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ISN'T FAST ENOUGH



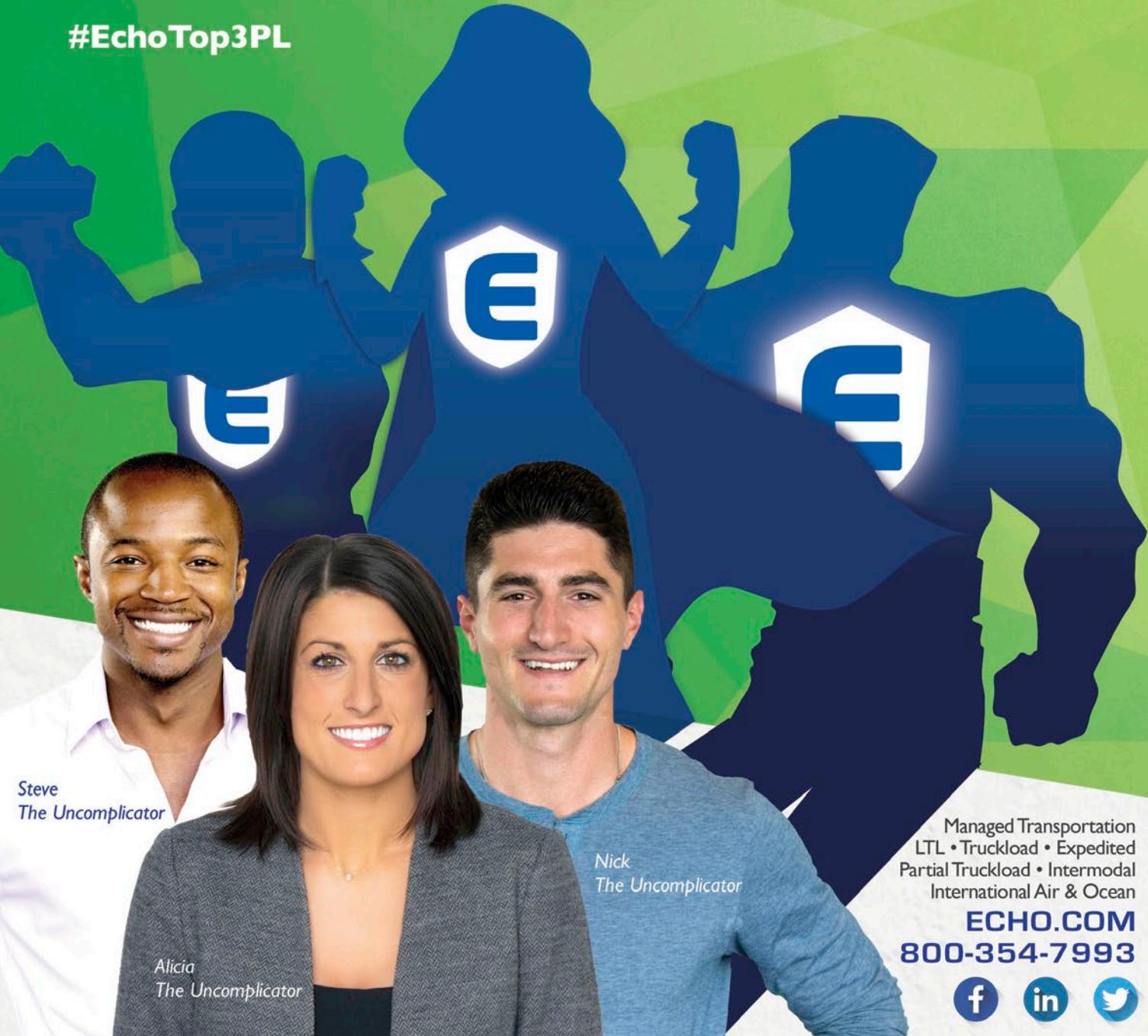
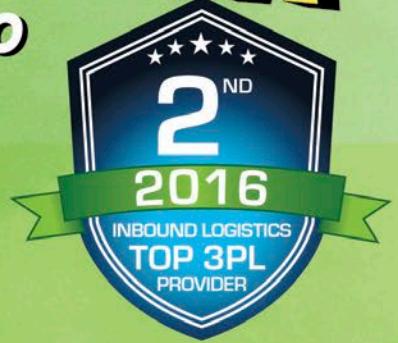
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The Sunshine State basks in its role as a logistics superstar, with hot transportation connections via water, air, road and rail. You'll also warm up to its great quality of life, abundant qualified labor pool, and oceans of experience in keeping your products safe for the long haul.



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ONLINE EXCLUSIVES



Five Keys to Selecting the Right Transportation Consultant

bit.ly/TransportationConsultant

Bruce Salter, President, Bruce Salter & Associates

Using an outside consulting firm to help manage transportation can be a good practice. But choosing the right consultant can become difficult and time consuming. Use this action plan to find the optimal partner.



Preventing Warehouse Fires

bit.ly/WarehouseFire

**Wes Baker, Assistant Vice President and Senior
Engineering Technical Specialist, FM Global**

Fire is the leading cause of commercial property damage. So how can you get the most from your fire protection investment? The answer is in new guidelines that can help you save on sprinkler installation, water bills, and upkeep while you improve protection and cut your environmental footprint.



Optimizing Freight Rail Supply Chain Visibility

bit.ly/FreightRailSC

Chuck Hieronymi, Director, Commercial Group, Railinc

Freight rail has become an integral part of many global supply chains, driving the need for complete visibility and giving rise to new technologies. The good news is there are many ways to improve shipment tracking.

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CHECKING IN



by Keith Biondo | **Publisher**



Working at People Speed

Elon Musk describes the manufacturing operation for the new Tesla as so complex that no humans will participate in building the car. “You really can’t have people in the production line,” says Musk. “Otherwise, you’ll automatically drop to people speed.”

Drop to people speed? Will *supply chain impatience* — a term I coined to define an inexorable demand for you to provide near teleportation-like delivery to your customers — get to the point where it necessitates driving all people out of manufacturing and supply chain operations?

Consumers are acculturated to shipment expectations that often bend the laws of physics, and with free shipping, bend the laws of finance, too (thanks, Amazon). That extends beyond e-commerce to retail, and even B2B sales. Shrinking margins motivate business leaders to automate the manufacturing and supply processes to make up the difference.

But I am not ready to push people out of the equation just yet. Here are two examples of critical people speed. One has to do with what readers *tell* their partners, the other has to do with what readers *ask* of them.

First, as part of our *3PL Perspectives* market research, we ask readers why they think their providers merit recognition. You might expect them to laud end-to-end strategies, or a robust TMS — and they do. But many answers focus on the people: “The professionalism of Paige in getting our product to the customer in a timely manner with little or no lead time is exceptional,” says one reader.

They provide many other like comments, citing friendliness, innovation, creativity, problem solving, and empathy. Empathy?

People also play a role in the project requests we receive from readers requiring the expertise of global carriers and 3PLs to crack new markets. Project requests include a German company seeking to serve U.S. customers, a UK-based supply chain manager needing transport partners in the United States to leverage growth in the EU, an EU manufacturer seeking help setting up an e-commerce logistics network in the United States, and a CPG brand seeking to serve Amazon and a wholesale distribution network in the United States.

You can’t give these project leads to a machine. Success requires people working at people speed. No disrespect to M2M, IoT, or logistics technology; we need it to accomplish the complex work we do. But machine speed alone can’t provide the personal service — and empathy — you need. ■

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STAFF

PUBLISHER Keith G. Biondo
publisher@inboundlogistics.com

EDITOR Felecia J. Stratton
editor@inboundlogistics.com

MANAGING EDITOR Lauren Muskett
lmuskett@inboundlogistics.com

SENIOR ASSOCIATE EDITOR Katrina Arabe
karabe@inboundlogistics.com

CONTRIBUTING EDITORS
Merrill Douglas • Karen M. Kroll
Jason McDowell • Gary Wollenhaupt

CREATIVE DIRECTOR Sean Doyle
sdoyle@inboundlogistics.com

DESIGN ASSISTANT Toni Trout
ttrout@inboundlogistics.com

DIGITAL DESIGN MANAGER Amy Palmisano
apalmisano@inboundlogistics.com

PUBLICATION MANAGER Sonia Casiano
sonia@inboundlogistics.com

CIRCULATION DIRECTOR Carolyn Smoilen

PUBLICATION INTERN Brienne Nealon

SALES OFFICES

PUBLISHER: Keith Biondo
212-629-1560 • FAX: 212-629-1565
publisher@inboundlogistics.com

WEST/MIDWEST/SOUTHWEST: Harold L. Leddy
847-446-8764 • FAX: 847-305-5890
haroldleddy@inboundlogistics.com

Marshall Leddy
612-234-7436 • FAX: 847-305-5890
marshall@inboundlogistics.com

SOUTHEAST: Gordon H. Harper
404-229-9691 • FAX: 404-355-2036
south@inboundlogistics.com

MIDWEST/ECONOMIC DEVELOPMENT: Joseph Biondo
516-578-8924
jbiondo@inboundlogistics.com

Jim Armstrong
636-387-6215
jim@inboundlogistics.com

NORTHEAST: Rachael Sprinz
212-629-1560 • FAX: 212-629-1565
rachael@inboundlogistics.com

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DIALOG

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HASH IT OUT

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Here's our annual 3PL issue cover on logistics partnerships. Like the ink?



Lorraine Conlin @LorraineConlin
Great cover!

@ILMagazine

To optimize logistics, shippers must gain visibility by adopting new technologies that provide high-quality data.

bit.ly/ditchspreadsheet

Ben Shao @ysha0007_USyd

That is why sustained training is important in WMS.

@ILMagazine

The true measure of customer service is what supply chain partners do when something goes wrong.

bit.ly/retailersownit

Rich Weissman @rich_weissman

At 4 p.m. on a Friday...in the summer...on July 3! Who will answer the phone?

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Today's Supply Chain Education: It's All in Your Head bit.ly/headforSCM

Intermodal Transportation: Rise and Shine bit.ly/intermodalmoves

Selecting the Right Transportation Consultant bit.ly/5tipsforchoosing

EXCHANGE

Optimizing Freight Rail Supply Chain Visibility

Freight rail has become an integral part of many global supply chains, driving the need for complete visibility across modes and giving rise to a new suite of technologies. Shippers who know how to make effective use of these technologies gain an advantage. bit.ly/FreightRailSC

Susan Howland

You can't monitor, adjust, or measure without end-to-end visibility. It is rapidly becoming an imperative, not a luxury. Great article.

READER EMAIL

Good Question: What hobbies/activities make you better at supply chain and logistics management? bit.ly/hobbiesforSCM

My answer: Reading, particularly about time management and influencing people. As a broker, it's important my clients and partners understand the benefits I bring to the table. The message I need to relay to them is that time is valuable: theirs, mine, both companies, and everyone involved.

Daniel Gurwell

Account Executive, Freightquote

HOT TOPICS | IL articles getting the most impressions on LinkedIn:

Gaining More from 3PL Relationships: bit.ly/getmorefrom3PLs • Optimizing Freight Rail Supply Chain Visibility: bit.ly/FreightRailSC • Putting Labor Management Systems to Work: bit.ly/LMSbenefits • Is Your Warehouse Ready for Black Friday? Start Preparing This Summer: bit.ly/prepforblackfriday • Keeping Shipping Costs in Check: bit.ly/controlshippingcosts

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— BOB COSTELLO, Chief Economist,
American Trucking Associations

after the release of ATA American Trucking Trends 2016,
the latest edition of its trucking almanac





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Good Question...

READERS WEIGH IN

Has supply chain impatience gotten out of hand?

Absolutely. While it is nice that consumers can get more things faster and cheaper than ever before, it puts tremendous pressure on retailers to keep profits up. Retailers start moving up sales for each season: back to school, Halloween, Thanksgiving, and Christmas. It's getting so bad that I predict the Christmas 2018 season will be celebrated in Christmas 2017. How many more of the old retailers will still be standing by then? Very few, I believe.

Rich Foley
Logistics Manager
SDI Technologies

Customer demand fuels impatience. Service expectations have intensified due to the advent of the internet and paradigm-shifting businesses. Corporate survival will boil down to each organization's ability to adapt and innovate as new technologies, business models, and techniques emerge.

Craig Engelhardt
Managing Director
Savills Studley

Yes. Companies are afraid of unused capacity and are too quick to lower prices. Instead, they should be leveraging sophisticated analytics, coupled with internal and competitor data, to determine where they can incent additional demand, when prices should be lowered, and by how much.

Michael Bentley
Partner
Revenue Analytics

No. We need to keep pushing the boundaries of what's possible. At times, we may need to slow down to speed up. We need time to think outside the box and use new tools available to us to become even more responsive.

Tania Seary
Founding Chairman
Procurious

Impatience is expected today, especially as it relates to the movement of goods. We're expected to have a firm grasp on supply chains, adapt quickly to changing needs/policies, and overcome unexpected obstacles.

Robert Smith
Chief Sales and Marketing Officer
Livingston

Supply chain impatience is finally getting in hand. Global competition requires that U.S. companies use cash efficiently. For example, we can't have money earmarked for research and development tied up in inventories sitting in an inefficient supply chain.

Larry Hall
Principal and Founder
Logistics Planning Services (LPS)

Yes, but there's no changing that fact. Consumers are the new bosses. They demand a consistent shopping experience and traceability. Embrace supply chain visibility, or the new boss will fire you.

Darren Palfrey
COO, Gravity Supply Chain

Twitter Verdict

A Twitter poll finds Inbound Logistics followers agree supply chain impatience is out of hand.



Is it out of hand or simply pushing supply chain executives to become more inventive with how we manage and deliver goods? For e-commerce logistics leaders, this means more communication, precision forecasts, and innovative logistics models that get products to our customers faster.

Hari Pillai
CEO, Speed Commerce

HAVE A GREAT ANSWER TO A GOOD QUESTION?

Be sure to participate next month. We want to know:

How would you define a 4PL?

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10 TIPS

STEP-BY-STEP SOLUTIONS



Prepping Your DC for Peak Season

Are you ready for the holidays? Today's retailers and their logistics partners need to ask and answer that question well in advance of the holiday season. Mark Sibley, vice president of customer support for BEUMER Corporation, offers this advice to prepare your distribution center before holiday orders come rolling in.

1 Start early. Don't start planning just before the peak season starts. You need three to five months prior to the fall season to work through potential issues; to document, analyze, and correct potential areas of risk; and to put new processes in place with enough time to test assumptions against actual results.

2 Learn from past busy seasons. Examine and analyze your existing maintenance and operational records to identify previous areas of weakness or bottlenecks. Then develop effective action plans to deal with them.

3 Incorporate flexibility. No peak season plan has an answer for every possibility. Consider working with your sortation and distribution service provider to schedule a peak season audit well before peak season starts.

4 Double-check error tracking. To use the past to be prepared, you should have established processes in place to document and track everyday events such as equipment failures, unscheduled shutdowns in conveyors or sortation equipment, interruptions in order flow, and reductions in service levels and throughput.

5 Use surge testing. Surge testing simulates typical demand conditions during peak season. You should optimally conduct the test four to six weeks prior to the season's start. Hold back up to half a normal day's throughput, and then send it all during a compressed three- to four-hour period to replicate peak volume and operating conditions.

6 Adjust maintenance cycles. Identify critical areas where you should increase maintenance intervals. Conduct inspections and audits focusing on equipment components—photo eyes and sensors, motors and belt alignments, cabling—subject to increased wear and tear as utilization surges.

7 Create an emergency response plan. Identify key equipment within the center that shuts you down if it goes offline. Your emergency response

plan ensures you have the expertise, partners, and parts necessary to handle issues as quickly and intelligently as possible.

8 Have spare parts. Waiting for a supplier to send a replacement component overnight can cost time, money, and throughput. A peak season maintenance and response plan can help identify which spare parts you and your partners should have available to enable fast repairs.

9 Keep IT resources in the loop. In today's IT-driven distribution center, around-the-clock IT support and clear processes for troubleshooting and problem escalation are essential. Review your IT response and escalation steps with internal and external resources. Clarify how, when, and who to contact before peak season begins.

10 Create and follow a complete plan. A fully prepared and tested peak season plan focused on key systems, personnel, maintenance, and operational processes is crucial. The plan should be comprehensive enough to cover every element that peak season conditions can impact, as well as contain clear guidelines for dealing with any unanticipated issues that can arise. ■

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LEADERSHIP

*Conversations With
The Captains of Industry*

By Merrill Douglas



John Costanzo
President
Purolator International

Cross-border Champion

JOHN COSTANZO WORKS IN THE THICK OF the world's largest trading relationship—the one between the United States and Canada. At Purolator International in Jericho, N.Y., a wholly owned subsidiary of Canadian company Purolator Inc., the core mission is helping U.S. businesses move goods to customers north of the border. Its services take advantage of logistics networks in both countries, including the extensive Canadian networks of Purolator Inc. and its parent, Canada Post. Costanzo talked with us about his work at Purolator and how he has developed his leadership strategies over a long logistics career.

IL: How did you get into logistics?

After completing my military reserve duty obligation, I worked for the U.S. Postal Service while putting myself through college. I was a part-time floater, working at a little bit of everything. My objective was to get out of the delivery business and into a 'real' profession, maybe by going to law school. But after graduation, because I was a married man, I felt I needed a job. One of the best opportunities I found was with the company then called Emery Air Freight. So I joined their sales organization in New York City.

Emery provided a tremendous business education. Working for a broad-based forwarder, I got to know what makes companies tick in all different industries. I also had an opportunity to move into the international arena, which helped expand my perspective on global trade. Logistics is a great field. It has kept me interested and challenged for a long time.

IL: Where do the significant opportunities lie for Purolator International today?

E-commerce is exploding not only in the United States, but in Canada as well. Shipments generated by e-commerce make up nearly half of our business out of the United States. We're also getting more traction in certain vertical industries, such as aviation and medical devices.

IL: What are the biggest business challenges that Purolator International and your customers face these days?

One issue our customers are dealing with is the strong U.S. dollar, which has made exports expensive. American products cost 20 percent more for Canadians than they did one year ago, and that has impacted our customers' sales. We have to help them improve their supply chains into Canada, and other markets, in a way that offsets that decline in business.

For example, many clients serve the Canadian market with individual shipments, sending one package at a time out of distribution centers in the States. There are more efficient ways to move products—for example, forwarding them as consolidated

air or surface freight shipments, and then distributing within our network in Canada, saving considerably on the total cost of transportation and clearance. A company might think it serves its Canadian customers well by shipping orders from a DC in Toronto, when it could actually do better from a DC in the United States.

IL: What early experiences helped shape the kind of leader you are today?

One lesson I learned as a young salesperson, and have carried with me ever since, is the importance of listening to customers and developing solutions that fix their problems, not just offering the industry's 'latest and greatest.'

A good example was when I was president and CEO of InterPost. Our marketing team wanted to make a splash at a big trade show by launching a fulfillment service for every part of a global marketing campaign. I suggested running focus groups to determine if this solution would help solve a problem for our customers.

We found out that it was of little interest. Our customers' biggest challenge was lack of visibility into the delivery of their magazines and catalogs. This was their most important touchpoint with their customers, but they didn't know how it was impacting sales. So we developed and introduced the first global mail tracking system for magazines, catalogs, and other periodicals, and a service that provided feedback directly from customers on the condition and timeliness of their deliveries. It was exactly the service they needed.

IL: How would you describe your leadership style?

I've taken all those Myers-Briggs exams and they always come out the same: I'm directive, but people-oriented. I listen to people. I care a lot about our employees and their families. In a service industry, you can't be successful without good people who trust you and know that you trust them. Since the day I joined Purolator in 2001, we've been doing employee surveys to get a feel for what our people think and how they're doing. Our goal is to get 85-percent positive ratings in that survey. In 2015 we reached 77 percent, the highest ever. That puts us just one notch away from our goal.

IL: What gets you excited about going to work these days?

The United States does about \$600 billion in business with Canada annually, with trade flowing about equally in each direction. That includes approximately \$10 billion to \$15 billion

in logistics spending for products moving to and from Canada. It's exciting for me, and for everyone who works here, to be at the front edge of such a big opportunity.

I'm also excited about the new products we've been developing for some of our market sectors. Working closely with Canada Post, we've launched an e-commerce service called PuroPost, which guarantees delivery in two to eight days, and pre-calculates all duties and taxes for the end customer. We also started a new service that delivers parts for aircraft repairs, to get planes back in the air as quickly as possible.

IL: What leaders inspire you most?

Jack Kennedy has always been one of my great heroes. He inspired people about what was possible. When I was a young man, that really caught my attention, along with the attention of the whole country. I wish he had lived longer. He would have done great things. ■

Lowdown on Long Island

As a member of the Long Island Association, a business organization, John Costanzo was doing research for an economic development project when he noticed a gap in the available body of U.S. export data. There were no accurate figures on manufacturing exports from Nassau and Suffolk, the two New York counties known collectively as Long Island.

"A lot of the data being shared made it sound as though Long Island was booming in export volume," Costanzo says. "But the figures were New York port statistics." Because the Port of New York and New Jersey handles exports for businesses throughout the United States, those figures shed no real light on the local scene.

"Purolator International is an export business, so it struck me that we could help provide insight into what's happening on Long Island," Costanzo says. In March 2016, the company released its first *Long Island Supply Chain Index*, a quarterly survey of Long Island manufacturers, to learn their forecasts for the next six months.

"Manufacturing drives exports and drives business in general," Costanzo says. "Understanding how that sector is doing is critical to just about every business on Long Island. That's why I thought it was important."



Peter Schuele is head of global supply chain and distribution at the life science business of Merck KGaA, Darmstadt, Germany, which operates as MilliporeSigma in the United States and Canada. He has held this position since 2015.

RESPONSIBILITIES

Managing 130 distribution centers around the globe, as well as the supply chain models for the company's life science business.

EXPERIENCE

Senior vice president, VWR Corporation; president of Europe lab and distribution service, VWR; vice president, supply chain, EMEA, Sigma-Aldrich Corporation; various positions, Frachtenkontor.

EDUCATION

MBA, Heilbronn University; undergraduate degree in business and supply chain.

Peter Schuele: Injecting Life Into the Supply Chain

AFTER GRADUATING COLLEGE, I SPENT 10 YEARS WITH a freight forwarding company, where I was given an opportunity to run a location within the company that wasn't profitable. I was 30-something and it was my first big assignment: Run it for 12 months, and at the end of that time, we'll decide to either close it or fix it.

We were able to fix it. We had to cancel our contract with our biggest customer because we couldn't come to terms on the price, and the contract was unprofitable. We also had to work on improving our processes. In the end, the facility became ISO certified.

I left that company to go to Sigma-Aldrich, where I consolidated three warehouses into one. After the consolidation, we shifted from a German to a European to a global approach.

Distributing products on a local or regional level is a different animal than the global level. You have to understand all the markets, cultures, and regulations.

For instance, in Europe, all freight

ships by ground. In India, however, the infrastructure isn't there. To improve service to our customers in India, we had to reduce the lead time for products manufactured outside of India.

So, instead of routing all deliveries from Europe through our India distribution center, we switched to consolidating end-customer deliveries by region within India, and then shipping them by air to 3PLs in the country's main centers. We picked/packed deliveries to be ready to go to the end customer after customs clearance. I had to understand the customers' needs, and line up the supply chain to meet those needs.

When I joined Sigma-Aldrich in 1994,

The Big Questions

What's your ideal way to spend a day off?

Because I live in the Swiss countryside, I enjoy riding my motorbike, and going off-road in the mountains.

If you could learn a new language, what would it be?

Italian or Spanish. Both sound great. I'd

enjoy being in Italy or Spain, and talking with everyone while visiting the local coffee shop.

What would you tell your 18-year-old self?

Keep a balance between work and life. Business is important, but your family is, too.

I became responsible for sales for a number of European countries. I came to realize an effective supply chain is a powerful sales tool. If a company is easy to deal with—it's simple to place orders and find contacts—customers are more likely to make purchases.

When you look at the entire process from when a customer calls until the order is filled, you see where improvements help. For instance, an employee in a lab may go to our website, push a button, and order one unit. In a production setting, the orders are for multiple units; they need to

ship within a specific time frame, and the documentation is more complex.

To provide best-in-class service for both customer segments, a reliable supply chain that manages the end-to-end process is a base for success. For our research customers, high stock availability in combination with fast delivery service (24-hour) is key. Supply chain security, quality management, and on-time delivery also are important.

I came to Merck KGaA to be part of a company with a strong focus on improving life and because of my passion for supply chain management. With the acquisition

of Sigma-Aldrich, we are one of the strongest players in the life science industry. I also have the chance to manage the transformation of two global supply chain and distribution organizations into one.

Our business is all about people. When I was younger, I'd look for technical skills when considering new hires. Today, I look at whether a person will fit with our team and has a passion for supply chain.

Managing people is difficult, but I like it. Helping people and teams be successful in understanding and meeting customers' needs is motivating. ■

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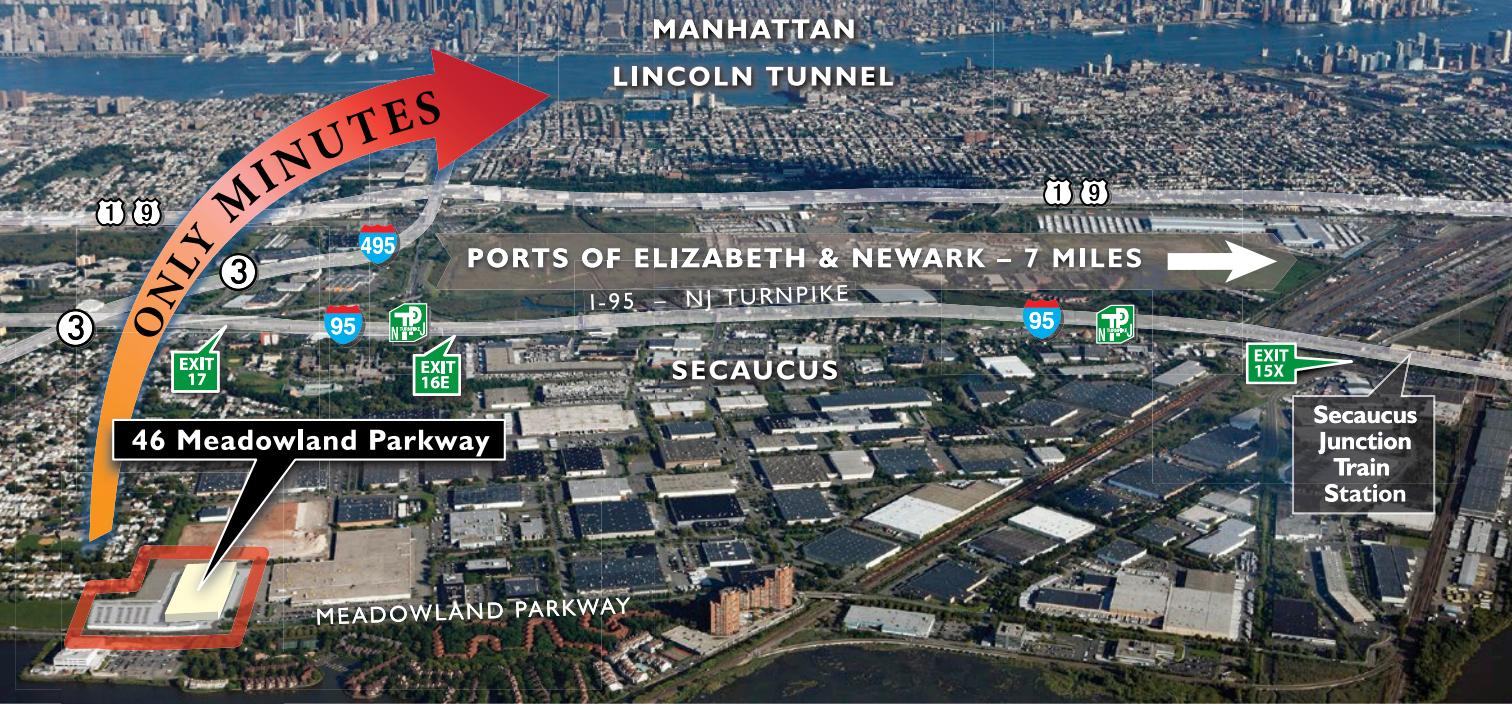
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rick.vanderbeck@hartzmountain.com

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NOTED

THE SUPPLY CHAIN IN BRIEF

SHOVEL READY



▲ **The Rockefeller Group** and **FedEx** broke ground on the nation's largest FedEx facility in Allen, Pa. (*rendering inset*). Expected to open in 2018, the 1.1-million-square-foot regional distribution facility will process up to 30,000 packages per hour. To accommodate increased vehicle traffic in the immediate area, The Rockefeller Group and FedEx Ground will jointly spearhead roadway improvements.

SEALED DEALS

Coatings manufacturer **Valspar** selected **Kenco Logistics** to provide warehouse, production, and IT services at two U.S. locations—a 400,000-square-foot coatings facility in Romeoville, Ill. (*pictured*) and a 72,000-square-foot furniture-care facility in Grand Rapids, Mich. Valspar chose Kenco for its distribution capabilities and supply

chain intelligence system, **UNIFY**, which delivers shipment visibility in the form of reports, analysis views, and dashboards.



m&a

Canadian transportation and logistics provider **Manitoulin Global Forwarding** bought temperature-controlled freight specialist **M.A.P. International Freight**. Adding temperature-controlled options allows Manitoulin to offer a full suite of international freight forwarding services.

Epicor Software Corporation, a global provider of enterprise software, acquired its United Kingdom-based ERP software provider **Dot Net IT**. The acquisition strengthens Epicor's sales, services, and support team globally, and brings cloud-based, add-on solutions that extend the company's ERP portfolio.

3PL Central, a cloud-based 3PL and WMS solutions provider, acquired **Traker Systems** (referred to as iTracker), a provider of cloud-based inventory control software. Both companies serve 3PL and private warehouse customers. The acquisition allows 3PL Central to accelerate product innovation and expand services to its customers.

Supply chain operating network **E2open** acquired **Orchestra**, a provider of demand signal repositories and analytics for retail and omnichannel fulfillment. Orchestra's data, visibility, and analytics solutions complement E2open's recent acquisition of Demand Sensing solutions from Terra Technology.

GREEN SEEDS



▲ **Ryder System**, a commercial fleet management, transportation, and supply chain solutions provider, is collaborating with Shell Oil Company to convert diesel vehicles to liquefied natural gas (LNG). As Shell's logistics provider, Ryder manages road transportation for freight hauling activities across Shell's U.S. exploration and production activities. Shell will replace Ryder diesel-powered vehicles with 15 LNG heavy-duty vehicles supporting oil and gas logistics operations in Lafayette, La. and Houston, Texas. The trucks will be serviced out of Ryder's Lafayette facility, which is being engineered to meet the compliance requirements for natural gas. Additionally, Ryder signed a five-year fuel agreement with Shell, which will provide LNG fuel for the dedicated natural gas fleet.

GOOD WORKS



Maritime services provider **Wilhelmsen Ships Service** handled more than 4,400 tons of date shipments from its base in Dammam, Saudi Arabia, to support the World Food Programme (WFP). The dates supplement the diets of vulnerable people in countries across Africa and the Middle East. WFP, which helps 80 million people every year, uses dates as a vital dietary supplement.

recognition

The Southeastern Center of Excellence at **Transplace**, a provider of transportation management services, was named the **2015 Supplier of the Year** for packaging manufacturer Novolex. Novolex selected Transplace for delivering transportation management services and technology, which reduced transportation costs and improved customer service levels.

YRC Freight was selected as the **National LTL Carrier of the Year** for 2015 by J.B. Hunt Transport Services. Working together since 2008, YRC Freight delivers LTL, time-critical, accelerated, consolidation, ocean, and final mile services for J.B. Hunt. YRC Freight won the award based on five criteria: carrier relationship, overall service performance, scope of services, billing efficiencies, and customer support.



▲ The **Georgia Ports Authority** received a **2016 EPA Clean Air Excellence Award** for its electric rubber-tired gantry (eRTG) crane program that will transfer its container handling equipment from diesel to electric power. By the end of August 2016, the port will transition 45 cranes from diesel to electric power or purchased equipment with electric power capability, bringing GPA's eRTG fleet to 30 percent of the total. By using diesel power only to move between container stacks, eRTGs cut diesel use by 95 percent.

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TRENDS

SHAPING THE FUTURE OF LOGISTICS

Manufacturing maintenance training correlates to increased performance and ROI, finds a new ATS study.

If It Ain't Broke...Keep It That Way

Manufacturers are seeing big benefits from providing maintenance training. Just 40 hours of maintenance training per employee per year can net as much as a 127-percent return on investment, says a new study from Advanced Technology Services (ATS), a manufacturing maintenance consultancy. The study collected data from 1,189 maintenance technicians across 67 separate factory maintenance programs over 13 months to determine what effect such programs have on a manufacturing operation's efficiency.

by Jason McDowell

By providing more extensive training to their own employees, manufacturers can perform continuous maintenance on equipment. They also find themselves ahead of the game and with less downtime when equipment malfunctions or breaks down.

"Results of maintenance training impact not just the efficiency of labor, but also the reliability of equipment and the maintenance process," says Micah Statler, technical training program manager at ATS. "The migration from reactive to proactive maintenance hinges upon solid maintenance fundamentals. Once

your attention is on proactive functions, rather than fighting fires, equipment reliability can be a legitimate focus."

Well-trained workers feel more valued at work, meaning they tend to be happier on the job and stick around for the long term. Keeping up with annual training also provides a 9.4-percent increase in proactive performance, a 17-percent increase in internal promotion, and a 1-percent increase in employee retention, the study shows.

"We have seen positive statistical results in the correlation between training and

retention,” notes Statler. “We have also seen training and development opportunities having a very positive impact on employee engagement.”

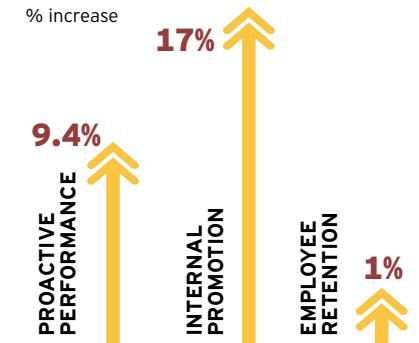
In the manufacturing industry, where companies constantly compete for workers due to a shortage of skilled labor, it’s critical that manufacturers create an environment where employees don’t want to leave.

“The key to getting the most impactful results is to utilize the training as a catalyst to provide greater opportunity,” Statler says. “Mentoring, coaching, and providing opportunities to utilize skills in challenging, higher levels of performance help to complete the package.”

The skilled labor shortage is expected to reach 3.5 million jobs over the next 10 years, according to the Manufacturing Institute. So manufacturers don’t just need to seek out new ways to retain employees, they also need to find ways to broaden the labor pool. Providing on-the-job

BENEFITS TO KEEPING UP WITH ANNUAL TRAINING

The key findings of the ATS study indicate that 40 hours of training per technician per year nets improvements.



Source: Advanced Technology Services survey

maintenance training allows companies that are struggling to fill positions to hire less-qualified candidates and get them up to speed after they are on the job.

Manufacturers should also consider partnering with colleges through job fairs and similar events. Many students in programs such as information technology, mathematics, or science often don’t realize how well the skills they are learning might translate into a skilled labor position.

Engaging students on campus about the positive aspects of a manufacturing career before they’ve made any final career decisions can also help fight the stigmas currently plaguing the industry that manufacturing jobs are dirty, blue collar, or unskilled.

For those already on the market, job seekers can also acquire training on their own to make themselves more marketable. “There are many avenues for job seekers to obtain hands-on training,” Statler explains. “And original equipment manufacturers and distributors, colleges, and technical institutes all provide many training programs and opportunities for those in the job market.”

Sanitary Transportation Rule: It’s Crunch Time

Shippers, carriers, and other supply chain partners are responsible for ensuring compliance with requirements for safe food transport and delivery as a result of the Food and Drug Administration’s (FDA) recent Sanitary Transportation of Human and Animal Food rule. That raises the question: Can shippers use technology to help meet the new mandates?

The answer is yes; many useful technology tools are currently available or are on the drawing board. “Digital technology can make food safety compliance a lot easier,”

says Brent Arbeau, digital marketing manager of Dartmouth, Nova Scotia-based Iron Apple International.

The Sanitary Transportation final rule is the sixth of seven to be published by the FDA to implement its groundbreaking Food Safety Modernization Act (FSMA), which mandates a more preventive approach to food safety. The goal: to avoid practices that can contaminate food or cause other problems. The rule spells out requirements for shippers, loaders, truck and rail carriers, and receivers. Companies transporting food meant to be exported have to comply with the rules while the product is in the United States.

The rule covers a few specific areas. First, shippers have to ensure vehicles and equipment are in sanitary condition and spell out required temperature and pre-cooling requirements in written agreements with carriers or loaders. They also have to confirm food transported in bulk is safe.

In addition, companies have to make sure food not entirely enclosed in a container—think a bunch of apples in open wooden boxes—doesn’t experience potentially harmful exposure. And extensive record-keeping requirements mean maintaining documentation—from the bill of lading to required temperature levels during transport—for every shipment.

But just because a shipper has, for example, a written document specifying a carrier has met its requirements doesn’t mean it’s off the hook if a food safety issue arises. “Shippers are still responsible for making sure their carriers meet the requirements,” says Lindsay Glass, Iron Apple’s training manager.

That’s where technology tools come in. Shippers can use them either for in-house compliance or to ensure their carriers meet requirements. Examples of these technology tools include:

■ **Temperature tracking and control.**

Because shippers dictate the particular



temperature range allowed in refrigerated units, they're better off with carriers using telematics systems that can track temperature information in real time.

Coretex, a Fort Lee, N.J.-based solutions provider of telematics cold chain temperature monitoring products, for example, offers a platform that enables it to monitor temperature in the back of a trailer and send a real-time alert via text, email, or computer if the level fluctuates too cold or hot. And the system can automatically start pre-cooling and monitor for when the temperature reaches the right level to begin loading.

■ **Data collection and record keeping.** A lot of data needs to be documented and stored. Shippers need to make sure that not only they, but also their carriers, have all the documentation ready and tied up neatly, in case regulators come knocking (they have 24 hours to comply).

To that end, solutions providers such as Iron Apple offer cloud-based digital document management platforms that store records about temperature, hygiene, and sanitation in the cloud. Its system covers seven areas, such as pest control and transportation, with all the required forms, policies, and procedures for each requirement. Dispatchers or other employees can scan their own forms into the system or fill out the documents online.

Solutions provider ReposiTrak, based in Salt Lake City, offers a cloud-based compliance management system that lets users upload any electronic document—certification that a truck was cleaned on a certain date, say, or a description of the specific items loaded onto a trailer. The system then compares the data to a company's predetermined business rules.

"Shippers can maintain food safety compliance without drowning in paperwork,"

says Randall Fields, CEO of Park City Group, which owns ReposiTrak. Another benefit: The platform creates a centralized dashboard for data produced by the myriad computer systems companies use to collect temperature levels, mileage history, and other data, and sends out alerts if it detects a problem.

■ **Training.** According to the regulation, every party affected by the Sanitary Transportation rule has to receive training in correct compliance procedures. Because it is considerably faster and more cost-effective for personnel to take such instruction online at their own pace rather than show up in a classroom, Iron Apple is developing an online program, due out by the end of summer 2016.

"Shippers need to know what they should be asking their carrier," says Glass. "And that requires training."

—Anne Field

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GLOBAL

THE WORLD AT A GLANCE

by Jason McDowell

Under the Unified Cargo Processing pilot, U.S. and Mexican customs authorities conduct joint cargo clearance examinations at the Arizona Port of Nogales, Mariposa cargo facility, eliminating separate inspections and reducing border wait times.



U.S./Mexico Border Project Takes Off Wait

To address customs clearance delays and waiting times at the U.S./Mexico border, U.S. Customs and Border Protection (CBP) and Mexico's Tax Administration Service (SAT) launched the Unified Cargo Processing pilot program at Arizona's Port of Nogales, Mariposa Commercial Facility. The project is posting positive results in its initial stages.

Under the old customs clearance system, truckers aiming to cross between the two countries were stopped a few miles from the border on either side. While stopped, customs officers would check their paperwork, and inspect their cargo—sometimes asking that truckers unload then reload the entire shipment. Then

they'd cross the border and go through the process again on the other side. Previously, trucks waited an average of three to nearly four hours for border inspections to be completed.

The Unified Cargo Processing project has cut that wait time to about 25 minutes, as CBP and SAT officers work together to perform a single inspection, according to Mexican Customs Administrator General Ricardo Treviño.

"The Unified Cargo Processing program saves time, and it saves trade stakeholders money," said Gil Kerlikowske, commissioner of the CBP, during a recent media event. "That means that cargo, especially produce that is subject to environmental

concerns, moves more quickly."

The Port of Nogales commercial facility can currently accommodate about 5,000 trucks per day. Trucks using the new program must be C-TPAT certified, otherwise they are subject to the old inspection procedures and wait times.

The pilot program was originally scheduled to last 90 days, but may end early due to the amount of positive feedback and data already acquired. "Frankly, I'm not sure we're going to need 90 days," Kerlikowske said.

Similar programs have been tested in seaports and airports on both sides of the border, but the Nogales project marks the first land port of entry to successfully

implement a unified inspection program. The Nogales port processed 256,895 containers in 2015, according to the Department of Transportation, making it the fifth-busiest land port of entry for truck containers on the Mexico border.

“The message of this program is that we are working together,” Guillermo Valencia, chairman of the Greater Nogales and

Santa Cruz County Port Authority, told local news outlet KGUN-9.

“In this year’s presidential election campaign, you hear other things about the border,” he noted. “This border is not here to divide us; it is here to connect us. We are showing people that if we work together, we come up with great ideas, and can do great work.”

Buying Spree: Logistics Drives M&A Activity

The second quarter of 2016 saw strong merger and acquisition (M&A) growth in the transportation and logistics sector, according to *Global Transportation and Logistics M&A Deals Insights Q2 2016*, a new report from consultant PricewaterhouseCoopers (PwC).

More than 50 M&A deals occurred globally in Q2. Deal value for the quarter was about \$34 billion, a decrease of 22 percent compared with 2015, but 20 percent higher than the first quarter of 2016, according to the report.

Five megadeals—transactions exceeding \$1 billion—transpired in the second quarter, with a \$26.7-billion total aggregated disclosed value. The largest deal was Maanshan Dingtai Rare Earth & New Materials Co.’s acquisition of SF Holding (Group) Co. for

\$16.8 billion; the second-largest was Alaska Air Group’s acquisition of Virgin for \$4.2 billion. Trucking M&A deal value was up 69 percent year-over-year, driven by the dollar value of the SF Holding acquisition.

According to PwC’s report, the following four factors should contribute to continued positive activity for transportation and logistics M&A in the near future:

1. A five-year trend of growth and recovery in the United States bodes well for M&A across all sectors.
2. Companies will continue to outsource their logistics and transportation functions as logistics becomes more complicated and technology-driven.
3. E-commerce growth will continue to support logistics and transportation growth.
4. Globalization and expansion of world trade will drive the need for growth.

Will Chinese Rail Project in Kenya Win Over Locals?

Kenya is looking forward to the completion of one of the largest transportation projects in its history: a \$13.8-billion rail project that will connect the Port of Mombasa to Nairobi and other parts of East Africa

State-owned China Road and Bridge Corporation (CRBC) is building the railway; the Export-Import Bank of China is financing 90 percent of the Mombasa-Nairobi section’s ongoing development. CRBC also oversees multiple related projects, including building roads that allow for intermodal transport between the new rail line and the country’s existing highway structure.

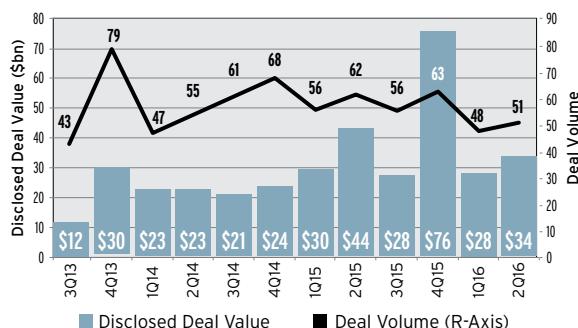
This project is exciting for Kenya’s economic future, but many Kenyan workers aren’t as optimistic. On Aug. 1, 2016, workers at the CRBC construction site in Nakuru went on strike for higher wages, demanding \$5 USD per day, instead of the \$2.50 they currently receive. The next day, residents of Kenya’s Narok County stormed a local construction site, injuring 14 Chinese workers.

Despite two years of complaints that CRBC imports Chinese labor, operates under bad labor conditions, steals water from local villages, and takes sand from local beaches for projects, the company maintains it has done a lot of good in the country. For example, it built new roads and repaired a number of important existing roads, provided education to Kenyan students in railway engineering, and sunk boreholes in a number of areas to provide better access to water.

“We see ourselves as not just here to build a railway track between Mombasa and Nairobi,” says Steven Zhao, manager of external relations and co-operation at CRBC. “We see ourselves as a transformative agent among the people in the areas we operate.”

Let’s Make a Deal

In Q2 2016, 51 mergers and acquisitions were brokered. Their \$34-billion total transaction value was up 20 percent from Q1 2016, but 22 percent lower than Q1 2015.



Source: PwC *Global Transportation and Logistics M&A Deals Insights Q2 2016*



Air Cargo Gets Demanding

Global airfreight demand clocks its fastest pace of growth in 14 months in the International Air Transport Association's June 2016 data.

Asia-Pacific airlines report a 3.5-percent increase in demand for air cargo in June compared to 2015, while capacity expanded 3.6 percent. The Asia-Pacific airfreight market has been improving in recent months, most notably the large "within Asia" market. Despite that, freight volumes from "emerging Asia" continue to face headwinds from weak trade in the region and globally.

North American carriers saw freight volumes expand 4.3 percent in June 2016, compared to the same period last year. Capacity increased 4 percent. International freight volumes continue to suffer from a strong U.S. dollar, keeping the U.S. export market under pressure.

European airlines posted a 5.1-percent increase in freight volumes and a 4.9-percent increase in capacity in June 2016. The positive performance corresponds with signs of an increase in export orders in Germany over the past few months. Seasonally adjusted freight results for Europe are now trending upward.

If You Purchased Freight Forwarding Services Providing domestic and international shipping, You Could Get Benefits from a \$53.55 Million Settlement

If you or your company used the services of certain freight forwarders, you may be entitled to a potentially significant cash payment from class action Settlements. Settlements have now been reached with the final two Defendants. Settlements were previously reached with 29 Defendants.

The Settlements involve a lawsuit claiming that certain freight forwarding companies secretly agreed to prices for their freight forwarding services worldwide, including on routes in the U.S. and between the U.S. and China, Hong Kong, Japan, Taiwan, India, Germany, the U.K. and other parts of Europe. The Settling Defendants deny that they did anything wrong.

Freight Forwarders provide transportation, or logistics services for shipments relating to the organization or transportation of items via air and ocean, which may include ancillary rail and truck services, both nationally and internationally, as well as related activities such as customs clearance, warehousing, and ground services.

Who is Included

You may be included in one or more of the Settlements (as a Class Member) if you: (1) Directly purchased Freight Forwarding Services; (2) from any of the Defendants, their subsidiaries, or affiliates; (3) from January 1, 2001 through January 4, 2011; (4) in the U.S., or outside the U.S. for shipments within, to, or from the U.S.

What Do the Settlements Provide?

DHL and Hellmann will establish a \$53,550,000 Settlement Fund. The amount of your benefits will be determined by the Plan of Allocation, which is posted on www.FreightForwardCase.com.

How to Get Benefits?

You need to submit a Claim Form, online or by mail, by **April 3, 2017** to get a payment from the Settlements. You can obtain a Claim Form by calling one of the numbers below or visiting the website. **If you already submitted a Claim Form for the first or second round of Settlements, you do not need to file a new claim.** You will automatically be paid from this third round of Settlements.

Your Other Rights

Even if you do nothing you will be bound by the Court's decisions. If you want to keep your right to sue DHL or Hellmann yourself, you must exclude yourself by **September 20, 2016** from that Settlement. If you stay in a particular Settlement, you may object to it by **September 20, 2016**.

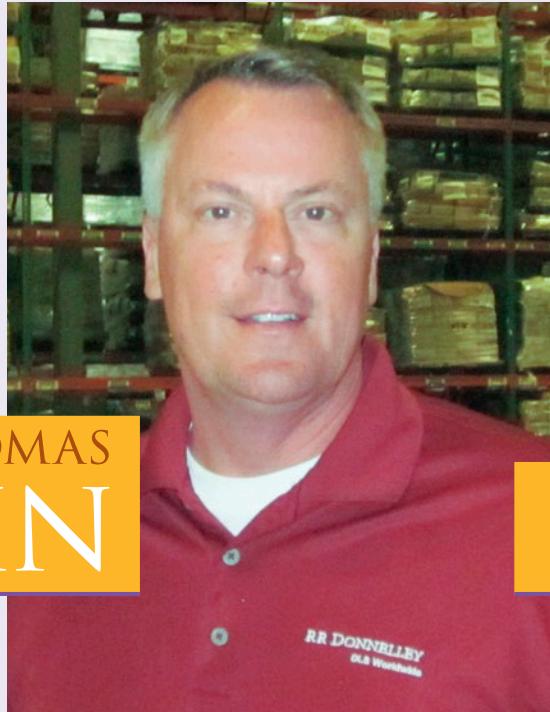
The Court has appointed lawyers to represent you at no charge to you. You may hire your own lawyer at your own cost. The Court will hold a hearing on **November 4, 2016** to consider whether to approve: (1) the Settlements, (2) a request for attorneys' fees up to 33% of the Settlement Fund, plus interest, and reimbursement for litigation expenses; and (3) a request for Class Representative service awards of no more than \$75,000 each. You or your own lawyer may appear and speak at the hearing.

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Keys to Customer Retention in a Competitive Environment

Q: What do you attribute to be the most significant key factor with customer retention in today's competitive marketplace?

A: Value over price seems to be an old adage that still is true even in today's market. A key contributor to this is having local sales effort, and knowing customer requirements. Being able to provide that local sales presence is important to any customer. When actually located where the customer is, there is a better understanding of actual requirements and how to better service the customer. Customers are generally more open about their needs or pain points when you're able to actually



THOMAS

President
DLS Worldwide

GRIFFIN

have a face-to-face meeting. Most customers today just simply don't have the time to explain their business over a phone call; having experienced local people adds a lot of value and saves time for everyone involved. I have witnessed that platforms using large call centers have a higher turnover rate compared to the majority of our agents or corporate sales representatives that have a tenured presence in a market and focus on customers they have solid relationships with versus calling customer targets and only offering a price quote.

Q: Are you saying that price is not important?

A: I'm merely stating that it's less important than providing the customer the service they require to facilitate their respective business. If shipments don't deliver when they need to, or a project does not go as planned, the client's business is put in jeopardy. There almost always will be a competitive element with price, but you would be surprised about the many other key contributing factors there are that cause logistic providers to lose customers such as claims, limited service options, or simple billing accuracy.

Q: Why is billing accuracy so important to maintain customers?

A: A lot of platforms underestimate the importance of the payables department, which is always attached to the finance group that really runs most business today. LTL is a large part of what everyone is offering today, as all the people who own and operate the trucks are doing extensive corrections (weight and class). This causes a ripple effect with customers getting multiple invoices, creating a nuisance and additional work with doing business in some cases. By simply delaying the final invoice provided by the carrier until after delivery versus invoicing on the day of pick-up, logistic platforms can actually create value with a single and accurate invoice on every shipment.

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What You Need to Know About Nearshoring

Q: When a company begins a nearshoring initiative in Mexico, what is the best way to expand its supply chain to meet the future need without disrupting the service their customers have come to expect?

A: When a company initiates a nearshoring program, it is critical to have a partnership with a transportation and logistics company that understands the dynamics of logistics in Mexico, and has the necessary infrastructure and network to support an effective supply chain operation in Mexico. Regardless of the services needed [e.g. full truckload, less-than-truckload (LTL), rail, expedite, warehousing, consolidation, customs broker, or freight management], being aligned with the right partner will ensure a seamless transition into this new market and minimize any negative impact on the service to the end customer.

Some of the important factors to consider when selecting the right partner are:

1. Do they have a bilingual staff on both sides of the border?

2. Do they have strong logistics and supply chain experience on both sides of the border?

3. Do you need a warehouse near the border to lower inventory at the plant and reduce risk of delayed transit times?

4. Does their TMS provide visibility along the supply chain in all NAFTA countries?

Q: How should a company leverage the relationship with their partners as demand in Mexico increases?

A: Having a logistics partner that can be flexible enough to tailor solutions to meet a company's specific needs can be a differentiating factor that can allow them to gain market share. Many 3PL providers have a rigid process they require their customers to follow in order for them to take on the business. In essence, they make the customer fit the provider's operational model.

Requiring changes to existing processes can create a significant increase in cost and a significant decrease in efficiency. Even if the result is a cost savings for the company, it can take months or even years to recoup the initial cost of implementation. Being aligned from the start with a partner that is willing to change their processes to meet the needs of their customers will decrease implementation costs as well as decrease the time required to operate at optimal levels. A company with this partnership can leverage this as a selling point to their internal and external customers and use it to obtain an advantage on the competition.

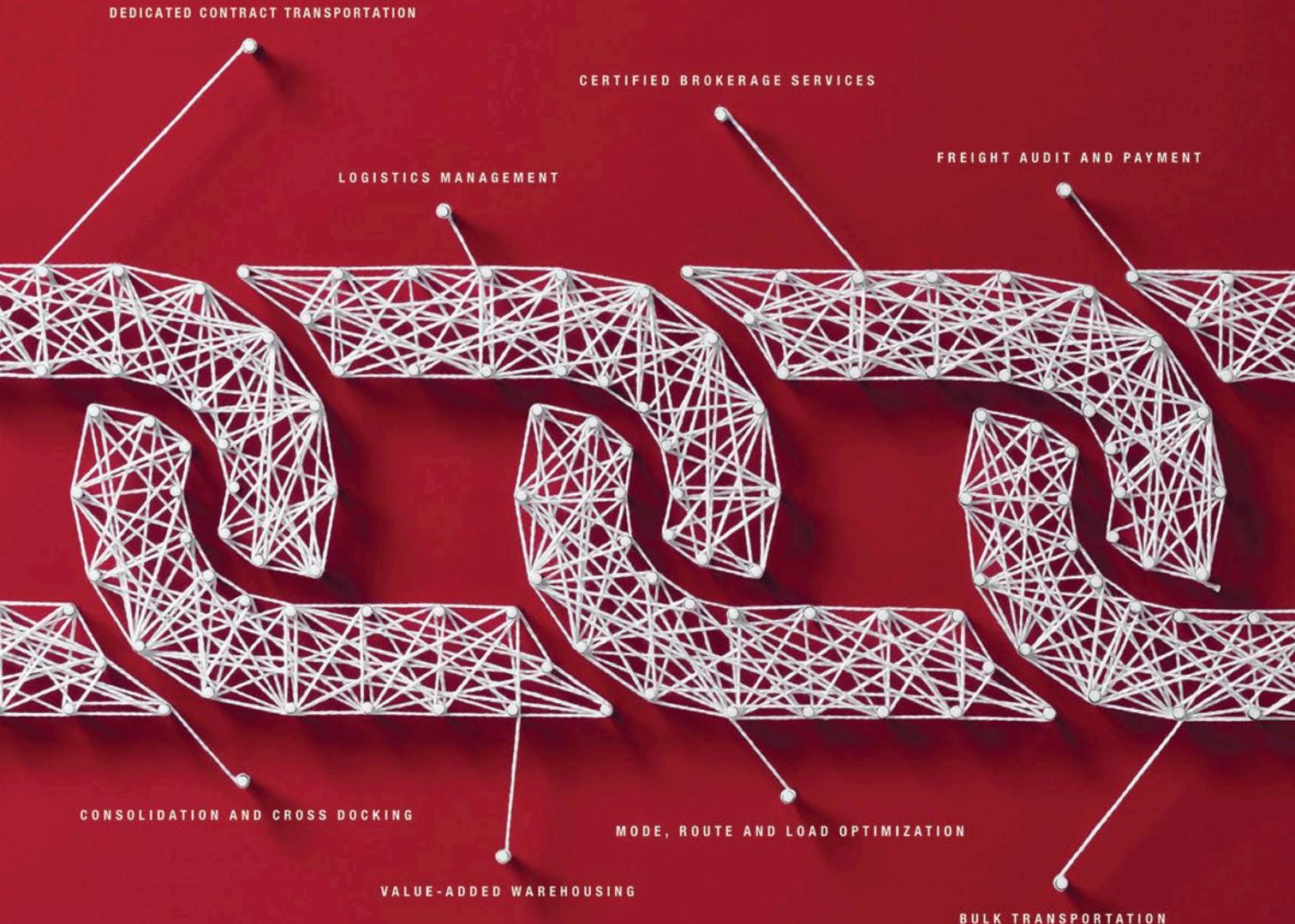
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Director of Client Solutions, WSI

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Vice President, Global Head of Vertical Markets, Consumer and Retail, Schenker International (H.K.) Ltd.

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BRIAN BOURKE

Vice President, Marketing, SEKO Logistics



Complying With Big-Box Retailer Requirements

Complying with big-box retailer regulations is not a one-person job for 3PLs. An integrated team approach is the best way to ensure your company, as a logistics provider, is able to be absolutely reliable to the retailer. Specifically, customer service, compliance, and transportation and operational services equally aid in the assurance of complying with big-box retailer regulations.

Customer Service

Serving big retailers starts upfront with strong information technology infrastructure. An integrated warehouse management system executed by highly trained customer service representatives with the ability to work on a number of different customer software systems will keep retailer orders coming. Whether your company uses RedPrairie, Manhattan or some other robust WMS, valuing and thoroughly training your CSRs are essential actions to build and maintain retailer relationships. CSRs are the first point of contact between a customer and your company, and they need to understand retailer guidelines as or even more intimately than your compliance department. These friendly faces—or voices, if they communicate primarily by phone—of your company help ensure, for example, that boxes with slight mislabeling issues get relabeled in a timely fashion. They move the daily operations of your retailer accounts along smoothly, navigating bumps in the road with ease and a smile, if they are valued, trained and challenged appropriately. They are the human faces behind the efficiency-driving EDI transactions your company relies on to function: order processing, invoicing, pick-up and delivery data.

Compliance

If you have not hired or assigned a dedicated compliance professional in your company to help with labeling and ensure on-time deliveries and shipping, you're doing it wrong. Often, as a 3PL, you will find the retailer itself is not your customer. Your customer is a small manufacturer or consumer packaged goods company that wants to attract or retain big retail customers. What now? Your dedicated compliance professional—should they be motivated—will find a key retailer contact with whom to build a relationship. This key contact at the retailer can help your 3PL monitor changes in requirements. A key contact can even give your company a heads-up on major transformations, like a sneak peek of the retailer's new supply chain strategy or put in a good word for your 3PL to provide more third-party logistics services.

Similarly, the precise labeling and packaging requirements of large retailers can be daunting. Assigning at least a part-time compliance professional to handle these details will serve your business well. That professional can populate, maintain and update a vendor compliance intranet site, listing all labeling, packing and transport requirements for each retailer. That same person can make sure your company offers detailed tracking. Have the ability to provide box-level detail to your customers and their big-box retailer customers through the use of unique package identification standards from the Uniform Code Council (UCC).

Transportation and Operational Services

Efficiently routing products and meeting big-box retailers' strict must-arrive-by date requirements are essential steps in compliance. At WSI, we like to say, "When your product is delivered to our warehouse, that's where the inspection starts." Item number set-up in our WMS is verified there, the labeling and packaging are inspected and any irregularities are worked out before the product ever is loaded on a truck headed to a retailer. In many of our facilities with retail accounts, the use of advanced warehousing, like RFGen, pick-to-voice and scan audit stations, eases the process of picking and shipping.

"Be extremely detail-oriented and cover all the bases, from customer service to transportation to the labor pool," said Mark Weum, a leading WSI retail account sales manager. "It's a total team effort."

Additionally, being proactive about labor considerations is important. If Walmart gives your hair product customer another \$1 million in logistics business because the big-box store is happy with your 3PL performance, make sure you know ahead of time where your company will get the additional people needed to work in the warehouse. Proactive considerations for a tight labor market include offering full-time positions to part-time or temporary warehouse workers with strong performance, and giving those full-time employees benefits.

Finally, if you make mistakes, own up to them. Examine your operational processes and design them with compliance for big-box retailers in mind. If you stick to their requirements—and keep up on them in your frequently updated intranet—your 3PL should be able to challenge chargebacks with detailed historical reports of what you did correctly.

Complying with big-box retailer requirements isn't always easy, but it pays off in the result of a cohesive 3PL team, satisfied employees and continued business.



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Multiple Channels Are Making Supply Chains More Complex

The global consumer packaged goods (CPG) logistics market is forecast to grow at a compound annual growth rate of 5.98% from 2016 to 2020, according to a Research and Markets study entitled *Global CPG Logistics Market 2016-2020*. For CPG logistics providers who are looking for and finding new ways of helping customers get their products directly to end consumers, this forecast may be conservative.

Commenting on the report, an analyst from the research team said: "One trend that is impacting the market positively is the dominance of integrated service providers. Integrators provide all types of logistics services and can act as both 3PL and 4PL providers."

Logistics providers have to be ready to manage inventory, from production right through to the end customer, and handle returns as required. Customers are demanding flexibility, transport acceleration, transport postponement, and effective and sufficient inventory levels. They want final-mile distribution and digital visibility along the entire integrated supply chain.

For logistics providers, finding the right balance between speed, costs, and inventory equilibrium levels is the key to success. It's also about offering integrated management by using the entire service portfolio of extensive origin value-added services like quality control, labeling, reconditioning, packaging, and co-packaging; along with multi-vendor consolidation and multi-country consolidation.

To be successful, providers must offer global transport solutions (across all transport modes and in accordance with specific needs), customs brokerage, and distribution center operations, as well as final-mile deliveries into retail outlets and direct to end-users.

CPG supply chains are also becoming more varied and interconnected, servicing logistics providers with more opportunities to service their customers; but these opportunities also create a higher degree of complexity. Complexity drives the

need to be more creative in the solutions we propose.

A perfect example of a creative solution was one that we suggested to a major global bath appliance customer who was paying high warehouse fees to store product that would not be released to stores until weeks or months later. The DB Schenker team recommended shipping the product from its Asian manufacturer by ocean, thus taking advantage of weeks stored at sea in transit at a lower cost than in the warehouse.

Another unique offering that DB Schenker launched in Europe last year is Netlivery. It offers small and medium businesses a customized sales and logistics service. We help them get into e-commerce and online sales quickly, taking advantage of DB Schenker's complete range of web-based logistics and digital sales functions, using proven delivery models. From the presentation of products on the web to order fulfillment and payment, shipments, returns, repairs and even customer service – virtually everything can be done from the single-source DB Schenker platform.

Each module in Netlivery can be adjusted to the customers' specific requirements and quickly integrated into new or existing channels. With its pay-as-you-play model, business customers are only charged for the services they need.

In addition, the shift from multi-channel retail to omni-channel retail has increased the importance of e-commerce and its integration with the other channels. A clear example is the "click and collect" or BOPIS (buy online pickup in store) business model.

DB Schenker is taking this model one step further and investigating the possibility of having consumers place their orders online and pick them up while commuting through train stations and transit hubs. Consumers can order online and pick up their purchases on their way to the office or home.

In light of changing retail and e-commerce markets, the opportunities for CPG logistics providers to increase revenues are only limited by our imaginations. It's all about flexibility and speed.

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Global Retail Expansion: The Convergence of Marketing, Customer Service, and Supply Chain Strategies

As the global market becomes ever more connected, more and more retailers are struggling to keep up with their international expansion. Brands who never anticipated going global are finding that they all of a sudden are, thanks to the progression of e-commerce and increasing customer expectations.

Wisely, this is where many are seeking assistance, and leveraging their cross-functional leadership's knowledge and expertise to align their strategies and goals in relation to global retail and e-commerce expansion—a process that should also be embraced by any logistics professionals that would like to see better forecasting and less stranded inventory.

Omni-channel Expansion Strategy

Setting up localized websites to target global buyers with online orders is certainly the first step, and an important one to get right. However, it isn't enough to rest on. You can certainly begin digitally, but as sales increase in a country it becomes vital that you have inventory positioned there, along with customer service and a retail footprint, allowing you to quickly scale sales at a reduced total landed cost and provide customers with the quick delivery times they expect.

Omni-channel Marketing With the Right Platform

With an omni-channel approach, the chance for success within any single market increases—however careful consideration should be given to which markets you choose to pursue. The same is true for digital marketing. Trying to launch into 50 new currencies and languages will be confusing and costly, with a high risk of mistakes. Take a tiered approach, identifying the key markets to expand into first and making sure your localization process is implemented properly. It's highly beneficial to work with a digital agency such as Red Hot Penny, who are familiar with localization not just in terms of currency and language, but right down to the difference in cultural expectations, both for marketing and e-commerce platform customization. Having the right experts in your corner could easily be the difference between success and failure, and getting it wrong can be a costly mistake.

Omni-channel Customer Support

Once you have begun to enter new markets, you must be ready to field calls, emails, visitors, and social inquiries—from the

locally preferred social networks—rapidly, effectively and with the nuances of a local. Supporting multiple languages can be effectively achieved with the help of the right outsourced partner, like Sutherland Global Services, that can be your omni-agent as you conquer the world. There's a high demand globally for U.S. and European retail brands, but consumers still want—and expect—localized customer support in their own language and at hours convenient to them.

Omni-channel Logistics and Transportation

For U.S. retailers, a tiered approach can lead to a steady and sustainable growth. Starting with countries with the same or similar languages like the United Kingdom and Australia will allow you to access global markets and test strategies with less of an upfront investment.

Once you're able to validate your approach, you can branch out into other countries and regions like Canada, New Zealand, Hong Kong, and Scandinavia. Other areas in the EU, China, and Japan are also lucrative, but incredibly different, and require an experienced hand to navigate. At the end of the day it's better to start with a solid foundation for successfully scaling your operation.

An intercontinental fulfillment option from the United States is a good place to start, working with a global air freight forwarder that is able to manage the entire omni-channel retailing process in-house, from down route access at origin through line haul and local injection services at destination. In short, regardless of the distance, urgency, or budget, there are options.

When you reach global scale it's beneficial to look at outsourced geographical locations to hold inventory for all sales channels close to key consumer markets, as the omni-channel logistics service moves away from sales-specific distribution centers. This benefits consumers with a far more seamless and consistent experience, providing an improved and standardized delivery experience even in global markets, and benefits retailers with improved fulfillment speed from one region to the next.

It should be noted that returns management is one of the key roadblocks to developing a global e-commerce offering, and an effective worldwide returns policy is a vital stepping stone towards true omni-channel retailing excellence. Ensure that you choose the right provider for a warehousing solution that is able to provide a one-stop returns service with a bigger global reach than anyone else in the business.



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[IT MATTERS]

BY CYRUS HADAVI, Ph.D.

CEO, Adexa Inc.
info@adexa.com | 310-642-4122

Self-Improving Supply Chains Have Arrived

Imagine a world where supply chain planning systems can mold themselves into their environment, adapt, and improve as the business changes. Imagine systems that can monitor user behavior as well as customer and supplier anomalies, and advise accordingly. These are self-repairing supply chains.

Imagine no more. With advances in processor speed and abundance of memory, as well as recent developments in artificial intelligence (AI) techniques and ability to search for cause-and-effect relationships in large quantities of data, this luxury is upon us today.

Three areas of AI are of particular interest to supply chain planning systems:

1. Machine learning and inference techniques.
2. Optimization algorithms, including planning and scheduling.
3. Big data and techniques to uncover hidden information.

Supply chain planning systems can greatly benefit from combining these three approaches so they become more intelligent, dynamic, and user friendly to the extent they can explain their decisions if users question the answers.

This will result in automated decision making and less reliance on subjective decisions, and much faster analysis and response to changes in the environment. It also ensures that every decision moves the organization closer to profitability, market share, or any other objectives.

AI learning systems are intended to make software more intelligent by learning from its environment as the system is exposed to more data. A company's supply chain model can have the ability to constantly change because the supply chain itself is dynamic and the company being modeled is continuously changing.

In some cases, those changes are subtle, such as demand falling slowly over time. Other times, they are more obvious events, such as losing a customer or a supplier. Enough intelligence can be built into systems, however, so that they can learn about such behaviors and adjust themselves.

Planning Advantages

By using techniques in big data and predictive analytics, the system constantly corrects models so they represent an accurate view of what is actually occurring. Then, optimization techniques can yield a much better result of what needs to be done using the planning algorithms and heuristics.

Inventory has always been the biggest blessing and curse of every company.

But now, techniques can constantly monitor not just what has been used but also what is expected to be used. Based on that, the system can recommend the best levels of inventory for every part number at every level of the supply chain.

Learning from past usage leads the system to the needs of the future with a certain degree of confidence. Based on this, the system makes decisions to ensure on-time delivery at the lowest possible cost.

Successful Predictions

Users can also train the systems to compare progress against management's set goals. They do this by predicting what is expected on the supply side, and comparing it with the goals. When deviations fall outside acceptable limits, the system can and will decide on changes to the plan to bring about a more favorable solution.

Industry has reached an inflexion point—moving from an information age to a decision automation age. As this trend continues, human beings need only specify their objectives, and systems will offer feasible solutions and relevant costs.

But in order to do so, these systems need to have a realistic understanding of the world around them to know all the options. ■

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BY LAMAR JOHNSON

Executive Director, Center for Customer Insight & Marketing Solutions and Senior Associate Director, Supply Chain Management Center of Excellence
The University of Texas at Austin, McCombs School of Business
Lamar.Johnson@mcombs.utexas.edu | 512-468-1090

How to Attract the Best Supply Chain Talent

Everyone in the supply chain management field feels the crunch for frontline, technical, and management talent. Today, leading companies are expanding their talent search from traditional technical sources, such as engineering programs, to include a new area: business schools.

The demand for technically oriented people who understand business and possess soft skills such as communication, leadership, and persuasiveness, has created new disciplines within business schools. Schools are transforming the curriculum of existing programs to equip students with a combination of sought-after talents.

Schools like the McCombs School of Business have seen a dramatic growth in enrollment in supply chain as a choice of major, and we still can't keep up with the demand—growing from seven undergraduate students in 2007 to more than 250 in 2015.

The Winning Formula

Providing a well-rounded business education in addition to focused curricula on key supply chain skills, while also providing ample real-world experiences, is a winning formula for producing tomorrow's supply chain leaders.

To get your fair share of this talent source, look at how you are approaching your overall strategy. If business schools

are not currently in the mix, here are four things to consider:

1. Pick one, or a few, core schools to create a relationship with beyond simply posting interview schedules. Research company Gartner does a biannual ranking of schools that offer the most well-rounded curricula for producing the best talent.

2. Once you decide on your core school or schools, assign resources to create a deep relationship. Schools are looking for partners to provide internships, student projects, classroom speakers, potential research opportunities for the faculty, and other creative experiential student opportunities.

For example, the McCombs School and a leading retailer worked together to develop a program that immerses 30 undergraduates in the entire supply chain for three categories—from retail point of purchase all the way back to the source of raw material in China.

Students visit each handoff in the supply chain during the six-week program, and work on an inventory optimization solution. McCombs

School business students join students from the Hong Kong University in China for a few weeks of joint classroom training, which offers an enhanced cultural experience.

As a university partner, look for ways to create customized programs with your company that provide differentiated experiences.

3. Get your executives involved in the program's Advisory Council at your core school. Leading-edge programs use advice from their sponsoring companies to continually adjust and improve their overall curriculum and program offerings.

4. Assist the school in its efforts to attract more supply chain majors from within the school. For example, provide resources to help develop and deliver "Supply Chain 101" presentations to promote supply chain careers to students trying to decide between supply chain and other disciplines.

The industry will continue to feel a talent crunch for years to come. Supply chain programs from leading universities are transforming their curricula and experiences to grow technically skilled business leaders, capable of leading up and down disciplines as well as across the enterprise. Don't miss out on the opportunity to play a role in growing and developing these programs and attracting your fair share of the talent. ■

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BY MELANIE NUCE

Vice President of Apparel and General Merchandise, GS1 US
mnuce@gs1us.org | 937-435-3870

Black Swan Events: Setting the Standards for Resiliency

Major supply chain disruptions, commonly referred to as “Black Swan” events, are high-impact, low-likelihood occurrences that are typically not on your everyday radar. But knowing exactly where your product is in the supply chain is never more important than during these instances.

The effects of a hurricane, flood, fluctuating oil prices, political unrest, and port closures can all be lessened by enhancing supply chain visibility with industry standards that enable a more fluid and communicative business environment.

Supply chain standards allow for a common language to identify, capture, and share product, location, and event-based information in real time. Standards enable supply chain visibility, a valuable asset when an unexpected event occurs. Companies are better able to recover if they can pinpoint where products are at all times, and can communicate more efficiently with trading partners if all procedures are uniform.

The Need for Visibility

Seventy percent of small and mid-sized businesses responding to a recent Zurich and the Business Continuity Institute survey lack visibility over their entire supply chain. And, 74 percent of companies worldwide suffered a

supplier-related disruption in the past year, while 14 percent experienced losses of more than \$1.1 million each as a result, the study reports.

A lack of visibility causes stress for the entire retail supply chain—manufacturers, suppliers, brand owners, retailers, e-tailers—and negatively impacts the customer experience.

A crisis situation further exacerbates this effect. For example, the West Coast port slowdown forced some shippers to incur more than three times their usual cost of transporting goods. To mitigate disruption, a number of retailers shifted shipments to East Coast ports, or bought extra inventory in advance. Customers in California, Oregon, and Washington grew accustomed to empty store shelves.

When Black Swan events such as a port slowdown occur, a standards-based supply chain is clearly advantageous. What causes financial losses from supply chain disruptions is the process of having to quickly scramble to find alternative plans. A flexible supply chain

operation, which can make changes to suit consumer needs, can recover faster and with fewer costs.

Today’s supply chain management teams must focus on achieving the agility needed to create resilient supply chains—which are not only an effective risk management tool, but also valuable beyond a crisis.

Staying Nimble

Adopting standards to enhance visibility helps create a nimble supply chain that expands a company’s capabilities to meet the needs of today’s omni-channel consumer, and adapt to a rapidly changing business environment driven by the growth of e-commerce.

Companies that leverage the interoperability of standards—as opposed to siloed, proprietary systems—to identify, capture, and share information about a product, benefit from overall operational efficiency and real-time visibility.

In today’s hyper-connected and instant-gratification-oriented culture, time and knowledge are two of our most precious commodities. A standards-based supply chain can provide an organization with the speed and accuracy required when they’re needed most—helping to manage risk during normal operations and at times of crisis. ■



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WHEN FAST ISN'T FAST ENOUGH

BY MERRILL DOUGLAS

To keep customers happy, retailers play a daily game of beat the clock. For some retailers, smart supply chain management strategies and 3PL partnerships keep the orders flowing. For others, well... time may be up.

Bricks and mortar aren't dead yet. According to Census Bureau estimates, just 7.8 percent of all U.S. retail sales in the first quarter of 2016 took place online. But that's a good deal more than one decade ago, when online sales for the first quarter of 2006 amounted to 2.8 percent of the total.

And among people who already favor online shopping, the allure of e-commerce continues to grow. That group made 51 percent of its purchases online, up from 48 percent in 2015, according to a 2016 survey of 5,000 online shoppers, conducted by comScore for UPS.

Technology continues to reshape the retail world. As more consumers click to buy, e-commerce giants such as Amazon put increasing pressure on merchants of all types to offer more flexible shopping choices—both in-store and online—and faster fulfillment. Omni-channel options? Next-day delivery? Free returns? Shoppers want it all. And successful retailers keep honing their strategies to meet their demands.

Are retailers ready to deliver? Maybe not all of them. For example, in a survey conducted by consulting firm McKinsey at the World Retail Congress in April 2016, only 21 percent of respondents said they are more confident than one year ago in their ability to deliver omni-channel experiences. Another 45 percent say they are making progress too slowly.

Another set of opportunities and challenges arises as retailers globalize their operations. Whether they open locations in new countries or use the web to reach across oceans, companies selling to consumers in international markets have to refine their distribution strategies.

What's new these days in the new world of retail? Here are some observations from the leading edge.

UPS's online shopping figures come from the 2016 edition of its annual *Pulse of the Online Shopper* survey. This year marks the first time that survey respondents say they made more than half of their purchases online.

UPS uncovered some significant changes in the habits of consumers who favor online shopping. Seventeen percent of respondents say they plan to do less shopping in stores in the future and more online. Shopping via smartphone has increased by 10 points since 2014; 77 percent of online shoppers now use that mode.

Also, consumers are more apt than ever to use multiple channels to complete transactions. Purchases that combine store visits with at least one online channel account for 38 percent of all purchases—two percent more than in 2015, the survey finds. Half of shoppers who buy online had purchases shipped to brick-and-mortar stores for pickup.

Same Look and Feel

Retailers are looking for better ways to respond to consumers' embrace of omni-channel shopping, and their desire for a convenient, seamless process. "Whether they're on a retailer's app, or on a website, or in a store, they want it to look and feel the same," says Louis DeJianne, director of consumer goods and retail marketing at UPS in Atlanta.

Merchants have to strike the right balance among several factors that, taken together, make up the formula for customer satisfaction. "Customers want it as fast as possible, where they want it delivered, and how they want it delivered," says DeJianne. As merchants position inventory in their distribution centers (DCs) and stores, they must consider the costs attached to holding that product. "Figuring out inventory allocations and inventory visibility is a key step," he adds.

Besides working toward the best omni-channel approach, retailers are trying to take the best possible advantage of the ship-to-store strategy. "They're trying to figure out how to drive more consumers to their stores to pick up the items," DeJianne says. Shipping several e-commerce orders to a store, using a merchant's own transportation network, costs less than shipping individual orders to consumers' homes.

"The goal is to get the customer into the store and provide a great shopping experience, with the hope that they'll make additional purchases," DeJianne says. The 2016 survey shows that 46 percent of shoppers who pick up e-commerce orders in physical stores make additional purchases on the spot.

The desire for a flexible omni-channel experience extends to returns. "The easier a retailer can make returns for consumers, the more comfortable they will feel about purchasing that product," DeJianne says.

In particular, customers hate restocking fees. And they like to avoid the return shipping process altogether. "People are gravitating toward the return-to-store option," he says.

"Customers want an order as fast as possible, where they want it delivered, and how they want it delivered."

— **Louis DeJianne**, Director of Consumer Goods and Retail Marketing, UPS

Shoppers are also gravitating toward the notion of dropping by the corner deli, or another local shop, to pick up or return e-commerce orders. "The study shows that 54 percent of respondents have an interest in shipping to an alternative location with extended hours," says Matt O'Connor, a UPS spokesman.

Especially in urban areas, a courier working for companies such as UPS can't safely leave a package on a customer's doorstep when no one is home. If the customer is out, the package doesn't arrive as expected, which frustrates demanding consumers. "With an alternative delivery location, consumers can receive that package on the same day," DeJianne says.

UPS has developed a network of more than 24,000 stores across North America and Europe to serve as alternative access points, where customers can pick up and receive packages.

Sundip Naik, vice president, supply chain, business transformation services, for consulting firm Capgemini in Atlanta, also observes that consumers want faster and more varied delivery options. Demand for greater speed and flexibility is growing

thanks to expectations set by two kinds of participants in the retail market. One is Amazon; the other is the new wave of local delivery services from companies such as Uber and Deliv.

"These newer entrants not only provide more delivery options, but also offer different services, such as delivery after 7 p.m., when consumers are home," Naik says. "In order to remain competitive, retailers are tapping partners, as opposed to building delivery and last-mile capabilities in-house." For example, he points to partnerships that Macy's and Best Buy have formed with Deliv.

"In addition, retailers are providing options beyond traditional home delivery, such as drive-through pickup, curbside

pickup, and locker pickup," Naik says.

As retailers roll out these new options, the biggest challenge they face is a financial one. "How does a retailer balance the right level of service and 'touch' to the customer with the cost to provide that service?" asks Naik.

If the retailer relies on a partner to add last-mile delivery options, along with cost the merchant must also consider how delivery affects the brand and the consumer's experience. "Given that the delivery person is the last touchpoint to the customer, it's critical for retailers that the interaction be a positive one," Naik says.

Merchants and their delivery partners must collaborate to make sure that the interaction with customers enhances the retailer's image and reputation, and encourages future sales, he adds.

Homage to LeBron

Along with ongoing pressure to deliver quickly and flexibly, a retailer may sometimes get a momentary spike in demand that makes velocity essential.

Consider Columbus-based company Homage in June 2016, as the Cleveland

The team at value-added services provider Dismas Distribution (top & middle) works with sports apparel retailer Homage (bottom) to keep sales channels filled, smooth demand peaks, prep items for sale, and repair flawed shipments.



Cavaliers were wresting victory from the Golden State Warriors in the NBA Finals. “We had opened our Cleveland store, and carried a lot of Cleveland Cavaliers t-shirts,” says Mike Sheehan, Homage’s vice president of operations. “And LeBron James, bless his soul, was photographed wearing one of our tees.” Demand for Cavalier-themed clothing was about to boom, and Homage had to move fast.

Founded as an eBay merchant in 2007, Homage sells t-shirts and other apparel that gives a shout-out to sports teams, pop culture icons, and other fan favorites, with an emphasis on vintage logos and designs. Today, the company operates four physical stores—two in Columbus, one in Cleveland and one in Cincinnati—with others in the works. It also runs a thriving e-commerce business.

To keep those channels filled, Homage needs to rush product from suppliers—largely located in Los Angeles—through



its Columbus DC to store shelves and customers’ doorsteps.

“We often get garments landing from Los Angeles, and we need to launch those immediately to fit into our marketing schedule,” Sheehan says. “We may not have as much time as we would like to get them screen printed, counted, and distributed to our stores.”

Timing becomes an even bigger challenge when a quality check of incoming

garments reveals a mistake in some items, such as a hem that’s missing a stitch, or a badly sewn label. To avoid bottlenecks, Homage often sends flawed shipments to Dismas Distribution Services, also based in Columbus. The service provider sorts the shipment into good and bad items, and then makes the necessary correction—adding stitches, fixing labels, adjusting packaging, or otherwise solving the problem.

“Having a partner that can turn products typically in 24 to 48 hours—or 72 at the outside—is huge,” Sheehan says.

If Homage had to ship thousands of units back to Los Angeles for correction, that would keep product out of customers’ hands for far too long. “It would screw up our marketing calendar,” he says. “By partnering with Dismas, quality problems delay us for only a few days, instead of a few weeks or longer.”

Dismas also sometimes prepares items for sale, sorting by size and color, and doing the different kinds of ticketing and packaging needed for in-store sales and e-commerce, says Bob Parsons, CEO for the service company.

Fast on Their Feet

The Dismas operation is flexible enough to solve problems on short notice. “They’re able to quickly staff up, and to throw resources at whatever issue we have,” Sheehan says.

That’s what happened when the Cavaliers became the NBA champs. “Nearly 8,000 shirts came through here right away,” Parsons says. The Dismas staff got busy attaching tickets and otherwise prepping the product for sale, so no fan would walk out of a store disappointed. “That was one of those times when speed to market was critical,” he adds.

Homage also relies on front end flexibility to deliver what customers want. For example, if a customer in a store wants an item that’s not in stock, the sales associate will locate that item on Homage.com. “Then we offer to help the customer place an online order in our store, at one of our computer terminals,” Sheehan says. If the customer prefers, Homage can transfer the item from another store instead.

Although Homage strives to ship all e-commerce orders within 12 to 36 hours,

when things get busy, the warehouse sometimes gets backed up, Sheehan admits. Still, associates go out of their way to help customers who inquire about the status of their shipments.

“When a customer does reach out, we automatically try to bump their order to the front of the queue and get it out that day,” he says. That also goes for customers who indicate up front that they need delivery fast—for example, if they’re bringing a gift to a wedding. “We will do everything we can to expedite the order and get it to the customer.”

Omni-channel, Southern Style

Given customer demand for flexible shopping options, it’s no surprise that an ambitious new company would embrace the omni-channel philosophy from Day 1. “We are eliminating a lot of the scaling challenges and transitioning costs that pain so many retailers today,” says Melissa Baird, vice president of systems and procedures at Draper James, a Southern-inspired retail brand founded by actress Reese Witherspoon.

Headquartered in New York, Draper James started selling its line of women’s clothing, accessories, and home goods through an e-commerce site in May 2015. It now also operates a store in Nashville and will add a second, in Dallas, in fall 2016, with plans to expand into other southern markets as well.

Draper James manufactures most of its clothing in the southern United States and distributes it through an omni-channel distribution center in Greenville, S.C., operated by third-party logistics provider Sunland Logistics.

An efficient, well-balanced omni-channel experience is crucial to creating a great customer experience, says Baird. “Customers don’t think in channels; there is only shopping,” she says. “So keeping a consistent offering and brand experience across all channels becomes incredibly important.”

At the same time, customer behavior is slightly different online and in the store, so it’s important to fine tune inventory, selling style, and other elements for each channel.

Currently, if an in-store customer can’t find the desired size or style, an associate can place an order online and



Omni-channel retailer Draper James selected Sunland Logistics as its 3PL partner for fulfillment center operations. Sunland handles orders from Draper James' website and uses its WMS to handle the process from order batching, piece pick order filling, case replenishment, and packing through shipping.



have it shipped to the customer’s home. “Customers can return product to the store or ship it to Sunland, regardless of how they purchased it originally,” Baird says.

Ship-to-store is coming soon. “It’s important that we offer as many options as it takes to make our customers’ lives as easy as possible,” she says. “That’s just good southern hospitality.”

The secret behind successful omni-channel fulfillment is listening to what customers want. “If a customer wants delivery to their seat at the Tennessee Titans game, I will figure out how to get it there,” Baird says.

Because Draper James is a new company, it still makes many of its products in limited quantities. That creates a special fulfillment challenge.

“When inventory starts to run low, we need to make sure we can offer every single unit we have to all of our customers,

online or in the store,” Baird says. “The key for us is tight systemic integration of inventory and processes.” When necessary, the company can pull inventory from the store to fill an e-commerce order, or ship e-commerce inventory to the store.

Sunland Logistics gives Draper James the flexibility to move inventory quickly across channels. “They can fulfill online orders and store orders with equal speed and efficiency, so we’re never bogged down by heavy processes,” Baird says.

For Sunland, the biggest challenge, especially on the e-commerce side of Draper James’ business, is managing the volatile order flow that comes with special sales events, says Arch Thomason, Sunland’s CEO. Say, for example, the retailer runs a big sale during the July 4th weekend. “We could walk in on Monday with hundreds of orders,” he says.

Sunland, headquartered in Simpsonville,

S.C., relies on Lean principles to keep pace with demand spikes. The company also works with Draper James to forecast when orders for specific items are likely to surge. “We’ll forward-position that product in the warehouse, so we can pick and ship it quickly,” Thomason says.

Draper James also benefits from the fact that it’s one of several tenants in Sunland’s DC. Each day, Sunland can allocate resources depending on each retailer’s volume, making sure that orders go out the door quickly.

“It doesn’t make sense to bring in temporary labor for one day each week and think they’re going to be efficient and productive,” Thomason says. “The key is to flex internal labor with people who understand our processes and requirements, to make sure we can meet the demand.”

Coming to America

For Stitch & Hide, a global vendor of leather accessories, the newest retail challenge involves a hop across the Pacific.

Actually, Stitch & Hide was an international enterprise from the start. Ross Smith, a New Zealand native, naturalized U.S. citizen, and apparel industry veteran, founded the company in 2013. As CEO, he runs it out of Rolling Hills, Calif., but Stitch & Hide also maintains headquarters in Byron Bay, Australia.

The company manufactures its wallets, belts, bags and other products in India, and started out marketing them in Australia. It sells its product through boutiques and small retail chains there, and operates its own direct-to-customer channel at Stitchandhide.com.

In 2016, Stitch & Hide globalized even further, launching a foray into the U.S. market. On the business-to-business side, as in Australia, it targets smaller retailers here. On the direct-to-consumer side, it’s taking a two-pronged approach.

One prong calls for developing a separate e-commerce site for the United States. “We’ve looked at all the major retail companies, and most of them have specific sites for specific countries, for obvious reasons—cultural issues, and different seasons, holidays, promotional times, and currencies,” Smith says.

The other prong involves a partnership with U.S. retailer Western Outlets, which



Stitch & Hide reshaped its logistics network to sell its leather accessories internationally.

One Size Does Not Fit All

For retailers that plan to expand into global markets, it’s important to understand how customers’ buying patterns and brand perceptions vary from place to place.

“The success of a single brand may vary within a region or country,” says Sundip Naik, vice president, supply chain, business transformation services, at Capgemini in Atlanta.

For example, outside Japan, Australia, Singapore, and China’s larger cities, retail in much of Asia relies on networks of thousands of traders and distributors, rather than traditional retail stores.

“This channel is important to understand, particularly if retailers want to infuse capabilities such as auto-replenishment, last-mile delivery, and additional services, including delivery to homes,” Naik says. “The change management required to shape and introduce new omni-capabilities and technologies is an area retailers often underestimate.”

started selling Stitch & Hide products through its Amazon store in July 2016.

That partnership gave Stitch & Hide a way to get its products into the Amazon marketplace without toiling up the steep learning curve required to become an Amazon merchant. “Using Western Outlets, which understood all the protocols, made access amazingly easy,” Smith says.

Entry into the United States might prompt Stitch & Hide to reshape its distribution network. Originally, the company shipped all of its product to a DC in Australia, and then fulfilled all orders—wholesale and e-commerce—from there. That included e-commerce orders received from all corners of the globe—whether from Thailand, Russia, Europe, or the United States.

With the U.S. operation still in its infancy, Stitch & Hide uses just the Australian DC for its own e-commerce orders. But that may well change. “When we get the second website up and running, we’ll probably split the world in two, because of shipping costs,” Smith says. “Some orders may ship out of North America and some may ship out of Australia.”

Thanks to the partnership with Western Outlets, though, Stitch & Hide has already started building a distribution infrastructure in the United States.

“We brought in two sets of inventory,” Smith says. The first resides in an Amazon DC in the California area. “When the order comes in to the Western Outlets website, it is transmitted to Amazon’s multi-channel fulfillment program, where Amazon then picks, packs, and ships on behalf of Western Outlets.”

Stitch & Hide keeps a second, small inventory in Los Angeles, which it uses to replenish Amazon’s and other retailers stock as needed. “As we grow the business, we’ll increase the inventory in Los Angeles, and at Amazon to keep ahead of the curve,” Smith says.

As Stitch & Hide and other smaller retailers grow, they’ll certainly see their logistics strategies evolve even further, both in response to greater customer demand and to keep up with consumers’ desires to get the products they want, when and where they want to receive it, without delay. ■

WEEKLY
DELIVERY

MILLIONS
OF MEALS

SEASONAL
MENUS

MEAL DELIVERY SERVICES

You've Got to be KITTING Me!

ORGANIC

OPTIONS
GALORE

LOCALLY
SOURCED

TEMP-
CONTROLLED

ECO-FRIENDLY
PACKAGING

HUNDREDS
OF SUPPLIERS

BY KAREN M. KROLL

**Meal kit delivery services
are great for consumer
convenience and health.
But their supply chain
complexity can cause
plenty of heartburn.**

Busy families, working couples, and singles who want to eat home-cooked meals but don't have the time to plan and shop are flocking to meal and meal kit delivery services. Consumers who subscribe to these services typically receive a shipment of fresh, prepared ingredients for one or several meals, along with the corresponding recipes, once a week. As the sector continues to grow, so does the supply chain flexibility and agility meal kit delivery services demand.

"The everything-in-a-box kits promise convenience by eliminating the need to plan meals, find recipes, and shop for groceries," according to Packaged Facts' April 2016 report, *Meal Kit Delivery Services in the U.S.*

Each ingredient in the shipment is sized to the recipe—if the instructions call for two scallions, two scallions are in the container. As of June 2016, consumers could choose black garlic-shoyu ramen from Blue Apron or herbed hanger steak with green beans, red onions, and grits from PeachDish. Veestro, which delivers frozen vegan meals to consumers' homes, offered veggie empanadas.

The idea of a company delivering meal ingredients to consumers' homes has been around for a while. "Fifteen years ago, companies located outside Los Angeles and New York didn't have the density required to make such services feasible," notes Paul Steiner, vice president of strategic analysis with Atlanta-based Spend Management Experts.

The growth of residential deliveries changed the equation by reducing the distances between stops for carriers, and increasing the number of items delivered to each stop. This "has lowered the carrier's cost structure to support residential deliveries," Steiner says.

Even so, most subscribers reside in urban areas. Nearly three-fourths of users are between the ages of 25 and 44, and more than three-fifths live in urban areas, according to Packaged Facts.

While operators who succeed will need to offer tasty meals and an engaging, intuitive user interface, their supply chain management skills also will be key. That's because many services promise some mix of local, fresh, reduced-calorie, gluten-free, or organic products. "Each meal kit service offers a certain hook," says Chris Caplice, executive director with the MIT Center for Transportation and Logistics.

The attention lavished on the ingredients is great for consumers looking for healthy, tasty meal alternatives. It's also often a boon for local farmers, who gain a source of ongoing demand for their goods.

Yet it also makes for more complicated supply chains. The companies often work with dozens—and sometimes hundreds—of smaller suppliers. PeachDish, an Atlanta-based meal kit delivery firm, sources seasonal herbs, vegetables, and meats directly from 75 farms and producers, 75 percent of which are local. "Purchasing local, organic, and at the season's peak is the best way to achieve the most flavor and nutrition," says President Judith Winfrey.



Blue Apron leverages supply chain innovation to get fresh ingredients and interesting recipes delivered weekly to subscribers' homes.

PeachDish ships 20,000 meals each month throughout the contiguous United States. Customers can choose from at least eight meal options each week. Four change seasonally, while the remaining change weekly. At least three meals are vegetarian.

Ensuring ingredients are what they're supposed to be can be a challenge for all companies. "If a food company promises locally grown ingredients, and that's a strong part of its brand proposition, it needs to make sure all the food it uses is locally grown," says Katy Jones, vice president of marketing with FoodLogiQ, a provider of food traceability solutions. For organic items, "companies want to know their suppliers have their certifications locked and loaded," she adds.

What's more, it's difficult to promise local ingredients without opening local kitchens, or transporting all the ingredients to a single distribution center, says Brian Fugate, associate professor in the department of supply chain management at the University of Arkansas. At the same time, companies may struggle to obtain sufficient quantities of different ingredients if they limit themselves to local sources of supply. One solution may be networks of distribution centers that pull from farmers located within several hundred miles of each one, Fugate adds.

Once ingredients arrive at the food companies' facilities, they need to be divided, prepared, packaged, and assembled into meal kits. "Meal kit companies

need sophisticated systems to get materials in, reassemble them, package them, and keep them hot or cold and secure," says William McLaury, assistant professor in the department of supply chain management at Rutgers University. In addition to the multitude of moving parts, all functions have to occur at an extremely expedited pace, he adds.

8 Million Meals Monthly

New York-based Blue Apron ships more than 8 million meals per month to customers across the country. To make that happen, regional farms and suppliers deliver ingredients to fulfillment centers in New Jersey, California, and Texas at the beginning of each week, explains spokesperson Nisha Devarajan. The company's farm sourcing team works directly with a network of 150 farmers, who grow seasonal varieties of produce, such as honeynut squash, watermelon radishes, and fairytale eggplant, that the company's chefs use in their recipes.

Once ingredients arrive at the fulfillment centers, they're portioned, packed, and shipped, all within the week, to customers across the country. The inventory turns almost completely each week. Also each week, Blue Apron's culinary team creates 10 new recipes, which aren't repeated for another year, Devarajan says.

For most meal kit ventures, picking and assembling the right mix of ingredients into containers that can keep them clean,

fresh, and safe typically is done manually, and is an expensive part of the entire process. "While automation can play a role in meal kit delivery, I think it's far down the line," Steiner says.

Finding packaging that can keep ingredients clean, safe, and temperature-controlled provides yet another challenge. While meal kit services cut food waste by delivering the exact amount consumers need for their meals, "the packaging is ridiculous," Caplice says. "It's not unusual to find each item individually wrapped."

Mark Fachler, co-founder of Vestro, a plant-based meal delivery service (*see sidebar*), continually scouts more eco-friendly packaging options. The hunt has proven challenging, especially when it comes to insulation. One potential, albeit surprising, option may be denim. "It's more expensive, but it's holding up," he says.

With any food delivery, safety is always a concern. Should an ingredient in a meal kit later prove to have carried a health risk, such as listeria contamination, the company behind it needs to be able to quickly trace both its source and destinations. This is critical not only to cut the risk of illness or death, but also to protect the business. The more targeted a safe recall, the less of an impact it will have on the bottom line. "Traceability needs to be robust," Jones says.

Even though companies such as FoodLogiQ provide traceability solutions, more than half of food recalls cost U.S. companies more than \$10 million,

according to research published in 2015 by insurer Swiss Re.

And while the services offer convenience, they also require consumers to plan ahead by at least a few days. At some point in the future, customers may be able to place a meal kit order and have it delivered within one or two hours, but that isn't yet the norm.

In addition, many meal kit services strive to make cooking "an event," Caplice says. They eliminate the need for consumers to shop and plan their meals, so they can focus on the cooking itself. While the growth of these services is testament to their appeal, preparing the meals still requires more effort than, say, pouring a bowl of cereal.

Devouring the Challenges

While the challenges are difficult, they're not insurmountable. To start, the meal kit delivery business model can enhance demand planning. "Subscription models enable the most accurate forecasting and planning," says Susan Porjes, author of the Packaged Facts report on these services. Because subscribers usually choose their meals several days in advance, the food companies know how much of each ingredient to order.

Engaging directly with consumers also provides the companies with "direct demand signals," Caplice says. The leading ones should be able to respond and adjust their supply chains to shifting signals more quickly than grocery stores or restaurants.

Blue Apron plans its menus one year in advance. It can predict demand for each ingredient, and work directly with its network of farmers to grow the crops that will end up on its menus. "Providing a source of predictable demand for these farms allows them to net a better yield and produce what's most effective on their land," Devarajan says.

Even services that offer broader menus or some ordering flexibility can forecast their supply needs more precisely by analyzing customers' order histories. They also can feature the top-selling products prominently on their websites, further driving customers to them.

Robust software will be key to help meal kit companies effectively order, source, assemble, pack, store, and deliver their

Frozen Meals Turn Up Heat on Logistics

The term "frozen meal" no longer connotes humdrum pot pies and pizza. A new meal kit service called Vestro—the name is an amalgamation of "vegan" and "bistro"—provides "healthy, convenient, great-tasting meals."

The company currently ships about 35,000 frozen meals monthly across the nation. Entrees run between \$9 and \$12, and average order size is \$200.

While meal kit services eliminate the shopping and preparing required to pull off most home-cooked meals, they still require some thinking ahead. Moreover, subscribers who don't use all the meals they receive each week can end up wasting them. With many meals costing \$8 to \$12 per serving, that can add up.

Frozen meals can be more convenient, says Mark Fachler, who co-founded Vestro three years ago. Customers store them in the freezer, and can eat them whenever they want, although Vestro recommends consuming them within eight weeks to ensure best flavor.

At the same time, the meals are fresh. "We make the products as customers order them," Fachler says. "They don't sit there for months."

Shipping frozen meals also makes it easier for Vestro to cultivate customers across the nation, Fachler adds. And, the recipe for Vestro's logistics model is simpler than the meal kit delivery companies.

Fachler started the company in a small commercial kitchen. He

headed to the farmer's market each morning, as produce comprises about 90 percent of ingredients Vestro uses in its recipes.

As the company grew, it became more difficult to obtain the larger quantities of produce needed. To simplify its supply chain, Vestro now works with a consolidator that buys from local farmers.

The company also moved to a larger kitchen that allows for more efficient meal assembly, as it provides easier access to the shipping boxes, dry ice, and other materials. As a result, Vestro has been able to ship three times as many meals, with just double the number of employees. Fachler has taken other steps, some as small as pre-printing the labels affixed to the meals, to streamline the assembly process. "You save a minute here and there and it adds up," he says.

Every Monday morning, Fachler provides the chef the orders for the week, based on his forecast. The kitchen is in full production mode Monday through Thursday. On Friday, the meals are put into trays, labeled, and frozen. They remain in the freezer over the weekend, so they're frozen solid when they ship. Orders placed by Friday are guaranteed to ship Monday or Tuesday.

The meals are vacuum-packed and shipped in an insulated container, lined with recycled expanded polystyrene foam. Vestro uses FedEx to ship the meals.

Each shipment includes a label that customers can use to return the insulating foam. The company gets back about 20 percent of the insulation it ships.

Fachler and his team are implementing an ERP system scheduled to be operating by summer 2016. It will replace the manual calculations Vestro currently needs to compute inventory levels, ordering quantities, and other information.



Vestro provides made-to-order, fresh-frozen, and ready-to-heat meals, from breakfast to dessert.

products. As companies grow, it becomes difficult to tackle these functions “with spreadsheets and phone calls,” says Jones.

Blue Apron developed a “bespoke warehouse management software” that allows it to purchase, apportion, and ship approximately 100 unique ingredients each week, Devarajan says. The company’s operational teams can efficiently track and manage ingredients and deliveries across its fulfillment centers.

The companies also need scheduling tools that tell the kitchen staff how many of each meal to prepare, as well as efficient ways to communicate with suppliers.

Technology can also help companies transport meals to their customers. Small meal kit services or startups might engage an outside delivery service, such as Uber or Amazon. “Uber can transport products as easily as it transports passengers,” McLaury notes.

Most companies will bring the function in-house as they grow, Caplice says. That means investing in a routing system.

While technology will be key to the success of meal kit delivery companies, the personal touch remains important. Many of the companies, for example, feature their suppliers on their websites. PeachDish subscribers can learn how Aluma Farm is converting 20 miles of industrial railway into working farmland, or how King of Crops Farm grows natural and sustainable popsicle ingredients for King of Pops.

Blue Apron’s sourcing team has developed relationships with more than 150 farmers located near its distribution centers in New York, Texas, and California. “We work with these farmers to plan their crop rotations around our menus,” Devarajan says. “We also help minimize food waste by providing farmers a predictable outlet to sell their produce.”

What’s Cooking for the Future

The long-term prospects for meal and meal kit delivery services appear positive. The market hit \$1.5 billion in sales in 2016, a number that’s projected to grow to multiple billions over the next five years, according to Packaged Facts.

Meal kit companies also have the potential to disrupt both the restaurant industry and the grocery industry, says Packaged Facts. Their customers look forward to



PeachDish sends subscribers a box of fresh, pre-portioned ingredients and recipes to make two dinners for two people every week. The meal kit delivery service ships out of Atlanta, and works directly with many local farms.

cooking restaurant-quality meals at home, yet with none of the planning, shopping, or other prep work most home-cooked meals require.

Yet, it’s unlikely all the 150 meal kit companies currently competing for a slice of the market will stay around. The largest ones will go public, Packaged Facts predicts, while some smaller competitors will consolidate or go out of business.

“Consumers are notoriously fickle and could tire of meal kit delivery services once the novelty wears off,” Porjes says. After they acquire a few cooking skills and become familiar with a wider range of ingredients, some customers might decide they don’t need the services, she adds.

As a result, “the industry’s current triple-digit growth rates are not sustainable,” Porjes says. “The rates are predicated

largely on geographic expansion, and few marketers have the wherewithal to scale nationally.” Among other qualities, the survivors will have strong management teams and differentiated marketing thrusts, she adds.

At least one company will figure out how to create these kits and deliver them to consumers within one hour, likely with the help of drones, McLaury says. Drones would also reduce the need to plan around traffic jams.

Despite the unknowns and challenges, many analysts see the meal kit service industry surviving. Consumers of all ages are more comfortable using technology to make purchases. The meals provide a lower-cost alternative to eating out, and the services leverage many consumers’ growing preference for fresh, local food. ■



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Taking the Show on the Road

Show producers and their logistics partners earn props for their behind-the-scenes work on live entertainment events. From the opening act to the grand finale, here's how they set the stage for shows on tour.

By Merrill Douglas



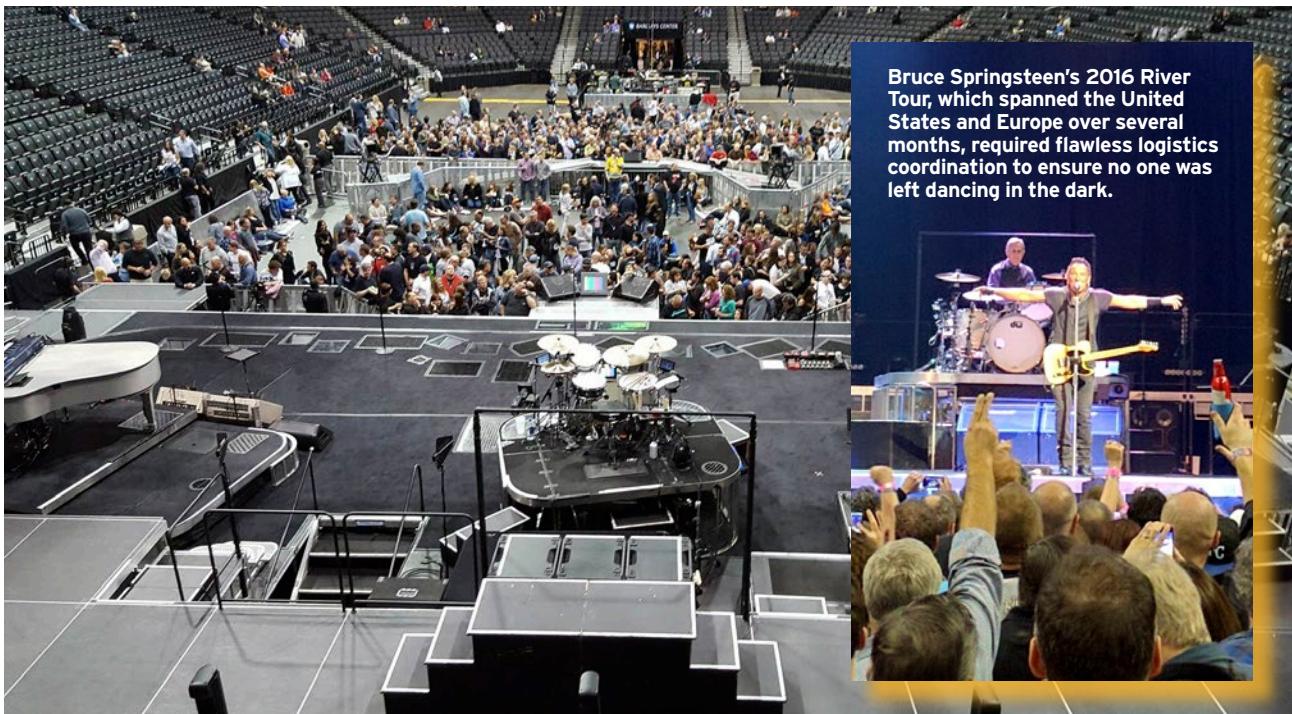
Before the house lights dim and performers make their grand entrance, first come the trucks. There’s no live entertainment without someone to deliver musical instruments, costumes, scenery, lights, sound equipment, or jumbo video screens. For a show on tour, moving all that gear from one venue to another demands a tightly sequenced and well-orchestrated plan.

“Entertainment logistics is very organized and very controlled,” says Jason Juenker, senior production manager at NETworks Presentations, one of the largest producers of theatrical touring shows in the United States.

“Everything has to happen on time and in the right

order,” agrees Greg Walden, event production director at Geometry, a New York-based marketing firm.

When the show must go on, logistics professionals make sure all the components get on the go and arrive exactly as planned. Here are some stories from the road.



Bruce Springsteen's 2016 River Tour, which spanned the United States and Europe over several months, required flawless logistics coordination to ensure no one was left dancing in the dark.

PHOTO CREDIT: Jennifer Jansen, Barclays Center, Brooklyn, April 2016. INSET: Darrin Lightner

HOW ROCK GETS ROLLING

Rock-It Cargo has provided freight forwarding for some of the biggest names in music, from Bruce Springsteen, Lady Gaga, and Madonna to The Police and Taylor Swift. The company's show business clients also include orchestras, theater companies, dance troupes, and TV and film production companies. But with roots that date back to 1978 in London, Rock-It Cargo has perfected the art of taking a big music show on the road.

Before a tour starts, Rock-It Cargo's first job is to move gear to a central location — either a rehearsal spot or the site of the first engagement. Then it arranges to transport whatever gear the band requires from one venue to the next.

"We use different freight modes — local trucking, cross-country trucking, air freight, and ocean freight," says Ed Butler, vice president, senior operations manager and a partner in Rock-It Cargo, based in Los Angeles. "We also provide import, export, customs clearance, carnets (a document that allows a shipper — including a band — to move equipment across international boundaries and clear customs without paying duties) — everything a tour would need."

Every band has equipment to move, including the instruments and microphones, amplifiers, speakers, and other

electronics that go with them. The bigger the act, the more gear it needs to transport. "Some acts take on their own audio, lighting, video, even catering," Butler says. Technicians — the people who keep all that equipment functioning — transport "work boxes" full of tools, cables, manuals, and other items needed for maintenance and repairs.

Stage sets — risers, backdrops, and anything else the band uses to give the stage a special look — also figure into the logistics equation. So do lighting, audio and video equipment, and the mixing equipment that technicians operate during the show.

Much of this gear travels in wheeled cases, rolled onto pallets. "Some of the cases have to stay upright," Butler says. "Some are so heavy, you can't move them around much. Some you can flip, and some stack easily."

When all this gear arrives at a venue, workers unload it and set it up in a certain sequence: rigging, stage set, lighting, video, and audio. "The last to load in is the band gear," Butler says. At the end of the show, everything moves out in reverse order.

One thing that makes band equipment different from, say, a load of shoes bound for a distribution center, is that every piece is part of a system, all of it essential to the show. "If one goes missing, it's detrimental to the rest of the system," Butler says.

How does Rock-It Cargo make sure nothing goes astray? "There's an old expression: 'Know your gear,'" Butler says. "That means doing site inspections at many of the tour's locations, whether at rehearsals or a few live shows, before the tour is ready to depart."

During those visits, members of Butler's team get to know the band's personnel and take a good look at the equipment. "Sometimes a band might not tell us in advance about a large or overweight piece of equipment, or maybe something delicate," he explains. The forwarder's employees must discover those things on their own.

MAGICAL MYSTERY TOURS

Band logistics may provide other surprises as well. "Tours are not planned as far in advance as a lot of other corporate forwarding events," Butler says. "Usually we have three to six months to get things rolling."

"But a band may be on tour when the members decide they want to add a festival show," he notes. Suddenly, management and the logistics partner are hashing out how to accomplish that — maybe with just one week's lead time.

Such arrangements aren't easy. But sometimes Rock-It Cargo pulls off a real coup. Butler's "personal best," he says, took

place in 2008 while moving gear for The Police from Singapore to Macau. “We built 30 pallet positions — more than 154,000 pounds — on a Singapore Airlines Cargo 747 freighter in one hour and 40 minutes. That was from the time the first truck backed in to the time the last pallet was weighed. And then we were gone.”

BRITISH INVASION

Steve Crease founded X-Freighted — a Los Angeles-based firm that manages transportation for entertainment clients — in 2013. Like Rock-It Cargo, it has handled many touring musical acts, including Coldplay and Sam Smith.

X-Freighted’s specialty is serving British bands when they tour North America, with a particular focus on getting their gear from the airport to their first venue, and then back to the airport at the end. “For domestic moves, the band production team

The band also obtains an ATA (Admission Temporaire/Temporary Admission) carnet and tells Crease when and where the shipment is coming in and when it needs to arrive at the first venue.

“Once we receive that information, I set up the customs clearance and airport transfers,” Crease says. Then the gear goes onto trucks. “We find out what the venue is, whether it has a loading dock, and whether it has restrictions on parking or loading times — which is common,” he says. “The venues are highly organized and structured in terms of when equipment moves in and out.”

Although X-Freighted generally doesn’t handle domestic moves, Crease has enough experience to know that one of the difficulties bands face when moving gear these days is a dearth of wide-body aircraft on routes between major cities. Most airlines now use narrow-body planes

But one of the biggest challenges is finding like-minded, professional carriers in every city where X-Freighted’s clients need transportation. Getting a trucking company to agree to pick up a load and deliver it the next morning is not enough.

“You could find that they’ve over-stretched themselves, and their idea of delivering on time is within four hours,” Crease says. “That doesn’t work.”

Developing a network of trusted vendors takes time, and contending with factors such as traffic and weather, which can throw off a delivery, takes experience. “You have to stay on top of those challenges and triple check that everything is in place,” Crease says. “If you do that, the deliveries happen without incident, and the customers are happy.”

ON TOUR WITH TAME IMPALA

One of those happy customers is Matthew Chequer, tour and production manager for Australian band Tame Impala. Crease manages the band’s transportation in North America, and lends a hand with freight moves elsewhere.

“We just did a Southeast Asian tour, and Steve Crease helped move gear down there, and bring it back to North America,” Chequer says. “Usually, I copy him on all the emails, no matter where the gear is going in the world, because inevitably it ends up in North America.”

Crease and another forwarder who works with Chequer handle all the band’s transportation needs. “They arrange for a local trucker to pick up the freight from the airport and to clear it with customs,” Chequer says. “That frees me to concentrate on the hundreds of other things I do.”

The biggest logistics challenge that Tame Impala faces is getting its equipment across international borders. Anything from incorrect paperwork to a customs agent in a bad mood can delay band gear in transit. “A customs agent can open a box and point out an incorrect serial number or question a \$100,000 item listed on the paperwork but not actually with the gear,” Chequer says.

Sometimes the problem is simply competition with other cargo moving through customs. “We had issues in South America during perishables season, when food takes priority over everything else — particularly



Entertainment logistics company X-Freighted has handled transportation for British rock band Coldplay and other touring acts.

usually books their own specialist interstate truckers,” Crease says. “They hire between one and 20 trucks, and those drivers and trucks stay with the entire tour.”

Most touring bands arrive on the continent via New York or Los Angeles. Before starting out, the band’s management advises Crease about what it’s shipping over. “They provide a spreadsheet with a detailed packing list, and a description of goods, serial numbers, dimensions, and individual weights,” he says.

for those flights. “They have strict weight restrictions,” he says. And the aircraft doors aren’t as high as on the wide-bodies.

Luckily, band managers and tour organizations are savvy enough to understand the restrictions they might face when the schedule calls for moving a band and all its gear overnight between two far-flung cities. “Often, we say, ‘This is impossible. You’d have to charter an aircraft, or it’s a 12-hour drive and the load-up would have to be completed by midnight,’” Crease says.



Australian rock band Tame Impala's biggest logistics challenge is moving its equipment across international borders. It relies on freight forwarders to ensure incorrect paperwork or customs holdups don't delay band gear in transit.

PHOTO CREDIT: Debi Grande

When a NETworks production arrives at a venue, the crew walks into a completely empty theater. “We bring all the lighting equipment, sound equipment, scenery, costumes, and even our own flooring,” Juenker says. All that gear arrives in trucks operated by theatrical trucking company Clark Transfer, based in Harrisburg, Pa. The number of trucks varies with the production; *Phantom* currently uses 20.

Before a new show starts to tour, NETworks has the scenery constructed at various shops around the United States and arranges to rent the sound and lighting gear. “We assemble all the equipment off site before we bring it to the first theater,” Juenker says.

If a show takes a short break—around Christmas, for instance—the company usually stores all the gear on the truck trailers. If a show goes on a longer hiatus, or when it closes, the gear moves to the NETworks warehouse in Annapolis, Md.

The show's head carpenter works with the trucking company to coordinate deliveries to each theater. Items are packed into trailers in a way that allows the crew to unload them in the order needed. “As soon as a piece of equipment comes off the truck, it's generally put into use right away,” Juenker says.

The process plays out in reverse at the end of the final show in that city. “As soon as the equipment comes off the stage, it goes right onto the truck,” he adds.

Because NETworks keeps the trucks for

musical equipment,” Chequer says. “Even though Steve Crease has everything booked months in advance, sometimes you can't do anything about it.”

An eight-hour customs delay once forced Tame Impala to cancel a show in Germany. When that tour ended, the band headed for the Sasquatch Festival in Washington State, only to encounter another customs holdup. “We thought we would have to cancel,” Chequer says.

Forced to withdraw from its original spot in the lineup, Tame Impala moved to a smaller stage at a later hour. The gear arrived just in time. “Fans were waiting for about 90 minutes, watching us frantically set up, unpack boxes, and take equipment straight off the truck and onto the stage,” Chequer says. “Despite that, we managed to have quite a good gig.”

Like Crease, Chequer understands real-world constraints. “One thing I learned early on was to always ask your cargo agents prior to a tour if something is possible,” he says.

Looking at a flight schedule, for example, you might assume there's plenty of time to get a band's gear from Point A to Point B. But experts can spot inconspicuous details that may foil a planned move. “I appreciate what cargo agents do to save my hide,” Chequer says.

BRIGHT LIGHTS OF BROADWAY

Even if you've never seen Andrew Lloyd Webber's *The Phantom of the Opera*, you've probably heard about the moment at the end of Act One when a massive chandelier crashes to the stage. And you might

assume that this one-ton fixture, adorned with 6,000 beads, is tough to move from theater to theater.

You'd be wrong. “It's surprisingly easy,” says Juenker at NETworks Presentations, whose production of *Phantom* has been touring for about three years. “The chandelier slides into a rolling cart with sides to protect the crystals,” he explains. While the chandelier's size makes it awkward for a truck, it does fit, with straps and padding to keep it from harm while on the move.

Based in Columbia, Md., NETworks produces its own shows and manages every aspect of each production. As of mid 2016, it had 11 shows on the road, including well-known titles *Dirty Dancing*, *Beauty and the Beast*, *The Sound of Music*, *Blue Man Group*, and *Once*, along with *Phantom*.



The production team at NETworks Presentations handles all the equipment logistics and transportation for popular touring Broadway shows.



TAKING IT TO THE STREETS

Marketing firm Geometry Group uses entertainment to forge an emotional bond between a brand and its consumers. Take the time when SC Johnson's stain remover, Shout, sponsored a booth at The Color Run, a just-for-fun 5K race in which runners are repeatedly blasted with clouds of colored powder.

The idea behind this piece of "event marketing" was to give runners the experience of using Shout. "We used a 12-foot spray bottle with a fog mister that, when it was inflated and turned on, looked like it was spraying Shout out of a nozzle," Walden explains. Staff handed out T-shirts and took photos of runners, who could also try an inflatable obstacle course meant to feel like a trip through a washing machine.

Uniting all the elements needed to stage a marketing event requires the same kind of coordination as a touring concert or Broadway show. Missed deadlines can spell ruin.

"Even if the goods themselves are not perishable, if they do not get there on time they are worthless," notes Brian Bourke, vice president, marketing at SEKO Logistics, a third-party logistics provider based in Itaska, Ill. "It's like spoiled fruit."

That's where a partner like SEKO Logistics comes in. "One of our

specialties is providing time-definite service," Bourke adds.

To appreciate the role of coordination in these events, consider the time Microsoft hired Geometry to stage a game show in a plaza off Boylston Street, in the heart of downtown Boston. Among the components that Geometry's transportation partners had to haul were a 40-foot x 40-foot stage, a 48-foot water tank, water to fill it, and a roll of AstroTurf. Nine trucks were due, and each had to arrive at a specific time.

"I had scheduled the trucks based on what we needed to do, and when, so we wouldn't have laborers standing around waiting on someone else, or a truck sitting on Boylston Street blocking traffic," Walden says.

The first truck in the lineup, due in by 7 a.m. the day before the event, was SEKO's. "It was coming from one of our fabricators in Denver," Walden says. The truck absolutely had to arrive on time, unload, and then clear out. "We had one spot where we could park a truck without blocking fire lanes or sidewalks or getting into trouble with the city," he adds.

As Walden left his hotel at 6:30 a.m. and walked toward the plaza, he was delighted with the sight that met his eyes. "I was on the phone with SEKO, and their truck was down the street, in a place where it could safely park," he says.

To clear the way for the event, Walden made several advance trips to Boston to talk with city officials. When load-in day came, Boston law enforcement officers were ready. "Dedicated police officers were there to help control traffic as we backed trucks onto the plaza, because we literally had to stop traffic on Boylston Street to get on and off."

Despite careful preparation, unexpected variables may still await the driver who arrives for a scheduled drop-off. "The margin of error is a lot smaller in these situations," Bourke says. "Unexpected events—be they snowstorms or cars being towed—have a traumatic effect."

Yet, in most cases, professional event producers and their transportation partners pull things off. The band's lead guitarist strikes the first chord, the theater orchestra starts the overture, the game show host steps into the plaza, and it's on with the show. ■

long periods, it can modify the trailers for items that need special handling. "We put padding on the walls in certain places, or build special nooks for items to fit into, so they don't get jostled," Juenker says. Crew members who travel with the show also use straps and load bars to protect the gear.

NETworks designs all its scenery with an eye toward travel. "We keep the dimensions of our trailers—the height and width—in mind when we build the scenery to make sure it can fit easily," Juenker says.

It takes about two days to load *Phantom* into a new theater, but most shows start bringing in the gear on the morning of the opening performance. "They start at 8 a.m. with a blank theater and have a show at 8 p.m.," Juenker says. That makes the prospect of weather delays a particular hazard.

Generally, the crew gets the job done on time, despite all obstacles. But on rare occasions, the weather lands an especially hard blow—as in 2001, when a truck full of pigs overturned on an icy Iowa highway, just ahead of several trucks moving a NETworks show. The first trucker in line slammed on the brakes, causing a chain reaction of jackknifed trailers.

"Luckily, no one was injured," Juenker says. "But by the time we got all the equipment re-sorted and back to where we needed it, we were forced to cancel a couple of shows."



Event marketing, such as The Color Run paint race, relies on coordination among organizers and logistics partners.



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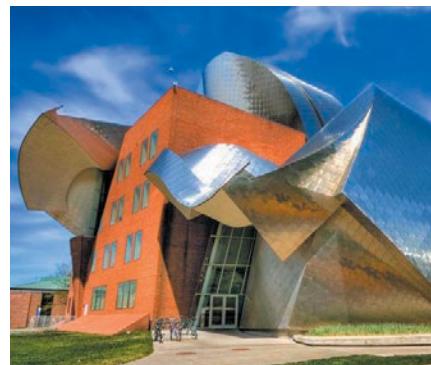
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FLORIDA:

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An aerial photograph of a large container ship, heavily loaded with colorful shipping containers, moving through a wide waterway. In the background, a city skyline with numerous skyscrapers is visible under a blue sky with scattered white clouds. The water is a deep greenish-blue, and the ship's wake is visible. The overall scene conveys a sense of active logistics and global trade.

The Sunshine State basks in its role as a logistics superstar, with hot transportation connections via water, air, road and rail. You'll also warm up to its great quality of life, abundant qualified labor pool, and oceans of experience in keeping your products safe for the long haul.

They call it the Sunshine State, and for good reason. Yes, the sunny weather alone is enough to swell the population with human snowbirds as weather-weary warriors from the north flock to Florida every winter, along with the robins and blue jays. But many factors other than perfect temperatures make the state's business climate warm and the future bright.



“Florida remains one of the most desirable and affordable places to live,” says Paul Marttila, senior vice president of business development for Enterprise Florida, the state’s principal economic development organization. “In many ways, Florida’s cost of living is below that of other states with similar economic growth and in-migration rates. Our state and local governments are committed to keeping Florida’s low tax environment, plentiful modern amenities, and quality public services.”

Which explains why logistics professionals and other business leaders fly to the state and stay there year round. They find it’s not a bad bargain for weather year round: The average annual high temperature is 81 degrees and the average annual low is a comfortable 60 degrees.

Enterprise Florida focuses on what the state offers to those seeking an ideal location for their manufacturing and distribution facilities. Golf courses and beaches have their appeal, but for savvy executives it is the region’s transportation infrastructure, workforce, and other logistics and business advantages that make the sun shine brightest of all.



Florida’s warehousing availability, abundant and qualified talent pool, and multi-modal transportation infrastructure make the site selection process easy.

PARTNERS IN PROGRESS

Enterprise Florida is a public-private partnership between Florida’s business and government leaders who share a mission to expand and diversify the state’s economy through job creation. In pursuit of that mission, the organization works closely with a statewide network of economic development partners and is funded both by the State of Florida and by private-sector

businesses. Enterprise Florida champions the state as the premier location for business expansion and relocation, creating a renewed interest in Florida as a top state for business both nationally and internationally. Its activities have resulted in a significant number of new jobs and capital investments.

“Enterprise Florida works with economic development offices in each of the state’s 67 counties to encourage job growth and promote all regions of the state,” explains Cori Henderson, director of business development. “Additionally, Florida’s workforce and utility partners all play a vital role in making Florida as competitive as possible.”



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Marttila and Henderson readily rattle off the state's competitive advantages:

- Florida's favorable business tax structure, government policies, and competitive costs simplify planning for future growth. Florida consistently ranks among the best states for business, thanks to its pro-business state tax policies, competitive cost of doing business, and streamlined regulatory environment.

- The state's government and economic development leaders work together to ensure the business climate remains favorable to companies of all sizes, including some of the nation's leading corporations. Florida is working on legislative, fiscal, and marketplace initiatives such as insurance tort reform, targeted industry incentives, and many others. Florida is also a right-to-work state.

- Florida offers a cost-efficient alternative to other competitive high-tech states. For businesses in certain targeted industries or specialized locations, the state offers additional financial incentives. Businesses looking for workforce training, road infrastructure, or specialized locations may also qualify for specific incentive programs.

- Business dollars go further in Florida, given the state's tax advantages, tax exemptions, and zero state personal income tax.

"Florida understands that businesses need certainty, predictability, and efficiency in government regulations," says Marttila. "Our regulatory agencies and local governments provide quicker, less costly, and more predictable permitting processes for significant economic development projects without reducing environmental standards."

INFRASTRUCTURE AND WORKFORCE

Florida's multi-modal infrastructure supports more than 19.9 million residents and more than 100 million visitors annually. Florida has one of the world's most extensive multi-modal transportation systems, featuring international airports, deep-water shipping ports, extensive highway and rail networks, and multiple hubs that allow for high-speed data transmission from around the United States to Europe, Latin America, and Africa.

"Florida is connected to the world in every possible way," says Marttila. "From

"Florida is connected to the world in every possible way. From strong cultural and trade connections with Latin America to unmatched global reach via modern ports and airports and the state's leadership in the budding space travel industry, Florida is a true global hub for business."

– Paul Marttila, Senior Vice President of Business Development, Enterprise Florida

strong cultural and trade connections with Latin America to unmatched global reach via modern ports and airports, and the state's leadership in the budding space travel industry, Florida is a true global hub for business."

The state also is recognized as one of the top five telecom hubs in the world. The Network Access Point in Miami serves as a major switching station for internet traffic coming to and from Latin America, while other high-speed networks, such as the Florida Lambda Rail and LA Grid, facilitate research and development efforts. In addition, Florida features some of the fastest and most widely available wireless networks.

Helping businesses reach their full potential, the state boasts a diverse workforce of nearly 10 million. Not surprisingly, Florida's talent pipeline is consistently ranked among the best in the nation. Much of the credit for the outstanding skills of the Florida workforce can be given to the state's excellent educational institutions and unique workforce training programs.

"As one of the largest states in the nation, Florida offers a large and talented pool of workers to employers," says Henderson. "Florida's labor force is also more affordable than other leading high-tech states, thanks to a favorable tax structure and lower business costs. In addition, Florida's professionals are more culturally and linguistically diverse, providing additional competitive advantages to employers in the global marketplace."

The state's 12 public universities, six major medical schools, and numerous private colleges and universities work closely with the business community to build

programs that reflect the needs of Florida's industries. Florida's colleges and universities are among the nation's top performers in research and development, and technology commercialization.

"Florida's customized training programs and incentives help companies become operational and profitable in less time and with lower costs," says Marttila.

CareerSource Florida, the state's innovative partnership for workforce training, provides programs such as Quick Response Training and Incumbent Worker Training to help existing and new companies recruit, train, and maintain cutting-edge skills, and keep pace with new technologies.

"Florida's business and lifestyle resources allow us to promote the state in ways no other state can," Marttila says. "While some states may have a great quality of life, their high taxes can discourage business growth. Other states may have a business-friendly tax climate but they don't have the workforce available in Florida or the ease of access to international markets. Florida is the only state that can offer all of those resources — workforce, pro-business climate, infrastructure, international access, and quality of life."

MAGAYA SETS SITES ON MIAMI

"Who doesn't want to live here?" asks Jesus David Rodriguez, president of Magaya Corporation, a Miami-based multinational corporation that develops software for the logistics and supply chain sector.

Rodriguez has reason to be enthusiastic about his adopted state — not to mention his adopted country. "I started my journey in 1999 when I came to the United States," he explains. His journey has led to astounding success in an equally astounding short

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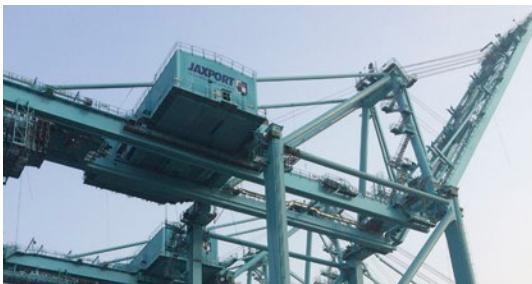
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amount of time. “It might seem fast now, but it didn’t seem so fast in the beginning,” he says.

Magaya’s official beginning was in 2001 when the company was incorporated. “I dreamed of starting a software company because building software is what I love,” he says. “I have the best partners in the world and this couldn’t have happened without them. We saw the opportunity in Florida. You don’t have to go anywhere else; you can grow right here.”

THE COMPLETE PACKAGE

Magaya’s products serve a variety of customers in the logistics space. Among them is Neutrallogistics, a full-service logistics company specializing in freight management, imports, exports, trucking, warehousing, distribution, and brokerage.

“We work hand-in-hand with Magaya,” says Joe Vazquez, director of operations for Neutrallogistics, which is also based in Miami. “It’s a complete package.”

Vazquez cites Magaya as an important factor in his own company’s growth, including its expansion to 200,000 square feet spread between two buildings, one dedicated to freight forwarding consolidation and the other to Free Trade Zone warehousing and distribution.

Magaya’s best-known software products are the Magaya Cargo System, Magaya Warehouse Management System, Magaya Supply Chain Solution, and Magaya Commerce System.

Rodriguez says Florida is an ideal location for serving logistics companies, and Magaya has taken full advantage of the potential that represents. Magaya now serves more than 2,000 companies around the world in 80 different countries from its Miami headquarters, as well as offices in Houston, Los Angeles, and Sao Paulo, Brazil.

“South Florida is a trading place,” Rodriguez says. “Anyone who comes here can build an exporting business.”

Magaya is helping to improve the logistics climate even more by funding logistics programs at several schools in Florida, including Florida International University, University of North Florida, and Miami Dade College. It is a win-win situation, as students gain knowledge and logistics companies gain a better-educated workforce.

“The students gain the main advantage,” Rodriguez says. “They will have the knowledge needed to help the companies they work for.”

That formula of knowledge-based innovation fueling company growth has worked for Magaya itself. “As the industry evolved, we added features to the software as our clients told us they wanted to give their customers even more service,” he says. “We created our products to meet their needs.”

Magaya Cargo System, the company’s first product, is designed specifically for

pace that logistics providers must keep up with in order to stay competitive. That is driving Magaya to work on its new Logistico product, which connects e-commerce and logistics.

Magaya continually improves its services to keep customers on the cutting edge. “It’s important that we stay close to our customers so we can spot the trends, get them acclimated, and help them grow,” Rodriguez says.

Magaya’s philosophy is to help companies succeed by offering a complete and



Magaya Corporation fully leverages Florida’s potential, and serves more than 2,000 companies around the world in 80 different countries from its Miami headquarters.

freight forwarders, non-vessel operating common carriers (NVOCCs), logistics providers, and others in the logistics sector.

“As we’ve grown along with our customers, we expanded to create supply chain software solutions to serve the end-to-end needs of purchasing, pricing, inventory control, distribution, sales, and e-commerce order fulfillment,” Rodriguez says. “We also provide a range of consulting and implementation services to help businesses accomplish their goals.

“Our implementation team leverages industry best practices and applies cultivated expertise as they collaborate with our clients to ensure Magaya meets their expectations and delivers a world-class experience,” he adds.

He says the company is always looking to spot “the next big thing” in logistics. E-commerce is growing at such a rapid

flexible package designed to grow with them. And he can’t imagine a better place for that sunny outlook to meet its promise than Florida.

EXCEPTIONAL PORTS

As a peninsula between the Straits of Florida, the Gulf of Mexico, and the Atlantic Ocean, Florida’s sun and water go hand in hand, and that is good news for logistics providers.

The state is home to 15 seaports serving different markets and accommodating a variety of industries. “There isn’t a type of cargo our ports can’t handle,” says Doug Wheeler, president and CEO of the Florida Ports Council. “In addition, many of our ports have warehouse facilities to allow manufacturing on-site, many have storage space available for large bulk commodities, many have extensive berths and



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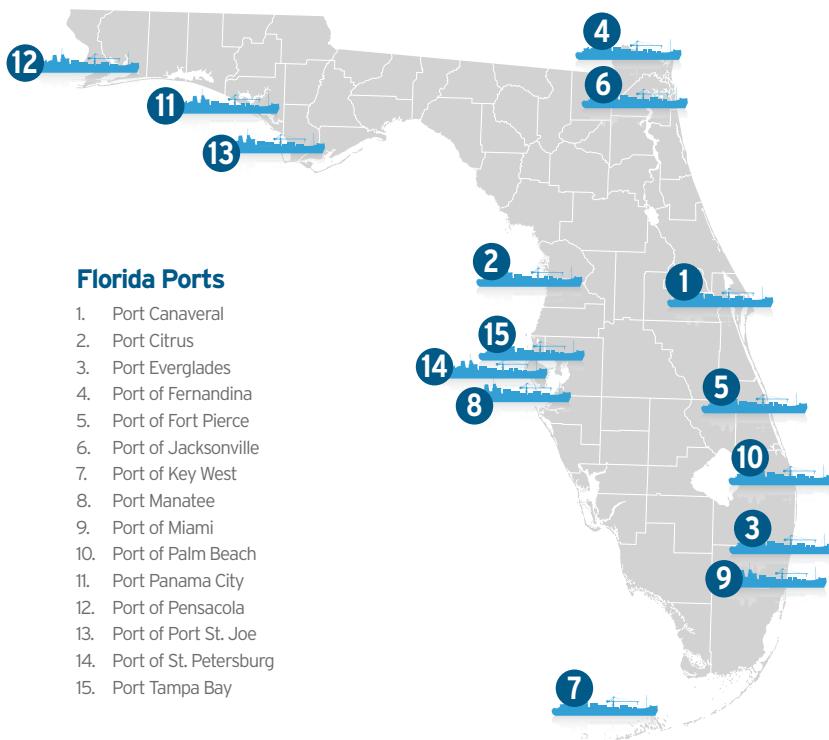
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Florida's 15 public seaports are strategically positioned to take maximum advantage of changing global trade routes.

modern cargo terminals, and many manage perishable transport.

“Some of our ports have tunnels, bridges, and expressways that allow trucks to bypass urban traffic and decrease travel time,” he adds. “In many cases, a truck can go from Florida to New Jersey without stopping at a single red light.”

And of course the state is post-Panamax ready. “By increasing the channel depth to 50 feet at strategic Florida ports, we can accommodate larger ships and more containers,” Wheeler says. “Currently, PortMiami has a deeper channel and Port Everglades and JAXPORT [Jacksonville] are beginning expansion soon.”

In many cases, cargo at Florida’s ports can reach 70 percent of the U.S. consumer population in four days or less. The state has a built-in consumer base of 20 million residents and more than 100 million annual visitors, which decreases transport time and increases reach.

“Our state is home to the top three cruise ports in the world: PortMiami, Port Canaveral, and Port Everglades,” Wheeler says. “More than 15 million cruise passengers move through Florida ports every year. The industry provides the state with

almost 150,000 jobs and \$7.9 billion in direct spending.”

Florida seaports employ a strong workforce and already support approximately 700,000 jobs and nearly \$97 billion in total economic activity, which will only continue to grow. Governor Rick Scott and the Florida State Legislature have recently invested billions of dollars in Florida ports, with more than \$3.5 billion allocated for future projects.

The Florida Ports Council is a nonprofit corporation that serves as the professional association for Florida’s 15 public seaports and their management. The ports are: Port Canaveral, Port Citrus, Port Everglades, Port of Fernandina, JAXPORT, Port of Key West, Port Manatee, PortMiami, Port of Palm Beach, Port Panama City, Port of Pensacola, Port of Fort Pierce, Port of Port St. Joe, Port of St. Petersburg, and Port Tampa Bay.

Florida’s network of seaports is one of the state’s greatest economic assets, positively affecting every region and resident. Whether moving more than 100 million tons of cargo annually or millions of cruise passengers, Florida’s seaports generate and support an array of commerce.

The Florida Seaport Transportation and Economic Development (FSTED) Council, administratively supported by the Florida Ports Council, is a public entity created by statute and charged with carrying out the state’s economic development mission by implementing seaport capital improvement projects at the local level. The FSTED Council was created within the Department of Transportation, and consists of the port directors of all 15 publicly owned seaports and a representative from the Department of Transportation and the Department of Economic Opportunity.

Legislation creating the FSTED Council in 1990 was designed to forge a partnership between the state and its seaports. It is driven by an approach to project development that reflects the special characteristics of seaports: They are public entities, but must function as businesses to fulfill their public purpose.

“The state of Florida’s seaports is strong and we are witnessing unprecedented focus and investment in our ports,” says Wheeler. “This dedication allows us to better position Florida as a global hub for trade, expand our world-leading cruise industry, and further our designation as the gateway to the Americas.”

STRENGTH OF RELATIONSHIPS

Standing in testimony to the strength of the relationships among Florida’s ports is the Jacksonville Port Authority, popularly known as JAXPORT. “I’ve been here three years and had the chance to intersect with the Florida Ports Council, the governor’s office, and the Florida Department of Transportation,” says JAXPORT CEO Brian Taylor. “I’ve witnessed the collaboration among this collection of ports. Each one offers unique attributes to service certain types of cargo.”

This collaboration provides extraordinary benefits to shippers. “Think of the global trade advantage by having access to so many ports,” Taylor says. “Shippers can pick and choose what type best suits their needs. That is one of the major advantages of shipping to and from Florida.”

Those advantages rose significantly at JAXPORT in summer 2016 when the port moved into the new Panama Canal era with the arrival of the *MOL Majesty*, the

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first containership to call the port through the Panama Canal's expanded locks. The ship arrived in late July at the port's TraPac Container Terminal at Dames Point, where crews loaded and unloaded cargo.

The 991-foot *Majesty* has a maximum capacity of 6,274 TEUs (containers) requiring 46.5 feet of water when fully laden. The federal project to increase JAXPORT's harbor to 47 feet to accommodate larger container vessels fully loaded is now under construction.

"The arrival of the *MOL Majesty* through the new locks is a reminder that this is a time of great growth potential at JAXPORT and Northeast Florida," Taylor says. "We already have the infrastructure, highway and rail connections, labor options, and efficiency that the international cargo industry demands. And we are on our way toward a harbor depth that will accommodate ships like the *Majesty* at capacity, creating jobs and opportunity."

The impact goes beyond containerships. Along with the *Majesty*, a new, wider roll-on/roll-off automobile carrier also arrived through the new locks. "These two ships signal a new era," Taylor says.

LEADING THE WAY

JAXPORT is a leader in the move to post-Panamax capacity. "New cranes are arriving that will be operational in November 2016, and we are making berth improvements to accept those cranes," Taylor says. "We're also remedying navigational challenges to meet our new needs."

Taylor believes that the collaborative system of Florida's ports, working through the Florida Ports Council, gives all Florida ports a special edge. "We use the system as a vehicle to fund projects, trade best practices, and share information without crossing boundaries," he says.

JAXPORT is a vital player in the network. "The port serves 61 countries, 112 international ports, and 40 ocean carriers," Taylor says. "It has a diversified book of business and the ability to handle a variety of specializations."

Jacksonville's enviable location contributes mightily to JAXPORT's busy traffic. "Jacksonville is Florida's northernmost port, and the westernmost port on the East Coast, so we are in the best position to serve central Florida," he says. "We also



The *MOL Majesty* was the first containership to arrive at JAXPORT through the Panama Canal's new, expanded locks.

have a unique ability to serve markets to the north. Trucks come up I-95, pick up cargo and drop it off, so they are able to move cargo back. Companies can reach 60 million consumers within a one-day truck trip from Jacksonville."

Yet another advantage is Jacksonville's Foreign Trade Zone (FTZ) designation. "The FTZ is a real differentiator for us," Taylor says. "Jacksonville is one of the largest in the country, and companies are increasingly interested in the advantages of importing and exporting within the trade zone."

In addition, Jacksonville's highly skilled and diversified labor force sets the city apart. "We have 3,000 military service personnel here, creating a pool of skilled, educated, hard-working people to fill logistics and transportation jobs," Taylor says.

For its part, the Jacksonville Port Authority works hard to connect Florida manufacturers with all the partners they need to move cargo efficiently. "We work to put the whole thing together," he notes.

KEEPING ON TRACK

Getting things from here to there to the proverbial market square gets on track with Florida East Coast Railway (FECR), a 351-mile freight rail system located along the east coast of Florida. It is the exclusive rail provider to South Florida's ports, and connects with other railway systems to move freight throughout the country.

Based in Jacksonville, the railway provides end-to-end carload and intermodal solutions to shippers that demand more cost-effective options without compromising service quality.

The Florida East Coast Railway's scheduled railroad service offers competitive solutions. FECR provides its drayage operation through FEC Highway Services (FECHS), which allows FECR to provide truck-like, door-to-door service in the local markets it serves.

FECR also provides carload service and moves commodities such as aggregate (crushed rock), automobiles, bulk liquids, building materials, orange juice, electronics, and other items Floridians use daily.

FECR partnered with PortMiami to build an on-dock rail facility to provide faster and more cost-effective service to intermodal customers. In addition, it worked with Port Everglades to construct a new near-dock Intermodal Container Transfer Facility (ICTF) to serve ocean carriers that call on the market.

"FECR and South Florida ports invested in infrastructure to reach 70 percent of the U.S. population in less than four days," says Adam Bridges, senior vice president of marketing and strategic planning at FECR.

Such strategic assets translate into a new landscape for shippers. "The location of distribution centers is changing, based on trade-offs that retailers make between cost and speed of goods to market," Bridges says.



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“Florida’s population growth has stimulated new distribution center development. In addition, FECR offers a variety of green-field sites for economic expansion with rail capabilities in one of the fastest-growing markets in the United States.”

Bridges believes Florida is earning the title “America’s Logistics Center” based not only on its location, but also on its transportation infrastructure and collective efforts to provide state-of-the-art logistics services.

“Florida offers all four pillars of logistics — rail, air, maritime, and highway,” Bridges says. “Rail and highway networks connect the region with every part of the country. Efficient utilities, state-of-the-art telecommunications, available land, a skilled workforce, and competitive operating costs combine to make the region the smart choice for businesses.”

FECR plays a vital role in the state’s logistics advantages by providing direct links between Florida and the nation’s Class I rail networks. FECR facilitates the growth of import and export products, as well as local industries, helping to create jobs and reduce supply chain costs in the region.

With multiple daily double-stacked train departures, the railway offers scheduled and reliable solutions for:

- Intermodal (domestic and international), ramp-to-ramp, door-to-ramp, or door-to-door.

- Carload (including transload and industrial development) services in private and FECR-provided equipment.

“FECR connects Florida with networks serving markets including Nashville, Memphis, Dallas, Cincinnati, Columbus, and Chicago,” Bridges says.

TRACK TO THE FUTURE

The railway has its sights squarely focused on the future.

“FECR is building the rail workforce of tomorrow through an apprenticeship program that trains talented high school students to be the next generation of railroaders,” Bridges says. “We also provide customers with an e-commerce suite of applications, such as EZ Buy and FECR Connect, enabling them to search, order, and ship with the click of a button.”

Any look toward the future confirms that growth in Florida is flying.

“Florida is a high-growth state,” says Chris Mangos, director of marketing for the Miami International Airport (MIA). “In early 2016, Florida surpassed New York as the country’s most populated state, following only California and Texas. Growth is expected to continue with an additional 8.8 million people by 2030.”

But the state is not only soaring in population numbers. “Aside from tourism — 105 million visitors in 2015 alone — Florida is growing in international trade and commerce, in the high-tech and biomedical industries in several areas of the state, as well as in agriculture, international banking, and finance,” Mangos notes.

He views this growth from the leading international freight airport in the nation. Miami International Airport — one of 19 commercial airports in the state — is the second-leading international passenger gateway to the nation. Overall economic impact from aviation activities at the airport totals \$33.7 billion annually, contributing 282,724 jobs directly and indirectly to the economy.

International trade (imports and exports) at the airport during 2015 reached

Where Assets and Opportunity Meet

You might say that Florida sits at the intersection of Asset Street and Opportunity Avenue. And the light is green. That would certainly be the view of Jason Reed, CEO of ReedTMS Logistics, a company looking both ways and making the most of the Sunshine State’s business and logistics advantages.

“Florida is unique because it is both a consumption state and a peninsula, which allows us to leverage a surplus of capacity with quality network providers,” Reed says. “We make it our mission to maximize service levels for both our local and national customers. We are also located near major ports, which allows us to provide additional value-added solutions to satisfy rising customer demands for import/export.”

Reed knows something about making the best of both worlds. ReedTMS is a transportation provider comprised of Reed Transport Services Inc. and TMS Logistics Inc. In 2010, Reed Transport and TMS Logistics formed a strategic partnership to provide expanded service offerings that address the logistics needs of shippers in North America.

Reed Transport offers high-quality brokerage and freight management services, while TMS Logistics is an asset-based provider of dry van, dedicated fleet services. With a database of more than 17,000 carriers, Reed Transport arranges

in excess of 60,000 truckloads per year for more than 500 customers.

“We are defining the true path for an asset-based 3PL by leveraging our logistics assets to offer more value-added services to our client base,” Reed says. “For example, we offer a produce LTL consolidation program in all major growing regions, as well as high-volume produce import locations.”

Florida is the right place and now is the right time to plant the seeds for growth near and far, Reed says. The company recently opened a branch office in Pennsylvania and now operates seven locations across the United States: three in Florida and one each in Pennsylvania, Ohio, Kentucky, and California.

Florida’s advantageous location makes the state not only a great place to do business but also a great place to live, which goes a long way in explaining why so many executives and well-trained logistics professionals have made the state their home.

“One major economic advantage of locating in Florida is a cost of living that is much lower than other ocean states,” Reed points out. “When you pair that with affordable real estate and no state tax, it makes expanding into Florida a great opportunity to increase capital.”

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\$52.8 billion, representing 93 percent of Florida's air trade value and 37 percent of the state's combined total (air and sea) trade values.

"Miami International Airport is the leading gateway to the Latin American/Caribbean region and serves as Florida's trade post for regions to the south," Mangos says. "Moreover, the airport measures in air trade share in the Americas maintain themselves as the largest in the Western Hemisphere."

The details bear him out:

- MIA handles 83 percent of all air imports and 79 percent of all air exports between the United States and the Latin American/Caribbean markets.

- The airport is the leading perishables import center in the Americas, handling more than 66 percent of all perishables by air in the hemisphere. High on the list are flowers (89 percent share), fruits and vegetables (72 percent share), and fish and seafood (51 percent share).

- Miami International Airport is a leading export center for high-technology goods, averaging more than \$800 million in exports per month.

- As a growing global industry, pharmaceuticals are finding their way through the airport, which serves as an intercontinental transit point. Imports/exports of these products totaled \$2.95 billion at the airport during 2015.

Little wonder, then, that Miami International Airport is considered a logistics jewel, not only in Florida but across the country and around the world. The airport has the largest concentration of airlines—currently 102—of any U.S. airport. Of these airlines, 41 are all-cargo, providing access to 105 markets around the world.

More than 60 passenger airlines carry belly cargo to 157 destinations. MIA's nonstop reach now extends to all of the Americas, Europe, and the Middle East/Gulf region.

A NETWORK OF SUPPORT

The airport is supported by an extensive trucking network moving goods to all Florida markets, and to U.S. and Canadian markets as well. A large international trade infrastructure surrounds the airport and includes more than 60 million square feet of warehousing, 900 international freight

forwarders and customs brokers, and a large contingent of federal inspection and regulatory agencies that facilitate the clearance and movement of goods.

The Greater Miami/South Florida area is home to more than 1,400 multinational corporations, the largest concentration of domestic and international banks south of New York City, and the third-largest consular corps in the United States, with 69 consulates, 45 bi-national chambers, and 22 foreign trade offices.

Efficient utilities, state-of-the-art telecommunications, available land, a skilled workforce, and competitive operating costs combine to make the region the smart choice for businesses."

— **Adam Bridges**, Senior Vice President of Marketing and Strategic Planning, Florida East Coast Railway

The airport continues to expand its global outreach. "We continually target and add new routes," Mangos says. "By October 2016, five new airlines will join the MIA family, offering new routes into Latin America, the Caribbean, and Europe. Negotiations continue to develop Florida's first non-stop passenger routes to Asia, while the airport is already served by four Asian cargo airlines offering service to three major cargo hubs in Asia."

Later in 2016, the airport will finalize a conceptual seven-phase plan aimed to improve and expand cargo and related facilities. The Cargo Optimization, Redevelopment, and Expansion (CORE) program will involve optimizing the use of



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existing facilities and space to provide additional near-term capacity.

The plan also calls for the removal and redevelopment of select existing facilities that are costly to maintain, replacing them with new, more efficient facilities with an eye toward further incremental development to serve demand-driven needs and growth. New concepts now in motion to complement MIA's traditional cargo activities include expanding the airport's outreach as a global pharmaceuticals hub.

The airport also is in the process of attaining designation as a Foreign Trade Zone. Mangos expects that in 2017 all airport facilities will offer Magnet Site FTZ status to business partners operating in the airport's facilities. This will permit the airport to market itself to firms seeking on-airport manufacturing and/or providing value-added services on goods and products within its facilities while attaining the numerous benefits of a FTZ environment.

Florida city of Lakeland, ideally located in Polk County about halfway between Tampa and Orlando.

"With Florida as our corporate hub, we've been able to operate with an entrepreneurial spirit," says Scott Thornton, chairman. "As a family-owned, professionally managed company, we pride ourselves on having the flexibility to accommodate customers' individual requirements—even as their operations grow and change.

"Our ability to customize and scale operations to meet the needs of each customer sets us apart in the industry and has enabled us to achieve 50 consecutive years of revenue growth," he adds.

Thornton believes Florida's business climate is a key factor in the company's success.

"The business-friendly climate in Florida encourages innovation and collaboration," he says. "Saddle Creek was able to invest in a sustainable compressed natural gas

Saddle Creek has experienced dynamic growth, both organically and through strategic acquisitions. In the past six years, the company has doubled in size. The 3PL now operates more than 17 million square feet of space in 41 locations nationwide with the help of more than 2,700 associates—nearly 1,000 of them in Polk County.

Saddle Creek's integrated service offerings have grown to include warehousing, omni-channel fulfillment, transportation, packaging, and more. The company also has entered new industries and markets, and expanded its technology capabilities.

WHATEVER IT TAKES

Saddle Creek has managed to grow from a small regional warehousing company to a leading nationwide logistics provider without losing its unique corporate culture. Company-wide, employees share an intense commitment to upholding core values, conducting business with integrity, and going the extra mile to meet customers' needs. Appropriately enough, the company's brand promise is: "Whatever It Takes!"

Saddle Creek has increased employment significantly to support business growth. It takes great care to select employees who fit the corporate culture and share the company's sense of entrepreneurial responsiveness. The superior talent pool available in Florida enables such selectivity.

"In today's competitive marketplace, it can be challenging to hire and retain high-caliber talent," Thornton says. "Because service excellence and scalability are at the heart of our value proposition, this is a key area of focus as we continue to grow. Fortunately, Florida's growing workforce gives us the opportunity to draw from a broad talent pool and be more selective, so we can find the associates who best fit our corporate culture."

The company also has invested in resources such as automation systems, materials handling equipment, and warehouse space to support its customers' needs. Saddle Creek recently expanded its Lakeland facility to more than 2.6 million square feet.

Looking to the future, Thornton says the company will reflect the innovation that is emblematic of the Florida logistics marketplace. "As the omni-channel business model has become the gold standard in



From its corporate office in Lakeland, Fla., Saddle Creek Logistics Services offers a full range of third-party logistics services, warehousing, omni-channel fulfillment, transportation, packaging, and more.

ENTREPRENEURIAL SPIRIT

Smack in the middle of Florida's logistics superstructure sits Saddle Creek Logistics Services, a family-owned company providing third-party omni-channel logistics services to a variety of industries including food and beverage, consumer packaged goods, electronics, recreation, and more. Since its founding in 1966, the company has been a fixture in the Central

(CNG) fleet to provide an alternative fuel option with near-zero emissions for area shippers. To provide fuel for this fleet, we invested in a CNG fueling station at our Lakeland headquarters. Florida Natural Gas and TECO Energy Inc. were instrumental in helping us achieve this initiative."

The company's record since its inception gives testimony to the power of such collaboration. Throughout its history,



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today's marketplace, we are developing custom solutions to meet the growing need for speed, service and scalability," he says. "By blending longstanding services with new capabilities, we're finding creative ways to help companies in Florida and around the country get products where they need to be quickly, cost effectively, and seamlessly."

And this bright future will most certainly take place under the sunniest of skies. "Florida will continue to be home base for our operations as we continue on our strategic expansion path," Thornton says.

A prime location in the heart of Central Florida's I-4 corridor gives Plant City, just

president of Transcend Development Corp., echoes Austin's enthusiasm. "It's an ideal location, and that will be even more true tomorrow than it is today. This location puts us within one hour of about 8 million people."

Enhancing the location for logistics professionals is Transcend Development's Lakeside Station Logistics Park. Transcend Development is the land development affiliate of Sunrise Homes Inc., which Appleyard serves as vice president.

"Being centrally located in Plant City, we can reach some 20 million people with next-day service," adds Larry Jimenez Jr.,

annual spending increase of \$2.3 billion, projects an economic impact study prepared by economists at the University of South Florida.

Helping to facilitate and manage all this growth is the Plant City EDC. "Our core mission is to help create jobs for Hillsborough County and the region," Austin says. "We are a public-private partnership recruiting companies to our area and facilitating expansion."

Austin boasts that the area is not only ideally suited for warehousing and distribution facilities, but also for manufacturing. "We have a large agribusiness cluster here," he says, "as well as manufacturing and plastics. We also are the winter strawberry capital of the world. Out of all that comes a lot of different products, including corrugated cardboard, packing shells, fertilizers, and microbial products, which is an industry we hope to grow.

"And because of our competitive real estate market, we also are attracting more back-office operations," Austin adds.

"We find ourselves at the crucible of the powerful forces of Lakeland, Tampa, and Orlando," says Appleyard. "We sit at a point of inevitability."

Jimenez says Star Distribution consistently has experienced double-digit growth over the past eight years. "We unload 300 to 400 CSX boxcars per month and average 75 inbound trucks per day," he says. "Our private fleet consists of 80 day cabs and approximately 250 trailers. We guarantee our customers next-day delivery to any point in the state of Florida."

RIGHT TIME, RIGHT PLACE

All of this adds up to the right time and place in a community focused on progress. "Every community says it is the most business-friendly," says Austin, adding that it is far more than rhetoric in Plant City. "I would put Plant City against any other city when it comes to business leadership. Our government leaders see themselves as service providers, not regulators, and that makes this a great place to do business."

From beginning to end and every point along the way, it's all about the supply chain. Florida is perfectly positioned—and perfectly capable—to provide the services and expertise to make the trip efficient, cost effective, and successful.



Star Distribution is the only 3PL to offer guaranteed, next-day delivery from its Central Florida distribution center to any Florida location.

outside Lakeland, a bird's-eye view of the Sunshine State's vibrancy and growth. "Our biggest asset in Florida is that we are centrally located," says Jacob "Jake" Austin, president and CEO of the Plant City Economic Development Corp. The city is in the longstanding logistics hotspot of Hillsborough County.

"We're growing faster than any other region in the country," Austin says. "A lot of people move here for jobs—not just from other states, but internationally. With that growth comes demand for more goods. Fulfillment centers are popping up to meet those demands."

Robert Appleyard, executive vice

president of business development for Star Distribution Systems, which is located in the Lakeside Station Logistics Park. Star Distribution has been Florida's premier third-party logistics provider since 1931. The company provides comprehensive warehousing, order fulfillment, truckload, and LTL transportation services.

With I-4 just five minutes away, Lakeside Station Logistics Park includes 1,400 acres zoned for mixed use, with nearly 1,000 acres of developable uplands. Industrial users benefit from direct railway access. Upon completion, Lakeside Station Logistics Park may result in the creation of more than 18,000 new jobs and an



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“Florida officials are extremely cognizant of how important supply chains are in the state,” says Tom Kretschmer, vice president and general manager of retail and consumer brands for Ryder System, Inc. “The Florida Strategic Plan for Economic Development, released in 2014, highlights several initiatives, including plans to cultivate supply chain talent, improve roads, and continue to add infrastructure that will be conducive for supply chains to operate given the expected increased volume due to the Panama Canal expansion.

“In Florida, warehouses and distribution networks cross traditional city and county lines,” he adds. “This, coupled with the fact that Florida is ideally located for importing and exporting goods throughout the Americas and with Europe, shows why state officials are putting their focus on supply chain infrastructure. From improved airports and seaports, to partnering with colleges and vocational schools, Florida is positioning itself to welcome supply chains of all capabilities.”

As a fully diversified transportation and supply chain solutions company, Ryder



Headquartered in Miami for more than 80 years, transportation and supply chain solutions company Ryder has developed a stellar reputation, not only across North America, but also within Florida.

has been maximizing the value of transit-related assets since 1933 and is a leader in supply chain management and third-party logistics.

“Being headquartered in Miami for more than 80 years, Ryder has a great reputation not only across North America, but within the state,” Kretschmer says. “We partnered with vocational/technical schools to develop talent; became an employer of

choice for drivers, technicians, and supply chain engineers; and took advantage of the infrastructure the state has put in place to help our customers grow their business, meet consumer demands, and lower operating costs.”

Ryder’s global logistics offerings encompass warehousing and distribution services including crossdocking, distribution management, packaging, reverse logistics for



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product returns, and value-added services such as sequencing, kitting, and line-side replenishment. The company's transportation offerings include Ryder Dedicated Transportation Solutions, which combines truck drivers, fleet maintenance, routing, scheduling, management, and administrative support, as well as transportation management, cross-border solutions, and freight brokerage.

In addition, through Ryder TranSync, Ryder account teams analyze customers' networks to provide business intelligence and analytics that enable seamless planning across all providers and modes, and maximize asset utilization.

"We are a fully diversified transportation and supply chain solutions company," Kretschmer explains. "We are also the only third-party logistics provider with a fully integrated portfolio that includes fleet management, dedicated transportation, and supply chain solutions.

"Ryder is a single-source provider that can manage customers' warehouses and distribution centers, while also managing their transportation, drivers, route optimization, and safety compliance," he adds. "With this fully integrated solution, our customers receive end-to-end visibility into their supply chain and transportation. They also gain the ability to focus on their business."

HOME SWEET HOME

For all of this, Kretschmer says, Florida is the ideal home.

"Florida has a growing population, a large tourism industry, a significant retail sector, and a consumeristic culture," he says. "To that end, we operate many of our customers' distribution centers to support that consumer demand in Florida.

"Another attractive reason to invest in distribution activity in Florida is the access to freight capacity heading into Central and South America," Kretschmer adds. "For products or consumers with a specific correlation to Central and/or South America, Ryder' multi-cultural distribution experts can speak many of the languages and understand many of the unique cultures."

Moving product may be the shorthand definition of logistics, but that hardly tells the whole story. Essential to logistics infrastructure is moving product effectively and

safely storing it along the way. Here, too, Florida stands out as a leader.

Case in point: Commercial Warehousing Inc., a Central Florida-based warehousing, transportation, distribution, and logistics company that essentially does it all. The 50-year-old company has 1.2 million square feet of dry warehousing and 660,000 square feet of temperature-controlled warehousing available. The company also offers premium packaging services to all industries.

"Commercial Warehousing provides a full suite of logistics services to our client base," says Kevin Margeson, company president. "These include our core business in value-added warehousing and distribution services in five sites across central and northeastern Florida."

With offices and facilities in Winter

food-grade ambient facilities totaling almost 2 million square feet across 10 sites. The company also provides a complete suite of ancillary services, including value-added multi-packaging and comprehensive transportation services.

Emblematic of the strong spirit of entrepreneurship in the Sunshine State, Commercial Warehousing has forged its own path since 1966 when Commercial Carrier Corporation, as the company was then known, opened its first warehouse in Auburndale to support its trucking operations.

"We are privately held," says Margeson. "This means we are not preoccupied with next quarter's financial results. By collaborating with customers, we make decisions that are best for their business. We understand that doing the right thing for our



Winter Haven, Fla.-based Commercial Warehousing has added state-of-the-art poly pack and ARPAC packaging technology to its extensive services portfolio.

Haven, Commercial Warehousing is unique in that it operates in the capital-intensive cold storage arena, where its owned-and-operated facilities comprise 15 million cubic feet of space across central and northeastern Florida, as well as nearly 100,000 square feet in Atlanta. The Florida sites include the company headquarters in Winter Haven, along with campuses in Groveland, Bartow, Jacksonville, and Auburndale.

Commercial Warehousing also owns and operates a growing portfolio of

clients is how Commercial Warehousing develops and maintains profitable, long-term relationships."

Margeson says the company enjoys the best of both worlds — a small-company infrastructure with big-company backing.

"Our lean organizational structure means we have the ability to make informed decisions fast," he says. "Leadership is a phone call away from front-line management and is engaged in the day-to-day business.

"This nimbleness and senior engagement

provides Commercial Warehousing customers with confidence they have partnered with a third-party logistics provider able to make decisions and react quickly to immediate needs or critical changes in their business,” Margeson says.

ANSWERING TO CUSTOMERS

“Having the strength and capital of a half-billion-dollar organization that handles all the back-office activity such as finance, IT, and real estate allows Commercial Warehousing to be entrepreneurial and focused on what is really important—the business of our clients,” he adds.

With a focus on the food and beverage industry, the company’s institutional knowledge and resources in the cold storage arena include unique construction specifications of cold storage facilities, regulatory compliance and safety expertise, product traceability, and production batch/lot control.

“If you are talking refrigeration, you are talking our language,” Margeson says. “We don’t answer to a third-party landlord—we answer to our customers.”



CWI Logistics, a wholly owned subsidiary of Commercial Warehousing, Inc., works with its transportation partners to handle LTL shipments as well as local shuttle movements between plants and warehouses.

Commercial Warehousing is progressively including more environmentally friendly initiatives. Its efforts recently placed the company on the *Inbound Logistics* list of 75 Green Supply Chain Partners. The list highlights companies with impressive green credentials chosen for their measurable green results, sustainability innovation,

continuous improvement, and industry recognition.

The story of the company’s success mirrors the story of Florida’s success overall. When it comes to logistics, that story is summed up in the Sunshine State’s record of earning all As in the three Ps: performance, partnership, and progress. ■

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Commercial Warehousing • www.commercialwarehousing.com

Since 1966, our people and customers have made us who we are. If you need a turnkey 3PL partner in Florida and the southern United States, count on Commercial Warehousing. We offer temp-controlled warehousing, shared or contract ambient warehousing and distribution, on-demand contract packaging, plus state-of-the-art technology to bring it all together. Learn more by visiting our website at www.commercialwarehousing.com.



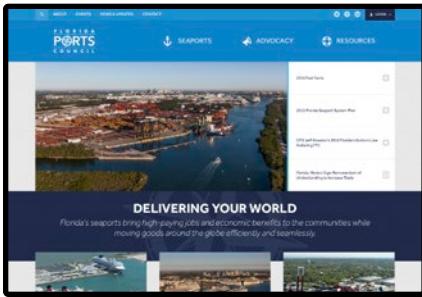
Enterprise Florida, Inc. • www.enterpriseflorida.com

Enterprise Florida, Inc. (EFI) is a public-private partnership between Florida's business and government leaders, and is the principal economic development organization for Florida. EFI's mission is to expand and diversify the state's economy through job creation. EFI's activities have championed Florida as the premier location for business expansion and relocation, created a renewed interest both nationally and internationally in Florida as a top state for business, and resulted in a significant number of new jobs and capital investments.

Florida East Coast Railway • www.fecrwy.com

The Florida East Coast Railway (FEC) is a 351-mile freight rail system located along the east coast of Florida. It is the exclusive rail provider for PortMiami, Port Everglades, and Port of Palm Beach. FEC connects to the national railway system in Jacksonville, Florida, to move cargo originating or terminating there. Based in Jacksonville, FEC provides end-to-end intermodal and carload solutions to customers who demand cost-effective and premium quality.





Florida Ports Council • www.flaports.org

The Florida Ports Council (FPC) is a nonprofit corporation that serves as the professional association for Florida's 15 public seaports and their management. The FPC provides advocacy, leadership, and information on seaport-related issues before the legislative and executive branches of state and federal government. The FPC believes a strong, strategic, public/private partnership between Florida's ports and state and local government will enable the diverse seaports to continue their vast economic contributions to every region of the state.

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Lakeside Station • www.plantcityedc.com

With access to I-4 merely five minutes away, Lakeside Station Logistics Park includes 1,400 acres zoned for mixed use with nearly 1,000 acres of developable uplands. Industrial users will benefit from direct railway access at the property's northern boundary. Planning for development of Phase I is in progress with a variety of sites for industrial use. Future phases will include retail, office, residential, manufacturing and public uses. More information is available on the Plant City EDC website at www.plantcityedc.com.





Magaya Logistics Software Solutions • www.magaya.com

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

Miami International Airport • www.miami-airport.com

The top U.S. airport for international freight, Miami International Airport (MIA), located on 3,230 acres of land near downtown Miami, is operated by the Miami-Dade Aviation Department and is the property of Miami-Dade County government. MIA is also the leading economic engine for Miami-Dade County and the state of Florida, generating business revenue of \$33.7 billion annually. Despite the decline of economies in many key Latin American and European markets, MIA held its ground as one of the world's top 10 air cargo hubs in 2015, with 1.9 million tons of international freight and 256,891 tons of domestic shipments.



Plant City EDC • www.plantcityedc.com

Situated 25 miles east of Tampa, Plant City is the second-largest municipality in Hillsborough County, with a distinct community well positioned for growth. The small-town atmosphere features an agricultural and industrial culture distinctive from the more urbanized areas of Hillsborough County, making it a great place for businesses in manufacturing, food processing, distribution and logistics, and agribusiness. Key businesses in the Plant City limits include James Hardie, Dart Container, Toufayan Bakeries, Plastipak Holdings, Gordon Food Services, Santa Sweets, and Highland Packaging Solutions.

ReedTMS Logistics • www.reedtms.com

ReedTMS is a transportation provider comprised of Reed Transport Services, Inc. and TMS Logistics, Inc. In 2010, Reed Transport and TMS Logistics formed a strategic partnership to provide expanded service offerings that address the logistics needs of shippers in North America. Reed Transport offers high-quality brokerage and freight management services while TMS Logistics is an asset-based provider for dry van, dedicated fleet services. With ReedTMS Logistics as your provider, you'll get a valued partner with a range of service options.



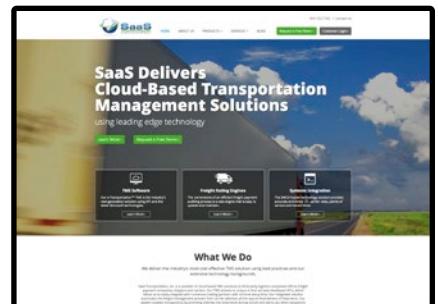


Ryder • www.ryder.com

Ryder Supply Chain Solutions is an end-to-end supply chain partner with nearly 80 years of experience helping customers in North America, the UK, and Asia transform their supply chains by delivering the best in operational execution. Ryder provides a full range of services, from optimizing day-to-day logistics operations to synchronizing the supply of parts and finished goods with customer demand. At Ryder, we understand that when it comes to logistics, Execution is Everything.

SaaS Transportation, Inc. • web.saastransportation.com

SaaS Transportation, Inc. is a provider of cloud-based TMS solutions to third-party logistics companies, freight payment companies, shippers and carriers. Its TMS solution is unique in that it has developed APIs, which allow easy integration with numerous trading partners with minimal setup time. This integrated solution automates freight management from carrier selection to final delivery. SaaS Transportation's system enables transparency by providing visibility into shipments during transit, and alerts shippers when exceptions occur so they can proactively resolve issues.



Saddle Creek Logistics Services • www.sclogistics.com

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

Star Distribution Systems • www.stardistribution.us

There are a number of powerful reasons why so many successful, forward-thinking companies turn to Star Distribution Systems. We are Florida's premier third-party logistics provider and the only 3PL to offer guaranteed next-day delivery from our Central Florida distribution center to any Florida location. Additionally, our brokerage services guarantee U.S. Southeast regional LTL and truckload freight management solutions from coast-to-coast. Located between Tampa and Lakeland, Star offers state-of-the-art warehousing, collaborative and pool distribution, consolidated LTL transportation, cross-docking and real-time inventory control access.



SITE SELECTION: A POWER PRODUCTION

LOCATING
WAREHOUSES
AND DISTRIBUTION
CENTERS IN AREAS
OFFERING RELIABLE
ENERGY GENERATES
COST SAVINGS AND
EFFICIENCY.

When companies consider expanding or relocating to a new site, they must weigh myriad factors to select a location that enables them to complete the work they need to do effectively and cost efficiently. Access to reliable, affordable power is one such crucial factor.

Entities such as ElectriCities of North Carolina, which work with companies considering an expansion or site relocation, must be prepared to examine each business case by case, rather than applying a generic template, says Brenda Daniels, manager of economic development for the utility company.

ElectriCities is a nonprofit membership organization that includes public power communities in North Carolina, South Carolina, and Virginia. ElectriCities consolidates many of the administrative, technical, legal, and legislative services these municipally owned electric utilities need, saving both the communities and their customers money. The organization also provides management services to the state's two municipal power agencies — North Carolina Municipal Power Agency Number 1 and North Carolina Eastern Municipal Power Agency.

Creating tailor-made reports and analyses for each company, and collaborating closely to understand and meet their strategic needs and goals, is an essential piece of the site relocation puzzle. This is particularly true for utilities.

“Some utilities might use cookie-cutter proposals, but ours are specific to each company,” Daniels says. “We look at their usage, as well as infrastructure and labor force needs. We want to make sure we cover everything they haven't even thought about yet.”

Rates and Incentives

Competitive rates are only part of the cost equation that helps drive site selection decisions. Also important is the dependability of those rates. Companies want clarity on the costs they will regularly incur, instead of attempting to manage fluctuating costs that are difficult to project and plan for. ElectriCities has rate analysts on staff who evaluate each company considering a new site or expansion, paying

close attention to the unique needs and behaviors of each individual organization.

Producing accurate cost projections depends on open collaboration among the companies involved. This approach helps companies with long-term planning, and allows them to weigh the pros and cons of a potential site development with confidence. ElectriCities also can work with each company to explore ways of minimizing costs and maximizing efficiency at a potential new or expanded site.

“We're able to look at the rates a company would be expected to pay, and make recommendations on how to improve them,” Daniels says. “It is about listening to what customers think they need, and what they plan to do. Then we consider how we can help them accomplish that.”

Incentives are a key component of attracting companies looking to either expand an existing facility or open a new one. They help offset costs and reward organizations for the investments they make that provide an economic boost to a region. Incentives play an important role in North Carolina, too, including through ElectriCities' efforts with its member communities.

ElectriCities offers an economic development rider that starts at a 15-percent reduction of electricity costs, and gradually declines to 0 percent in the fifth year of occupying the site. If the company chooses to expand the site within those five years, then that expansion qualifies for a new rider, starting again at 15 percent.

In addition, each member municipal utility has the capacity to offer related incentives that frequently are tied to the type of company occupying the site, the jobs it will create, and the investments it will make in the community. Local communities and the state of North Carolina can provide additional incentives to encourage the move and ease its costs.

Because the bottom line reigns,

companies can become fixated on the cost component. However, reliability and service should be strong selling points and important considerations, too.

One crucial element of the reliability question is whether a utility can pay suitably prompt attention to maintenance and service issues. A business that cannot count on a high level of awareness and a ready response from its electric company could find itself perpetually battling a series of nagging issues that hamper operations.

Community Service

ElectriCities is able to put its best foot forward with service because — by its nature — it maintains a strong presence in each community it serves.

“ElectriCities is locally owned by the communities,” Daniels says. “Investor-owned utilities might not be in the area, customers might not be sure where the call center is located, and might not be sure how long to wait for a response. In our communities, such as Gastonia or Rocky Mount, someone can be at a customer's plant in minutes to assess a situation. We like to tout that reliability.”

When choosing a location, a critical factor for some companies is having the capacity for on-site electricity generation to prevent service interruptions that can shut down operations and lead to costly delays. Even a short period of time without power can cost businesses dearly, and lead to widespread negative ramifications, Daniels notes.

ElectriCities can offer companies a site at one of its two prime power parks — in Albemarle and Gastonia — which provide backup generation without any cost to the customer. This means reliable, instantaneous power if an event disrupts the electrical supply.

The sites, both of which are located near Charlotte, have proved popular. The older Gastonia power park has only one open site remaining. Most of the companies that have located at the park are internationally based manufacturers, including plastics and chemicals companies.

The Albemarle park, which in many ways is still in its beginning stages, has more room for possible new occupants.

It also has the added advantage of being located near the Stanly County Airport, which includes a National Guard air base. That location offers both convenience for travel, and an opportunity for military-focused suppliers to locate in proximity to potential customers.

The key is to seek out the types of businesses that can particularly benefit from the value of the prime power parks — those that have the type of crucial, ongoing electrical needs that tap into the parks' strengths.

"We target companies such as food processing, automotive, or plastics, which are vulnerable if something happens in their system and there's no generation to back up what they're doing," says Daniels. "For those companies, having a system down for even one hour could cost hundreds of thousands of dollars."

Utilities can play a critical role in the recruiting process by partnering with other community organizations, regional economic development groups, and local, regional, and state governments. They also can take steps themselves to help attract new commercial customers to the region. It is all part of the essential role utilities play in the economic development climate they inhabit.

ElectriCities travels frequently to trade shows, where it hosts booths and walks the floor to connect with companies and gauge whether their strategic needs may be a good fit for the North Carolina business environment. ElectriCities meets

and connects with all kinds of industries, but some business areas that seem to particularly gravitate to the state include food processing, aerospace and aviation, and chemicals and plastics, among

can offer with electrical needs, the organization can help sell the appeal of North Carolina to businesses.

To clear the path for expanding and relocating companies, ElectriCities introduced the Smart Sites program to help member communities prepare shovel-ready sites for economic development. New and expanding companies prefer existing buildings or a prepared site to reduce construction time and launch operations at a facility as quickly as possible.

ElectriCities provides valuable due diligence, working with the site selection consultants and engineering firms that evaluate sites submitted for the Smart Sites program to simplify the process of preparing sites for development.

The cumulative efforts of ElectriCities and its partners in North Carolina have reaped success. ElectriCities has been involved with some stellar economic redevelopment projects announced in 2016 as companies invest in new sites in the state. For instance, CSX plans to build a \$272-million cargo terminal in Rocky Mount—a project that is expected to create 1,500 jobs — and Bridgestone plans a \$164-million expansion of its passenger tire manufacturing facility in Wilson. "There has been lots of activity across the state," Daniels notes.

For North Carolina and other states, utilities are an important part of site selection decisions, and have the juice to help attract new businesses. ■

Nobody Offers More Tools For Crafting A Successful Site Search.



We're ElectriCities, representing more than 70 North Carolina cities and towns that offer municipally owned and operated electric service. These public power communities are among the best places in America to do business, and we partner with them to provide customized assistance to expanding and relocating companies. Our comprehensive approach provides the resources and know-how to guide you through every phase of the process, from site selection, permitting and construction, to incentives, tax credits, financing, job training and more, free of charge. Just tell us what you're looking for. We'll make it happen.



ELECTRICITIES

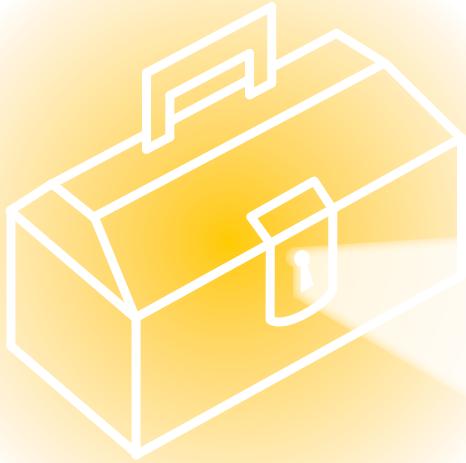
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others. Daniels has also seen increased recent interest from textiles companies in North Carolina.

In addition to the value ElectriCities



IT Toolkit | by Gary Wollenhaupt

Dental Lab Extracts Transportation Cost Savings

Talk about putting your money where your mouth is. Optimum Dental Studio, a full-service dental laboratory in Plano, Texas, serves about 250 local dentist offices in the greater Dallas and Fort Worth region and nationwide. Part of the Orchid Dental Studio Group, Optimum Dental Studio supports dentists who offer high-quality, artistic, all-ceramic dental prostheses, which are, by their nature, high-priority shipments.

The dental offices submit molds for restorative dental work, such as crowns and bridges, to Optimum Dental. They create a mold of the prosthetic using an easy to work with—but fragile—substance, and then place a pick-up request via an online system or by phone.

Optimum Dental's drivers collect the mold and return it to the lab, which fabricates the permanent dental prosthetic. When the lab work is completed, usually several days later, the driver delivers the prosthetic to the dentist's office, ready for the patient. Over its 10 years in business, Optimum Dental has personalized such services, and delivered them on time.

The inbound supply chain is

unpredictable, because the dentists simply do not know how much work a prosthetic will require until they get a good look while the patient is in the chair, according to Tina Whatley, head technician and co-owner of Optimum Dental Studio. The outbound supply chain is time sensitive, because the crowns, bridges, veneers, or other restorative prosthetics must be ready to put in when patients arrive for their appointments.

"Dynamic routing is a big deal for us," says Whatley. "It's critical that we are able to compensate for changes that occur throughout the day."

Optimum Dental drivers must be able to adapt to new pick-up and drop-off

Optimum Dental sinks its teeth into a route optimization and planning system, and leaves dentists and their patients smiling.



schedules throughout the day in response to dental office orders. The company needed a low-cost scheduling, mapping, and route optimization solution that is easy to use and scalable to meet changing transportation demands.

Finding the right solution was tough. Some providers would not work with companies that operate fewer than five trucks, like Optimum Dental does.

For several years, Optimum Dental used a system that required a proprietary mobile device, but it did not provide turn-by-turn

“Drivers were flying by the seat of their pants, and we didn’t know if they were going where they were supposed to,” Whatley says.

A high-priority pickup early in the day could throw the whole collection and delivery plan out of sync. When a prosthetic did not arrive for an appointment later in the day, for example, dentists were forced to reschedule patients.

During an online search for a new solution, Whatley came across *Maxoptra*, a dynamic fleet scheduling and route

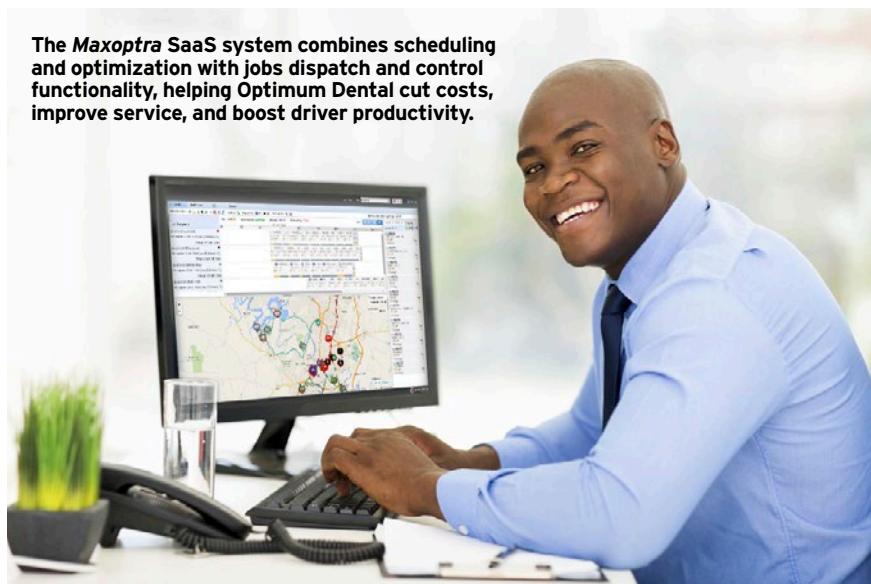
model, which is licensed per mobile Android-based application. There are no extra fees per seat on the PC usage side, according to Lee Moore, senior vice president of North American operations for Magenta Technology.

While investigating logistics solutions, Whatley first connected with Hillsboro Beach, Fla.-based OnPoint AVL and Navigation, a *Maxoptra* reseller, and eventually spoke directly with Moore.

Whatley asked several questions, participated in a product demo, and decided to get on board with *Maxoptra*. She liked the instant route management feature, which could serve the constantly changing needs of Optimum Dental’s clients, and the ease of use to create and update a daily plan. It’s also a TomTom-compatible solution that works with the company’s existing GPS units.

Now that the system has been implemented, if a dentist calls the office requesting a pickup of an emergency crown, the driver receives that update on an Android phone provided by Magenta.

The *Maxoptra* SaaS system combines scheduling and optimization with jobs dispatch and control functionality, helping Optimum Dental cut costs, improve service, and boost driver productivity.



GPS mapping or route planning. Then the company switched to a TomTom-based solution, which was great for navigation and traffic, but didn’t help with scheduling deliveries and optimizing routes. Other potential new systems didn’t provide the flexibility Optimum Dental required to update a driver’s route many times throughout the day.

The Root of the Problem

Whatley and the logistics managers needed more contact with their drivers. They didn’t know who was—or was not—sticking to the daily schedule. They also had no way to know where drivers were, or when they would arrive at a destination, without calling them while they were driving.

optimization software platform from London-based Magenta Technology, which operates U.S. offices in San Diego. *Maxoptra* is designed to enable fast and efficient decision-making, in real time, within changing operational environments, particularly service management, supply chain, distribution, and home delivery.

Maxoptra is available as a subscription-based Software as a Service (SaaS) solution, scalable for companies such as Optimum Dental with only a few vehicles all the way up to operations running hundreds of trucks. Magenta Technology also markets the solution as an enterprise-level system, residing behind a company’s firewall for large organizations with the IT infrastructure in place to manage the system.

Most small companies opt for the SaaS

Bridging the Information Gap

Whatley can see the entire day’s route, insert pickups where they make the most sense, and gauge the ripple effect of each pickup on the entire schedule.

“*Maxoptra* allows us to view the complete picture in an instant,” Whatley says. “We can see deliveries and collections, and get advance notice of possible headaches. The system gives us the intelligence to react and respond, so we can maintain our high levels of customer service while reducing costs.”

Whatley likes the fact that the system updates the routes, and drivers may be none the wiser about a change in the plan for later in the day. The goal is to ensure each driver has the optimal route to follow without having to make decisions.

“We want to tell our drivers where to go for their next pickup or delivery; we don’t want them to have to think about where they need to go next,” Whatley says. “If drivers try to make decisions on the road, the schedule can quickly become chaos.”

When a call for a pickup comes in from a dental office, Whatley updates the driver's route with the location, and the system automatically pushes that change to the driver's phone. To account for the new pickup, the system also adjusts the estimated arrival time at each stop, based on distance, traffic conditions, and the actual location of the vehicle provided via GPS.

With this information, Whatley knows whether the driver will be able to finish the route by the close of business. If not, Whatley can dispatch another driver or even hit the road herself.

Enabled by the TomTom GPS integration, *Maxoptra* pushes location data upstream so managers know exactly where the drivers are, when they arrived and departed each stop, and even if they opt out of using the system's manual arrive and departure notification.

The system also can geotag a location so that other drivers will know exactly where

an office is sited, which is not always obvious from GPS directions.

"A replacement driver, for example, will know what side of the street an office is on, or if it's located behind another building," Whatley says.

Maxoptra allows users to build lists of customers, locations, service tech capabilities, and other attributes that managers can build into the plan, as well as customized loading based on customer priorities.

"The goal is to optimize operations in a way that addresses many different variables," says Moore. "And those variables are as numerous as the end user wants them to be."

A Brush With Success

Optimum Dental has benefitted from the planning and routing application's disciplined flexibility. In fact, the company has reduced the expense of using third-party couriers during peak demand times

by up to 40 percent, according to Whatley. And, with drivers more efficient on their daily routes, Optimum Dental is able to handle increased business without adding staff.

"Without *Maxoptra*, I'd probably have to add drivers, but now we can simply adjust a driver's day," Whatley says. "As our systems become tighter, we actually gain ground. To me, this is more than a Band-Aid; it's a solution."

Optimum Dental's strategic growth plan calls for installing new \$40,000 systems in 10 dental offices that will allow for same-day or next-day crowns. The system will significantly reduce manufacturing time and help develop deeper customer relationships due to the improved service.

"With this growth plan, our logistics system will be even more critical," Whatley says. "Having *Maxoptra* in place is beautiful. It helps us cut costs, improve customer service, and gain productivity." ■

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3PLs

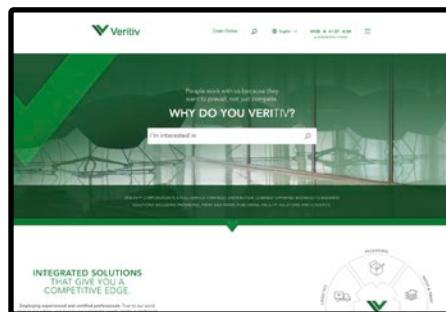


Port Jersey Logistics • www.portjersey.com

For more than 56 years, Port Jersey Logistics has been the number-one choice for transportation, warehousing, and distribution on the East Coast. Port Jersey operates modern, state-of-the-art warehousing space, as well as in-house trucking and logistics services. Along with our wide array of value-added services, and first-class customer service team, Port Jersey Logistics is your one-stop shop for all of your supply chain needs.

Veritiv Corporation • www.veritivcorp.com

Veritiv Corporation is one of North America's largest business-to-business distributors, and employs the most experienced professionals. Serving virtually every industry, Veritiv provides print and publishing, packaging, facility, and logistics solutions that give customers a competitive edge and help shape their success.



BUILDINGS AND STRUCTURES



ClearSpan Fabric Structures • www.clearspan.com

ClearSpan Fabric Structures provides energy-efficient, economical structures for a variety of warehousing, manufacturing, and equipment storage needs. State-of-the-art ClearSpan Hercules Truss Arch Buildings feature exceptional height and wide-open spaces with ample clearance for access and ease of movement. Rip-stop polyethylene covers let natural light shine through, eliminating the need for daytime artificial lighting and lowering energy costs. Constructed in the USA from the highest quality steel and fabric, these buildings can be built to any length and up to 300' wide. For more information, visit www.ClearSpan.com/ADIL or call 1.866.643.1010 to speak with a ClearSpan specialist.

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With Ruan, you can take advantage of door-to-door shipping solutions without the hassles and overhead associated with owning and operating your own fleet of trucks. We have more than 5,200 employees operating, servicing and coordinating some 3,400 power units and 5,600 trailers out of more than 100 locations throughout the continental United States. But you get more than just drivers and equipment – we become an extension of your team, advocating for your bottom line. Find out why the right partner can drive costs out of your supply chain – call 866-RUAN-NOW or visit our website – ruan.com.



IN THIS SECTION:

Economic Development - Logistics IT

ECONOMIC DEVELOPMENT



Electricities of North Carolina • www.electricities.com

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

INTERMODAL

Alliance Shippers Inc. • www.alliance.com

With operating facilities in the United States, Canada, and Mexico, Alliance Shippers Inc. combines excellent customer care with state-of-the-art rail, highway, ocean, and air transportation solutions. Additional services include warehousing, distribution, customs clearance, equipment/driver leasing, and expedited transportation. For cost-effective logistics solutions tailored to your company's exact needs, contact Alliance Shippers Inc.



LOGISTICS IT



LeanLogistics • www.leanlogistics.com

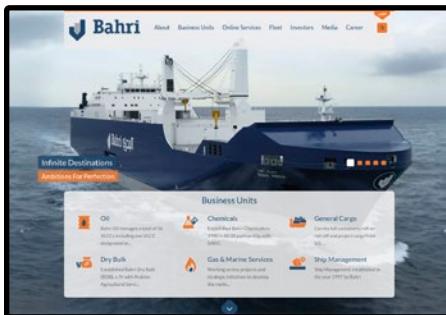
LeanLogistics meets the needs of major shippers of goods with its far-reaching, true Software-as-a-Service (SaaS) technology—On-Demand TMS®. Customers reduce their transportation cost and increase efficiency with a typical payback of less than one year. Dozens of companies have selected On-Demand TMS® to address challenges such as obtaining carrier coverage, managing ever-changing networks, controlling inbound freight, creating continuous-move opportunities, and settling freight bills quickly and accurately.

PINC • www.pinc.com

PINC's first product, *Yard Hound*, sets DC and yard managers' minds at ease every minute, every day. A vigilant guardian of yard efficiency, *Yard Hound* provides current and accurate information on the location of trailers, yard trucks, and other assets, making it invaluable to ongoing yard management quality. This passive RFID-based solution eliminates both extensive hardware infrastructure and manual intervention. It ensures greater accuracy, higher efficiency, and substantially reduced operating costs. Find out more by visiting the website.



OCEAN



Bahri General Cargo • www.bahri.sa

Bahri General Cargo (NSCSA) offers liner services with wholly-owned, state-of-the-art Ro/Ro multipurpose vessels catering to Ro/Ro, breakbulk, projects, military, and containerized cargoes moving between the Arabian Gulf-Indian Sub-Continent-Red Sea-Mediterranean-US/Canada (East Coast)-US (Gulf) ports with 15-17 days frequency. In addition, Bahri offers personalized customer service, regular sailings, competitive rates, and effective intermodal resources. Bahri is reaching toward tomorrow's horizon by connecting economies, sharing prosperity, and driving excellence in global logistics services.

PALLETS

PECO Pallet • www.pecopallet.com

PECO Pallet is the North American leader in pallet rental services with an outstanding reputation for quality, service, and sustainability. Leading consumer goods manufacturers utilize PECO's sturdy red wood block pallets to ship to grocery and warehouse retailers in the United States, Canada, and Mexico. For more information, visit www.pecopallet.com.



RAIL



Canadian National (CN) • www.cn.ca

CN's network of logistics parks are strategically located at the heart of North America to connect your business to world markets. Located in, or adjacent to, its intermodal rail yards, CN provides you with seamless and efficient transportation and easy access to major highways. CN provides access to all key logistics services—rail, intermodal, warehousing, distribution, CargoFlo liquid and dry bulk transload, and Autoport distribution facilities—in one location. As your supply chain partner, CN can help you find your new distribution home.

RETAIL LOGISTICS

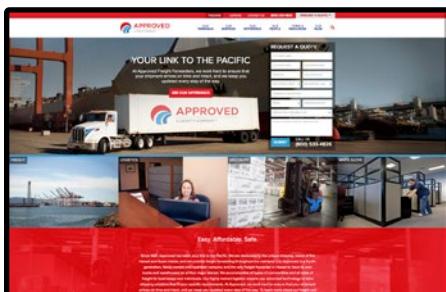
APL Logistics • www.aplogistics.com

APL Logistics is a global supply chain specialist in the automotive, consumer, industrials, and retail verticals. We provide a comprehensive range of origin and destination services in over 60 countries, including freight and transportation management, customs brokerage, warehousing, distribution and supply chain consulting. APL Logistics offers customized technology solutions and applications that help customers analyze and optimize their supply chains. For more information, visit: www.aplogistics.com.



IN THIS SECTION:

Retail Logistics

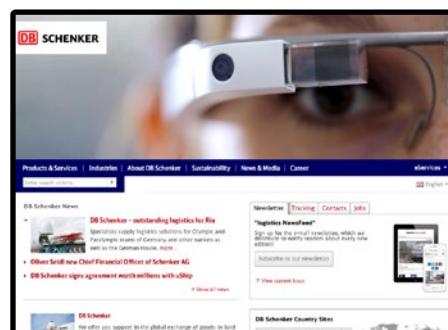


Approved Freight Forwarders • www.approvedforwarders.com

Since 1991, Approved has been dedicated to the unique shipping needs of the Hawaii and Guam trades, and provides freight forwarding throughout the mainland U.S. Approved accommodates all types of commodities and all sizes of freight. Its highly trained logistics experts use advanced technology to tailor shipping solutions that fit your specific requirements. Approved works hard to ensure that your shipment arrives on time and intact, and keeps you updated every step of the way. To learn more about Approved's freight and logistics solutions, sailing schedules, and competitive rates, visit the website.

DB Schenker • www.dbschenker.com

DB Schenker strives to be the leading global provider of integrated logistics services. We provide solutions without complicated strategies. We utilize a structured methodology that is tested and proven to increase efficiencies, reduce costs, and protect our customers' supply chains. Yet this methodology is completely adaptable to each unique business situation. It's a balanced approach to realigning the customers' supply chain into the most productive unit possible.



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.

Purolator International • www.purolatorinternational.com

Purolator International is the U.S.-based freight forwarding subsidiary of Purolator Inc., Canada's leading overnight courier company. Purolator International specializes in air and surface forwarding of express, parcel, and freight shipments, with enhanced supply chain solutions to offer delivery to, from, and within Canada. Purolator International offers preferred access to an extensive distribution network in Canada, which includes 11,000 dedicated employees, the leading air fleet, and ground network with the most guaranteed Canadian delivery points in Canada.





RR Donnelley • www.rrd.com

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Suntek Systems Inc. • www.suntekscm.com

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

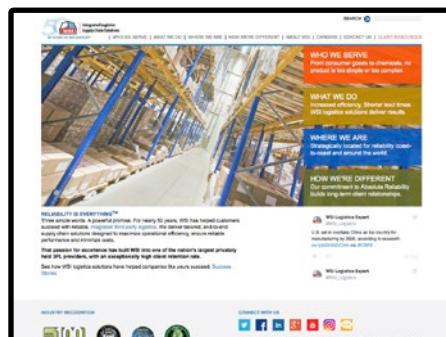


Transplace • www.transplace.com

Transplace delivers supply chain excellence through an optimal and flexible combination of industry-leading global and domestic logistics services and technology. Tap into our dense network of shippers and transportation providers through on-demand transportation management and a suite of professional services tailored to your organization's needs.

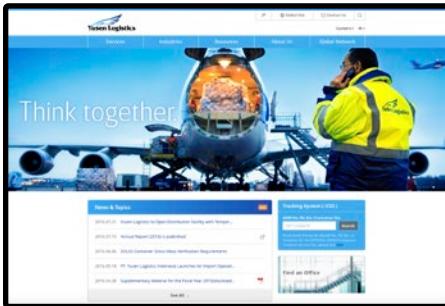
WSI (Warehouse Specialists, LLC) • www.wsinc.com

Warehouse Specialists, LLC, a certified women's business enterprise, offers complete end-to-end supply chain solutions. WSI is an asset-based company with operations throughout North America. Integrated solutions include distribution, e-fulfillment, and light manufacturing. Manufacturing support services include kitting, sequencing, inventory management, and JIT delivery using our dedicated transportation fleet. Greenfield opportunity? Our team provides site selection, network strategy development, and construction. Let WSI develop customized solutions to meet your needs.



IN THIS SECTION:

TMS - Trucking



Yusen Logistics • www.us.yusen-logistics.com

Yusen Logistics offers a complete transport and logistics portfolio of services to some of the world's largest companies. We offer full end-to-end service coverage including origin cargo management, ocean freight forwarding, airfreight forwarding, warehousing, reverse logistics, surface transportation, and integrated supply chain solutions. We are committed to contributing to the sustainable development of our society through safe, environmentally friendly options.

TMS

3Gtms • www.3gtms.com

3Gtms is a leading provider of transportation management system (TMS) software. Built as a single platform, 3G-TM delivers a comprehensive, end-to-end, transportation lifecycle management solution which addresses the most pressing logistics management issues for shippers and 3PLs. The company was founded with a focus on providing the most advanced functionality in an architecture that emphasizes usability, flexibility and expansion, providing a platform that will produce results today and well into the future.



TRUCKING



Saddle Creek Logistics Services • www.sclogistics.com

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

Saia LTL Freight • www.saia.com

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



WhitePaperDigest

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 websites listed below.



3PL Central

TITLE: *The 3PL Guide to Holiday Season Success*

DOWNLOAD: <http://bit.ly/2asWnzA>

SUMMARY: Is your warehouse ready for the 2016 holiday crunch? To make sure you are, download 3PL Central's latest free whitepaper. Written by industry experts, this guide details the five areas where you can have the most impact before the holiday onslaught begins.

Amber Road

TITLE: *What You Need to Know About The New Container Weight Requirement (SOLAS)*

DOWNLOAD: <http://bit.ly/2afcRwi>

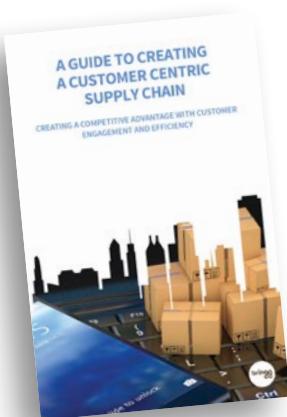
SUMMARY: Thanks to new SOLAS rules, you will need to provide verified gross mass (VGM) information prior to loading upon an ocean vessel. Is your organization prepared to comply with this new mandate? Check out Amber Road's e-book to learn: how to obtain an accurate container weight; the answers to common SOLAS VGM questions; and how to maximize global trade performance while addressing the VGM requirement.

Bringg

TITLE: *A Guide to Creating a Customer Centric Supply Chain*

DOWNLOAD: <http://goo.gl/j6EfBO>

SUMMARY: We've entered a new age—the age of the empowered consumer. In this environment, there are new expectations and operational requirements that enterprise businesses that deliver—such as package and parcel services and restaurant chains—must meet in order to stay competitive. Creating a customer-centric supply chain can be a tricky thing; while each business has its own operational needs, a few concepts are relatively universal.





Scandit

TITLE: *Mobilizing Proof of Delivery*
DOWNLOAD: <http://bit.ly/2auVMxn>
SUMMARY: The majority of delivery and fleet drivers already carry smartphones on the job, so why do many enterprises still rely on outdated, paper-based processes to execute day-to-day tasks? This free e-book offers five reasons why companies should consider ditching paper-based processes and embrace greater efficiency in the last mile with mobile proof of delivery: reduce human error, improve driver efficiency, increase cash flow, lower operational costs, and go green.

C.H. Robinson

TITLE: *Global Forwarding: Biggest, Fastest Savings*
DOWNLOAD: <http://bit.ly/29P1pIQ>
SUMMARY: It's mission critical to optimize efficiencies and savings while moving freight around the world. Where can you get the biggest savings in international shipping with the least effort? Start here, by reading this new whitepaper detailing: How to get more use out of available space with cargo consolidation; how to estimate exposure and manage cargo risk; why understanding Incoterms, free trade agreements, and ACE may lead to savings and efficiency improvements, and more.



Logility

TITLE: *Seven Methods that Improve Forecasting Accuracy*
DOWNLOAD: <http://bit.ly/2arFuaZ>
SUMMARY: Typically, a variety of forecasting methods can apply to any particular supply chain scenario. Smart supply chain planners use multiple forecasting methods tuned to perform well at different phases of the product life cycle, chosen to best exploit the available historical data and degree of market knowledge. This whitepaper shares best methods for picking the most effective and flexible forecasting models, blending their best features, and shifting between them as needed to keep forecast accuracy at its peak.

Ryder

TITLE: *Ryder's Partnership with Diaz Foods Helps Deliver Exponential Growth*
DOWNLOAD: <http://bit.ly/2b3zIPn>
SUMMARY: Repeatedly ranked as one of America's Top 500 Hispanic-owned businesses, privately owned Diaz Foods knew it needed to focus on growing the business, not operating a growing fleet of vehicles. Since the mid-1980s, Ryder has been Diaz Foods' transportation partner, providing reliable trucks to run the 90-100 over-the-road, and more than 150 local routes each week, as well as trained drivers who excel in delivering superior customer service. Many of the vehicles have been customized with temperature controls to ensure fresh, frozen, and refrigerated products are delivered where and when they're needed. Leveraging Ryder's fuel purchasing power has also delivered considerable cost savings to Diaz Foods and reliable access to fuel, even in times of a disaster.

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Zebra Shows Its Stripes

bit.ly/Zebra_Technologies

Zebra Technologies

In today's world, everything is more connected at a dizzying rate – systems to software, people to products, data to devices. Staying ahead of your competition means staying ahead of the curve with real-time information and visibility. See how Zebra is making it happen with intelligent, enterprise-level solutions that provide instant connectivity and big-picture visibility.



One and Done

bit.ly/Averitt_oneanddone

Averitt

Working with many logistics service providers can get complex, and stretch time and resources to the breaking point. Averitt eliminates the need to go anywhere else. From supply chain flexibility and a broad range of logistics and technology options, to consistent experience and complete accountability, you'll find everything you need in one place.



Dedicated to Your Supply Chain

bit.ly/UnitedWarehouse

United Warehouse

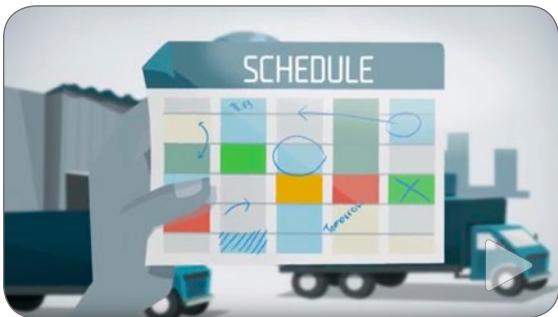
Dedicated warehousing is only as good as the dedication of the company behind it. See how Universal tailors its solutions to shippers' specific needs—including complete warehouse setup from barcode labels to WiFi systems to handheld terminals—to allow communication at different levels of the supply chain to happen instantly. Stick to your core competency, and let Universal do what it does best.

Seeing Things Differently

bit.ly/CH_Robinson

C.H. Robinson

It's your job to make products your customers love. It's C.H. Robinson's job to see things differently. The 3PL's people think in terms of free trade zones and shipping schedules, but they're also consumers who know what it takes for every item on a store shelf to get there. C.H. Robinson sees both sides of the story because their people, processes, and technology connect the world through supply chains.



Stop the Insanity

bit.ly/C3Solutions

C3 Solutions

It's Monday morning. You're already flooded with voice mails and emails requesting appointments. Your dock is overloaded and your scheduling system is a mess. But you can get your dock under control. Watch how *C3 Reservations* streamlines dock scheduling activities by improving productivity, expanding visibility of scheduled appointments, and measuring vendor compliance.

Discover, Disrupt, Deliver

bit.ly/LeanLogistics_deliver

LeanLogistics

LeanLogistics is constantly driving innovation in supply chain technology with software solutions that are easy to use in function and design. Check out this fast-moving video to see how LeanLogistics' solutions provide actionable intelligence, data analytics, and decision execution to disrupt the status quo, revolutionize your world, and change tradition through innovation that drives to new frontiers.



Home: The Most Important Stop

bit.ly/Swift_mostimportantstop

Swift Transportation

Drivers are the heart and soul of a carrier's business, and Swift Transportation's one and only goal is to make sure their equipment is safe, trips are planned, trucks are loaded, and workflow involves as little paperwork as possible—allowing them to make it home, safely and soundly, for the moments that matter. After all, the places drivers hang their hats are their most important stops of all.

To help online retailers increase sales and reach consumers who live in residences where front-door delivery is not possible, **UPS** expanded its smart locker program from nine locations in Chicago to 300 locations nationwide. The UPS Access Point lockers are alternate delivery locations that are usually outside, and accessible 24 hours a day at convenience stores and other places. Online retailers integrate the locker delivery addresses into their web checkout process.



// Services //

Americold, a cold storage warehousing and logistics services provider to the food industry, purchased a temperature-controlled storage facility in East Point, Ga. The company now operates 15 facilities in Georgia. The additional capacity supports food producers and retailers expanding throughout the Southeast.

Customs brokerage and trade compliance specialist **Carmichael International Service** launched a full-service operation in Charlotte, N.C., to

serve shippers, especially those in the textile industry. The Charlotte location is the company's 12th in the United States; each center provides customs brokerage, compliance management, duty drawback, and customs bond management.

Carrier Transicold now offers a customized telematics solution for its transport refrigeration units. The new telematics solution helps fleets track refrigerated assets by enabling remote

refrigeration unit monitoring, control and diagnostics, and data management.

To meet increasing demand and international shipment growth from local businesses trading internationally, e-commerce shipping, and major shippers based in Illinois, international express services provider **DHL** opened a new service center facility in Chicago. The new 38,000-square-foot facility processes more than 2,500 shipments per hour, and sits north of Chicago's Midway International Airport.

France-based global logistics company **Seafrigo** expanded into a Miami warehouse in the South Florida Logistics Center, 12 miles from PortMiami. The 30,000-square-foot warehouse contains coolers and freezers for food products, most of which will be shipped via ocean. Some food products will arrive via air from Miami International Airport located next door.

//Transportation//

Evergreen Line expanded its U.S. Atlantic Coast–Far East cargo services via CMA-CGM's PEX 3. The new rotation, which includes transit via the newly expanded Panama Canal, calls at the following ports: Singapore, Hong Kong, Chiwan, Shanghai, Ningbo, Manzanillo, Houston, Mobile, PortMiami, Jacksonville, Durban, and back to Singapore.

Cargo carrier **AirBridgeCargo Airlines** added flights to Chongqing, China. The new service operates from Moscow Sheremetyevo Airport on Wednesday and Friday, and is linked with a return flight to Moscow through Shanghai.

American Airlines Cargo launched a daily nonstop service between its Los Angeles gateway hub and Auckland, New Zealand. Served by the fuel-efficient Boeing 787, commonly shipped commodities into and out of the region include e-commerce goods, perishables, horticulture products, edible fish, and other chilled meats.



A new “wing lift” system helps **Volga-Dnepr Airlines** reduce the usual four-hour loading time for 20-, 30- and 40-foot containers to less than 30 minutes. The system attaches wheels to each corner of containers fitted with ISO international standard fitting points, enabling the aircraft's onboard loading systems to winch the container into the cargo hold safely and quickly. Volga-Dnepr used the system to move a 21-ton gas-powered generator and a 19.4-ton diesel generator (pictured) on behalf of GEODIS Industrial Projects UK from Châlons Vatry Airport in northeastern France to West Africa on one of its freighters.

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//Technology//

Trade Tech, a cloud-based shipping and logistics solutions provider, released *Syrinx e-Shipping Portal*. The solution helps shippers compile the necessary documentation needed to comply with the International Maritime Organization's SOLAS container weight verification requirements.

Zebra Technologies Corporation, a provider of real-time visibility solutions, launched *Total Wearable Solutions*. The hands-free, speech-directed picking system provides 15 percent more accuracy than comparable speech-only wearable devices, and reduces errors by 39 percent.

Supply chain solutions provider **NeoGrid's** *On-Shelf Availability Solution* uses root-cause, predictive analytics to prevent stockouts. The solution considers inventory levels and actual and expected sales to calculate the

probability that an item will become out of stock. Then, it predicts the root cause of the stockout and allows the user to take action.

Supply chain software developer **Manhattan Associates** added new capabilities to its omni-channel *Store Inventory & Fulfillment* solution. The latest version provides store associates with real-time views of inventory, and enables cross-channel order processing and fulfillment from one mobile device.

Florida East Coast Railway debuted a new online quoting tool, *EZ Buy*. The tool provides a price quote and booking system for shippers to "buy" door-to-door intermodal transactional freight between Southeast U.S. markets and South Florida markets. One key feature is a price negotiation function, allowing users to access dynamic price quotes, and giving them the opportunity to negotiate the rate and book an order.



Warehouse robotics manufacturer **EiraTech**, introduced EiraBot v4, the latest version of its award-winning robot. The new EiraBot includes improvements in acceleration, suspension, positioning, and battery life. EiraTech also reduced robot height by 30 percent to allow for more space for storage on the racks.

//Products//

Safety products manufacturer **A-SAFE** introduced RackEye, a warehouse racking monitoring system. It allows users to control a multi-site network of racking through a smartphone app, alerting them of any impacts that can erode structural integrity.

Start-up company **Ahrma** introduced a pallet utilizing Internet of Things technology. The pallet has an embedded transponder that communicates with receivers, tracking acceleration, temperature, and weight. The inner structure is made of wood composite and is sprayed with a polyurethane coating.



Honeywell released its 8670 Wireless Ring Scanner with Bluetooth technology, a compact, lightweight scanner that fits comfortably on a finger to allow workers to keep both hands free when completing their tasks. The new ring scanner is designed for use across all areas of a distribution center. It uses Bluetooth technology to connect to a range of computing devices such as PCs, laptops, tablets, vehicle-mounted computers, rugged mobile computers, and smartphones.



Cargo restraints manufacturer **Midwest Precision Products** (MPP) collaborated with thermoforming and structural foam molding company **Robinson Industries** to create eco-friendly systems that combine its “seatbelts for pallets” with Robinson’s returnable synthetic pallets. The eco-friendly system is made with a structural foam base and vacuum form lid with totes placed between them. Two trays make up a layer, and multiple stacks go up based on the shipper’s need. The MPP retractable belts attach and reattach per repeatable loading/unloading operation.

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AUDIENCE: Supply chain and logistics professionals

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FOCUS: Managing the full product life cycle; tracking omni-channel returns; improving consumer experience to reduce returns; streamlining supply chains

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www.coldchainglobalforum.com

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FOCUS: Exceeding supply chain expectations; cold chain trends; optimizing global supply chain networks; cost reduction, and risk and data management; supply chain security

OCT 11-12, 2016 Long Beach, Calif.
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Cargo Logistics America

www.cargologisticsamerica.com

AUDIENCE: Supply chain stakeholders such as beneficial cargo owners, logistics providers, multimodal transportation providers, and port authorities

FOCUS: Products, services, technologies, and equipment designed to optimize the entire supply chain

NOV 1-4, 2016 Dallas, Texas
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Connected 2016

www.TruckstopConnected.com

AUDIENCE: Broker and carrier users of Truckstop.com

FOCUS: Supply chain insights from industry analysts and experts; rate benchmarking, data intelligence, carrier qualification, and product training

CONFERENCES

SEPT 12-14, 2016 Dallas, Texas
PARCEL Media; Customized Logistics and Delivery Association

PARCEL Forum '16

parcelforum.com/conference

AUDIENCE: Distribution, logistics, supply chain, and warehouse managers

FOCUS: Latest advancements in technology, operations/facilities, packaging, and distribution

SEPT 13-14, 2016 Alexandria, Va.
Defense Strategies Institute

Defense Logistics Technology Summit

logistictech.dsigroup.org

AUDIENCE: U.S. military logistics supply chain stakeholders and providers

FOCUS: Using additive manufacturing technology to transform the military logistics supply chain; leveraging IoT

SEPT 15-16, 2016 Los Angeles, Calif.
USC Marshall Center for Global Supply Chain Management

Fourth Annual Global Supply Chain Excellence Summit

www.globalsummit.uscsupplychain.com

AUDIENCE: Supply chain management executives; SCM academia

FOCUS: Delivering high-performing supply chains; recruiting top talent

SEPT 18-20, 2016 Houston, Texas
Intermodal Association of North America

Intermodal Expo 2016

www.intermodalexpo.com

AUDIENCE: Supply chain and transportation professionals, intermodal shippers and stakeholders

FOCUS: Technologies impacting intermodal; strengthening shipper/drayage partnerships

SEPT 20-22, 2016 Detroit, Mich.
Automotive Logistics

Global Conference

bit.ly/ALglobalconference

AUDIENCE: Professionals in the automotive logistics sector

FOCUS: Automotive logistics strategy; taking a holistic approach to global automotive supply chains

SEPT 20-22, 2016 Princeton, N.J.
Worldwide Business Research

LogiPharma 2016

www.logipharmaus.wbresearch.com

AUDIENCE: Pharmaceutical supply chain stakeholders

FOCUS: Customer-centric supply chain management; innovating the cold chain; managing network complexity; creating a healthcare value chain map

SEPT 25-28, 2016 Kissimmee, Fla.
Council of Supply Chain Management Professionals (CSCMP)

CSCMP's 2016 Annual Conference

cscmp.org/annual-conference

AUDIENCE: Supply chain, logistics, and transportation professionals

FOCUS: Latest supply chain management insight, research, and industry developments; supply chain best practices

SEPT 26-28, 2016 Nashville, Tenn.
Worldwide Business Research

Consumer Returns 2016

bit.ly>Returns2016

AUDIENCE: Executive-level supply chain professionals



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\$75.8 billion (approx.)
expected spending on school shopping
by school- and college-age families
in 2016, up from \$68 billion in 2015

1.4 percent
increase in imports at U.S. container
ports in July 2016 compared to
July 2015 as retailers stock shelves
with back-to-school imports

1.64 million TEUs
estimated cargo volume at major
U.S. ports in July 2016, with part of
the uptick from the previous month
credited to back-to-school imports

30 percent
increase in number of consumers
saying they will buy school supplies
online in 2016, compared to 2015

89 percent
of online shoppers plan to take
advantage of free shipping,
while 54 percent plan to buy
online and pick up in store

TOP 5 U.S. locations
where most retailers and small
business owners sell seasonal
back-to-school imports

1. Charleston, W.Va.
2. Eureka, Calif.
3. Madison, Wis.
4. Shreveport, La.
5. Oklahoma City, Okla.



Sources: National Retail Federation, Hackett Associates *Global Port Tracker Report*, AFC International

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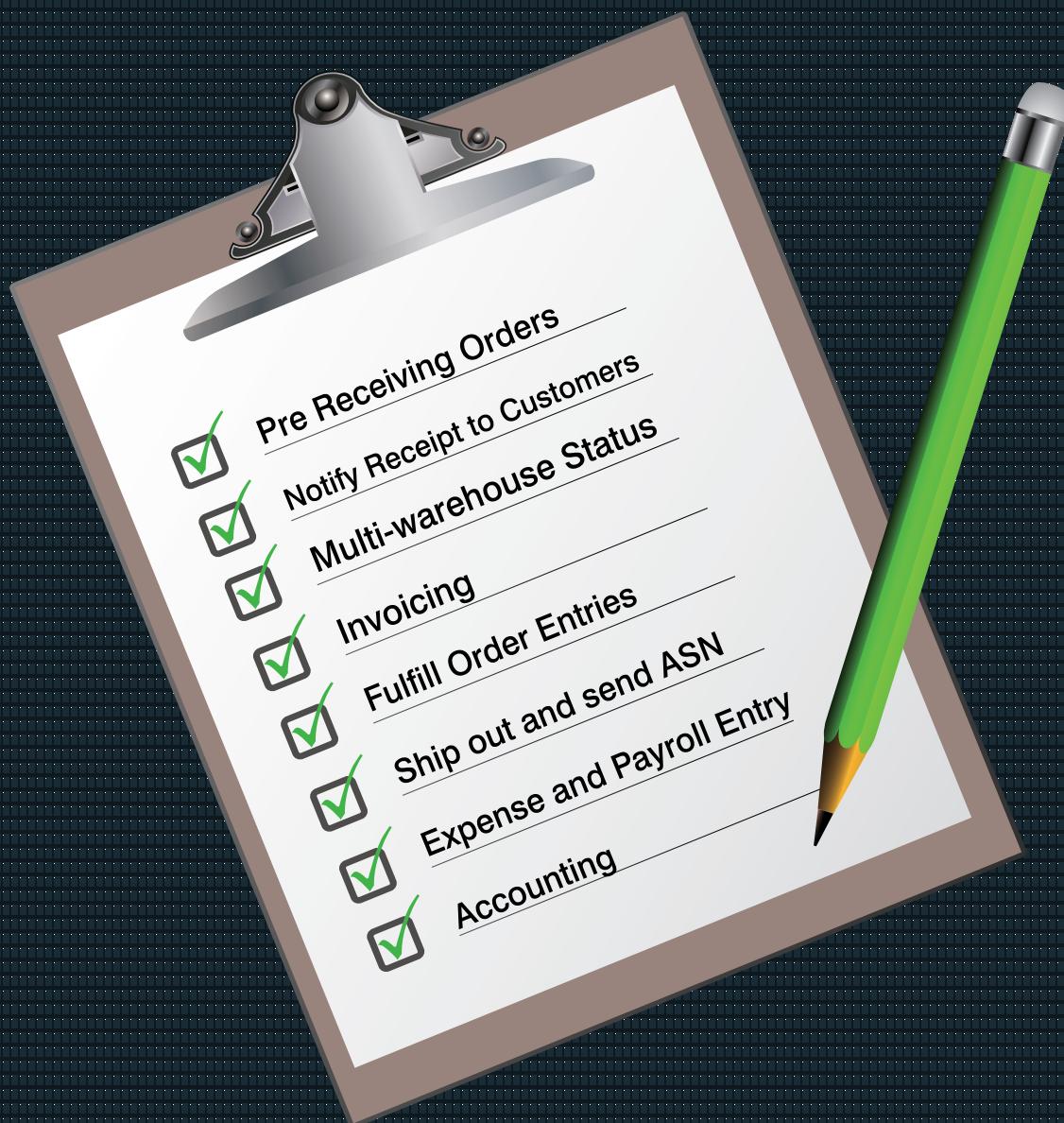
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