also wise to educate the public–including regulators–that the levels of practice and self-regulation are already high. ■


RULE THE AIR
TAKE THE "E" OUT OF E.T.A.
On-time deliveries are as much about math as they are about geography. You use a fleet productivity and management application from Verizon so you know the best routes and how long driving those routes takes. So even though your trucks aren't very aerodynamic, your delivery process sure is.
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Network details & coverage maps at vzw.com. © 2010 Verizon Wireless.

READER PROFILE

by Merrill Douglas

Supply Chain Advocate

Gemma Fillmore's life has taken her from Hong Kong to England to the United States. Her career has brought her from the garment industry to third-party logistics services to retail and consumer packaged goods. Now she's in healthcare, working on corporate logistics projects at Medco Health Solutions, a leading pharmacy benefits management company.

But Fillmore also has taken another kind of journey, emerging from the male-dominated environment she found on the job in the late 1980s into a business world that genuinely appreciates the contributions of women.

Fillmore earned her way up the corporate ladder by tackling hands-on roles that often involved working second or third shift. "Not many women start logistics careers as forklift operators or warehouse workers and progress to a more senior role," she says.

WHAT THE DOCTOR ORDERED

NAME: **Gemma Fillmore**

TITLE: Corporate logistics projects

COMPANY: Medco Health Solutions, Franklin Lakes, N.J., since 2009

PREVIOUS EXPERIENCE: Various supply chain and logistics positions, Bonaventure Textiles; warehouse manager, inventory supervisor, Tibbet & Britten (now Exel Logistics); corporate operations supervisor, Reckitt Benckiser; senior transportation manager, operations and other supply chain positions, Nabisco Foods; senior manager procurement-logistics, Kraft Foods; director of global logistics, Campbell Soup Company; owner, G&A Distributors

EDUCATION: Hastings College/Brighton Poly, zoology and sociology, 1984

The Big Questions

What do you do when you're not at work?
I spend time with my family. My nine-year-old twin girls join me in gardening, cooking, and riding their bikes while I go on my daily run.

Ideal dinner companion?
My father. He lives in England and I don't get to see him much, but he had a tremendous influence on my career. His message was: when you find what you love to do, it doesn't feel like work.

What's in your laptop bag?
My iPod, Blackberry, memory stick, and a book by Catherine Kaputa, *The Female Brand: Using the Female Mindset to Succeed in Business*.

Business philosophy?
We can minimize the negative impacts of a volatile industry if we prepare for the future. To do that, we need to have our finger on the pulse of today and remember the mistakes of yesterday.

If you didn't work in supply chain management, what would be your dream job?
Writer. Good writing skills, especially in the business world, are becoming hard to find.

Moving into a corporate logistics role at Reckitt Benckiser in 1992 was a "baptism by fire," Fillmore says. There were no formal training programs to help her transition into the corporate culture or cultivate supply chain skills.

But she still found plenty of teachers and good sources of information. "There is no better source of knowledge than the suppliers and carriers you do business with," Fillmore says.

Fillmore works on projects to improve supply chain performance at Medco. The company's services include a mail-order pharmacy operation.

"Logistics and supply chain fundamentals are transferable," Fillmore says. "But the rules and expectations relative to the type of business vary. For example, when moving pharmaceuticals, chain of custody, service, quality, and visibility are critical."

The pharmaceutical industry has come a bit late to streamlining the supply chain, Fillmore observes. But in the current economic climate, the industry's perspective has changed. "Pharmaceutical companies are starting to more closely examine their supply chains, which are a large cost," she says.

Getting C-level executives to give supply chain issues the attention they deserve has been a focus of Fillmore's career. "One challenge logistics professionals face is ensuring the right people know what we do," she says.

The supply chain discipline has come a long way in the past 20 years, but practitioners still have more to accomplish, Fillmore says.

"Being a risk taker, challenging the norm, driving cost out of the supply chain, and preparing for the future are core," she explains. "Building a formidable team–securing and growing the talent, while getting the corner office to support your position in a turbulent market–that's priceless." ■

NOTED

THE SUPPLY CHAIN IN BRIEF

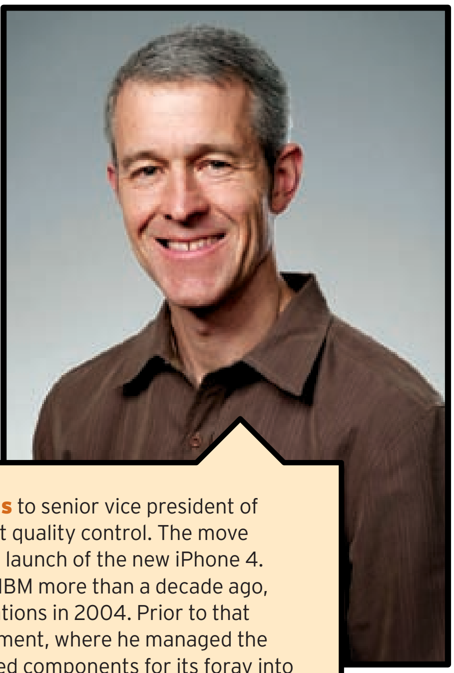
UP THE CHAIN

Cytomedix, a developer of biologically active regenerative therapies for the health care industry, has appointed **Patrick P. Vanek** to the newly created position of vice president of operations. Vanek will be responsible for all aspects of the company's technical business including oversight of OEM manufacturing, quality assurance and control, distribution, warehousing, and all other logistics operations.

Catharina Bengtsson has joined Swedish retailer **Clas Ohlson** as director of supply chain. She has international commercial experience, both in supply chain and retail, working in several different global markets at IKEA. Bengtsson will play a key role in planning and managing Clas Ohlson's supply chain in support of business operations from suppliers, through distribution centers and stores to the customer, in existing and new markets.

Supermarket chain **Great Atlantic & Pacific Tea Company (A&P)** appointed **Sam Martin** as its new president and CEO. In this position he is responsible for all domestic and international contract and retail merchandising operations, including supply chain and communications. Martin joins A&P from OfficeMax, where he had been COO since 2007.

Hewlett-Packard (HP) has named **Ahmed Mahmoud** senior vice president of global information technology. He will lead the IT teams responsible for the company's e-commerce and marketing organizations. Prior to joining HP, Mahmoud held a variety of IT management roles at Dell during a 13-year period, including application development for supply chain, global manufacturing, finance, and sales.



Apple has promoted **Jeff Williams** to senior vice president of operations, responsible for product quality control. The move follows the company's problematic launch of the new iPhone 4. Williams, who came to Apple from IBM more than a decade ago, was named vice president of operations in 2004. Prior to that he was head of worldwide procurement, where he managed the company's supply chain and secured components for its foray into the digital music player market.

soundbyte

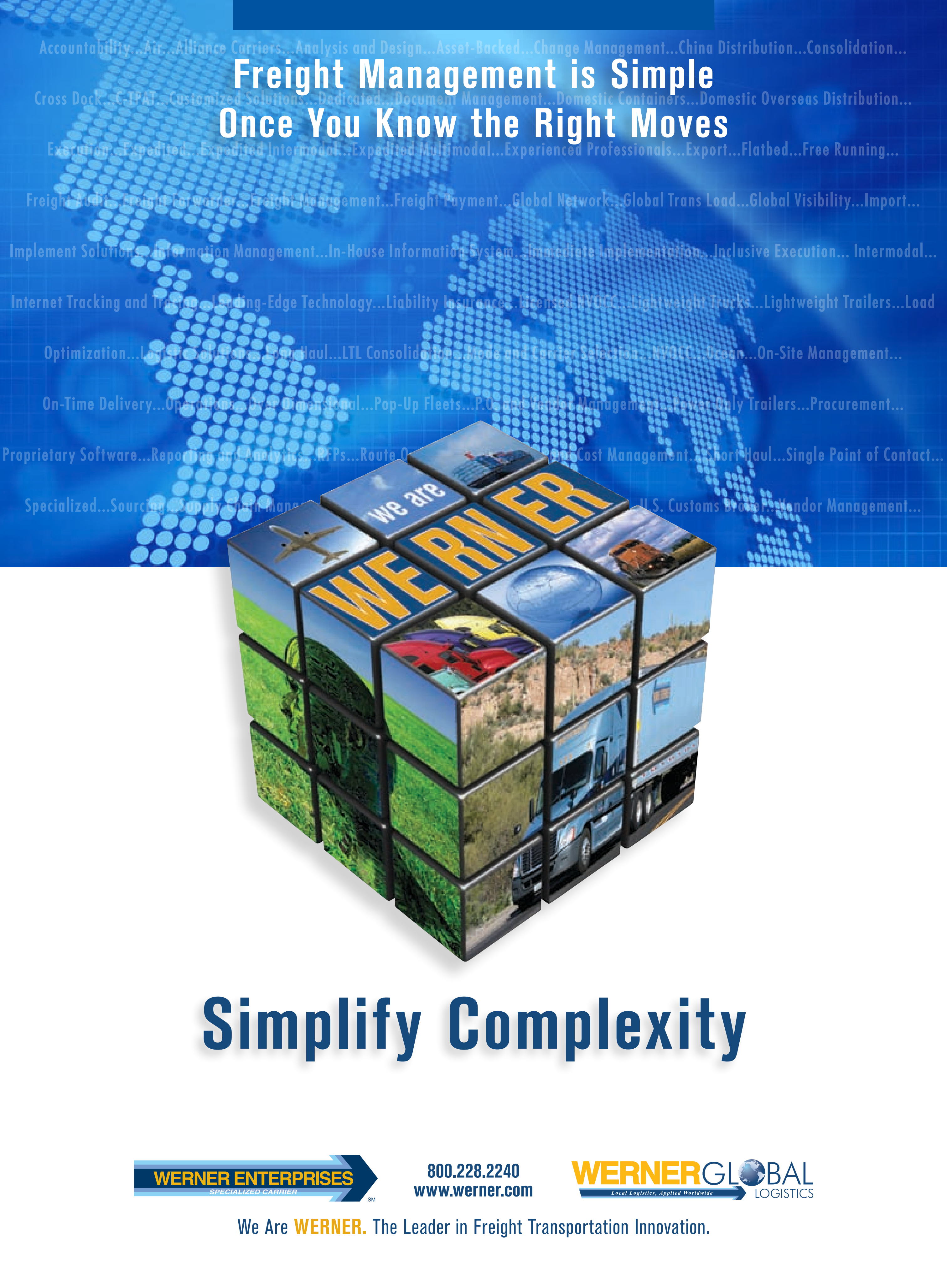
"The movement of data through the global supply chain is now as important as the movement of freight."

–Bill Todd, business development manager for CargoWise, a technology supplier for logistics service providers

GREEN SEEDS

Logistics technology vendor **Epicor Software** and **Village Green Global**, a carbon analysis and trading company, have partnered to address the challenges companies encounter as they engage sustainable business practices. The strategic alliance extends Epicor's next-generation ERP suite with offerings that enable companies to identify, analyze, audit, track, manage, benchmark, and report on carbon emissions, environmental impact, and energy consumption.

Eighty-six percent of companies in the consumer products, food and beverage, and chemical manufacturing industries have a plan to tackle sustainability, according to a recent **AMR Research** report, *Transportation Management: Lessons from a Difficult Two Years*. The top three actions taken to improve transport strategy are: consolidating orders for full truckloads, collaborative planning with vendors for inbound freight, and centralizing shipments to a load control center.



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

recognition

▲ **The Bon-Ton Stores** has named **A. Duie Pyle** the recipient of its 2009 Carrier Excellence Award. The retailer's selection process includes quarterly scoring and a year-end review, where carriers are evaluated on load acceptance, consistent performance, and customer service excellence.

Sally Beauty Supply named **NEMF** 2009 Carrier of the Year at its Columbus, Ohio, distribution center. The award is measured on local customer service and is based on criteria including equipment availability, relationships with account executives and service center managers, driver effectiveness, and consistent on-time inbound deliveries.

Triangle Business Journal has recognized **Yates Parker,** assistant vice president, finance for Railinc, as its CFO of the Year. The organization presents awards to professionals in North Carolina's Triangle region who exemplify excellence as corporate financial stewards. Parker won the award in the category of Medium Private Company.

Wallenius Wilhelmsen Logistics, which specializes in finished vehicle logistics, has received the 2009 **Toyota Logistics Services** award for quality service and performance. The honor recognizes the 3PL's vehicle processing operations at its Baltimore, Md., facility, where it provides processing and terminal services for the automotive manufacturer's export vehicles.

SEALED DEALS

The New Zealand Olympic Committee (NZOC) named **Agility** as its official logistics provider, managing all shipment requirements for national teams competing in events from the 2010 Commonwealth Games in Delhi, India, through the London Olympic Games in 2012. The 3PL's global network, and specific presence in Delhi, was a major consideration in the NZOC's decision.

Arigo, a supply chain technology company, has added **David Yurman** to its client roster. The American jewelry and timepiece brand selected Arigo's supplier collaboration and trade management solutions to support global operations from pre-production through delivery.

Sunny Delight Beverages is now using **Intelligent Global Pooling Systems'** all-plastic pallets with embedded RFID tags to ship products throughout the United States. The new partnership helps Sunny Delight meet its sustainability goals of reducing fuel use and greenhouse gas emissions while also improving visibility to shipments in transit.

▼ **Ford Motor Company** has expanded its relationship with **Penske Logistics**, selecting the 3PL to manage logistics at its Dearborn, Mich., plant, where the popular F-Series trucks are assembled. Penske Logistics serves as a lead logistics provider for Ford, providing manufacturing support, dealer delivery, in-plant, materials handling, warehouse, and transportation management services across product lines in the United States, Canada, United Kingdom, and Brazil.

TRENDS
SHAPING THE FUTURE OF LOGISTICS

The Panama Canal's expansion to a third set of locks is expected to be complete by 2014.

TRENDTRACKER

U.S. Ports Dig Panama Gold

by Joseph O'Reilly

For a wee slip of waterway, 48 miles in length and 33 feet wide at its narrowest, the Panama Canal has publicity buoyancy the likes of the two great oceans it connects–and the buzz is only building. Despite technology and globalization, the Canal has remained a vital gateway in the shipping trade since it first welcomed the *SS Ancon* in 1914.

Even its relative obsolescence, in terms of the ships it can accommodate, is still the benchmark for container capacity–Panamax, Post Panamax, Super-Post Panamax, and in five years time, the New Panamax. The completion of a third set of locks by 2014 will double throughput capacity and ensure the Panama Canal is relevant well past its Centennial celebration.

Given the rapid pace of change in the shipping industry, projecting out four years is ages in world trade chronology. But the Panama Canal's potential already has U.S. ports reacting as they prepare for a new TEU surge through Central America.

U.S. consignees are increasingly receptive to all-water routings from Asia to the eastern United States, bypassing latent

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

congestion and capacity constraints on the West Coast–and East Coast ports are benefiting. As one example, the Georgia Ports Authority (GPA) ferried 251,126 TEUs during July 2010, marking its best month ever and continuing eight straight months of double-digit growth.

"Our strategic planning has ensured that Georgia's deepwater ports are poised to handle the growth demands necessary to advance economic development," says Curtis Foltz, executive director, GPA.

Part of that planning was inked in a memorandum of understanding (MOU) with the Panama Canal Authority (ACP) in 2003–an agreement that "aimed to generate new business by promoting the all-water route between Asia and the Port of Savannah via the Panama Canal."

ACP officials were busy gladhanding in 2003, signing MOUs with seven U.S. East Coast ports, followed by Houston and New Orleans, among others. The timing was prescient, given Asia-U.S. West Coast trade dominance and the fact that the Panama referendum to expand the Canal was still three years away.

Recently, the ACP signed a MOU with the Mississippi State Port Authority at Gulfport, prompting similar optimism from Donald R. Allee, executive director/CEO of the port. "For four decades, the Mississippi State Port Authority has focused on growth prospects in the Western Hemisphere, but the expanded Panama Canal will afford the Port of Gulfport new opportunities to be more competitive in shipping between North America and both Asia and the West Coast of South America," he says.

Shifts in supply chain management and sourcing strategies, coupled with the Panama Canal's pending expansion, **offer incentive for U.S. ports to invest in transportation infrastructure** enhancements that help speed throughput.

Shifts in supply chain management and sourcing strategies, coupled with the Canal's pending expansion, offer incentive for U.S. ports to invest in transportation infrastructure. For example, in August 2010, the Port of Miami announced plans to fast track a $47-million refurbishment of a railroad connecting with Florida East Coast Railway's Hialeah Railyard.

The railroad redevelopment is part of a comprehensive overhaul that also includes a new highway tunnel under Biscayne Bay connecting to the port, and a dredging project to deepen the harbor to 50 feet so it can accommodate larger containerships. Port officials expect to complete these initiatives by 2014.

Such investments are attracting attention south of the U.S. border, especially in Brazil. A delegation from the Port of Santos–the largest port in Latin America–recently met with officials from the Port of Miami (as well as the ACP and Port Everglades) to explore ways they can grow their trade alliance. The Brazilian port is currently undergoing its own $120-million dredging project to handle larger ships.

Brazil's economy is in an upswing, and as violence in Mexico escalates, the country presents an obvious growth market for U.S. companies looking to offshore manufacturing and eventually sell into. In fact, southern Florida is one of the few U.S. regions that have a strong export market, with the majority of goods flowing into Latin America.

Port Everglades is also profiting from increased exposure to these markets via the Panama Canal. With cargo volume

The Georgia Ports Authority reported record TEU volumes in July 2010, which augurs even greater promise when the Panama Canal expansion is complete in 2014.

projected to grow four percent annually, the port has a 20-year, $2-billion expansion plan, including dredging and a 41-acre container yard, to prepare for a spike in cargo traffic.

WEST COAST PORTS COUNTER

Just as U.S. East Coast and Gulf Coast ports ramp up efforts to capitalize on the expected trade boom through the Panama Canal, others are looking to burst the bubble. West Coast ports have the most to lose from Asia-U.S. all-water routings.

The Port of Seattle recently commissioned Herbert Engineering to produce a study on how global trade routings impact carbon emissions. The Alameda, Calif.-based transportation consulting firm examined shipments from Asia through West Coast ports to U.S. cities by ship and train. These routes were compared with movements from Asia through the Panama and Suez Canals to Houston, Savannah, Norfolk, and New York.

The study confirmed that freight ferried by ships creates less carbon dioxide emissions than rail transportation when travel distances are equal. However, because ports in the Puget Sound region are closer to Asia than East Coast ports, "this more than offsets the detrimental impact of the longer rail distances from West Coast ports," Herbert Engineering reports.

Moreover, the research claims that carbon emissions are about 41 percent less when moving a shipping container between Shanghai and Chicago via the Port of Seattle compared to going through the Panama Canal and shipping to ports near New York/New Jersey.

Ultimately, the green card won't steer traffic away from the Panama Canal or proximate U.S. ports. If anything, domestic businesses will find further incentive in terms of market responsiveness, total logistics costs, and carbon emissions reductions by sourcing more goods from Latin America and shortening transportation routings.

As the 2014 Panama Canal expansion charter nears, many U.S. companies will take a second look at their global sourcing strategies and stateside distribution networks–and they will pay close attention to ports that are putting their money where their MOUs are.

Reducing the Carton Footprint

Green things come in small packages. Take, for example, SIG Combiblock's new one-liter aseptic carton *(right)*, which reduces the carbon footprint of packages by 28 percent compared to conventional carton packs.

The Institute for Energy and Environmental Research in Germany conducted a lifecycle assessment of the carton manufacturer's product to evaluate all key factors and processes of the packaging, from sourcing raw materials to shipment from production plants. The cardboard composite, made from more than 80 percent wood fiber, also includes an ultra-thin polyamide layer that acts as a barrier to protect against odors, as well as internal and external layers of polyethylene that form a liquid barrier to keep moisture out.

The first company to use the new packaging will be Milch-Union Hocheifel, one of the largest dairy product manufacturers in Europe.

SaaS To The Rescue

Even as freight volumes dropped, IT budgets dried up, and enterprise software sales dipped, the Transportation Management System (TMS) market held steady, according to Steve Banker, service director for supply chain management and the primary author of ARC Advisory Group's *Transportation Management Systems Worldwide Outlook*.

The market's resilience is largely due to the adaptable deployment of TMS solutions. Vendors are now sensitive to end-user demand, serving up legacy systems and, increasingly, Software-as-a-Service (SaaS) solutions that meet specific functional and cost requirements.

"Between 2007 and 2009, TMS sold on a traditional software model declined at a double-digit rate," says Banker. "If it had not been for solutions sold in an SaaS model, which continued to have good growth, the market would be in far worse shape."

The SaaS model consists of solutions that are sold as part of a lease structure. These revenues can be associated with one instance of software being used by multiple customers; traditional hosting, where each customer has its own instance of software hosted by the vendor; or, customers leasing software they host on their own servers.

BNSF Brings Shortlines On Line

BNSF Railway, the American Short Line and Regional Railroad Association, and 14 short-line railroads have partnered to form the BNSF Short Line Caucus. The committee aims to improve two-way communication between the Class I and its connecting short lines, work jointly to address problems facing all parties, share ideas and best practices, and develop opportunities to attract new business to rail.

The new convention isn't unique to the railroad industry. CSX established a Short Line Caucus Committee in 1996 to improve communication with its partners and Norfolk Southern has a similar program in place as well. [ ]

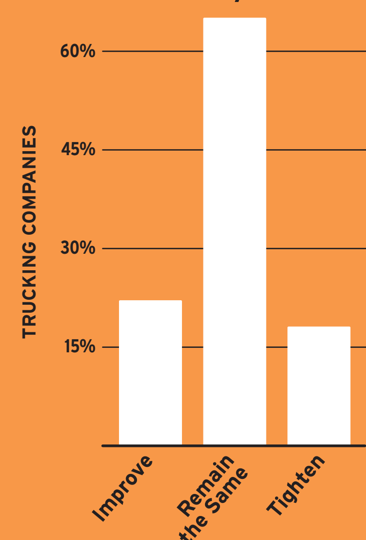
Truckers Tackle Credit Crunch

With the threat of a capacity shortage looming, a double-dip recession still plausible, and EPA emissions mandates definite, motor carriers have a lot to consider when investing in new equipment. But if there is one thing they prioritize—engines and electronic onboard recorders aside—it's credit, according to a quarterly survey conducted by Transport Capital Partners, a Fort Myers, Fla., transportation consultancy.

In the near term, 66 percent of trucking companies believe credit availability will remain the same; 25 percent expect improvement and 17 percent expect it to tighten *(see chart below)*.

"Carriers are interested in credit availability for replacing equipment, and larger carriers are more optimistic about the credit outlook," says Lana Batts, managing partner, Transport Capital Partners.

Credit Availability Will...



Source: Transport Capital Partners

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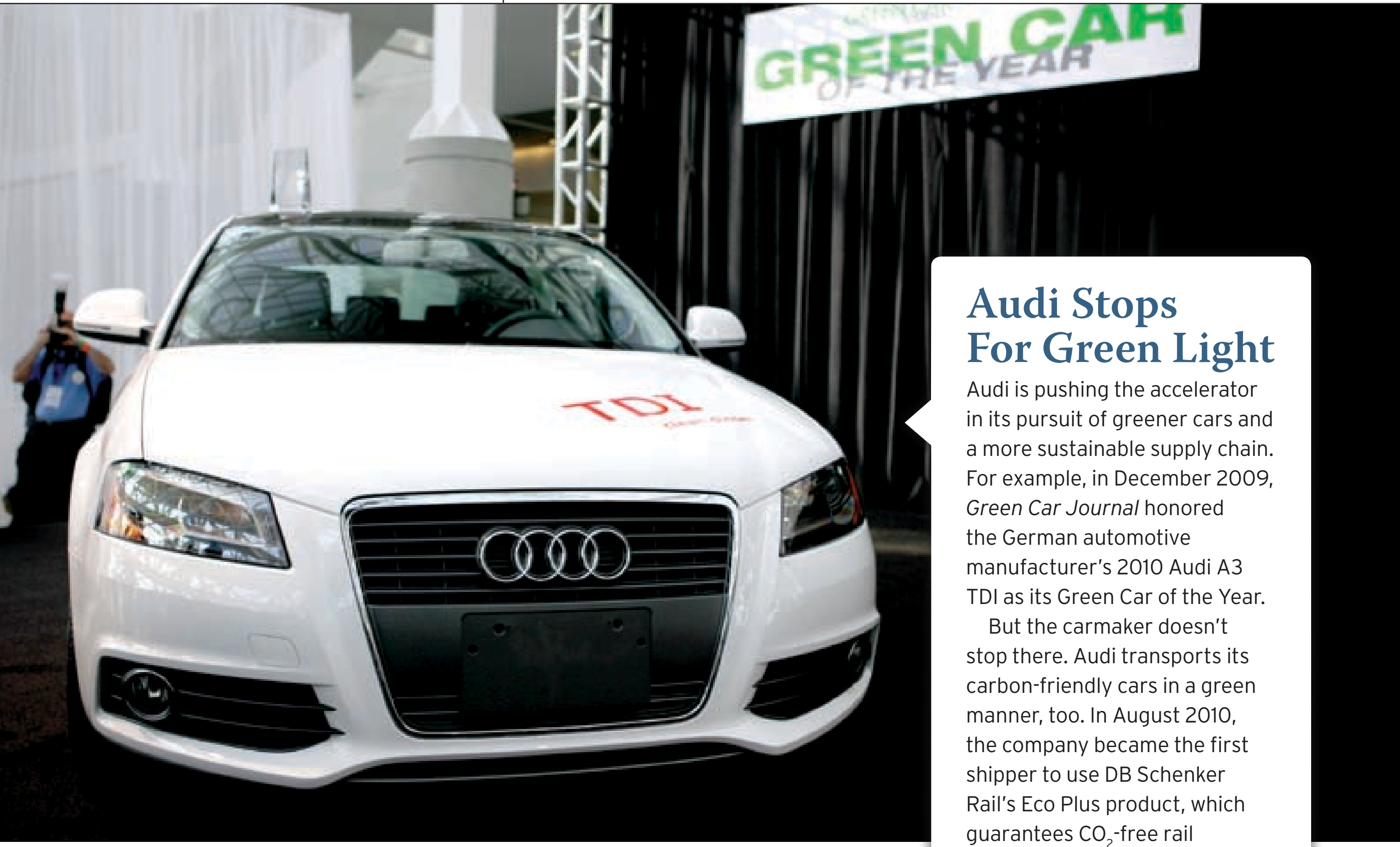
GLOBAL

THE WORLD AT A GLANCE

by Joseph O'Reilly



Audi Stops For Green Light

Audi is pushing the accelerator in its pursuit of greener cars and a more sustainable supply chain. For example, in December 2009, *Green Car Journal* honored the German automotive manufacturer's 2010 Audi A3 TDI as its Green Car of the Year.

But the carmaker doesn't stop there. Audi transports its carbon-friendly cars in a green manner, too. In August 2010, the company became the first shipper to use DB Schenker Rail's Eco Plus product, which guarantees CO_2-free rail transportation. As part of the new service, the German railway operator sources renewable energy to power transport within its domestic rail network. Audi bears the additional costs incurred, compared to using conventional electricity.

Using DB Schenker Rail's green trains will enable Audi to eliminate 5,250 tons of CO_2 emissions per year, or more than 77 pounds per car transported.

Mexico Taxes U.S. Imports

Mexico's agricultural industry has been hard hit by a recent spate of drug-related violence and theft. The U.S. government's unwillingness to restore a 2007 pilot program that allowed Mexican trucking companies, compliant with U.S. safety rules, to haul cargo north of the border adds further insult to perceived injustice–so much so that Mexican authorities recently imposed a second round of tariffs on U.S. imports such as pork cuts, ketchup, cheese, sweet corn, and fruit. The country will charge duties, ranging from five to 25 percent, on a rotating list of 99 U.S. products valued at about $2.5 billion.

After the United States placed a moratorium on the trucking program in 2009, Mexico responded by placing tariffs on U.S. goods including vegetables, wine, juice, sunglasses, and toothpaste. The dispute first erupted in 1995 when the United States refused to implement a cross-border plan agreed to under the North American Free Trade Agreement amid opposition from U.S. labor groups.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Australia Labors Over Transport Expansion

Transportation infrastructure has emerged as a major election issue in cash-strapped New South Wales, Australia, as the government struggles to balance population growth with record trade at Sydney Airport and Port Botany.

The Labor Party wants to build a second airport in Sydney, but Green Party constituents, concerned about noise and pollution, prefer an alternative airport location, not a second one. The debate has one Labor minister, no stranger to rocking the establishment, voicing his support in favor of further intermodal transportation investment.

"I have worked with my colleagues in Canberra to deliver on the upgrade of rail infrastructure at Port Botany to improve access to the port, as well as deliver $71 million to get the planning right for an intermodal terminal. This will ease congestion on the M5 and around Port Botany," says Peter Garrett, Minister for Environment Protection, Heritage, and the Arts, and former lead singer of Australian rockers, Midnight Oil.

Labor will no doubt be burning the midnight oil on this issue.

Australian Labor Party Minister Peter Garrett rocks the vote.

Diagnosis Positive: UPS Heads East

UPS plans to open two health care logistics hubs in Singapore and China to tap rising regional demand for medical devices and drugs. The Singapore facility will handle Southeast Asia demand and open in 2010, while the China operation is expected to start up in 2011.

The decision comes as UPS boosted its annual profit forecast after second-quarter earnings and amid spikes in Asian and European shipments.

The company anticipates steady demand for air and ocean freight within Asia, which precipitated the opening of a $180-million logistics hub in Shenzhen earlier in 2010. [ ]

U.S. Football Imports Spiral

With yearly regularity, the gridiron preseason kicks off every August, and football imports spike in the preceding months to meet forecasted demand.

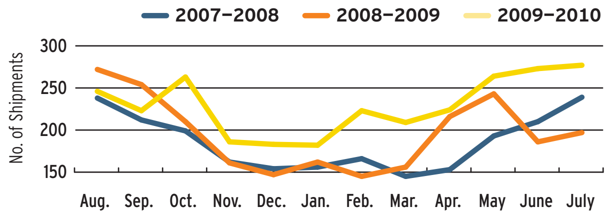
Historically, China exports the majority of footballs, according to Zepol Corporation, a trade intelligence company based in Minneapolis. The graph (*bottom right*) represents U.S. imports from China where the word "football" was used in the product description on the bill of lading (BOL). 2010 shipments to the United States (in yellow) began to increase in the spring, topping out in July 2010 with 277 shipments. There was also a noticeable increase in October 2009, with 263 shipments, due to holiday demand.

The seasonal trend of U.S. football imports has remained relatively consistent during the past three years, with the same characteristic increase in the spring and lull in the winter months. The data shows that the 2,753 shipments between August 2009 and July 2010 surpassed the previous two periods, with 2,349 and 2,227 shipments respectively, an indicator of the economy's gradual return to pre-recession levels.

There is one slight fumble with the data, however. Outside the United States, football often refers to soccer. So depending on who filled out the BOL, some of these recent shipment increases may also include soccer balls, which corresponds with continuing demand following the 2010 World Cup.

U.S. Football Imports from China

Source: Zepol Corporation



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3PLLINE

by Jose Fernando Nava

Capitalizing on Mexico's Economic Growth

Continuing economic development across Mexico is opening the doors to exciting growth opportunities for U.S. businesses. Mexico is already the United States' third-largest trading partner, while the United States ranks first among Mexico's trading partners.

Mexico's established manufacturing base has created many jobs and an increasingly prosperous working class. As a result, Mexico is attracting attention as a growing consumer market.

The opening of 275 Walmart stores throughout Mexico last year–despite the impact of the global economic contraction–provides strong evidence that major global corporations see a bright future for the region. Last year, retail sales increased 7.4 percent as more than 2,000 new stores opened, according to Mexico's retailer association ANTAD.

In addition, Mexico's future as a manufacturing base shines brighter than ever. Today, 80 percent of Mexico's exports move to the United States. Mexico also has free trade agreements involving 41 countries, and is negotiating agreements with Japan and Brazil. This diverse array of trading partners should support ongoing growth, job creation, and economic development.

Further supporting job growth, more global companies are considering "right-shoring" strategies. Manufacturers are re-evaluating the costs and business risks of locating operations in distant Asian markets. Instead, they are establishing manufacturing sites closer to their critical markets in North America. With its quality, low-cost labor force, Mexico is becoming a destination of choice for these companies.

KNOW THE PAIN POINTS

All these developments point to growth and opportunity for companies doing business in Mexico. Yet working across borders is always a challenge, and crossing the U.S.-Mexico boundary is no exception. While companies have managed maquiladora border-state crossings since NAFTA was implemented in 1994, exports from non-border areas have increased rapidly in recent years.

Whether companies have been crossing borders for years or are tackling the challenge of longer supply chains, cross-border strategies can help address key pain points, such as:

- **Congestion.** Investments in infrastructure continue to address current capacity issues on both sides of the border. Applying logistics expertise and leveraging high-volume materials flow can help companies bypass congestion and expedite shipments.
- **Regulatory requirements.** End-to-end visibility is becoming increasingly important to ensure compliance with new regulations. A more integrated supply chain, supported by technology, helps manage requirements while reducing administrative costs and delays.
- **Extended supply chain costs.** Manufacturers focused on material and labor costs when choosing the right plant location should also consider total landed costs. An estimated four to six percent of total trade dollars are spent on logistics, with little visibility into the potential efficiencies and improvement opportunities.
- **Transportation needs.** Companies must ensure access to the right mix of transportation resources–ground, air, and sea–and inventory management

CONTINUED FROM PAGE 30

systems to meet their specific opportunities and market demands. Overall, infrastructure is improving in Mexico. But while urban areas offer excellent multi-modal transportation, access to outlying areas, where more manufacturing is being established, is less developed.

AN END-TO-END APPROACH

Traditional service-based outsourcing models may not offer the visibility and continuous improvement capabilities companies need to turn cross-border trade into higher profitability.

Shippers in Latin America historically have engaged logistics services providers for specific areas of the supply chain, leveraging targeted expertise. This practice required shippers to develop and manage an often-complex network of carriers and providers.

Taking an end-to-end supply chain management approach, supported by a common platform, can improve inventory and capacity management and better leverage volume synergies. An integrated supply chain also provides the flexibility to adapt to unpredictable consumer demand.

Key elements of an integrated cross-border strategy include:

- Transportation from a U.S. port or point of supply to cross-border facilities.
- Ready access to cross-docking and warehousing near the border.
- Southbound transportation from cross-border facilities to vendor-managed inventory hubs or manufacturing facilities in Mexico.
- Northbound transportation from manufacturing or finished goods facilities in Mexico to cross-border facilities in the United States.
- Customs clearance and drayage for import and export shipments.
- A common technology platform for visibility and process management.

READY TO GROW

Growth opportunities abound for companies seeking to serve an increasingly prosperous consumer base across Mexico and Latin America. More companies are looking to 3PLs that can provide bundled services with scale and flexibility across Mexico and into other emerging markets in Latin America.

The right partner will have the warehousing, IT systems, and transportation infrastructure in place to control upfront costs and ensure visibility into the supply chain. ■

Mike Williams is chief operating officer,
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CARRIERS CORNER

by Mike Williams

Balancing Risk Management With Your Operations Strategy

As the nation's economy recovers from the recent downturn, the domestic freight industry represents a leading indicator of commercial activity and (hopefully) corporate profits. Asset-based carriers, a segment that has taken it on the chin the past few years, are thought to have pricing power because increasing freight volumes–albeit off severe lows–have been met with declining truckload capacity, as more than 10,000 licensed motor carriers have shuttered in the past two years.

It is easy to understand analyst expectations that Comprehensive Safety Analysis (CSA) 2010, a major Federal Motor Carrier Safety Administration (FMCSA) initiative designed to improve the effectiveness of FMCSA's compliance programs, will create further pressure in the truckload market. We can all hope that whatever pricing leverage motor carriers do enjoy will be sufficient to keep pace with the direct and indirect costs of this significant increase in government regulation, set to roll out in 2011.

The motor carrier segment is not the only group facing increased regulation. The proposed Motor Carrier Protection Act of 2010 includes raising the freight broker's surety bond from $10,000 to $100,000, among other ideas for financial reform in this often-criticized segment.

The purpose of the surety bond is to reassure motor carriers that brokers are responsible and capable of meeting financial obligations, such as paying freight charges. This legislation will help fight fraud and the resulting revenue losses that hit carriers in the pocket.

Some brokers may be hurt by a higher bond requirement, which typically requires substantial balance sheet equity or cash deposit collateral, but expect the skilled, reputable, and properly capitalized organizations to find providers of bond services willing to do business.

The predicted results of this legislation are mixed. There might be fewer motor carriers and brokers, but unsafe, financially weak motor carriers and brokers exiting the market benefits both public safety and carrier cash flow.

What can freight shippers do to ensure that possible higher transportation costs result in fewer incidents of freight claims and other unfavorable exposures to risk? Many gain advantage by forming alliances within the supply chain to proactively balance risk as a core element of their operations strategy. In doing so, the frontline producers and consumers, those that demand cost-effective and superior transportation service metrics, can improve performance margins without sacrificing risk management goals.

CARGO LIABILITY

Unless otherwise agreed between shippers and motor carriers, carriers are legally responsible for the safe handling and delivered condition of freight they transport. To insure against most perils, motor carriers typically carry a form of primary trucker's cargo liability insurance.

While brokers rarely handle, control, or touch freight, most carry contingent cargo insurance, which usually acts as a back-up to the coverage provided under the motor carrier's own insurance. The default insurance limit for cargo policies is $100,000, so higher-value shipments must be placed with best-in-class, financially secure motor carriers with higher limits, up to $250,000. If a broker is involved, the contingent cargo policy should follow suit.

Brokers may not provide claims processing services, but those that do often

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CONTINUED FROM PAGE 34

also have a superior carrier selection process. These companies balance risk within the selection process while meeting on-time delivery promises. Not only do diligent brokers add value through their expertise in managing the capacity marketplace, they also contribute to mitigating financial risks relating to cargo safety, including prevention.

INJURY AND PROPERTY DAMAGE

Highway transport of freight poses the constant risk of catastrophic accidents resulting in serious personal injuries and property losses. Federal motor carrier safety regulations mandate minimum auto liability insurance limits of $750,000; however, $1 million limits are relatively common.

Unfortunately, neither limit is sufficient to cover the possible range of losses when there is significant property damage and/or loss of life or permanent impairment. Motor carriers that proactively manage risk can be expected to have $2 million or more of coverage, but recent jury verdicts at more than 10 times that amount have legal departments scrambling to review carrier selection procedures.

Recent litigation has identified a possible growing exposure for brokers, too. Some jurisdictions allow a cause of action against the broker for negligence in hiring or selecting the motor carrier that causes injury. The insurance market has responded with a type of insurance that covers this risk: primary truck brokers liability insurance. It covers a broker's use of non-owned, hired motor vehicles to move brokered freight, the core activity in which brokers are engaged.

Utilizing a skilled third party or broker, one that incorporates risk mitigation in the selection process, reduces the risk to parties further removed from the transportation cycle.

It should be the standard today, not tomorrow, that broker alliances be buttressed with sturdy contingent cargo and primary truck broker liability insurance, which ultimately protects the broker's customer and others downstream and upstream.

For shippers concerned about risk management, choosing a freight management company should always include assessing the broker's financial responsibility and insurance. Parties that work together, with a common approach and sincere commitment to safety, can achieve greater success than those that do not. ■

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TRUCKING ALERT

STEEP GRADE AHEAD

A capacity shortage and a driver deficit that's likely to grow worse are putting the squeeze on

companies that ship by truck. Times like these call for shifting gears and trying new tactics.

by Merrill Douglas

Shipping by truck has become an uphill battle during the past year. As the economy starts to recover, shippers are moving more freight, but trucking companies have less equipment available to handle the volume. That makes it harder to find trucks to carry loads, and it gives carriers greater leverage to raise rates.

"So much capacity has left the industry that it doesn't take a large increase in tonnage before it gets tight," says Lana Batts, managing partner, Transport Capital Partners, an Arlington, Va.-based trucking industry consultancy.

The tight supply of power units isn't the only factor driving up freight rates. Add the ongoing driver shortage, and new safety regulations coming from the U.S. Department of Transportation that could push even more drivers out of the market, requiring carriers to hike salaries to attract qualified employees. Changes in steamship lines' ocean-crossing schedules are making it harder for shippers to schedule domestic transportation for imports arriving in the United States. And evolving environmental standards have forced carriers to purchase new, costlier equipment.

What's a shipper to do? First, slow down and observe the obstacles that trucking companies are navigating today, and how those issues affect you. Then, drive some new strategies and tactics for maneuvering around those challenges.

MORE FREIGHT, LESS SPACE

The roots of the current capacity squeeze date back to the start of the recession in 2008. As demand for products dropped across nearly all industries, so did demand for transportation. Tonnage fell, rates fell, and many carriers went out of business. By December 2009, for example, 405 trucking firms had shut down in the year's third quarter, pulling 14,135 trucks off the road, according to investment banking firm Avondale Partners.

Among the motor carriers that hung in there, many took a portion of their fleets out of service. "A capacity shortage is sometimes triggered by carriers pulling trucks off the road because they're too expensive to maintain when there's not enough freight," says Alec Gizzi, president of JBS Logistics, an asset-based transportation broker in Glendale Heights, Ill.

Moreover, carriers stopped replacing older equipment. In a typical year, manufacturers produce about 200,000 trucks to replace the equipment that carriers scrap, says Batts. But due to lack of demand, manufacturers built only about 90,000 trucks last year. The nation's truck fleet simply got smaller.

More recently, the dynamics have been changing, at least on the demand side. "As the economy has started to turn, tonnage has picked up," Batts says. "That leaves shippers scrambling for space in the smaller national fleet. So rates go up. It's simply supply and demand."

Freight volumes are rising, but finding truck capacity remains a challenge.

Carriers aren't rushing to meet that demand by putting parked trucks back on the road or buying new equipment. "Trucking companies can make more money raising rates than adding trucks," Batts says. Carriers probably won't start to ramp up capacity until late 2011 or 2012, she adds.

Trucking companies that now want to expand don't find it easy. "Financing for equipment is difficult to come by," notes Derek Leathers, chief operating officer at Werner Enterprises, a major truckload carrier based in Omaha, Neb. "Fleets that decide they want to grow and support their shipper-partners will have a hard time doing so."

With more freight competing for scarce space, the capacity crunch certainly won't ease during the next few months. "There has been an uptick in the economy, and the third quarter is traditionally busy for the trucking industry, in preparation for the holidays," says Gizzi. Agricultural commodities harvested in the North and Midwest also compete for trucks in the second half of the year, he adds.

DRIVER EXODUS

If the economy continues to recover, and demand continues to rise, carriers eventually will add more trucks. But finding people to drive those rigs won't be easy.

Two-thirds of respondents to a survey of trucking companies conducted by Transport Capital Partners earlier this year said they were seeing a return of the driver shortage.

Driver turnover dropped during the recession, but carriers that need new drivers today are having a hard time finding them, even though the national jobless rate remains at nearly 10 percent.

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SPOT MARKET SMARTS

When you're looking for a truck in a tight market, it pays to rely first on your contract carriers, rather than looking for one-off deals. The spot market generally isn't kind to shippers, says Kirk Altrichter, vice president of maintenance, Gordon Trucking Inc. (GTI), Pacific, Wash. "While in a falling market one-offs may work out for shippers, in a stabilizing or an upwards market, they're going to get hurt."

In periods of excess capacity, shippers turn to brokers to find good spot market rates. "Motor carriers will end up using brokers because they will take any freight they can get," says Lana Batts, managing partner with trucking industry consultancy Transport Capital Partners, Arlington, Va.

In particular, when carriers accept loads that send them to remote parts of the country, brokers help them find backhauls. But when capacity grows tight, motor carriers can forgo loads to remote destinations in favor of loads that send them to cities where they can easily find freight for the return trip.

Still, shippers and carriers continue to use the spot market to marry up trucks and loads that aren't finding suitable mates through other channels. One popular matchmaking tool is the Web-based load board.

Shippers, carriers, brokers, and third-party logistics providers (3PLs) all may use these online services to post or seek information about available loads and capacity. Popular services include TransCore's 3sixty Freight Match, the Internet Truckstop, and Getloaded.com.

Along with these freight matching services, some carriers, shippers, brokers, and 3PLs operate load boards of their own.

Con-Way Multimodal, a unit of Menlo Worldwide Logistics that provides transportation brokerage mainly to small and medium-sized shippers, gave the load board concept a novel spin this spring when it introduced TweetLoad, a feed on the popular social networking site Twitter.

Not a load board itself, TweetLoad transmits announcements about available freight to users' cell phones. Most of the truckers who follow this feed are independent owner-operators. If a load looks interesting, the trucker clicks a link in the "tweet" to see the complete information on Con-Way's own load board, which it uses to find capacity for its customers.

"The carriers that we use within Multimodal tend to be Twitter-savvy," says Tom Nightingale, chief marketing officer at Con-Way Inc., in San Mateo, Calif. Many of them already use the service to stay in touch with family and friends. Once they sign up for TweetLoad, Menlo can push information about available loads out to those carriers, rather than waiting for them to remember to check the load board.

Con-way hasn't yet gathered figures to measure TweetLoad's success, but it seems to be fulfilling its purpose, Nightingale says. And in a tight market for capacity, the company needs to do anything it can to gain an advantage.

"This gives us the ability to find more carriers more rapidly, and create a robust environment that customers can take advantage of," Nightingale notes.

Carriers are putting more trucks back on the road, but who will drive them?

unemployment than to drive a truck," Batts says. "Until Congress stops extending unemployment benefits when there are jobs going begging in the trucking industry, we will not get drivers."

Many drivers left the industry during the recession as carriers laid off employees or, in some cases, cut pay. "Those drivers found opportunities that they may feel are better than trucking. If the economy picks up, it will be difficult to get them back," says Leathers. "That will constrain capacity for years to come."

GOVERNMENT SAFETY RULES

Observers expect the driver shortage to grow even more acute when the federal government implements Comprehensive Safety Analysis (CSA) 2010, a program of the Federal Motor Carrier Administration (FMCA) that will alter how the federal government rates carriers and drivers on safety.

One major provision in CSA 2010 involves drivers' safety records. In the

past, if a carrier fired a driver for safety violations, and the driver then applied to another company, that second company didn't need to worry about the driver's past performance. Every time drivers changed jobs, they started with a clean slate, Batts explains.

That will change under CSA 2010. "The driving record will travel with that driver, for the new employer to see," Batts says. "In fact, that past driving record will impact the motor carrier's safety rating."

Because they can hurt the rating of any carrier that hires them, drivers with less-than-stellar safety records will become virtually unemployable.

"The current proposal will eliminate five to eight percent of drivers from the workforce," Leathers says. "At a time when drivers are already hard to come by, eliminating that many makes it difficult to fill the truck and could lead to cost pressures on the driver side."

Wayne Johnson, director of logistics at American Gypsum, a Dallas-based wallboard manufacturer, agrees. "Salaries have to go up in order to attract new drivers to the industry," he says. "Shippers can expect eight- to 12-percent increases in transportation rates next year if that happens."

OCEAN CARRIERS SLOW DOWN

Another reason trucking capacity is tight concerns the steamship lines that bring containers to U.S. ports. Ocean carriers also have limited space to offer these days, so freight sometimes gets bumped, says Tommy Barnes, director of transportation procurement at third-party logistics provider Menlo Worldwide Logistics, San Mateo, Calif.

In addition, ocean carriers are taking special measures to conserve fuel. "They're 'slow steaming,' which is further impacting lead time into North America," Barnes says.

To stay on schedule once their goods hit the West Coast, more shippers are seeking expedited transportation, driving increased competition for limited truck capacity and pushing up costs.

Slow steaming renders shipping schedules less reliable, says Mike Segal, director of logistics at Sappi Fine Paper North America, South Portland, Maine. "A ship that is expected to arrive Thursday, but doesn't arrive until the following Tuesday, creates problems with managing capacity and could impact our performance," he explains.

To make sure it honors its service commitments, Sappi monitors shipments in real time and stays in continual contact with customers, updating them frequently on their orders and devising action plans should the need arise.

Truck delivery times and schedules are impacted by ocean carriers operating at reduced capacity and slower speeds.

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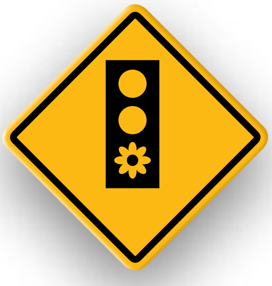


GETTING A GREEN LIGHT

Ongoing efforts to reduce carbon emissions also increase costs for carriers and their customers. Motor carriers that operate in California have had to retrofit equipment to meet state emissions standards, while federal requirements have increased the cost of new equipment.

"The federal government's requirements have a bigger impact, with the mandates on new engines, and the three-phased approach to engine changes to reduce emissions," says Kirk Altrichter, vice president of maintenance at Gordon Trucking Inc. (GTI), Pacific, Wash. "The new engines are more expensive."

POWER SURGE

One more change that could cause shippers some discomfort lies in the fact that tight capacity gives carriers greater power in contract negotiations. Along with higher rates, trucking companies can demand more stringent payment terms. In the days of slack demand, some shippers insisted on taking as long as 90 days to pay invoices. That's not possible today. "Motor carriers are saying to shippers: 'You can't find any trucks? Fine. You've got to pay me within 20 days,'" Batts says.

Taken together, all these factors mean that companies buying transportation services must work harder to find trucks to move their loads and to keep transportation costs at a level they can afford.

How to respond to these challenges? In some cases, shippers simply have to accept that they'll pay more for the capacity they need. That's what happened last spring when American Gypsum had trouble finding flatbed trucks to haul product from its plants to customer locations.

The company approached the shortage by meeting with carriers. "We discussed their requirements for bringing more trucks to our plants, and we negotiated better rates," Johnson says.

Total costs were still higher than in the past, though. "In order to get those trucks to our plants, the carriers had to deadhead them farther in, and we had to pay for that," he says.

The capacity crunch in the wallboard industry has eased since June 2010, when demand grew soft, Johnson says. But in many other sectors, shippers are still struggling to get all the trucks they need. And, like Johnson, other transportation buyers and their carriers agree that good communication is key to maintaining sufficient capacity.

"I recommend that shippers hold detailed meetings with their carriers to understand what their needs are, and how they may affect them positively and negatively," says Leathers. "I also suggest they establish rules of engagement going forward with their partners, so there are no surprises."

Transportation buyers who have been holding these conversations all along – not just since capacity grew scarce – probably are in the best position today. A sense of partnership helps a great deal.

"We try to develop strategic relationships with our carriers," says Segal. "We also try to make it attractive for them to want to support our customers. In part, that means meeting often to discuss performance and expectations."

Nurturing long-term relationships has helped Menlo Worldwide hang on to much of its capacity for scheduled freight runs, says Barnes. The 3PL's efforts have included staying loyal to good carriers when the economy turned

By working together, transport buyers can help their carriers operate more efficiently, and pass those savings along.

sour. "We did our best, and we could always do better," he says. "But we feel that the partners we had at that point are still with us today."

Multiyear contracts also help buyers ride out fluctuations in supply and demand. "Typically we build in the necessary escalators and apply some element of cost-checking sanity to ensure that both organizations are protected for the long run," Barnes says. "A long-term agreement also makes it easier to forecast, taking away much of the volatility that many companies experience."

GTI tries to develop relationships with customers that don't focus solely on rates. "Relationships are about long-term goals and commitments," Altrichter says. "Some customers appreciate that, but others are all about how many pennies per mile they're paying."

Beyond creating a sense of mutual loyalty, transportation purchasers and carriers offer several other strategies shippers might use to get the trucks they require and keep costs under control:

Give carriers what they need. Segal and his team try to streamline the loading and unloading of trailers so drivers can get back on the road as soon as possible. "We try to be a 'carrier-friendly' facility," he says.

Leathers agrees that shippers save money if carriers can operate more efficiently. By expanding the hours available for drivers to pick up and drop off loads, for example, or loading trailers before drivers arrive, shippers can help carriers control their costs, partially offsetting the need to increase rates.

Contract for dedicated capacity. Shippers that signed up for dedicated fleets, then stuck with them even when freight volume decreased, are having a much better experience as capacity tightens. "Having those dedicated trucks in place as a risk management strategy was a very smart move," Leathers says.

Barnes agrees that it's sometimes wise to pay for assured capacity, even when volume drops temporarily. In some cases, Menlo allocates a certain number of trucks to a particular customer location even if it doesn't need each truck every day. "It's a kind of guaranteed truck model to ensure that we are matching capacity to the applicable demand," Barnes says.

Consider shifting modes. "Shippers can look to intermodal or rail as an alternative to truck transport in some cases to address a capacity shortage," Segal advises.

Some transport buyers turn to intermodal when truck capacity grows tight.

At Sappi, considering modal alternatives isn't a tactic to try when trucks grow scarce; it's an ongoing strategy. "A standard part of our portfolio is trying to optimize modes to ensure we deliver product most effectively," Segal says.

Mode shifting is important at Menlo Worldwide as well. "Capacity on the railways has been pretty tight, but they are still operating at a decent level of efficiency," Barnes says.

Improve visibility and forecasting. The more you know about exactly when your freight will be ready to move, the easier it becomes to secure capacity when you need it, and the less you'll have to rely on more expensive expedited services. "Forecasting is the key because it gives us visibility to apply some less conventional strategies such as mode conversion and load consolidation," Barnes says.

Plan for future regulatory changes. To prepare for the adoption of CSA, Johnson and his team at American Gypsum plan to canvass all their carriers about driver safety scores. "If we find carriers with less-than-adequate scores, we will probably have to replace them," he says. "All smart shippers will be doing that at some point this year."

But shippers shouldn't start canvassing too soon, Johnson cautions, because plans for CSA 2010 are still in flux. Pressure from the shipper, carrier, and driver communities could persuade FMCA to change some terms that will affect drivers' scores.

One big point of contention is a provision that would penalize drivers any time they are stopped by police, even if they receive only a warning rather than a ticket. "A warning is a minor infraction, and it should be treated as a minor infraction. It shouldn't go against the driver's record," Johnson says.

Johnson, who chairs the highway transportation committee at the National Industrial Transportation League, is also keeping an eye on the Safe and Efficient Transportation Act of 2009, a bill currently in the House of Representatives that would allow states to increase size and weight limits on tractor trailers.

"We support the bill," he says. The increase would give the industry more capacity without having to boost the total number of trucks or drivers.

While it's not clear what exactly will happen in Washington, it is clear that buying trucking services won't get easier very soon. Shippers need to pay attention, think creatively, and rely on the goodwill they have built up with their carriers over time. ■

TRUCKING 2010 PERSPECTIVES

BY JOSEPH O'REILLY

Every place you turn there are signs pointing to where the motor freight industry is treading – both good and bad. Near coastal ports and along hinterland highways, at truck stops and across borders, the day-to-day travels of shippers and carriers alike expose the hairpin turns and straight-aways that are emerging in an otherwise shiftless economy.


Our Values
Define How We Do Business

Around BNSF's intermodal yard in Memphis, for example, carriers of every color and stripe scream north and south on Lamar Avenue–a vivid reminder of how industry is leveraging multimodal solutions to move freight more efficiently.

Along Interstate 80 in Nebraska at a Flying J rest area, a group of well-traveled long-haul truckers circle their tractors, sharing meals and stories. The only thing missing? Loads of youthful talent and optimism.

In the Bronx, N.Y., a fleet of FedEx hybrid delivery trucks, emboldened with the company's commitment to earth-friendly transport, ferry packages to and from commercial residences and businesses.

Meanwhile, 3,000 miles away, a seemingly endless queue of idling tractor trailers line up at the Aldergrove, British Columbia, border crossing, waiting to pass inspection as they enter the United States.

To varying degrees, these scenes illustrate the state of U.S. trucking. More telling is what their actors–shippers and carriers–have to say. *Inbound Logistics'* annual *Trucking Perspectives* market research report supports the anecdotal evidence with feedback from primary sources.

Soliciting more than 200 questionnaires from both trucking companies and motor freight buyers, *IL* juxtaposes capacity with demand to understand the agents that are driving change in the industry; the speed bumps that are contributing to inaction and forcing action; and the incentives that steer truckers and shippers to work together more collaboratively.

IL asked motor freight companies to document the services and technologies they offer, the locations they serve, and the challenges and opportunities that are front-and-center on their operational dashboards. Shippers offer their input as well, from the demand-side perspective.

Rounding out *Trucking Perspectives* is *Inbound Logistics'* annual Top 100 Motor Carriers directory (page 58). This in-depth "who's who" of truckers presents a snapshot of the industry's leading players, as well as a benchmark for the services transportation buyers need to consider when looking for new partners or evaluating current ones.

Curves Ahead

By the letter of the law, road signage isn't open to interpretation. For truckers, a seven-percent downhill grade means 30 mph–or else a run-in with "Smokey Bear," and perhaps worse, a runaway truck ramp. From a top-down industry perspective, however, directional signs are considerably more fluid.

Straddling economic recession and recovery, shippers and motor freight carriers are equally vulnerable to shifts in consumption and trade, so streamlining costs remains a shared challenge and objective.

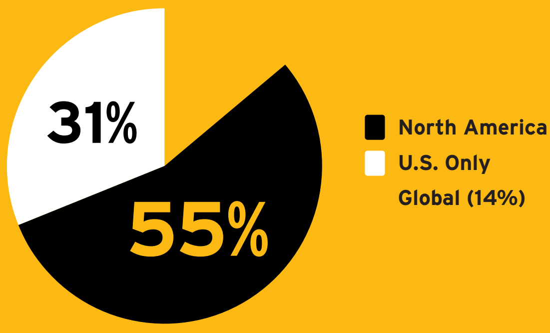
Shippers responding to *IL's Trucking Perspectives* survey cite reducing transport costs as their greatest challenge

FIGURE 1

Truckers By Operating Area

U.S. truckers are North American to the core. Over the past few years, it has become apparent that carriers are following demand across borders to expand their service areas and customer reach. Trucking companies have solidified their operations between Mexico and Canada, largely because of NAFTA trade, with 55 percent covering North America and 31 percent serving the U.S. market exclusively.

In spite of a global recession, and perhaps as a consequence of it, there has been no deceleration in trucking companies crossing continents to expand their service offerings. As Werner Enterprise's well-publicized venture into the Australian market late last year demonstrates, U.S. carriers are seeking new areas they can grow into and provide first- and final-mile delivery services. Fourteen percent of surveyed carriers indicate they provide global coverage beyond North America, compared to 12 percent in 2009.



SOURCE: *Inbound Logistics* Trucking Perspectives Survey, 2010

FIGURE 2

Trucking Services

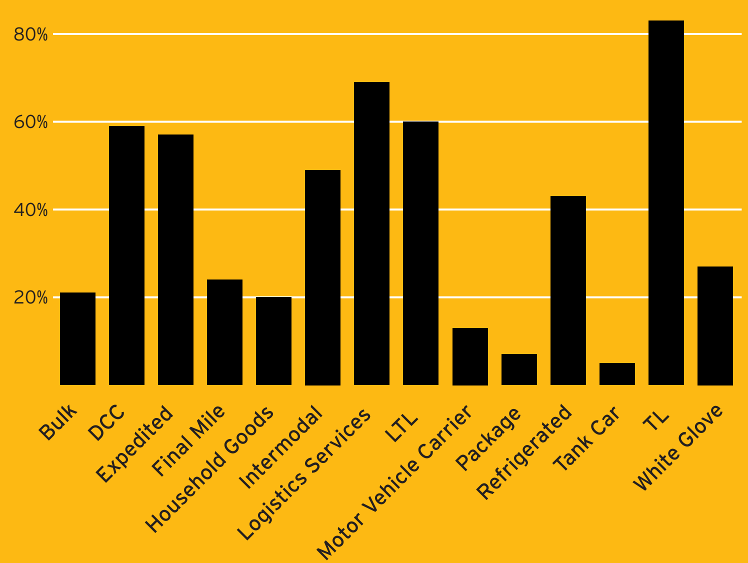
The percentage of haulers offering truckload (TL) and less-than-truckload (LTL) capabilities grew over 2009 numbers, with 83 percent and 60 percent of surveyed carriers tendering these services—up two and five percentage points, respectively. Contraction in the marketplace has markedly skewed this growth.

During the recession, shippers were challenged with optimizing freight transportation, largely by consolidating and pooling shipments into full truckloads for longer hauls and minimizing more costly LTL moves. The long-haul trucking segment continues to face challenges, notably hiring qualified drivers. Competition from the railroads is also increasing. But many carriers are seizing this opportunity to create partnerships that bring to bear the advantages of mixing transport modes—49 percent of carriers provide intermodal services, a five-percent uptick over 2009.

Motor freight carriers continue to invest in logistics services so they can expand their value proposition to customers and engage partnerships for the long haul. From shipment consolidation to transportation management, brokerage, and even warehousing, trucking companies are taking their capabilities beyond the road to help shippers manage their supply chains. Nearly 70 percent of surveyed carriers offer these capabilities.

As yet another sign that capacity is still relatively flush, contrary to some market indicators, the percentage of carriers providing dedicated contract carriage dropped eight percent year-over-year.

TRUCKERS RESPOND:



SOURCE: *Inbound Logistics* Trucking Perspectives Survey, 2010

(70 percent), followed by price pressure from customers and competition, and customer service (both 41 percent). The gap between cost and customer service is noticeable, reflecting the stress recessionary trending has placed on transportation budgets.

That said, motor freight buyers are more conscious of customer service-related issues when selecting carriers. This year, 90 percent of surveyed shippers identify reliability as the most important criterion–compared to 47 percent in 2009–followed by price (81 percent, 92 percent in 2009), and customer service (62 percent, 49 percent in 2009). A considerable slide in the number of respondents who value pricing over service suggests that some are coming around to a longer-term partnership outlook. As consumers begin spending again, the total cost of prioritizing price over service, and losing business, becomes magnified.

For their part, trucking companies remain fixed in the market median, responsible for meeting customers'–and their customers'–service and pricing needs, as well as managing their own self interests. As demand dictates, motor freight carriers share similar cost concerns, albeit across a much broader range of areas.

Driver-related costs, such as hiring and training, rank highest among current challenges, according to 73 percent of polled carriers, with price pressure from customers and competition (63 percent), increasing insurance costs and liabilities (51 percent), fuel costs (49 percent), and equipment costs (45 percent) rounding out top priorities.

This reveals a stark contrast from 2009 data. Last year, shippers and carriers were firmly planted in the present, managing day-to-day operations to consolidate shipments, rationalize haulage miles, and drive out costs in a market flush with capacity. Less than 30 percent of truckers reported driver-related costs as a challenge in 2009.

Instead, many shippers turned to the spot market and freight brokers to cost-compare trucks and lanes. Carriers, by comparison, turned over stones working with freight brokers to locate loads and backhaul opportunities.

In 2010, more companies are looking ahead toward what economic recovery will bring–a return to some freight volume normalcy and the likely resumption of capacity and driver shortages. As the specter of a labor and equipment crisis looms, industry at large is beginning to flinch once again.

Warning: Construction Area

For shippers, capacity is always a wild card. Currently, it's still a lesser challenge, with only 34 percent of respondents indicating as much. When specifically asked if they are concerned about an equipment crunch when the economy rebounds, 63 percent of shippers replied affirmatively–compared to 58 percent last year.

Concern is building, but not as much as might be expected. Some trucking companies are exaggerating potentiality to justify rate increases and make the case for long-term partnerships. There is also indication that carriers are delaying investments in additional equipment to keep capacity in check as freight volumes slowly build. Regardless, the inevitable reality weighs in their favor.

Carriers have their own problems to contend with. A dearth of truck drivers–and the expense and limitations of training them–combined with equipment costs, are capital expenses some can't easily manage in a tepid economic environment. The Federal Motor Carrier Safety Administration's Comprehensive Safety Analysis 2010 program will bring tighter restrictions to hiring qualified drivers, and that will continue to be an issue.

At the same time, green mandates are pressuring trucking companies to replace and/or retrofit existing assets that are not in compliance with diesel emissions standards. The U.S. Environmental Protection Agency (EPA) has aggressively targeted the transportation industry to enforce a progressive roll-out of engine emissions guidelines. Unlike other industries, transportation–and specifically trucking–has felt the weight of government mandates and is moving down a greener road by necessity.

As a consequence, 87 percent of surveyed trucking companies identify themselves as EPA SmartWay Partners. That only 31 percent of carriers see green mandates such as new equipment, speed restrictions, idling, and bio-fuel usage as a challenge speaks to the investments and progress they have already made toward meeting these objectives.

Yield to Demand

Compared to last year, carriers have a more favorable opinion of where the economy is heading in the next six months – 55 percent see conditions remaining the same (63 percent in 2009), 41 percent getting better (32 percent in 2009), and four percent (five percent in 2009) taking a turn for the worse.

But that doesn't mean shippers are any less tentative shopping around for new carriers. Forty-seven percent of motor freight buyers indicate switching trucking companies recently, compared to 44 percent in 2009. This is likely a sign that shippers still have some pricing leverage, are jettisoning cheaper, less reliable options for long-term commitments, and are consolidating and/or expanding core carrier partnerships.

The fact that shippers rank reliability as the top criterion for selecting new carriers indicates that some are beginning to hedge future freight transportation demands by partnering with trucking companies for the long term. Shippers that switched carriers overwhelming cite poor reliability and service as contributing factors. Non-negotiable rate increases, reduced coverage, and available capacity are cited with less frequency.

One survey respondent has consolidated operations with a 3PL-based carrier because it requires less administration. As the trend toward transportation outsourcing continues, asset-based 3PLs will be rewarded. But shippers may still be wary of trading less competitive pricing for the convenience of an all-in-one solutions provider.

From the carrier perspective, customer signals remain muddled. One trucker notes that "shippers are still clinging to the power they had during the capacity surplus," while another says "shippers are willing to discuss pricing options and have a better understanding of why increases are necessary for their future shipping needs."

For some, it's a matter of truckload versus less-than-truckload capacity. Shippers are paying for empty miles to reposition trucks and ensure they have access to capacity, Also, with the economy still weak, the pool of available drivers from which the truckload

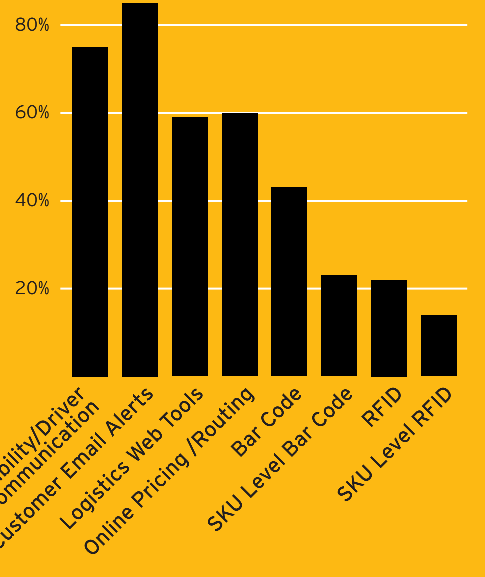
FIGURE 3

Trucker IT Capabilities

Communication is a vital component in any successful motor freight partnership and truckers are equipping their operational dashboards with a full complement of tools and technologies to make sure customers have complete visibility to shipments in transit. Eighty-five percent of surveyed carriers provide shippers with email alerts and 75 percent possess any-time visibility and communication with their drivers, allowing them to mobilize assets and manage exceptions at a moment's notice. As carriers expand their services beyond haulage, technology is following along – 59 percent offer logistics Web tools such as advanced shipment notices and online claims filing.

Inside the trailer, bar codes remain the tracking technology of choice, with 43 percent of carriers providing these capabilities and only 22 percent RFID compliant. SKU-level bar code and RFID visibility is still maturing, with only 23 percent and 14 percent of respondents indicating they can meet this demand.

TRUCKERS RESPOND:



SOURCE: *Inbound Logistics* Trucking Perspectives Survey, 2010

FIGURE 4

Carrier/Broker Relationships

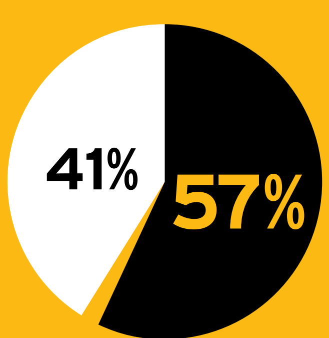
Relying on freight brokers has become a common tactic among motor freight buyers shopping around for the best rates. Carriers have been floating the partnership card for some time, looking to engage customers in more meaningful and lucrative ways, often dangling capacity and service as hidden aces – which they are. But shippers are still willing to gamble on price.

Tightening capacity will similarly raise the profile of freight brokers as shippers look to lock up equipment to manage seasonal freight volumes. In 2009, 50 percent of shippers acknowledged that their relationship with carriers was most important, while 17 percent reported a higher regard for partnerships with brokers/intermediaries, and 33 percent perceived both relationships as equally important. This year, opinions have softened, likely because the market is hardening. Fifty-seven percent of freight buyers favor their carriers, with only two percent prioritizing broker relationships – 41 percent value both equally.

Reactions are mixed. As one shipper asserts, "assets are important and carriers have them. Brokers do not." Many shippers value this direct approach, and the rewards that come with partnerships built on communication and trust. The expectation among shippers who have grown long-lasting core carrier partnerships is that when capacity contracts, they will be in a favorable position.

But freight buyers are also realistic. Creating flexibility is important and having a broker that can find space and manage carriers has its merits. Increasingly, as this year's data suggests, shippers are keeping their options open.

"From the administrative side, the first relationship is with the broker/intermediary. The warehouse's main contact is with the truck driver. Both are equally important parts of transportation," according to one surveyed shipper.



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

- Equally Important
- Carrier
- Broker/Intermediary (2%)

SOURCE: *Inbound Logistics* Trucking Perspectives Survey, 2010

industry can recruit could shrink further as the economy improves – much more so than on the LTL side.

"Over a single year, we have seen shippers look at cost as the only factor, then shift to quality after low-cost providers miss expected service levels, and now finally address capacity issues. It has been quite a swing, and it's not over yet," says a carrier survey respondent.

Gradually, the cost versus customer service pendulum is beginning to sway in the latter's favor. When capacity tightens, shippers will be triangulating all three considerations to find their best transport options. ◆

2010 Top 100 Motor Carriers

Following these road signs can be a daunting task. But with the right carriers riding shotgun, shippers can navigate around approaching obstacles and steer toward the open road.

***Inbound Logistics'* Top 100 Motor Carriers list is a good place to shift gears, slow down, and take a look at a group of truckers that are paving the road for innovation. *IL* editors pared this year's roster from a pool of 200 companies, evaluating surveys, conducting online research, and talking with truckers and shippers alike.**

The Top 100 list presents a diverse panorama of the motor freight segment, from large TL and LTL carriers with global inroads to niche-specific regional haulers that get their white gloves dirty to the final mile.

Together, Trucking Perspectives and the Top 100 Motor Carriers directory provide a comprehensive guide to help you find carrier partners that will put your company in the driver's seat. Turn the page and follow the signs.

THE TOP 100 MOTOR CARRIERS

COMPANY & URL	PHONE	SMARTWAY PARTNER	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
A&R Transport www.artransport.com	800-542-8058			●					●			●	●	●		●					
A. Duie Pyle www.aduiepyle.com	800-523-5020	●					●	●	●		●	●									
AAA Cooper www.aaacooper.com	334-793-224	●					●	●					●	●							
ABF Freight System www.abf.com	800-610-5544	●	●					●	●		●	●		●	●					●	●
ATS Specialized www.atsinc.com	800-328-2316			●					●												
Averitt Express www.averittexpress.com	800-283-7488	●	●					●	●	●	●	●	●	●				●			
Bennett Motor Express www.bennettig.com	800-866-5500	●		●				●	●				●	●			●				
Bilkays Express www.bilkays.com	908-289-2400						●	●	●			●	●		●					●	●
Bison Transport www.bisontransport.com	800-GOBISON	●		●					●		●	●		●	●			●			
Boyd Bros. Transportation www.boydbros.com	334-775-1400	●		●					●			●		●							
Bridge Terminal Transport www.bttinc.com	704-571-5000	●			●									●							
Bulkmatic Transport www.bulkmatic.com	800-535-8505			●												●					
C.R. England www.crengland.com	888-725-3737	●	●						●		●	●	●	●	●		●	●			
Cardinal Logistics Management www.cardlog.com	800-800-8293	●			●			●	●			●	●	●		●		●		●	●
Cargo Transporters www.cgor.com	828-459-3232	●			●				●		●	●	●								
Carlile Transportation Systems www.carlile.biz	800-478-1853	●		●				●	●			●	●	●	●			●	●	●	
Celadon Trucking Services www.celadontrucking.com	800-729-9790	●		●				●	●					●							
Central Freight Lines www.centralfreight.com	800-782-5036	●				●		●			●	●	●								
Central States Trucking www.cstruck.com	630-787-8774						●	●					●	●							
CEVA Ground www.cevalogistics.com/ground	888-862-4593	●			●			●	●		●	●	●								

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors/vans only; excludes 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	750	N	PRIV	23	< .05%	99.0%	●	●	●	●				●
Chemicals, industrial and manufacturing, pharma	1,669	N	PRIV	17	.05%-1%	99.1%					●	●	●	●
DNR	2,025	N	PRIV	81	< .05%	97.0%		●			●	●	●	●
All industries	24,000	U	PUB	280	.05%-1%	92.6%					●	●	●	●
Transportation	823	N	PRIV	13	< .05%	98.1%		●			●	●	●	●
All markets	3,726	N	PRIV	100	.05%-1%	97.0%		●			●	●	●	
General freight, heavy haul, flatbed/stepdeck, air and space, government services	630	N	PRIV	130	< .05%	98.0%	●	●			●		●	●
General freight	25	U	PRIV	1	< .05%	99.0%		●		●	●	●	●	
Food and beverage, manufacturing, retail, paper, chemical	1,050	N	PRIV	6	< .05%	98.0%		●			●			●
Building materials, metal and metal products	672	N	PRIV	7	< .05%	99.0%					●	●		●
All marine container drayage	1,555	N	PRIV	30	< .05%	98.7%					●	●	●	●
Dry bulk trucking; dry and liquid bulk rail transfer	1,400	N	PRIV	45	< .05%	96.0%								
Produce, frozen and temperature-controlled products, pharma	3,500	N	PRIV	5	.05%–1%	97.3%					●		●	●
Construction and building materials, JIT manufacturing support, retail, food	1564	N	PRIV	139	.05%–1%	99.0%	●	●	●	●	●		●	●
Dry van, non-hazmat	1,800	N	PRIV	1	< .05%	98.0%					●			●
Oil and gas, construction, wholesale and retail	400	N	PRIV	10	< .05%	95.0%					●	●	●	●
Dry goods	3,194	N	PUB	6	< .05%	95.0%								
Industrial products, retail, chemicals, oil and gas, manufactured goods	1,533	N	PRIV	51	.05%–1%	98.3%		●			●	●	●	●
Hi-tech, furniture, grocery	125	B	PRIV	4	< .05%	98.0%					●	●		●
High-value	500	N	PRIV	7	.05%–1%	97.0%					●			●

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

THE TOP 100 MOTOR CARRIERS

COMPANY & URL	PHONE	SMARTWAY PARTNER	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
Challenger www.challenger.com	800-265-6358	●	●					●	●		●	●	●	●				●			
Concord Transportation www.expedited365.com	800-387-4292	●		●				●	●	●	●	●						●			●
Con-way Freight www.con-way.com/freight	734-994-6600	●		●				●							●						●
Con-way Truckload www.con-way/truckload	417-623-5229	●		●					●				●								
Covenant Transportation Group www.ctginfo.com	800-974-8332	●		●					●		●	●	●		●			●			
Crete Carrier Corporation www.cretecarrier.com	402-475-9521	●		●					●						●			●			
CRST International www.crst.com	319-390-2627	●		●	●				●		●	●	●			●					
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	800-860-5102	●		●				●	●		●	●									
Estes Express Lines www.estes-express.com	804-353-1900	●	●					●	●		●	●	●	●			●			●	●
Evans Network of Companies www.evansdelivery.com	570-385-9048	●			●				●			●	●	●							●
Express-1 www.express-1.com	800-800-5161	●		●							●	●									
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	●		●						●											
FFE Transportation Services www.ffex.net	214-819-5272	●		●				●		●		●	●	●				●			
FLS Transport www.flstransport.com	514-739-0939	●		●				●	●		●	●		●				●		●	
Furniture Transport Group www.furnituretransportgroup.com	336-812-8321				●			●	●			●								●	

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors/vans only; excludes 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
All general consumer goods, automotive parts, food and beverage, hazmat	4,800	N	PRIV	6	< .05%	98.5%		●		●	●	●	●	●
Retail, high-value electronics, entertainment, pharma, health and beauty products	175	N	PRIV	25	< .05%	98.0%	●	●	●	●	●	●	●	●
General commodities	9,331	N	PUB	365	.05%–1%	98.8%		●		●	●	●	●	
General commodities	2,619	N	PUB	5	< .05%	98.6%						●		●
Consumer products, food and beverage, hazmat, government and defense	3,113	N	PUB	11	.05%-1%	99.6%					●			●
Food and grocery products, consumer goods	5,047	N	PRIV	13	< .05%	98.0%					●	●		
LTL, retail, metals, building products	8,653	N	PRIV	11	.05%-1%	97.5%					●			
Construction, farm, fabricated products	350	N	PRIV	10	< .05%	98.0%								●
General commodities	2,500	N	PRIV	6	< .05%	98.3%					●		●	●
Consumer electronics, general merchandise	DNR	N	PRIV	3	< .05%	98.0%					●	●	●	●
General commodities	961	N	PRIV	40	.05%–1%	99.0%		●			●	●	●	●
General commodities	5,934	N	PRIV	212	< .05%	96.0%		●			●	●	●	●
Intermodal containers	1,770	N	PRIV	102	< .05%	99.0%					●	●	●	●
General commodities	400	N	PUB	2	< .05%	98.0%					●	●		●
Pharma, electronics, automotive, art, manufacturing, temperature-control	1,350	N	PUB	0	< .05%	99.0%					●	●		●
Manufacturing, construction, retail, electronics	20,000	N	PUB	470	> 1%	DNR	●	●			●	●	●	
Small-package ground shipments up to 150 lbs.	22,000	N	PUB	500	< .05%	DNR		●			●	●		
Food, pharma	1,850	N	PUB	12	< .05%	99.0%					●	●	●	●
Retail	365	N	PRIV	17	< .05%	99.0%	●	●	●	●	●	●	●	●
Furniture	406	N	PRIV	7	.05%–1%	95.0%		●			●			

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

THE TOP 100 MOTOR CARRIERS

COMPANY & URL	PHONE	SMARTWAY PARTNER	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													
Gale Triangle www.ptgt.net	562-345-2232	●			●			●	●		●	●	●	●	●	●					●
Givens Transportation www.givens.com	800-446-8195		●					●	●		●	●	●	●				●			
Gordon Trucking www.gordontrucking.com	800-426-8486	●		●					●			●		●				●			
Greatwide Logistics Services www.greatwide.com	877-355-6177	●		●				●	●		●	●	●			●		●	●		
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	800-925-1000	●		●	●				●			●	●	●	●			●			
Knight Transportation www.knighttrans.com	800-489-2000	●		●					●			●	●	●	●	●	●	●			
Lakeville Motor Express www.lakevillemotor.com	800-888-4950	●		●				●	●			●	●								
Landstar System www.landstar.com	800-872-9169	●		●				●	●		●	●		●				●			
Lily Transportation www.lily.com	800-248-5459	●		●	●							●	●					●			
Lynden Transport www.lynden.com	206-575-9547	●		●				●	●		●		●	●	●			●			
MacKinnon Transport www.mackinnontransport.com	800-265-9394	●		●					●			●	●								
Market Transport www.markettransportservices.com	503-283-2405	●			●				●			●	●	●							
Marten Transport Services www.marten.com	800-395-3000	●		●					●		●	●		●	●			●			
May Trucking Company www.maytrucking.com	503-393-7030	●			●				●			●	●					●			
Megatrux Transportation www.megatruxtrans.com	909-652-5055	●		●				●	●		●		●	●						●	●
Melton Truck Lines www.meltontruck.com	918-234-8000	●		●					●		●	●	●				●				
Mercer Transportation www.mercer-trans.com	502-584-2301	●		●				●	●		●			●							

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors/vans only; excludes 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
Retail, apparel, footwear, consumer electronics, hard goods, furniture	550	B	PRIV	9	< .05%	99.0%	●	●	●	●	●	●	●	●
Automotive, consumer goods, recreational vehicles	DNR	N	PRIV	6	> 1%	99.0%	●	●	●	●			●	●
Dry, reefer, TL, intermodal, dedicated, regional and local fleets, hostling	1,475	N	PRIV	8	< .05%	96.0%					●			
Grocery, food and beverage, produce, fresh food, retail, industrial	5,000	N	PRIV	76	< .05%	99.7%	●	●	●	●	●		●	●
Consumer goods, retail, food, paper/plastics, manufacturing, auto	DNR	N	PUB	12	< .05%	99.0%					●			●
FAK	2,500	N	PRIV	11	< .05%	98.0%					●	●		
Retail, paper, food, electronics, beverages, building materials	10,000	N	PUB	75	< .05%	99.6%		●			●	●	●	●
Food, produce, beverages, chemicals, pharma	1,400	N	PRIV	7	.05%–1%	97.7%					●			
General freight, household goods	3,844	N	PUB	31	< .05%	98.3%					●			●
General commodities	225	B	PRIV	30	.05%–1%	98.0%		●			●	●	●	●
Manufacturing, retail, service industries, government, heavy machinery	8,519	N	PUB	DNR	.05%–1%	99.9%		●		●	●	●	●	●
Paper, grocery, retail, building products, auto parts	476	N	PRIV	34	< .05%	99.0%	●							●
Retail, oil and gas, construction	176	B	PRIV	13	< .05%	99.0%		●			●	●	●	●
General freight, building materials, liquor, steel commodities	270	N	PRIV	1	< .05%	98.7%		●			●			●
General merchandise, food, beverages	350	N	PUB	4	< .05%	99.2%					●		●	
Grocery, food, consumer, beverage, pharma, chemicals	2,066	N	PUB	9	< .05%	98.0%					●			●
Manufacturing, retail, food, beverages, paper	950	N	PRIV	9	< .05%	98.0%								
General commodities/FAK	200	N	PRIV	10	< .05%	99.0%	●	●	●	●	●	●	●	●
Steel, aluminum, building materials, roofing	1,000	N	PRIV	7	< .05%	99.4%					●		●	
Machinery, equipment, building materials, steel, military	1,900	N	PRIV	85	< .05%	98.0%					●			●

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THE TOP 100 MOTOR CARRIERS

COMPANY & URL	PHONE	SMARTWAY PARTNER	OPERATING AREAS					TRUCKING SERVICES													
			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
Milan Express www.milanexpress.com	731-686-7428	●				●		●	●		●		●								
Miller Transporters www.millert.com	601-922-8331	●		●								●				●					
National Retail Systems www.nrsonline.com	877-345-4677	●	●					●	●			●	●	●	●			●			●
New England Motor Freight www.nemf.com	908-965-0100	●		●				●	●		●	●	●					●		●	●
New Penn www.newpenn.com	800-950-5046	●					●	●	●		●										
NFI www.nfiindustries.com	866-219-7450	●		●				●	●			●	●	●		●	●	●	●		
Oak Harbor Freight Lines www.oakh.com	253-288-8300	●					●	●	●												
Old Dominion Freight Line www.odfl.com	800-235-5569	●	●					●	●		●	●		●						●	
Panther Expedited Services www.pantherexpedite.com	800-685-0657	●		●					●		●	●	●			●					
Paschall Truck Lines www.ptl-inc.com	800-626-3374	●			●				●			●	●					●		●	
Penske Logistics www.penskelogistics.com	800-529-6531	●	●					●	●			●	●	●	●	●	●	●		●	●
Pitt Ohio Express www.pittohio.com	412-232-3015	●					●	●	●	●	●	●	●								
Pride Transport www.pridetransport.com	801-972-8890	●			●			●	●			●	●					●		●	
Prime Inc. www.primeinc.com	800-848-4560	●		●				●	●			●	●			●		●			
Quality Carriers www.qualitydistribution.com	800-282-2031	●		●												●					
R+L Carriers www.gorlc.com	800-543-5589	●	●					●	●		●	●		●						●	●
Roehl Transport www.roehl.net	800-826-8367	●		●					●									●			
Ruan www.ruan.com	866-782-6669	●		●				●	●			●	●	●		●		●			
Ryder Supply Chain Solutions www.ryderscs.com	888-887-9337	●		●				●	●		●	●	●	●	●	●	●	●		●	●
Saia www.saia.com	800-765-7242	●		●				●	●		●										

U	Union
N	Non-union
B	Both union and non-union
FLEET SIZE	Tractors/vans only; excludes 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 commodities	4,000	N	PRIV	35	.05%–1%	97.0%								
General chemicals	400	B	PRIV	17	< .05%	98.3%						●		●
Retail, pharma, electronics	1,200	B	PRIV	31	< .05%	99.0%	●	●			●	●	●	●
Retail, grocery, pharma, chemical, consumer products	1,440	B	PRIV	35	< .05%	98.1%		●			●	●	●	●
Industrial/manufacturing, chemicals and coatings, retail, building supplies	800	U	PUB	25	< .05%	98.0%						●		●
Logistics, warehousing, distribution, commercial solar product management	1,959	N	PRIV	70	< .05%	98.7%	●	●	●	●	●	●	●	●
General commodities	1,750	B	PRIV	32	.05%–1%	97.0%					●	●		●
General commodities	5,552	N	PUB	210	.05%-1%	99.0%	●	●			●	●	●	●
Government, life science, pharma, high-tech, entertainment, consumer retail	1,185	N	PRIV	11	< .05%	98.7%					●	●	●	●
Dry van business	1,150	N	PRIV	5	< .05%	99.2%								●
Auto, pharma/healthcare, chemicals, appliances	2,000	B	PRIV	DNR	> 1%	DNR	●	●	●	●	●	●	●	●
General commodities	1,116	N	PRIV	21	.05%–1%	97.0%					●	●	●	●
Food, nutrition, technology, JIT	350	N	PRIV	2	< .05%	99.0%	●				●	●		●
Food, pharma, building, retail	4,195	N	PRIV	8	< .05%	99.0%					●			●
Dry and liquid bulk chemicals	2,500	B	PUB	96	< .05%	98.8%					●	●		●
Manufacturers, distributors	5,000	N	PRIV	106	.05%–1%	98.0%		●			●			●
Paper, building products, temperature controlled, consumer goods	1,715	N	PRIV	6	< .05%	96.5%					●	●	●	●
Retail, grocery, metals, refrigerated and frozen, bulk dairy, bulk grain	2,978	B	PRIV	170	< .05%	99.6%				●	●			●
Aerospace and defense, automotive, building materials, chemicals, consumer goods	67,633	B	PUB	900	< .05%	99.0%	●	●		●	●	●	●	●
General commodities	3,400	N	PUB	147	.05%-1%	97.0%					●	●	●	●

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THE TOP 100 MOTOR CARRIERS

COMPANY & URL	PHONE	SMARTWAY PARTNER	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													
Schneider National www.schneider.com	800-558-6767	●		●		●			●		●	●	●	●		●		●		●	●
Southeastern Freight Lines www.sefl.com	800-637-7335	●				●		●													
Specialized Transportation Inc. (STI) www.stidelivers.com	800-234-2788	●		●				●	●		●	●								●	●
Standard Forwarding www.standardforwarding.com	800-447-2012	●					●	●			●	●	●				●				
Superior Bulk Logistics www.superiorbulklogistics.com	800-654-7707			●	●							●	●			●			●		
Swift Transportation www.swifttrans.com	602-790-8043	●		●					●		●	●	●	●				●			
Transport Corporation of America www.transportamerica.com	651-688-4539	●		●					●		●	●	●	●	●	●					
Trimac Transportation www.trimac.com	502-459-5122	●		●												●					
U.S. Xpress Enterprises www.usxpress.com	800-251-6291	●		●	●			●	●		●	●	●	●							
UniGroup (United and Mayflower) www.unitedvanlines.com	636-305-4294	●	●					●	●		●	●		●	●		●	●		●	●
Universal Truckload Services www.goutsi.com	586-920-0154	●	●						●		●	●	●	●				●			
UPS www.ups.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 Brother's Transportation Services www.westbros.com	919-281-1162				●				●		●	●	●	●				●		●	
Western Express www.westernexp.com	615-259-9920	●		●					●												
Willis Shaw Express www.willisshaw.com	479-248-7261	●			●				●			●	●	●				●			
Wilson Trucking www.wilsontrucking.com	540-949-3200						●	●			●		●								●
YRC www.yrc.com	800-610-6500	●		●				●	●		●										

U	Union
N	Non-union
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FLEET SIZE	Tractors/vans only; excludes trailers
DNR	Did Not Report

							TECHNOLOGY SERVICES							
SPECIALIZATION	FLEET SIZE	UNION STATUS	PUBLIC OR PRIVATE	NUMBER OF TERMINALS	CLAIMS RATIO (% OF SHIPMENTS)	ON-TIME DELIVERY	RFID	BAR CODE	SKU LEVEL RFID	SKU LEVEL BAR CODE	CUSTOMER EMAIL ALERTS	ONLINE PRICING/ROUTING	LOGISTICS WEB TOOLS	VISIBILITY/DRIVER COMMUNICATION
Retail, manufacturing, electronics, paper products, bulk specialty chemical, fuel	47,150	B	PRIV	22	.05%–1%	DNR	●	●	●	●	●	●	●	●
Various	2,340	N	PRIV	76	.05%-1%	99.4%		●			●	●	●	●
High-tech, medical, computers, trade shows, industrial equipment, motorcycles	1,100	N	PRIV	45	< .05%	99.0%		●		●	●	●	●	●
Heavy industrial manufacturing	300	U	PRIV	15	< .05%	99.0%					●	●	●	●
Liquid and dry bulk chemicals, food grade	1,000	B	PRIV	53	< .05%	98.2%								●
TL, dedicated services, intermodal, logistics, temperature-controlled	14,000	N	PRIV	40	< .05%	98.0%					●	●	●	●
Grocery and industrial products, department store merchandise	1,135	N	PRIV	11	< .05%	98.0%					●	●	●	●
Bulk	1,268	B	PRIV	50	< .05%	99.0%						●		●
Dry freight, retail, CPG, chemicals, automotive, paper packaging and carpet	8,500	N	PRIV	70	< .05%	99.0%		●			●		●	●
Retail, trade shows, electronics, autos, household goods	11,400	N	PRIV	700	< .05%	98.0%					●		●	●
Steel, automotive, building products	3,500	U	PUB	700	< .05%	98.0%					●	●	●	
Industrial manufacturing and distribution, retail, consumer goods	6,334	B	PUB	215	< .05%	DNR	●	●	●	●	●	●	●	●
LTL, logistics	2,380	N	PUB	120	.05%-1%	98.0%	●	●			●	●	●	
Manufacturing, finished products, paper, chemicals, retail, pharma	610	N	PRIV	22	< .05%	99.0%	●	●	●	●	●			●
Retail, consumer goods, apparel, beverage, energy, food products, paper products	7,210	N	PUB	11	< .05%	97.0%			●	●	●	●	●	●
Tier 1 manufacturing, retail, building supplies, corrugated/paper	255	N	PRIV	23	< .05%	99.0%					●			●
TL FAK	2,600	N	PRIV	16	.05%–1%	95.0%								
Foodstuffs, commodities requiring temperature protection	550	N	PRIV	4	.05%-1%	97.0%					●		●	
General commodities	1,100	N	PRIV	36	< .05%	98.0%		●			●	●		
Industrial/manufacturing, wholesale, retail, government, chemicals, building supplies	14,000	U	PUB	339	> 1%	DNR		●			●	●		●

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

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FROM DOLLARS TO DATA

For freight payment and audit services, rooms full of rate clerks poring over paper freight bills are a thing of the past. Today, these firms provide business intelligence data that delivers even more value.

"The freight bill payment industry has evolved from a settlement service to an information service," says Harold Friedman, senior vice president, global corporate development for freight bill audit services provider Data2Logistics, Ft. Myers, Fla. Today's shippers have the ability to access information captured by their freight bill payment service providers to make more informed decisions about carrier selection, service utilization, and cost allocation.

Technology has revolutionized freight bill payment, audit, and reporting services, especially in providing data visibility–the transactions and detail–through the Internet, says Jan Laufer, director of freight payment services at Sunset Financial, a division of St. Louis, Mo.-based transportation services company Sunset Tranportation Inc.

For shippers, freight bill payment is rules-based and process-driven. Freight bills are not typical accounts-payable transactions, explains Tom Zygmunt, manager of marketing for CASS Information Systems, a provider of transportation, utility, and telecom expense management and related business intelligence services headquartered in St. Louis. The skills and knowledge involved in maintaining rate structures and defining rules governing accessorial charges have been trimmed away through downsizing at many companies.

Today's Web-based systems are able to map and graph pre-defined performance indicators, not just provide cost and freight bill status information.

Keith Snavely, vice president of sales for Atlanta-based global freight audit, payment, and logistics management software and service provider nVision Global Technology Solutions Inc., is reluctant to overwork the term "dashboard," but that's what shippers see, he says.

In the early days of freight payment services, audit firms were paid on a contingency basis from the funds they recovered through billing errors, overpayments, and duplicate payments. But today, freight bill payment and audit services do more than save shippers money; they provide valuable data.

"Access to shipment data explodes a shipper's reporting capabilities," says John Mecchella, president and owner of Technical Traffic Consultants, a Congers, N.Y., firm that was founded in 1974 and specializes in customized applications for the pre-audit and payment of freight bills.

Maturing and expanding businesses need to get a handle on costs–especially because many of those costs have shifted outside North America, creating international demand for freight audit and payment services, notes Allan Miner, president of CT Logistics, a third-party provider of freight payment and freight bill audit services in Cleveland, Ohio.

Ken Hazen, president and CEO of CTSI, a Memphis,

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Tenn.-based freight audit and payment firm with a 50-year history, says he may have resisted going global 15 years ago, but today it's a necessity. "There are plenty of freight audit and payment firms around," he says, "but some of the larger firms function more like consumer products companies, where you're only as good as your latest product development." Among CTSI's latest product developments is a Web site that operates in 10 languages and 34 currencies.

Logistics groups don't have carte blanche to add to their staff, Hazen says. With complexity and scope increasing, resources have remained tight. And, while 60 percent or more of CTSI's core services may still be conventional freight bill payment, the transportation management side of the business continues to grow.

Freight audit and payment services can save most shippers between four and eight percent, according to transportation management solutions company Capital Transportation Logistics (CTL), Nashua, N.H. But technology tools can also add value. For example, CTL's transportation management software, *TR+*, supports carrier selection and monitors transit times and pricing, while its *CapitalWorks* system provides an online tool to review shipping history.

Freight bill payment is a fairly straightforward process, according to Trendset Inc., an advanced freight payment solutions company located in Greenville, S.C. Its process flowchart moves from the original bill of lading to the freight bill, and into the audit stage. The company checks bills for compliance against a database of negotiated carrier rates and terms, and removes those that are incorrect.

FROM BOL TO BILL OF INTELLIGENCE

Data capture is a key to unlocking more sophisticated capabilities and higher payoff from transportation management systems. The bill of lading (BOL) feeds the system data about shipment content, origin, destination, and other details. Early efforts to automate data collection from the bill of lading centered on electronic data interchange (EDI). "The EDI process can be complex for some carriers," says Laufer.

> "It's not about the money; it's about the data."

Benchmarks developed by the American National Standards Institute (ANSI) govern transaction sets. Most carriers support EDI transaction sets, but for those who have not reached that level, Sunset works with a third-party service that helps carriers achieve the ANSI standard.

For smaller carriers, data collection has often been a resource issue. "While some tools can move data from spreadsheets into a database, new Web-based tools make it possible to enter information into an online form and let the system behind it take care of the standardization," says Zygmunt.

Carriers can provide freight bills via e-mail, PDF, or online data entry tool, says Snavely. When carriers log on, they see a form that can be customized to resemble their familiar documents. The form collects standard data elements and displays mandatory fields.

Both carrier and shipper visibility can be customized and controlled. The secure Web-based reporting systems are partitioned so that access is authorized for the exact data needs of a user's job function, explains Laufer. Carriers can access Sunset's *PayLOGIK* system and see their shipments and bills. Shipper facilities can see only their freight, while the logistics function can see volume detail to help with traffic lane analysis.

This is where the system starts to bring power to bear, and the database that has developed from the bills of lading and freight bills offers true business intelligence.

One of the first benefits is carrier performance measures. Contract terms are part of the rate database, and "carrier invoices are electronically audited for accuracy," says Laufer.

The obvious top measure is comparing the negotiated rate to the freight charges. But other factors, such as unloading fees that were not supposed to be charged, show up in the audit.

Another important factor the system can monitor for the shipper is the effective date for contracts. Shippers can be alerted when contracts are nearing the end of their term, but carriers can also be monitored to ensure they are using the most recent contract terms.

The transportation management systems that serve as adjuncts to the freight payment systems can provide critical strategic data on traffic lanes, volumes, and flows. This is important not only for monitoring rates against volume discount thresholds, but for providing shippers with a clear view of their distribution network in a real-world context.

Small parcel shipments have become an important part of transportation management as shipment sizes have decreased. Accordingly, CT Logistics has included parcel shipments in upgrades to its *FreitRater* system. "It's possible to audit parcel rates down to the penny," says Miner. "It adds up to a lot of money."

Finance had played a minimal role in transportation management in the past, says Snavely. "Transportation spend was just a speck," he says. "Now it is being examined closely. When top-line revenues are slim or

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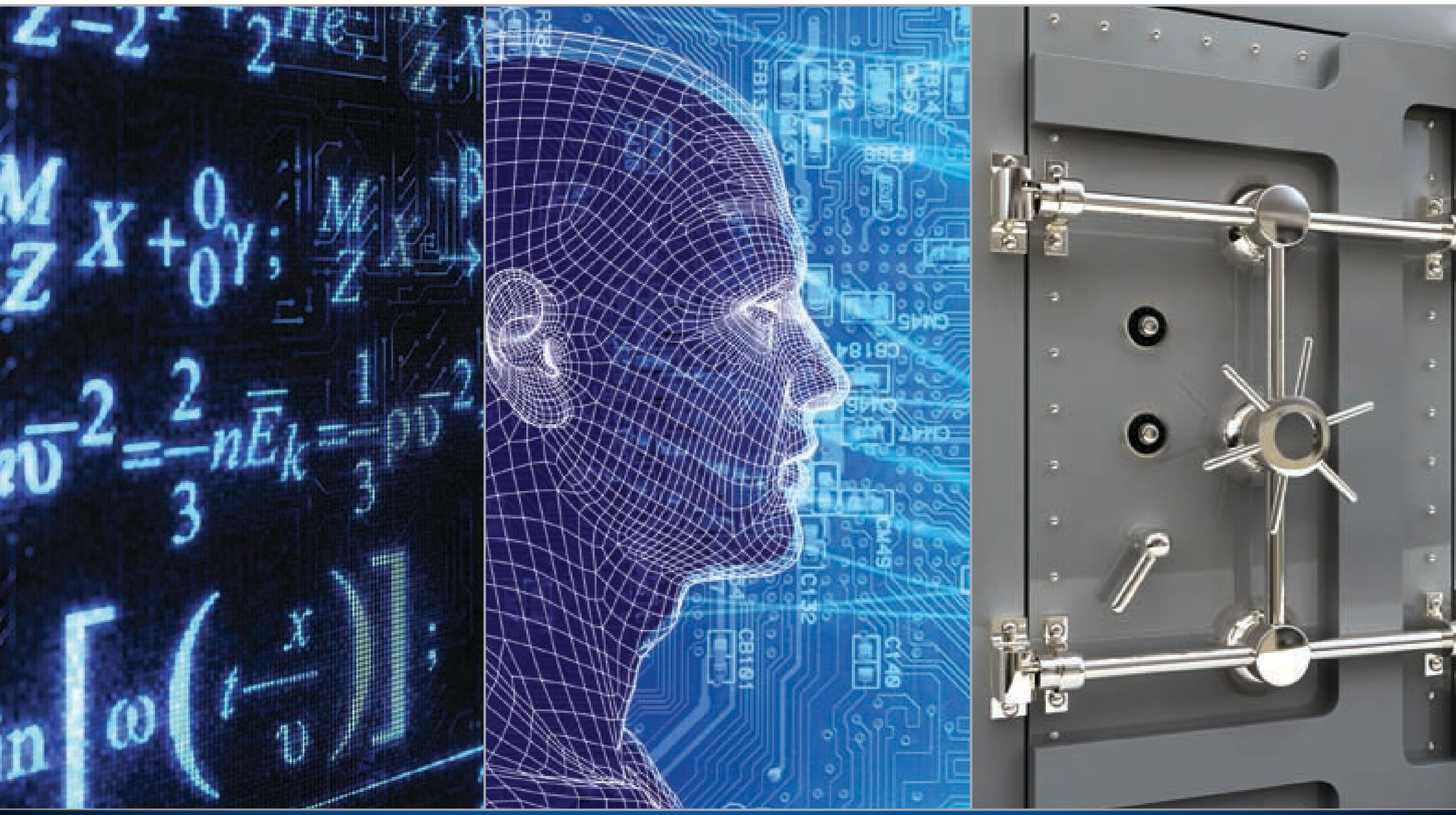

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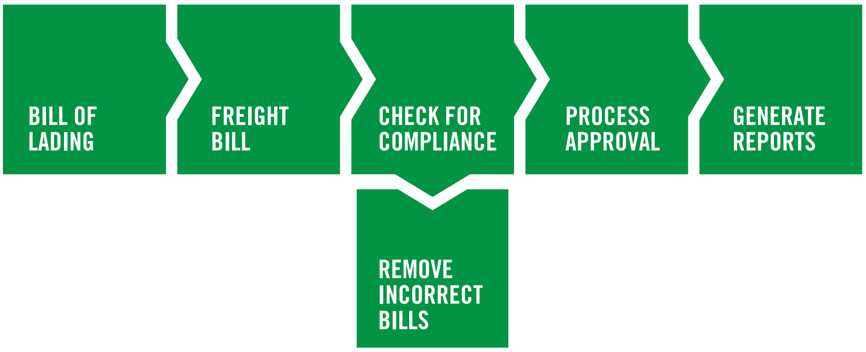
Following the Freight Payment Process

At its most basic, the freight payment process involves matching bills of lading to freight bills, checking for rate and contract compliance, then processing the approved freight bills for payment. Incorrect freight bills are set aside for review. Most companies are also able to use the data collected through this process to compile reports on their current freight situation. Shippers gain valuable insight from these reports, which helps them forecast freight costs and demands, research trends, review current freight obligations, put new freight contracts in place, and negotiate with carriers.



Source: Trendset Inc.

dropping, freight payment services can help find savings of an average of four percent of sales, which go right to the bottom line."

ALLOCATING REAL COSTS

While the logistics department receives data on traffic lane patterns to analyze, accounting gets a more accurate picture of accruals, says Zygmunt. The database can help assign costs down to the stockkeeping unit (SKU) level.

Given shipping data such as cost of outbound freight and invoice value, "we can determine freight as a percent of sales by customer," explains Mecchella. "If we have the SKUs, we can calculate an allocation of freight down to the SKU level or to the product family group. If we know what was shipped, we can produce highly accurate and verifiable freight accruals on a monthly basis."

The ability to match costs to what has been shipped and paid is required in today's Sarbanes-Oxley world, says Mecchella, referring to the legislation that governs corporate finance record-keeping.

For shippers, transportation is one of their company's top three costs, and the ability to manage that spend is powerful. The transportation management database is the key, and it does much more than measure the costs billed against the contracted rate. "It also helps shippers manage their network and expenses," Laufer notes.

Shippers can ask if their network is working the way it is supposed to and use compliance with their routing guide as one measure, says Zygmunt. They also pick up billing errors, such as paying for insurance when it was included in the contract. All of this saves the shipper from overpaying, then filing a claim.

Continues on page 80

From Audit to Action

Reconciling accounts of any kind is always a test of due diligence. When it comes to managing freight bills for thousands of shipments at different weights and rates with myriad carriers, the audit carries even greater consideration—pennies add up and pools of trickling expense often point to operational problems elsewhere in the supply chain.

As an outsourcing function, freight bill audit has evolved with technology. The payment cycle has become seamless, faster, and more accurate, and it yields a wealth of data that shippers use to eliminate overcharges and duplicate payments, build stronger partnerships with carriers, and create benchmarks for planning and budgeting.

Shippers can also reverse-engineer this data flow to address inefficiencies that are creating additional costs upstream in the supply chain. For example, a discrepancy in freight charges among certain carriers may be a sign that vendors are not in compliance with inbound routing guides. Such a burning platform could trigger a realignment in how consignees manage inbound logistics processes from their suppliers through the warehouse. Essentially, silo optimization catalyzes strategic business process improvement.

Moreover, the facility and speed with which information can be shared via Web-based technologies allows businesses to convey molecular-level freight spend data among corporate departments and within the extended supply chain. From a single source of information, multiple parties can leverage this knowledge to execute change at the local level.

Shippers and service providers are now taking this evolution one stage further by enriching the value of traditional freight bill audit functionality and bundling it with transportation management services—uncovering inefficiencies and eliminating costs beyond the ledger.

The maturation of the freight bill audit payment industry offers a good example of how customer demand is shifting the focus from simple technology application to service deployment.

Memphis-based CTSI began as a "meat and potatoes" freight bill audit company, providing software to help customers manually manage freight spend reconciliation. In time, its technology progressed toward full automation of these processes. The latest iteration in CTSI's product portfolio is the additional coupling of transportation management capabilities.

"The two functions complement each other. It's what makes us a service provider," says Brian Scott, senior vice president of global sales, CTSI.

The 3PL's freight audit payment solution provides modular functions that include contract management, data capture, audit and analysis, cost allocation, exception management, and payment processing. Shippers can use these tools to populate vital shipment data, allocate charges accordingly, then cleanse and manipulate this information to be re-tasked elsewhere in the enterprise.

CTSI's Software-as-a-Service TMS deployment presents a pick-and-choose suite of 12 different modules that allow customers to manage all aspects of their inbound and outbound transportation network.

By outsourcing and pairing freight bill audit and transportation management, shippers can build value around a commodity function, suggests Scott. Beyond operational synergies and efficiencies, the freight audit creates the demand for the TMS by exposing problems that the latter can address.

The modularity of its transportation management application allowed CTSI to expand its functionality and coverage globally. It also gives the 3PL greater leverage and creativity in how it sells the bundled solution.

"We can charge for the TMS and offer the freight audit payment software for free," says Scott. "Then customers pay us with the savings they accrue."

As shippers continue to wrestle with the challenges of growing their business out of a recession; integrating new customers, service providers, and vendors into their networks; and reducing supply chain touches and costs, the importance of transportation optimization only grows.

Following the freight audit trail provides insight into where processes and communication are lacking, and where costs are leaking. Having the transportation management tools in place to plug these stopgaps brings the freight bill payment cycle full circle.

"When top-line revenues are slim or dropping, freight payment services can help find savings of an average of four percent of sales, which go right to the bottom line."

—**Keith Snavely,** VP of Sales, nVision Global

Continued from page 76

Carriers also derive value from the audit process' immediate feedback. For instance, Sunset Transportation provides immediate feedback to carriers on audit exceptions. This avoids the time-consuming and costly process of the carrier issuing a balance-due notice and the shipper having to research the issue.

SPANNING GEOGRAPHIES

Whether it's with contract terms, routing guides, accounting principles, or Sarbanes-Oxley regulations, compliance is important and the freight bill audit and payment cycle can help companies manage this complexity on the domestic side.

One of the latest and most exciting developments for freight audit and payment firms is the expansion of U.S.-style audit and payment capabilities outside North America. Historically, other countries have been far less formal than the United States in their approach to transportation costs.

The United States may have benefitted from its legacy of economic regulation in transportation. Prior to the 1980s, motor carriers filed excruciatingly detailed tariffs with the Interstate Commerce Commission. By law, a carrier could not haul a load for which it did not have a tariff on file.

Not only did this massive volume of detail lead to errors, new tariffs were issued daily, and the speed of posting often led to more billing errors. Regulations set a narrow window for rate disputes to be filed and dealt with. Freight bill audits weren't an option for many companies.

When economic regulation ended and formal tariff filing was eliminated, firms doing freight bill audit and payment needed to find new ways to grow. Fortunately, technology was expanding its capabilities exponentially as prices were falling. Groups such as the Transportation Data Coordinating Committee had made inroads in data set standardization. The stage was set for the group that managed your freight bills to also compile an accurate picture of your logistics network and volumes.

The same was not necessarily true outside the United States. Founded in 1923, CT Logistics was a freight payment firm rooted in formal systems. Its ability to survive deregulation depended on how it adapted to changing customer demands.

As more sourcing moved offshore, and global markets began to develop not only to and from the United States, but also in lanes that never touched U.S. soil, CT Logistics found itself confronting practices that provided little detail or visibility on freight costs. Not only did it have to deal with language and currency differences, nomenclature and terms were not uniform.

Today's freight audit and payment services are a hybrid product. After rewriting its systems for Y2K compliance, CTSI revised them to include transportation management systems. "We continued working with customers to optimize our tools as shippers were redefining how they moved their goods," says Hazen.

That now includes interfacing with enterprise resource planning systems. CTSI pulls out data, massages it, and reports back, benchmarking rates and lanes against the 12 million rates in its database.

The United States is ahead on technology, Hazen notes. Global carriers are less sophisticated when it comes to payment, often billing the same shipment multiple times. U.S. firms are applying their formalized approach and systems to international freight and making headway in providing better visibility.

Shippers are looking for a single source to audit and pay freight bills on a global scale, says Friedman. They need information from all modes and all regions.

"Whether it's for a carrier report card, volumes by service type and zone, or cost per mile, shippers want access to the data they need to make more informed decisions, ship smarter, and save," says Friedman.

The polyglot database-centered transportation management firm that has evolved today to provide rich data and actionable business intelligence, in addition to cost savings, is a distant relative to the room full of rate clerks poring over binders stuffed with paper tariffs to find billing errors. "It's not about the money, it's about the data," says one freight payment executive.

It's always about the money, but perhaps there is more to be gained from mining the data and improving network performance and efficiency. And in a future where companies will be under new pressures to improve their environmental impact, part of what is likely to be measured will be supply chain efficiency.

The proof again will originate with the humble freight bill, and shippers with access to data will be the winners. ■

Freight Payment/Audit Solutions

Interested in finding out more about how a freight payment/audit firm can help your company boost visibility and cut costs? Contact these leading players for more information.

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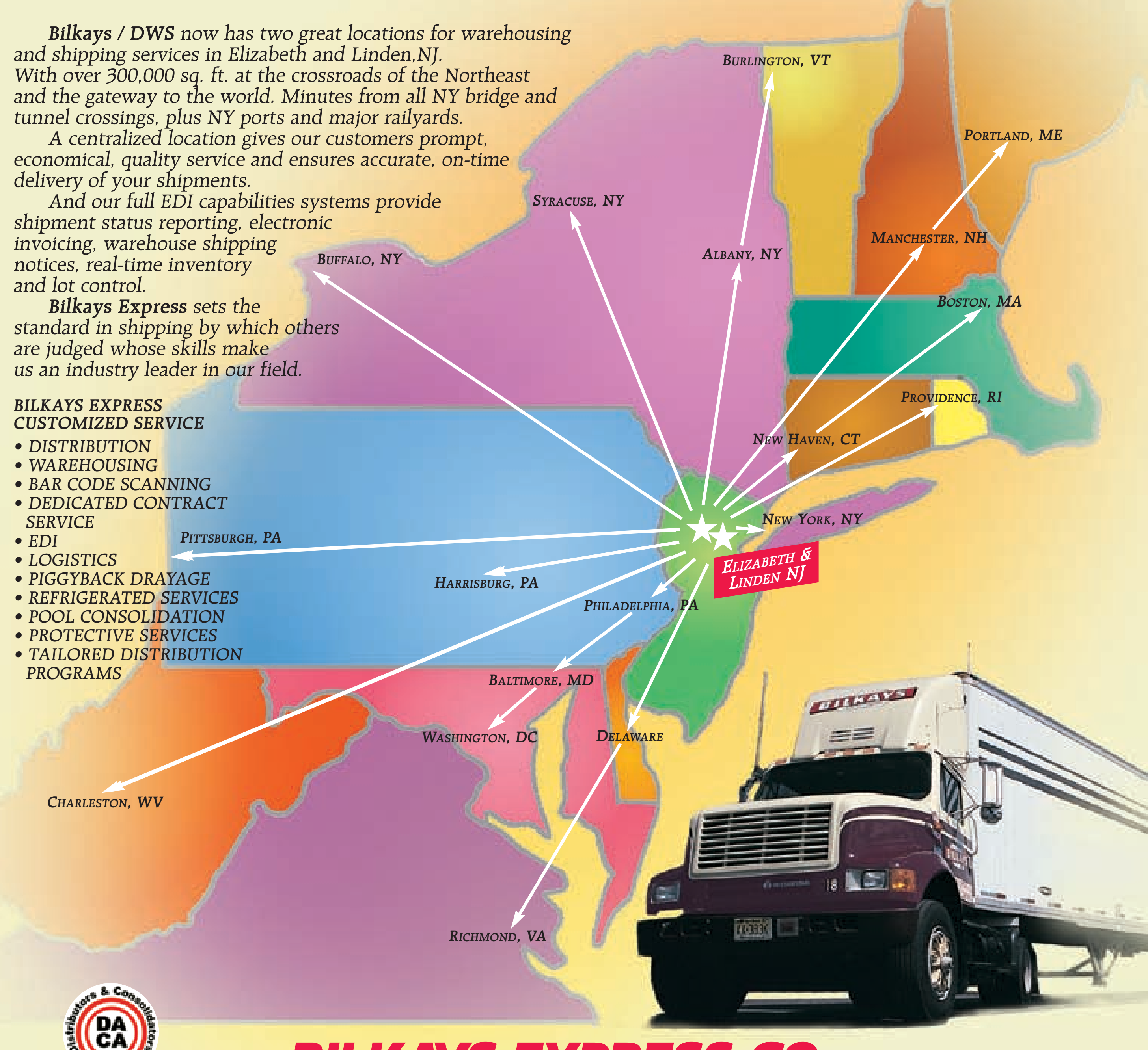

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One key step to finding answers to any logistics problem is knowing the right questions to ask.

Inbound Logistics asked three executives at leading motor carriers for their perspectives on the important transportation challenges and opportunities impacting your business.

These trucking executive thought leaders can give you insight into keeping your shipments moving.

TRUCKING EXECUTIVE THOUGHT LEADERS

CHRIS KANE
Chief Customer Strategy Officer
Kane Is Able Inc.

LEE MILLER
President
Miller Transporters

RICK O'DELL
President and CEO
Saia

Q: The current crunch in trucking capacity has made mainstream news lately. How should the transport industry solve this problem?

KANE: The truth is there is no capacity shortage. Also, there are plenty of truck drivers, even after we lose 100,000 drivers through CSA 2010, as industry experts predict. The problem is not capacity or manpower or the number of tractor trailers or how much weight they're allowed to carry. The problem is that half the trucks in America are driving around half empty. Why? Because small and mid-sized manufacturers lack the scale to ship in full truckloads. So you end up with thousands and thousands of separate, inefficient lines of supply–all moving to the same mass retailers.

The waste inherent in such a model is shocking. We have got to wake up and start treating our distribution infrastructure as shared infrastructure. Think of riders on the New York subway. Nobody expects to ride in their own personal subway car. If they did, the subway would be big enough to shake every apartment in New York, and it would cost $100 a day to get to work.

Q: You're talking about collaborative distribution. Hasn't that been tried already?

KANE: I'm talking about a much deeper and more radical change in supply chain thinking than consolidating cargo on the last leg of the journey. Collaborative distribution needs to go right to the heart of retailers' and manufacturers' operations. It's a fantastic opportunity to take trucks off the road and cut distribution costs by 35 percent. Getting manufacturers to warehouse their products with other manufacturers' products, even competing ones, would mean deliveries to a retailer would take the form of full trucks of blended goods.

On the retailer side, we need to educate buyers that, if they only ordered mustard, for example, to arrive on Tuesday instead of Monday, the shipment could be consolidated with paper towels and arrive in a single truck. Right now, buyers don't get rewarded for lowering freight costs. Their job is to look for mustard at the lowest price. Reducing freight is the job of the guy at the DC, and he has no idea about ordering cycles. It's a question of getting these departments working together. It's not an easy shift, but 3PLs can act as matchmakers.

Q: This sounds like a major change. Is it actually possible?

KANE: Collaborative distribution is not some idealist's dream. We're already making it work on a small scale here at Kane. But when fully implemented, it could revolutionize how we distribute consumer goods by simply shipping freight on fewer trucks and saving billions across the CPG supply chain.

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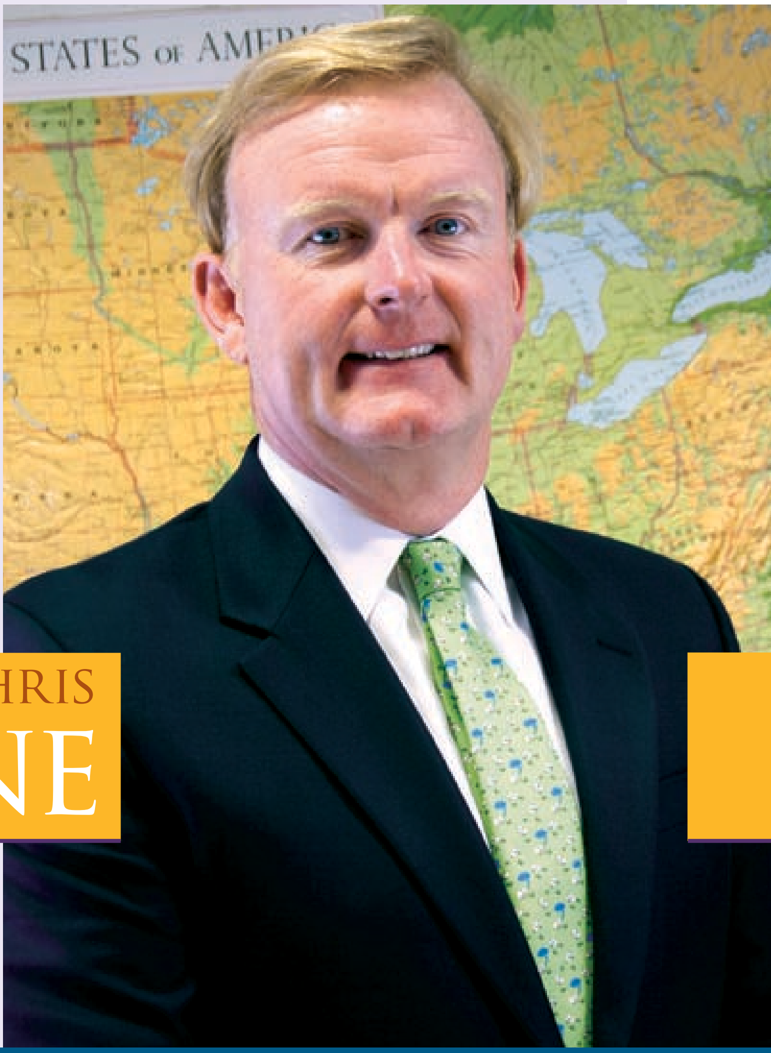

CHRIS KANE

Chief Customer Strategy Officer
Kane Is Able Inc.

LEE MILLER

President
Miller Transporters

Q: How are you addressing the shipper's concern about capacity now and in the future?

MILLER: I believe shippers understand that capacity issues are stimulated more by the driver shortage than any other single factor. At Miller Transporters, we are asking our shippers to help us be more driver- friendly. Keep detention low and utilization high. When our drivers adhere to the shipper's schedule, be mindful of the driver's time and his quality of life. When drivers are asked to wait, keep them informed of what is going on and treat them with the respect they deserve. Good communication can go a long way.

We spend a great deal of time analyzing productivity. We constantly look for ways to improve. We ask shippers to be flexible in their scheduling so we can offer lanes that are attractive to our drivers. Where we are able, we have shifted our focus on lane assignments to shippers who can make changes to their schedules for better utilization. If a load only takes five hours to drive, we ensure we can load and unload the same day so the driver does not have a layover. The same can be said for longer hauls and appointment times. The more flexible the hours, the better a driver can manage hours of service and get to the next load.

Another way to attract and retain quality drivers is using dedicated drivers and equipment. There are several added benefits to this approach. The first addresses the shipper's concern that their load is covered. They get preferential treatment because that driver is now a part of their supply chain. The driver, the dispatcher, and the equipment handle load after load for the same customer, and the shipper knows where that unit is at all times. Utilization improves as loads are scheduled knowing exactly what that unit is doing today, tomorrow, and through the week.

Second, as a tank truck operator, dedicated equipment can eliminate cleaning of the internal trailer residue. This is better for the environment and helps us all be "greener." This effort speaks to anyone who has a commitment to sustainability.

Finally, dedicating drivers and equipment also appeals to the sales staff of a shipper. That driver is an extension of the shipper as we make the delivery. Familiarity with the handling of a shipper's product, customers, and needs allows for better customer service and becomes a selling point for shippers.

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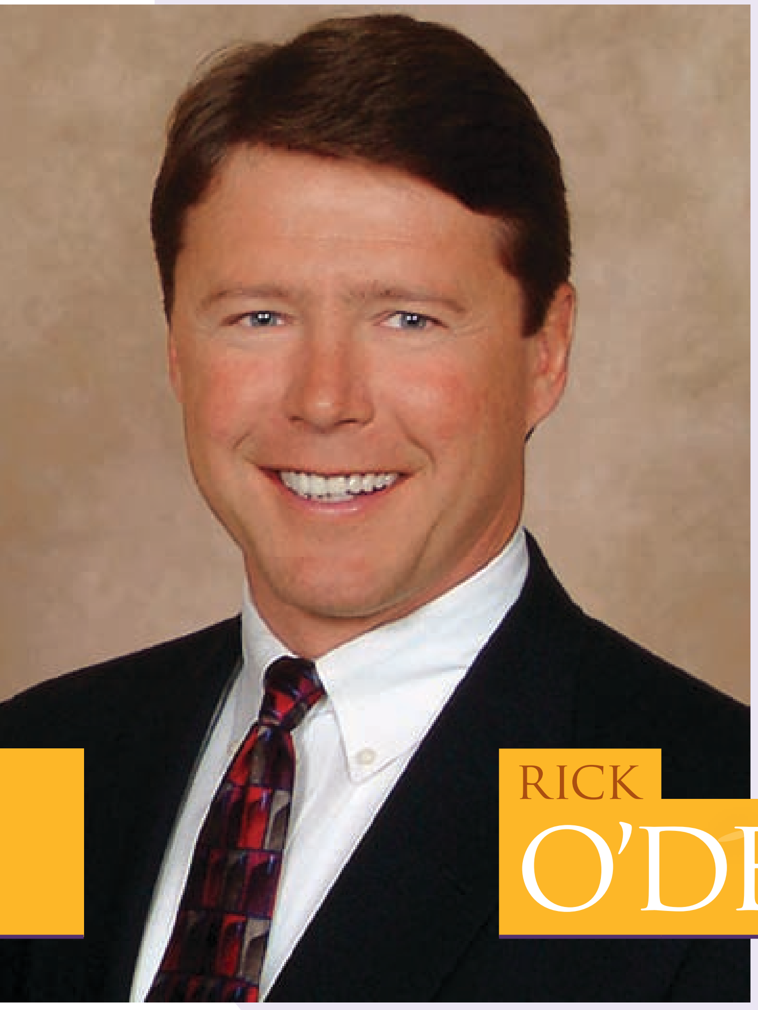

RICK O'DELL

President and CEO
Saia

Q: How can service accountability and innovation help shippers stay one step ahead in a tough economic climate?

O'DELL: Vigilant shippers make sure every dollar they spend counts by choosing carriers who offer them the opportunity to shine in front of their customers. While there are different ways to accomplish this, one of the best measures a shipper can take is to look for a partner carrier that provides transparency and evolution.

For more than 10 years, Saia has tracked its performance via our Customer Service Indicators (CSIs), an index of performance measurements. Indeed, I encourage shippers to make sure their carriers are holding themselves accountable by providing honest, accurate metrics. Shippers shouldn't assume all on-time performance is created equal. It is your right to ask what shipments are excluded from service, then compare carriers to see who is providing the truest measure of service. Saia has always held itself to a higher standard by having very few service exception codes. When we say 97.5 percent of our shipments were delivered on-time, we mean it. Because of this, our customers know they are getting an accurate assessment of our performance.

Another way to assess a carrier is to look at how they view "clear" deliveries. For instance, being able to see claims-free ratios is great, but being able to see how many of your customers signed for shipments "clear" is even better. Saia measures "clear" deliveries for every Saia customer each day via our exception-free delivery metric, which is the number of error-free deliveries we make before freight is recorded as damaged, short, or in surplus. Currently, 98.3 percent of our shipments are delivered exception-free. In January, this data will be available via our Web site as part of our CSIs.

Shippers shouldn't stop at transparency; they should also partner with a carrier that fosters innovation. As an example, we recently improved our pick-up and delivery optimization software, which has significantly enhanced our overall service. Now, estimated time of arrivals are generated by our optimizer and fed directly into our tracing screens. This allows customers to get specific delivery times on their freight by calling our customer service number or tracing the shipment themselves through our Web site.

Times are challenging. But that doesn't mean shippers should expect less. In fact, they should expect their carrier to always be looking out for their best interests.

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WMS

BUYER'S GUIDE 2010

You have to spend money to save money–at least that's what the old adage says. Warehouse operators seem to agree. Seventy-four percent of companies pursuing warehouse performance improvements do so in hopes of decreasing operating expenses, according to a study conducted by Acsis, a Marlton, N.J.-based supply chain data optimization and ERP integration services company.

To gain warehouse improvements, companies are enhancing incoming inventory status visibility and improving order management processes. They are also using automated data collection to streamline operations–with the added benefit of gaining access to valuable benchmarking metrics.

The right tool to deliver visibility and promote efficiency can take many forms. Thirty-six percent of respondents to the Acsis survey use the warehouse management module of their ERP system, while 27 percent use a standalone warehouse management system (WMS).

If you are like the 12 percent of respondents still using spreadsheets to manage warehouse operations, maybe it is time to look into a more advanced solution. On the following pages, our guide to some of the leading WMS products will help you research and select the right product for your business.

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	COMPANY	PRODUCT	WHAT IT DOES
H	**3PL Central** *Manhattan Beach, Calif.* 3plcentral.com 888-375-2368	**3PL Warehouse Manager**	Manages inventory with features including real-time reporting, online order entry, lot and serial number tracking, billing management, electronic data interchange (EDI), and bar-code scanning. Designed specifically for warehouses that manage inventory owned by other companies.
B	**Accellos** *Colorado Springs, Colo.* accellos.com 719-433-7000	**Accellos One Warehouse**	Integrates accounting and shipping software systems, electronic data interchange systems, reports-generating software, radio frequency and bar-code hardware, and warehouse automation equipment.
B	**AGI Worldwide** *Alpharetta, Ga.* agiworldwide.com 678-319-9443	**AGI Warehouse Management**	Offers a spectrum of mobile and/or voice-executed inbound, outbound, inventory control, and facility optimization workflows and performance-based management tools.
L	**AL Systems** *Rockaway, N.J.* 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.
H	**ASP Global Services** *Chatsworth, Calif.* aspgs.com 866-887-2972	**GEMPro**	Integrates real-time information and critical business rules across the 3PL warehousing operation. Controls receiving and putaway, inventory management, order fulfillment, reporting, and EDI.
L	**Cadre Technologies** *Denver, Colo.* 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.
L	**Cambar Solutions** *North Charleston, S.C.* cambarsolutions.com 800-756-4402	**Cambar Solutions WMS**	Monitors and tracks warehouse activities and controls workflow, including receiving, putaway, replenishment, and picking/packing. Manages information such as advanced ship notices, purchase and sales orders, and customer and vendor data.
L	**Camelot 3PL Software** *Charlotte, N.C.* 3plsoftware.com 866-3PL-SOFT	**3PLink**	Optimizes warehouse operations through timely and fast movement of products. Provides tools for automating billing, document creation, receiving, shipping, and inventory reporting. Designed for third-party logistics, public warehouses, and packaging fulfillment operations.
L	**CAPE Systems** *Piscataway, N.J.* 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.
L	**Daifuku America** *Salt Lake City, Utah* daifukuamerica.com 801-359-9900	**eWareNavi**	Directs equipment and multiple warehouse workers simultaneously. Provides inventory control, flexibility, and visibility. Effective for conventional warehouses, partially automated, and/or fully automated distribution facilities.

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	COMPANY	PRODUCT	WHAT IT DOES
B	**Datex Corporation** *Clearwater, Fla.* datexcorp.com 800-933-2839	**FootPrint WMS**	Controls materials movement and storage within a warehouse, 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.
B	**Epicor Software** *Irvine, Calif.* epicor.com 949-585-4000	**Epicor Distribution**	Offers total warehouse management, inventory control, finite bin and package definitions, and task and load management. Features inbound and outbound serial tracking, pick planning, consolidated picking, order pack-out, cross-docking, carton packing, RFID, and manifesting interfaces.
L	**Foxfire Software** *Greenville, S.C.* foxfiresoftware.com 864-868-5243	**Foxfire WMS**	Automates receiving, inventory management, picking, packing, and shipping. Provides visibility, planning, and control with the ability to track lots, serial numbers, expiration dates, weight, volume, and dimension.
B	**HighJump Software** *Eden Prairie, Minn.* highjump.com 866-HIGHJUMP	**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	**IES** *Midland Park, N.J.* iesltd.com 201-639-5000	**The IES WMS Solution**	Provides visibility into 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 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, and optimize fulfillment and distribution processes to ensure that products are delivered on time and in full.
L	**Interlink Technologies** *Perrysburg, Ohio* thinkinterlink.com 800-655-5465	**Warehouse Link (WHSe-LINK)**	Manages processes from receiving through shipping using wireless, bar-code technology. Supports multi-building/location/company operations and provides detailed, reliable, real-time inventory visibility.
L	**IQMS** *Paso Robles, Calif.* iqms.com 866-367-3772	**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.
B	**Knighted Computer Systems** *Ossining, N.Y.* 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.

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	COMPANY	PRODUCT	WHAT IT DOES
L	**LOG-NET** *Red Bank, N.J.* log-net.com 732-758-6800	**LOG-NET Shipment and Warehouse Management**	Provides operational functionality to plan, receive, process, and invoice warehouse activities. Specifically facilitates warehouse bookings, receiving, transfers, load plans, and manifests; offers a worldwide view of on-hand inventories; and processes over, short, and damage exceptions.
L	**Made4net** *Paramus, N.J.* 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	**Magaya Corp.** *Miami, Fla.* magaya.com 786-845-9150	**Magaya WMS**	Controls inventory from pickup to delivery, and provides a complete accounting system and automated storage billing. Manages inventory and captures proof-of-delivery signatures with wireless handheld devices.
B	**Manhattan Associates** *Atlanta, Ga.* manh.com 770-955-7070	**Warehouse Management**	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, Texas* mincron.com 800-299-7010	**Warehouse Manager**	Offers a menu of capabilities that can reduce inventory, fill orders quickly, improve accuracy, prioritize shipments, maximize worker productivity, minimize wasted space, and ensure customer fulfillment.
H	**Next View Software** *Orange, Calif.* nextview-inc.com 602-524-7662	**Next View WMS**	Optimizes inventory, space, and labor across the supply chain. Provides complete visibility of raw materials, work in process, and finished goods across manufacturing, distribution, retail, and 3PL facilities.
L	**Oracle** *Redwood Shores, Calif.* 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.
B	**Quality Software Systems** *Somerset, N.J.* qssi-wms.com 800-338-4420	**PowerHouse Warehouse Innovation Suite**	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.
L	**Reddwerks Corp.** *Austin, Texas* reddwerks.com 877-257-3031	**Reddwerks Warehouse Performance Management Software**	Tracks and manages labor, equipment, and material flow in large-scale distribution facilities. Automates order processing, including picking, quality control, and shipping.
B	**RedPrairie** *Waukesha, Wisc.* redprairie.com 800-990-9632	**RedPrairie WMS**	Scales from small warehouses to enterprise-size warehouse networks, with configurable workflows. Manages advanced processes such as task interleaving, dynamic slotting, and returns; and features modules for yard and transportation management.

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	COMPANY	PRODUCT	WHAT IT DOES
L	**Retalix** *Plano, Texas* retalix.com 469-241-8400	**Retalix Power Warehouse**	Manages route-based, multi-stop food distribution operations with tools and features designed to enhance efficiency and improve customer service. Supports receipt scheduling, receiving, returns processing, directed forklift operations, split and repack operations, order selection, and inventory control.
L	**Robocom Systems International** *Farmingdale, N.Y.* 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, Calif.* royal4.com 562-420-9594	**WISE**	Controls 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 WMS**	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 standalone WMS or in conjunction with SAP's ERP.
B	**Softeon** *Herndon, Va.* softeon.com 703-793-0005	**SCflex**	Enables real-time control over all aspects of the inbound and materials management side of warehouse operations, including location management, receiving, quality checking, putaway operations, and inventory control.
L	**Sologlobe** *Montreal, Quebec* sologlobe.com 514-938-4562	**SOLOCHAIN**	Creates end-to-end inventory tracking and visibility with order management, receipt and inbound shipment tracking, document support, dock and yard management, and advanced picking functions, including voice-directed.
L	**Sterling Commerce** *Dublin, Ohio* sterlingcommerce.com 800-876-9772	**Sterling WMS**	Provides complete control and visibility from product receipt through the fulfillment process; exception-based management; and capabilities for managing value-added service requirements.
B	**TECSYS** *Montreal, Quebec* tecsys.com 800-922-8649	**EliteSeries WMS**	Automates and optimizes logistics processes. Provides extended functions including visual logistics that increase order accuracy and fill rates, reduce operational costs, and improve service levels.
L	**Westfalia Technologies** *York, Pa.* westfaliausa.com 800-673-2522	**Savanna.NET**	Controls and optimizes all product flows, order picking, reverse logistics, yard management, and manual operations. Integrates with all existing hardware and software including ERP, Web, and RFID.
H	**WITRON Integrated Logistics Corp.** *Arlington Heights, Ill.* witron.com 847-385-6000	**Witron WMS**	Allows distribution centers to automatically pick cases, build pallets of mixed SKUs, and stretch wrap and ship orders. Multi-language support for user interfaces allows the same platform to be used internationally.

DC Solutions

by Stephen G. Martin

Xylophones, Checkerboards, and Gestalt Theory

Winston Churchill once said, "we shape our buildings; thereafter they shape us." How you design your warehouse locator system, pick flow, and slotting strategy has profound ramifications on productivity throughout a building's lifetime. Using colors, numbers, and shape mnemonics in signage can produce immediate benefits.

Using colors, shapes, numbers, and mnemonics in warehouse signage can help reduce training and picking errors, while improving service.

Mispicks often occur because a slight distraction disrupts a picker's train of thought. A casual conversation or looking ahead to the next pick can cause a miscalculation; then a product is selected from a location directly next to, or above, the target. Rarely do workers mispick from a location catty-corner to the target.

Voice and pick-to-light technology helps workers keep their eyes on the task, but these expensive investments can run up to $100 per pick face, hardly a cost-effective solution for low- or moderate-velocity SKUs.

Lack of attention and focus contribute to mispicks, but so does signage. Poor visual indicators within a warehouse can get a new hire lost quicker than a sailor's paycheck on shore leave. Good, clear signage improves picking accuracy.

Think about it. When you're driving and get lost, what type of information do you want from your GPS or co-pilot? Do I go left, right, or straight? Where is the next turn? How far away is it? Will my reference point be a building, street sign, or traffic light? The quicker you receive this information, the better prepared you are to make the correct move.

It seems simplistic, but take a walk through your warehouse with a new hire's eye. Can you quickly identify building, zone, or aisle signs from all areas? The number of blind spots, especially within an aisle, will surprise

CONTINUED FROM PAGE 97

you. Try asking observant new hires to identify possible oversights. How quickly can they see the next destination sign? How distinguishable are the signs? If signs are all the same color and shape, their meaning may be camouflaged to an untrained eye.

Pick sequences can be a directional beacon, but how fast will employees move if they are not sure when the next turn is? Some pickers work best from a numeric approach–vertical and horizontal, latitude and longitude. Others have an affinity to colors; still others to shapes. But why choose one when you can use all three?

USING COLOR AND SHAPES TO IMPROVE ACCURACY

Simple visual hints reinforce accuracy. Consider how we learn as children and eventually are trained to perform tasks. Some people learn best by reading documentation, others by observing, and some by doing. Most early learning tasks leverage this knowledge. Why are toy building blocks and xylophones colored and often numbered?

While the true cause of some mispicks will continue to give warehouse managers gray hair and remain a mystery, others can be diagnosed and mitigated by sticking to a continually replicated methodology that uses common denominators.

Pick methods vary by technology and equipment, but you can always improve the human factor. Take, for example, a multi-layered approach that supports the basic numeric location (the "target" destination of pickers). This tactic introduces a universal, second tier of location information using color and shape mnemonics. With modern labeling and printing capabilities, it's a low-cost solution that rivals radio frequency, pick-to-light, and voice-directed picking technologies in some environments.

The Gestalt Laws of Organization (Gestalt is German for shape) analyze how we perceive visual factors as "structured" patterns or wholes, rather than as many disparate parts. There are six

Poor visual indicators within a warehouse can get a new hire lost quicker than a sailor's paycheck on shore leave.

factors that dictate how things may be grouped, according to our visual perception: common fate, continuity, proximity, similarity, closure, and symmetry.

Throughout history, these ideas have been translated into simple forms to facilitate identification. From items such as playing card suits and dartboards, to critical communication devices including traffic lights and road signs, colors and shapes play a paramount role. We have the ability to distinguish more shades of green than any other color (thus the green light on traffic signals). Red, another traffic light color, is the most visible color to humans, likely from the emergency survival skills needed to identify the flow of blood.

Evolution has allowed the human eye to identify some colors more effectively than others, and we can apply these naturally honed selective tools to choosing product and location colors in the warehouse.

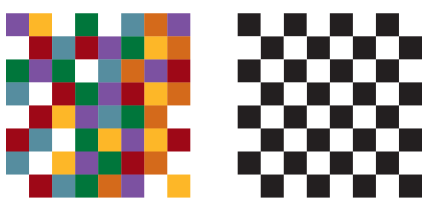
Imagine training a new DC worker in this scenario: If each color in *Figure 1 (below)* was a SKU, which pattern is most unique to best identify a specific destination? For example, "pick the top yellow square" versus "pick the black box on the third row from the bottom, four columns over from the left in the right section." Which could you describe or do quicker?

Adding location numbers as identifiers makes it easier, but then you must look closer and spend more time reading and distinguishing characters. Now try the matrix shown in *Figure 2 (below)*, which leverages four distinct tiers: numbers, letters, colors, and shapes.

I developed this matrix for shelf, zone, or section tags in an industrial building. A picker looking from a distance in a dark warehouse can more quickly and accurately identify a location or level within a rack column by a "standard" color, as opposed to gleaning details from the often faded and scratched text of a paper label.

From my experience, recognition

Figure 1. Check (It Once) Mate



Colored patterns offer greater contrast when identifying SKU locations.

Figure 2. The Martin Matrix

Shelf	Shape	White	Black	Pink	Yellow	Red	Green	Blue	Orange	Teal	Gray
D	Diamond	1	2	3	4	5	6	7	8	9	0
C	Circle	1	2	3	4	5	6	7	8	9	0
B	Box	1	2	3	4	5	6	7	8	9	0
A	TriAngle	1	2	3	4	5	6	7	8	9	0

The combination of numbers, letters, colors, and shapes, creates immediate visual indicators in the warehouse that can increase picking efficiency and accuracy.

occurs about 15 to 20 feet earlier using this approach. For constant visual anchors, I use red at the 5 column to split the difference of 10 digits. Repeat the colors if the shelf section exceeds 10 slots. I use white and black as 1 and 2 to control label print costs on rack sections housing smaller SKU volumes. The shapes also employ alphabetic name mnemonics to help associate the level to the shape's nomenclature (D level = Diamond, C level = Circle).

FINDING THE PERFECT SLOT

After you identify areas where you can improve visual indicators in your warehouse, use these simple tips to optimize slotting and signage methods and increase accuracy, efficiency, and productivity.

Slotting

■ Store like items close – but not too close. You can reduce mispicks by up to 60 percent through thoughtful and non-contiguous slotting of similar style items. Store SKUs from the same vendor together to speed putaway, but use a checkerboard strategy to avoid horizontal or vertical SKU assignments that look alike or include different consumer sizes of the same item. Storing them adjacently confuses rookie pickers and increases mispicks.

■ If you speed picking, you reduce fatigue. Most warehouses store high-velocity items in their "golden zones," but fail to assign these SKUs to ergonomically convenient levels where pickers don't have to stretch or stoop. Conversely, slot slow-moving products in low or high locations. Fatigue ultimately reduces quality and speed.

Signage

■ Use shapes and colors with large, bold fonts to identify all unique identifiers that add value: building, zone, section, rack, aisle, level, column, pick direction (arrows on the floor or on signs), and non-pickable areas (departments, exits, and common spaces).

■ If you can't produce colored or shaped labels with your own printing technologies, buy pressure-sensitive labels and stickers to support signage efforts. Try working on a section a week to minimize constraints on your daily workload.

■ Use square labels for diamonds, then cut them in half for triangles.

■ Identify all blind spots where a section is not clear and add signs as required.

■ Use simple forms of number sequences on labels and in your numbering system for your locator. It's not a NASA project, so don't turn it into one.

■ Have clean copies of your locator map on posters, clipboards, and picking carts to reinforce new-hire learning and impress new visitors to your facility. ■

Stephen Martin, CSCP, is a N.J.-based efficiency expert and operations management veteran.

3PLs

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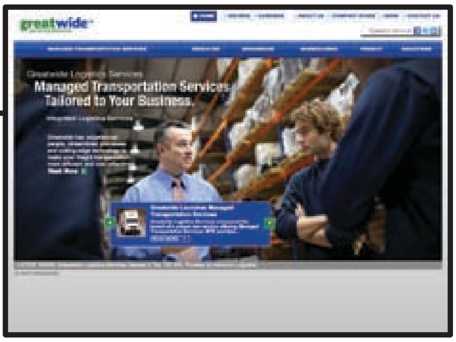

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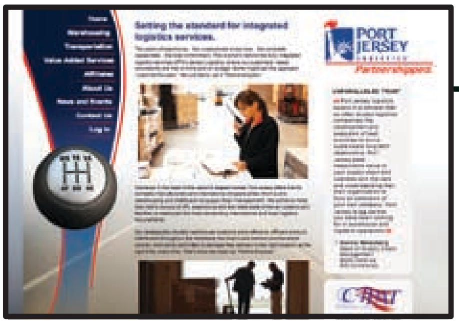

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DCC – Freight Audit/Payment

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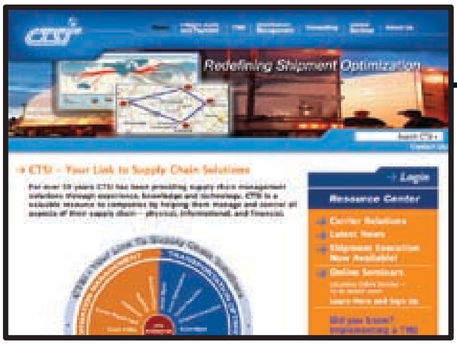

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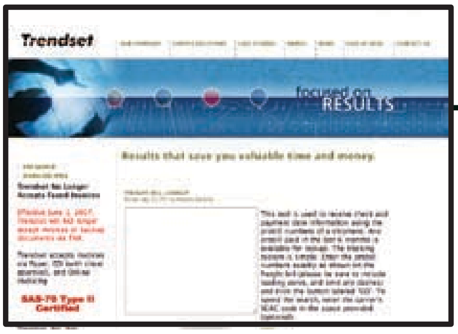

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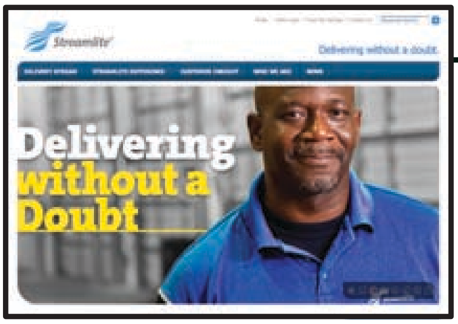

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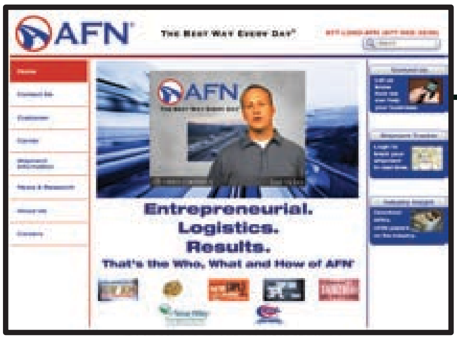

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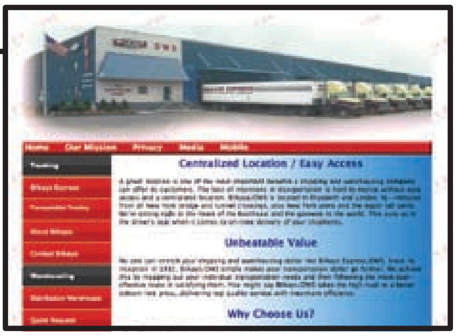
If you are looking to expedite a single piece of freight across country, set up dedicated routes, or want to manage your supply chain more efficiently, talk to AFN today. AFN focuses on your unique needs and applies analysis and ingenuity to find the answers that no one else can. AFN thinks around corners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



CRST • www.crst.com

When it comes to today's complicated supply chain environment, it's important to look at the big picture. Through its five divisions, CRST provides a broad array of transportation solutions, including van and flatbed as well as brokerage and transportation management services. CRST's operating divisions are made up of CRST Logistics and CRST's asset-based Carrier Group, which consists of CRST Van Expedited, CRST Malone, CRST Dedicated Services, and CRST Capacity Solutions. For more information, visit www.crst.com.

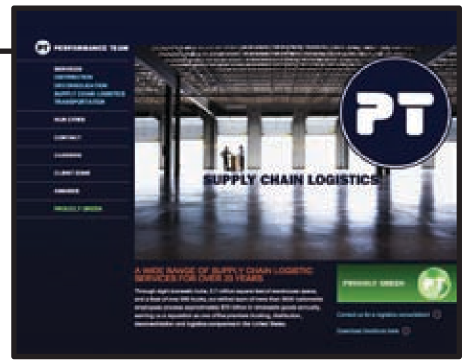
Lynden • www.lynden.com

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.

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.

Performance Team • www.ptgt.net



Performance Team is the only thing that should come between your products and your customers. For nearly 25 years, Performance Team has been offering its expertise to the retail and manufacturing industries with a broad range of supply chain services including: trucking, distribution, logistics, and fulfillment. Through eight domestic hubs, over 3.7 million square feet of warehouse space, and a fleet of more than 350 trucks, Performance Team's skilled team of 3,000 nationwide employees processes approximately $70 billion in wholesale goods. See why Performance Team annually earns a reputation as the premiere trucking, consolidation, and distribution company in the United States; log on to www.ptgt.net.

Standard Forwarding • www.standardforwarding.com

Standard Forwarding has grown from a dedicated contract carrier for John Deere to a diversified Midwest regional LTL carrier. With service in a five-state region that includes Illinois, Indiana, Iowa, Minnesota, and Wisconsin, Standard also provides service to Omaha, Neb., and St. Louis, Mo. Standard Forwarding offers reliable, overnight delivery; competitive rates; superior service; and an extremely low claims ratio.

WMS

3PL Central • www.3plcentral.com

Built exclusively for third-party logistics companies, 3PL Warehouse Manager™ is an easy-to-use, on-demand warehouse management system (WMS) that helps 3PLs run more efficiently, grow their business, and satisfy customers–all for less than $500 per month per warehouse. 3PL Warehouse Manager™ is 100-percent Web-based and requires no investment in hardware, software, or IT resources and includes features such as: EDI, global inventory visibility, order management, real-time reporting, billing management, bar-code scanning, and more. Sign up for a no-hassle, free trial today.

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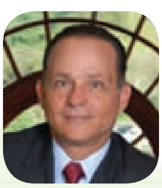
September 26-29

Don't miss Keynote Speaker...

The Honorable Carlos M. Gutierrez, former Secretary of the US Department of Commerce
Former CEO and Chairman of the Board of Kellogg Company



...Tuesday Session Speakers...

Dr. Yossi Sheffi
Professor, Massachusetts Institute of Technology (MIT) (top)

Alberto Aleman Zubieta
Chief Executive Officer, Panama Canal Authority (bottom)

...and Closing Session Speaker

Jack Bacon, PhD, P.Eng.
NASA Scientist and Distinguished Futurist

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CSCMP's Annual Global Conference
September 26-29, 2010
San Diego, California USA

When you participate in CSCMP's Annual Global Conference, you become part of a global supply chain experience you won't have anywhere else.

Real issues. Real solutions. Real people. Real time.

You need to be here to advance your professional education, to get a front-row seat to the most current research and technological innovations, to make business connections, and to build your professional network.

New and only at CSCMP 2010! Explore 100,000 square feet of the most innovative exhibit showcasing the future of supply chain innovation—the Supply Chain of the Future. This is the world's largest exhibit where you can experience the technologies, processes, and solutions provided by high-performing supply chains.

The Supply Chain of the Future is a collaborative effort between the Council of Supply Chain Management Professionals (CSCMP), Distribution Business Management Association (DBMA), and Supply Chain Leaders in Action (SCLA).

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

White Paper Digest

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


Freight Management Today:
More Freight, Fewer Trucks and Drivers

PLS Logistics Services

TITLE: ***Freight Management Today: More Freight, Fewer Trucks and Drivers***

LENGTH: *6 pages*

DOWNLOAD: *http://pghlogistics.com/carriers/whitepaper.aspx*

SUMMARY: Freight volumes rising. A market with diminished capacity. These factors have created a dangerous imbalance to which shippers have been slow to respond. Learn the steps you can take now to manage freight requirements during this capacity crunch to avoid supply chain disruptions and protect your market share. PLS' new whitepaper reveals:

- The capacity crunch – how we got here.
- How shippers are reacting to clear signs of a capacity shortage.
- Three strategies you can use to lock in capacity at reasonable rates.

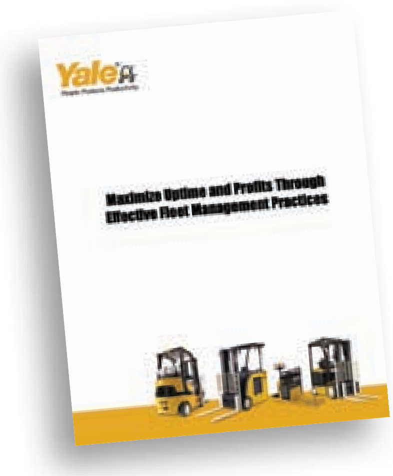
HighJump Software

TITLE: ***Nine Telltale Signs You Should Replace Your Current WMS***

LENGTH: *8 pages*

DOWNLOAD: *www.inboundlogistics.com/hj*

SUMMARY: Is an inflexible or legacy warehouse management system (WMS) putting your business at risk? You rely on a warehouse management system to maintain ongoing operations, support changing customer requirements, keep up with new industry regulations, and simply get product out the door on a daily basis. What happens when you're no longer able to get the job done? In this new industry report, *Nine Telltale Signs You Should Replace Your Current WMS*, you'll learn to analyze the operational factors influenced by your WMS – and find out whether your system is constraining your company's growth and global reach.



3PL Central

TITLE: ***Inventory Management Pitfalls: 8 Reasons Why You Should Kiss Excel Good-Bye***
LENGTH: *8 pages*
DOWNLOAD: *www.3plcentral.com/kissexcelgoodbye_email*
SUMMARY: Written specifically for 3PLs, this free whitepaper details the eight reasons why managing inventory on spreadsheets is limiting your profits and business growth. Learn why even smaller/simpler warehouse operations will run into issues managing inventory on spreadsheets. Download the *Inventory Management Pitfalls: 8 Reasons Why You Should Kiss Excel Good-Bye* whitepaper and start growing your 3PL warehousing business today.

Yale

TITLE: ***Maximize Uptime and Profits Through Effective Fleet Management Practices***
LENGTH: *8 pages*
DOWNLOAD: *http://tinyurl.com/yalefleet*
SUMMARY: Proper maintenance and efficient fleet management programs can do wonders for your bottom line. Find out how to make your lift truck fleet work harder for you with Yale's fleet management whitepaper.

Ameren Corporation

TITLE: ***Competitive Marketing Analysis-Wholesale Trade***
LENGTH: *29 pages*
DOWNLOAD: ***www.surveymonkey.com/s/7N8F7RN***
SUMMARY: Among the Midwest's largest utilities, Ameren's Illinois and Missouri service area has an unusually strong set of assets for distribution centers and related business facilities. Ameren's whitepaper, *Competitive Marketing Analysis-Wholesale Trade*, discusses how selected business costs range from 18 percent to 27 percent below the national average for distribution centers. Learn how Ameren's advantages of least-cost option, market access, and connectivity can work for you.

Snapfulfil

TITLE: ***SaaS WMS: Changing the Rules in the Tier One Market***
LENGTH: *10 pages*
DOWNLOAD: *www.snapfulfil.com*
SUMMARY: This whitepaper addresses the impact warehouse management systems, offered through software-as-a-service (SaaS) business models, will have on customer expectations and traditional WMS providers. The publication outlines what is changing and what SaaS WMS customers should expect from their solution providers. It also acknowledges that features and functions necessary to provide Tier One capabilities have to be both robust and adaptable for executing in complex environments. Radio frequency-directed tasks, driven by business rules engines, replace user intuition and simplistic decision models. Operational productivity, data accuracy, inventory turns, return on fixed assets, and orders shipped complete all go up.

CSA 2010, hours of service, lack of infrastructure reinvestment, cap and trade. These and other serious issues pose a threat to trucking, which could generate double-digit increases in transportation costs for shippers by 2012!

NASSTRAC is a leader in opposing burdensome legislation and regulations that impact the cost, efficiency, and dependability of supply chains. Through well-orchestrated advocacy initiatives, we communicate shipper concerns with greater impact and at a lower cost than if each shipper member acted alone.

NASSTRAC is the voice of shippers' concerns. Get involved and make your voice heard.

Join us today. www.NASSTRAC.org

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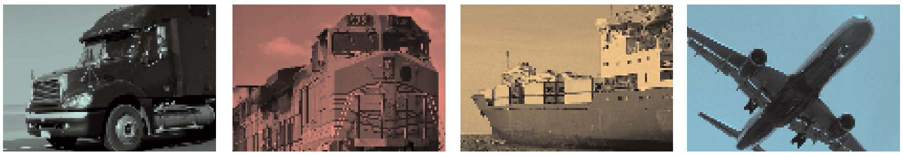

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INBRIEF | NEW SERVICES & SOLUTIONS

▲ **Materials Handling: Crown Equipment**

Designed for cold storage environments, the Crown SR 5000 series moving-mast reach truck features a heated cab with airtight windows and electric wipers, allowing operators to remain productive in harsh environments where temperatures can drop as low as -20F. Crown also uses specially formulated cold store hydraulic oil and grease to coat all moving parts of the Crown SR 5000, ensuring high performance levels at low temperatures.

www.crown.com 419-629-2311

AIR

Lufthansa Cargo

A new cooling container, the opticooler, provides shippers an option for transporting temperature-sensitive air freight without using dry ice. The opticooler records the container temperature throughout transit, giving shippers proof of shipment temperature maintenance.

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

American Airlines Cargo (AA Cargo)

AA Cargo extended its global network with daily non-stop 757 service from New York's John F. Kennedy International Airport to Madrid's Barajas International Airport, and four non-stop 777 flights weekly from Chicago O'Hare International Airport to Beijing Capital International Airport.

www.aacargo.com 800-CARGO-AA

MATERIALS HANDLING

Yale

The Veracitor VX series lift trucks offer a choice of engine options designed to deliver maximum performance with low fuel consumption, minimal noise, and reduced maintenance and operating costs. The Veracitor VX trucks' lifting capacity ranges from 3,000 to 19,000 pounds, and the series offers both cushion and pneumatic tire classes.

www.yale.com 800-233-YALE

TRUCKING

Southeastern Freight Lines

Southeastern introduced a new estimated time of delivery (ETD) service that provides an approximate LTL shipment delivery time within a two-hour window. The ETD service provides shippers estimate information via the Internet, PDAs, and mobile phones.

www.sefl.com 800- 637-7335

Estes

Estes accelerated processing time, reduced freight handling, and utilized direct lanes to create three-day service to Toronto, Canada, from terminals in Memphis, Tenn.; Alexandria and Hammond, La.; Jackson, Miss.; Fort Smith, Texarkana, and Little Rock, Ark.; and Houston, Texas. Consolidating freight at inland regional gateways avoids congested border terminals and initiates document processing before shipments arrive at the U.S.-Canada border.

www.estes-express.com 866-ESTES-4U

Oak Harbor Freight Lines

A new terminal in San Diego, Calif., allows Oak Harbor Freight Lines to provide earlier delivery and later pickup capabilities; improved direct delivery to the Imperial Valley region, including Calexico, El Centro, and Brawley, Calif.; and more direct loading for its five-state direct-coverage area.

www.oakh.com 800-858-8815

REFERENCE MATERIALS

XTRA Lease

XTRA Lease released its *2010 Size and Weight Guide*, a reference containing state-by-state listings of tractor-trailer size and weight regulations. The 30-page booklet

CONTINUED FROM PAGE 113

offers details on where to register for fuel use tax and order International Fuel Tax Agreement trip permits; register vehicles and order International Registration Plan trip permits; and get permits for hazardous materials/waste cargo and overweight, oversize loads.

www.xtralease.com	800-367-9872

Rand McNally

The newest edition of the *Motor Carriers' Road Atlas* includes upgrades to the book's maps and contents. Updated highways show the latest truck roadways as specified by the Surface Transportation Assistance Act, known as "designated highways" – including Illinois' greatly expanded designated routes for commercial trucks. The book also provides updated charts of truck-specific state contact information such as operating authority contacts, emergency police, and vehicle registration.

www.randmcnally.com	847-329-6798

ASSOCIATIONS

Cargo Intelligence and Security Association (CISA)

A strategic alliance of firms dedicated to international supply chain and container security, CISA seeks to provide a platform where intermodal shipping leaders can share ideas and discover synergies to complement the rapidly expanding intelligent supply chain market. CISA's outreach includes educational forums to share information between the private sector and government agencies.

http://cargointelligence.org	864-271-9123

3PLs: CEVA Logistics

Alberta Express, an expedited freight service between the Gulf Coast and Alberta, Canada, offers freight forwarding processes and systems to deliver more efficient transit time for shippers operating across borders.

www.cevalogistics.com	800-355-0350

WEB

Averitt Express

A new invoice tool on Averitt Express' Web site provides access to all open invoices. Shippers can search by invoice, pickup, or delivery date; bill of lading number; and purchase order number. The tool offers fast invoice availability and reduced billing cycle time, and allows shippers to receive electronic invoices and supporting documents as PDF files via e-mail.

www.averittexpress.com	800-AVERITT

UPS

UPS Import Control enables importers to process shipments through UPS shipping systems such as CampusShip and Internet Shipping on ups.com. Using these UPS shipping systems, importers can generate shipping labels and commercial invoices for small package shipments and forward the materials to exporters. Importers can also dispatch a UPS driver to provide the materials and collect the shipment.

www.ups.com	800-PICK-UPS

3PLs

Geodis Wilson

A new 84,000-square-foot facility in Atlanta, Ga., provides air freight, ocean freight, customs brokerage, domestic forwarding, warehousing and distribution, and other freight management solutions. The operation, a primary U.S. airfreight gateway to Europe, is a Certified Cargo Screening Facility possessing the equipment, security enhancements, and trained staff to provide shippers an option for screening freight in compliance with the Transportation Security Administration's 100-percent cargo screening mandate for all passenger aircraft.

www.geodiswilson.com	732-362-0600

Agility

A new 5,920-square-foot facility in Ho Chi Minh City, located close to the Tan Son Nhat International Airport, functions as the headquarters for Agility Vietnam and Indochina. In addition to traditional freight forwarding, Agility's Vietnam offices, which also include operations in Danang, Hanoi, and Vung Tau, offer a wide range of logistics services, including warehousing and distribution.

www.agilitylogistics.com	713-452-3500

MOBILE DEVICES/APPS

Specialized Transportation Inc. (STI)

Available for Android phones, the STIdelivers application provides shipment status, location, actual or planned delivery date, and delivery signature data.

www.stidelivers.com	800-443-0940

Specialized Transportation Inc. (STI)

Available for Android phones, the *STIdelivers* application provides shipment status, location, actual or planned delivery date, and delivery signature data.

www.stidelivers.com	800-443-0940

PeopleNet

The TABLET onboard computer captures critical vehicle and driver management information that can integrate with the back office. Featuring rugged design and a seven-inch touchscreen, it combines traditional in-cab functionality such as navigation, engine diagnostics, driver logs, in-cab training, driver email and messaging, and geofencing, with portable options including a camera, bar-code scanner, signature capture, and wi-fi to speed workflow and improve customer service and driver efficiency.

www.peoplenetonline.com	888-346-3486

OCEAN

Shipco Transport

A Transatlantic less-than-containerload service connects Dubai, Bahrain, Doha, and Kuwait to U.S. ports via New York. Cargo travels directly from a C-TPAT compliant partner in Dubai to New York.

www.shipco.com	201-216-1500

▲ **RFID: William Frick & Company**

Tough enough to resist being driven over with a forklift, the RFID Floor Tag marks floor locations in a warehouse or distribution facility to aid in automatic data collection and inventory control. The tag's permanent adhesive provides a high-strength bond to concrete, plastic, or painted surfaces, even if they are lightly contaminated with oil.

www.fricknet.com	847-918-3808

Intermarine

Intermarine introduced four new 14,100 dwt heavy-lift ships to its fleet. Each ship features two 440-ton combinable cranes and one 88-ton standard crane. The ship was designed to provide flexibility for handling large modules or stacking several tiers of lightweight cargo.

www.intermarineusa.com	504-571-1126

Matson Navigation Company

Expansion to the China-Long Beach Express service includes a second string of vessels, which call the ports of Hong Kong, Shenzhen, and Shanghai. With the new service, Matson offers twice-weekly departures from Shanghai with a 10-day transit time.

www.matson.com	800-4-MATSON

October 13-15, 2010, Supply Chain Council Executive Summit, Houston, Texas. Topics covered at this event include lessons learned from the recent economic downturn, flu pandemic, and natural disasters; new strategies for improving efficiency and responsiveness; methods for keeping up with rapidly evolving technology; and the impact of sustainability on the supply chain.

202-962-0440
www.scc-execsummit.org

October 26-28, 2010, Vested Outsourcing, Knoxville, Tenn. This class, at the University of Tennessee's Center for Executive Education, explores the differences between traditional outsourcing and performance-based approaches; explains how companies have adopted performance-based outsourcing to get better results from suppliers; and provides experience linking desired outcomes to performance work statements.

865-974-5001
http://vo.utk.edu

November 2-4, 2010, International Air Cargo Forum and Exposition, Amsterdam, The Netherlands. Top international air cargo and logistics decision-makers meet to discuss industry challenges and opportunities at this event, sponsored by the International Air Cargo Association.

786-265-7011
www.tiaca.org

November 8-10, 2010, SCM Chem, Dallas, Texas. Focused on end-to-end supply chain challenges for chemical manufacturers, this event highlights best practices in models, tools, and metrics; regulations; supply chain security and collaboration; global supply chain management; resource and human capital management; and greening the chemical supply chain.

888-482-6012
www.wbresearch.com/scmchem

November 13-16, 2010, NITL's TransComp Exhibition and IANA's Intermodal Expo, Ft. Lauderdale, Fla. In roundtable discussions and educational sessions, attendees at the National Industrial Transportation League event explore issues facing the supply chain and logistics sector. Forums cover topics such as CSA 2010's impact on intermodal shipping, ocean contracting essentials, cargo theft, and online education. Keynote speaker Captain James Lovell Jr., Apollo 13 Commander, addresses leadership and crisis management. At the Intermodal Association of North America event, intermodal freight transportation leaders take part in insightful educational sessions on the future of freight transportation, intermodal integration, green solutions, and legal issues. Also on-site, the Transportation Intermediaries Association presents special mode-specific sessions focused on what the future holds for the transportation industry.

703-524-5011
www.freightexpo.net

November 30-December 3, 2010, Defense Logistics 2010, Arlington, Va. Join fellow logisticians across the services, agencies, and in the private sector for a comprehensive look into how the new administration has impacted defense policy makers' short-term initiatives and long-term vision. Create partnerships with industry leaders whose expertise will help drive your future initiatives and further extend your enterprise.

646-200-7530
www.defenselog.com

December 7-8, 2010, Supply Chain and Logistics 2010, Dallas, Texas. World Trade Group presents a comprehensive educational program illustrating proven supply chain management and logistics strategies. This year's event, with the theme "Recovery in the New Decade," focuses on capitalizing on post-recession opportunities in a growing economy.

416-214-1144
www.supplychain.us.com

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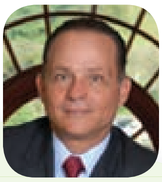
...Tuesday Session Speakers...

Dr. Yossi Sheffi
Professor, Massachusetts Institute of Technology (MIT) (top)



Alberto Aleman Zubieta
Chief Executive Officer, Panama Canal Authority (bottom)

...and Closing Session Speaker

Jack Bacon, PhD, P.Eng.
NASA Scientist and Distinguished Futurist

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  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.loadafn.com 877-LOAD-AFN

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  Agility manages every move your merchandise makes, improving distribution by optimizing your facilities, inventory, materials routing, planning, and equipment utilization.
  www.agilitylogistics.com/challengeus 877-898-9813

- **APL Logistics** pg. 25
  APL Logistics works one-on-one with your company to find a warehousing and distribution solution that improves inventory management, reduces operations costs, and shortens order cycle times.
  www.apllogistics.com 602-586-4800

- **Aspen** pg. 89
  Looking for best-in-class logistics solutions? Aspen offers what you need. From warehousing to transportation to value-added services, Aspen can help.
  www.aspenlogistics.com 800-741-7360

- **Bilkays Express** pg. 84
  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

- **BNSF Logistics** pg. 52
  The BNSF team can build a program to solve your toughest transportation challenges.
  www.bnsflogistics.com 877-853-4756

- **C.H. Robinson Worldwide** pg. 41
  When you trust C.H. Robinson with your global supply chain, you'll experience the power of custom supply chain solutions, right when you need them.
  www.chrobinson.com/outsourceit 800-323-7587

- **Crowley** pg. 37
  Whether you require large-scale domestic or international supply chain management solutions, or simply have a one-time shipment, Crowley can keep your business moving.
  www.crowley.com 904-727-2438

- **FLS Transportation Services** pg. 24
  FLS offers a variety of transportation services across the continental United States and all 10 Canadian provinces.
  www.flstransport.com 800-739-0939

- **Greatwide Logistics Services** pg. 5
  Don't let transportation expense and tightening capacity put the squeeze on you. Call Greatwide today.
  www.greatwide.com/inbound 877-304-5894

- **Jacobson Companies** pg. 35
  Jacobson Companies has your supply chain needs covered, with warehousing, transportation, and freight management services across the nation.
  www.jacobsonco.com 800-636-6171

- **Lynden** pg. 31
  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

- **Menlo Worldwide Logistics** pg. 19
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  www.menloworldwide.com/il 630-449-1084

- **National Delivery Systems** pg. 36
  Tired of logistics partners that can't go the distance? Let National Delivery Systems take you to the finish line.
  www.national-delivery.com 888-312-2423

Performance Team pg. 43
Performance Team is a national leader in custom end-to-end logistics solutions for the retail and manufacturing industries.
www.ptgt.net 866-775-5120

Ruan pg. 33
Ruan is driven to move you forward. With more than 75 years of experience, Ruan continues to think of new ways to help shippers maximize the bottom line.
www.ruan.com 866-782-6669

Ryder pg. 7
Unmatched experience, flexibility, and expertise make Ryder the one to turn to all over the globe.
www.ryder.com 888-88-RYDER

Shippers Warehouse pg. 50
With industry-leading operations, management information, and transportation systems, Shippers Warehouse is the premier third-party logistics and distribution provider in the Southwest.
www.shipperswarehouse.com 214-381-5050

Total Logistic Control (TLC) pg. 9
Save money, gain expertise, and stay focused on your core business while TLC manages your supply chain.
www.totallogistic.com/ibl04 800-333-5599

TransGroup Worldwide Logistics pg. 99
It's easy to lose track of shipments when you're managing the supply chain by yourself. Why not try TransGroup Worldwide Logistics, one of the big guns in the logistics business?
www.transgroup.com 800-444-0294

Werner Enterprises pg. 16
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www.werner.com 800-228-2240

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Associations

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www.nasstrac.org 952-442-8850

Career Development/Education

Institute of Logistical Management pg. 32
The Institute of Logistical Management offers distance learning in many areas of logistics and supply chain management.
www.logisticseducation.edu/contact 888-ILM-4600

Events

CSCMP's Annual Global Conference pgs. 108, 119
At the Council for Supply Chain Management Professionals' annual conference, Sept. 26-29, 2010, in San Diego, Calif., learn how to cut supply chain costs and improve profit, connect with colleagues from all over the world, and discover new and innovative ideas that will keep your career and your supply chain competitive.
www.cscmp.org 630-574-0985

Parcel Forum 10 pg. 123
At Parcel Forum 10, October 4-6, 2010, in Chicago, Ill., you'll find everything you need to build and maintain a best-in-class small-shipment supply chain.
www.parcelforum.com 866-378-4991

TransComp Exhibition and Intermodal Expo pg. 117
NITL's TransComp Exhibition and IANA's Intermodal Expo, Nov. 14-16, 2010, in Ft. Lauderdale, Fla., attract thousands of the top industry decision-makers responsible for moving all types of commodities by all modes of transportation, both domestically and globally.
www.freightexpo.net 703-524-5011

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- **CRST Expedited** pg. 3
  With the largest roster of team drivers in the industry, CRST Expedited focuses on delivering superior customer service, while carrying customer loads faster and farther at a competitive cost.
  www.crstexpedited.com 800-736-2778

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Freight Payment Services

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  CTL has created a buying consortium and transportation management process that helps lower shippers' freight rates and improve productivity.
  www.shipandsave.com 888-289-4600

- **Cass Information Systems** pg. 75
  With the most industry experience in implementing complex processing systems, Cass Information Systems is the leader in customized freight bill audit, rating, payment, and information services.
  www.cassinfo.com 314-506-5500

- **CT Logistics** pg. 79
  CT Logistics' philosophy that there is always room for improvement has made the company a leader in freight payment for more than 87 years.
  www.ctlogistics.com 216-267-2000

- **CTSI** pg. 83
  For more than 50 years, CTSI has provided supply chain management solutions through experience, knowledge, and technology. CTSI helps companies manage and control all aspects of their supply chain–physical, informational, and financial.
  www.ctsi-global.com 901-766-1500

- **Data2Logistics** pg. 71
  Partnering with Data2Logistics to audit, allocate, and pay your invoices gives you a single source for the robust global information capable of maximizing your bottom line.
  www.data2logistics.com 609-683-3917

- **nVision Global** pg. 77
  All freight payment companies are not the same. Let nVision Global work for you.
  www.nvisionglobal.com 770-474-4122

- **Sunset Transportation** pg. 73
  Sunset Transportation is the right size freight audit, payment, and reporting company, where you'll find the right savings, service, and technology to improve your transportation management decisions.
  www.sunsettrans.com 800-849-6540

- **Technical Traffic Consultants** pg. 80
  Technical Traffic Consultants' services include domestic and international freight bill pre-audit and payment, transportation database development, logistics support services, custom reporting, and Web reporting.
  www.technicaltraffic.com 845-770-3510

- **Trendset Information Systems** pg. 81
  Trendset integrates Web-based freight payment, logistics, and financial reporting systems to deliver real-time information and reduced costs.
  www.trendsetinc.com 864-297-9255

Intermodal

- **Alliance Shippers, Inc.** pg. 13
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- **Yale** pg. 27
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Think Outside the Box.

"This is my third Forum in four years and I'm still amazed on the content that is provided. The small parcel industry is in constant change and the Forum allows large and small shippers to discuss the impact the change has on their businesses."

PATRICK MCNAMARA —
Transportation Manager, RGH Enterprises, Inc.

If there is one thing last year taught us...

it's that not having flexibility within your small-shipment supply chain could spell disaster! Now's the time you need to start "thinking outside the box" with your parcel shipping operation, not when your company is in the middle of a crisis caused by factors outside of its control.

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Logistics IT

- **Magaya Logistics Software Solutions** Cover 4
  Magaya's warehouse management system lets you control your inventory from pickup to delivery.
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- **TransCore** pg. 68
  Finding quality carriers can be challenging – but not with TransCore's 3sixty Total Power load board package. Access information on 20 million carriers and get actual market rate data.
  www.transcorefreightsolutions.com 800-551-8849

Mobile Communications

- **Sprint** pg. 23
  Get your shipping business humming along at higher speeds with Sprint's fleet management tools.
  www.sprint.com/transportation 800-SPRINT-1

- **Verizon Wireless** pg. 11
  Verizon Wireless, owner of the nation's largest Push to Talk Network coverage area, offers America's most reliable voice network.
  www.verizonwireless.com/distribution 800-VZW-4BIZ

Real Estate Logistics/Site Selection

- **Netherlands Foreign Investment Agency (NFIA)** (Insert 52–53)
  The NFIA facilitates North American companies' direct investments in The Netherlands. Companies can obtain information, strategic perspective, and practical assistance from NFIA's business consultants.
  www.nfia.com 212-246-1434

- **Virginia Economic Development Partnership** pg. 113
  A pro-business climate, state-of-the-art facilities at the Port of Virginia and APM/Maersk Terminal, and extensive transportation infrastructure make Virginia an ideal location for global logistics operations.
  www.yesvirginia.org 804-545-5724

Small Package Services

- **Streamlite** pg. 15
  Streamlite offers a unique option in lightweight package delivery, with guaranteed and cost-effective service from your dock to your customer's door.
  www.streamliteinc.com 800-920-5494

Trucking

- **C.R. England** pg. 55
  For more than 85 years, C.R. England has specialized in moving temperature-sensitive freight. Other services include long-haul truckload, short-haul regional, expedited priority rail, and tailor-made dedicated.
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- **Choptank Transport** pg. 115
  An asset-based logistics management services provider, Choptank Transport has been serving the global community since 1999, specializing in refrigerated and van transportation.
  www.choptanktransport.com/iblogistics 800-568-2240

- **Old Dominion Freight Line** pgs. 20–21
  Old Dominion's full range of products and services offers solutions you can count on for domestic, global, and expedited transportation.
  www.odfl.com/global 800-432-6335

- **ShipCanada.ca** pg. 116
  Shipping to Canada? Simplify your cross-border shipping by calling Canada's freight and customs experts, servicing all points in North America.
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- **Standard Forwarding Company** pg. 90
  Standard Forwarding Company offers reliable overnight delivery, excellent rates, online tracing, and 99 percent on-time service.
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Trucks

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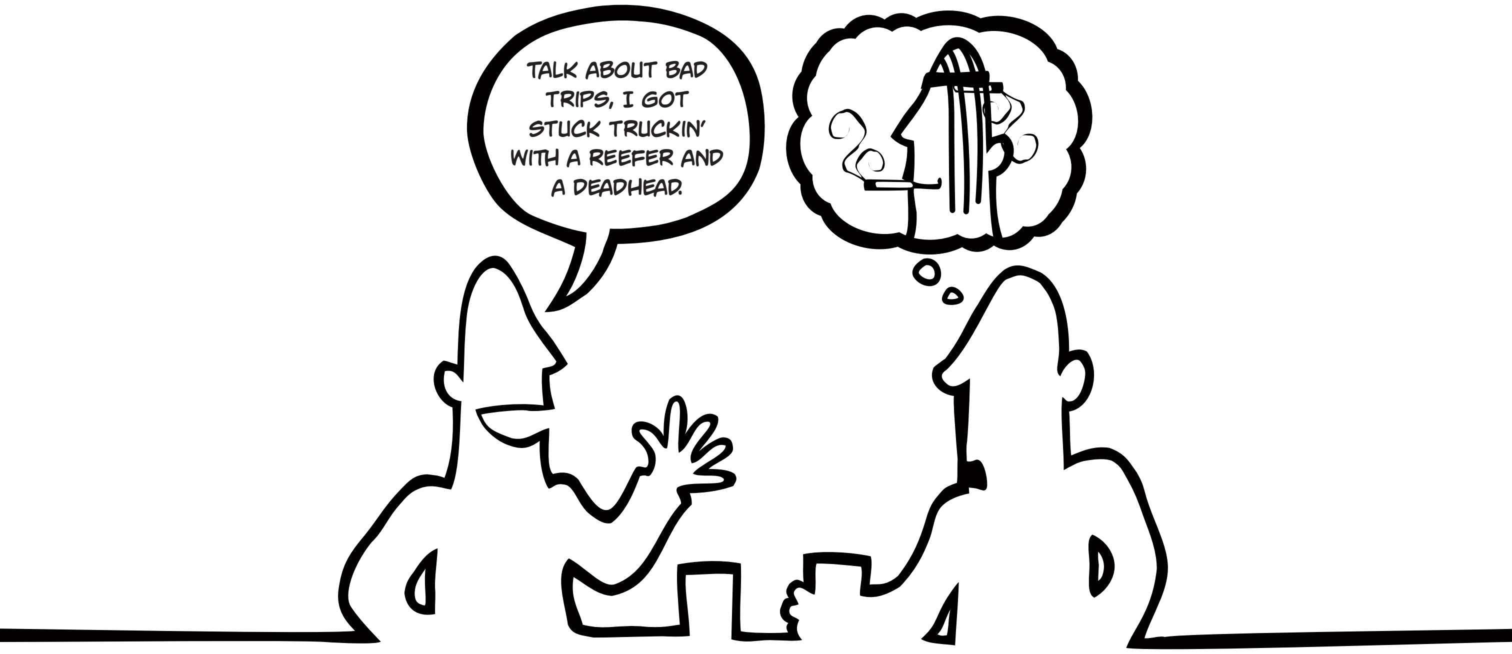

Black and White… and Gray

Have you ever been caught relaying some minutiae about work to family and friends only to receive a blank stare and a "huh?" It happens. When it comes to logistics speak, there is a lot of gray area. What you say on the job doesn't always translate off the clock. *Inbound Logistics* is here to help. We dusted off our dictionary and got to the bottom of some semantic ambiguities. Go ahead, share this page with your non-logistics peeps–let them know you're not alone!

TRAMP

Off The Clock: The guy with a bindle down by the tracks–minus a lady.
On The Job: An international ocean carrier that has no fixed route or schedule.

STABLE DEMAND

Off The Clock: Horses eat oats, bran, and barley–among other things.
On The Job: Products for which demand does not fluctuate widely at specific points during the year.

VALUE STREAM

Off The Clock: To an old forty-niner, it's a "gold" rush to judgment down by the crick near the old mill.
On The Job: All activities, both value- and non-value added, required to bring product from a raw material state to a finished good.

REAL TIME

Off The Clock: As opposed to what?
On The Job: The processing of data in a business application as it happens.

SILO, STOVEPIPE, FOXHOLE

Off The Clock: Take your pick: a grain storage facility or the King of Asturias, Spain (A.C. 750); a top hat or wood-burning chimney; a World War I trench or the den of *Vulpes vulpes*.
On The Job: A view of an organization where each department or functional group operates independent of other groups within the organization.

SHRINKAGE

Off The Clock: What happens when "made with 100-percent cotton" gets tumbled on high heat.
On The Job: Reductions of actual quantities of items in stock, in process, or in transit. The loss may be caused by scrap, theft, deterioration, or evaporation.

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