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*SOMETHING THE FRAME IS THE MASTERPIECE.*
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LIT TOOLKIT

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One Small Victory

What were the legislators in Michigan thinking? What started out three years ago as a grass roots voter initiative to simplify tax procedures ended up as a six-percent state tax on warehousing and logistics activities. Clearly an anti-labor, anti-business, and anti-economic development move by Michigan lawmakers who forgot they preside over the state with the highest unemployment rate in America.

After manufacturing has been under siege for decades — and in some cases drying up, with its desiccating dust blowing to far-off places — the tax-and-spend vampires light on a new victim: the service industry. Having spent themselves into a $1.6 billion deficit it’s no wonder Michigan legislators were after blood in six-percent increments.

Thankfully the business and labor community showed grit and embarked on some strenuous education, helped by a Michigan State University impact study. Here are some comments from that study:

■ “My company owns three million square feet of warehouse space in Michigan. We pay $1.5 million in property taxes. When we leave, there will be a severe economic impact on the communities and school districts where we operate.”

■ “Our state, by geography, is not the most ideal location for nationwide logistical operations. Adding a six-percent cost results in one more reason for companies to avoid Michigan altogether.”

These observations are just a tipping point. Consider the potential pyramid impact of the six-percent tax added at each step in the supply chain: a payroll company does work for a carrier; that carrier then does work for a 3PL; the 3PL then works with a 4PL, and the 4PL invoices the manufacturer. Is that a 24-percent tax? Why would anyone pick Michigan?

Michigan lawmakers got the message. The bill was repealed five hours after it went into effect on Dec. 1, 2007, a small victory for our community.

Some states such as Nebraska, Virginia, and North Dakota, among others, understand how our industry offsets a lack of manufacturing sector growth. Nebraska is actually incentivizing companies to locate logistics facilities there and drive sustainable economic growth by producing more jobs.

If nothing else, Michigan’s negative example serves as an important lesson for shippers and logistics companies alike: take the time to develop local intelligence sources, join local business groups, and reach out to elected leaders to educate them about the importance of public/private partnerships.

This way, instead of attacking or treating our industry with benign neglect, lawmakers will be motivated to make a genuine effort to support it. Now that would be no small victory.
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When Bethany Adamonis headed for her co-op job last January, she didn’t know a great deal about supply chain management, her college major. Up to that point, she’d taken only one course on the subject, an introductory class that was so theoretical she couldn’t see how the principles she learned would play out in the real world.

“But at the co-op job, I saw these concepts applied every day,” says Adamonis, now a senior at Penn State University’s Smeal College of Business. “That’s when I knew I was pursuing the right career.”

A native of State College, Pa., and daughter of two Penn State graduates, Adamonis picked her major on her mother’s recommendation. As a student, Adamonis’ mother had considered majoring in business logistics. But her own mother talked her out of it, insisting that logistics was a man’s field.

One generation later, Mom gave her daughter a different message: supply chain is a perfect field for a woman with an analytical mind. “She said, ‘I think you’d be very good at it,’” Adamonis recalls.

The co-op assignment proved Mom right. From January through July this year, Adamonis worked as a customer demand and replenishment planner for Unilever in Clinton, Conn. Much of the time, she used IBM’s continuous replenishment program to track shipments of Unilever Home and Personal Care (HPC) items out of four Kroger warehouses. Based on that information, she forecast demand for the next week, then planned shipments to those warehouses. “I would set delivery dates for loading the trucks,” she says.
Because the software didn’t understand the context of the activity it tracked, Adamonis had to make her own judgments. For example, some warehouses pulled no product at all on Monday or Tuesday, but then pulled heavily on Wednesday.

“The tool doesn’t know that,” Adamonis says. “So if it sees zero units pulled on Monday and zero on Tuesday, it will give me a forecast of zero. But then, if the warehouse pulls 50 units on Wednesday, the software provides a forecast of 350 units, when I know that will not happen. You have to apply common sense and previous knowledge.”

She also had to account for seasonal demand and special promotions. During their term at Unilever, Adamonis and her fellow Penn State co-op workers lived through one of the more exhausting realities of corporate life: a major information systems overhaul. Unilever was merging two separate SAP systems used in its foods and HPC divisions into one. That project created a lot of extra work.

“All our warehouses were shut the first week of July, and everyone had to work the weekend before and the weekend after the Fourth of July,” Adamonis says. “Before the system shut down, we had to build up all the inventory. We couldn’t ship any product out of our warehouses for almost two weeks.”

Based on her co-op experience, Adamonis is certain she wants a career in supply chain management, and she’d like to explore demand planning further. Now, as a first-semester senior, she’s taking one class on sourcing and another that closely examines the entire supply chain.

She’s also looking ahead to the prospect of working in a field that has captured her imagination. “Supply chain management provides endless opportunities,” Adamonis says.
Selecting a Global Trade Management Provider

Language barriers, distance and time differences, security issues, and customs rules make global sourcing difficult to manage. Selecting the right global trade management (GTM) solution can help. Here’s some advice from Graham Napier, CEO of TradeBeam Technologies.

1 Look for immediate value. Identify a GTM provider with solutions that deliver immediate impact in core areas. Begin with quick-win implementations in areas such as compliance or order collaboration. This will set the stage for a broad rollout.

2 Create a vision for extending GTM solutions across departments and functions. Make sure the GTM provider is not just a specialist in one area, but can address all core areas. Take advantage of GTM’s ability to deliver value by integrating the financial and physical supply chains.

3 Ask the provider for high-quality global trade content in key areas. Ask providers if they have their own content in areas such as denied party lists, duties, and taxes. If they use a reputable provider, can they validate the quality of data? Make sure the content provider has quality coverage in your key areas of need, rather than broad coverage of content you don’t use.

4 Search for a provider with an established network of third-party message integrations. Electronic messaging is required for integrating with trading partners. Your GTM provider must have a scalable solution that can address all messaging formats and be deployed and updated quickly.

5 Check for rapid on-boarding. You want the ability to bring on large communities of buyers, suppliers and related trading partners quickly and easily. A quality GTM solution must have a simple user interface and a methodology for continuous on-boarding and training.

6 Develop a global rollout strategy and choose a solution with a deployment model to support it. Software as a Service (SaaS) enables quick rollouts across geographies and functions without training and managing distributed teams or maintaining multiple versions of systems. SaaS also enables the outsourcing of message integration management and keeps pace with daily content changes.

7 Strong reporting and business intelligence is key. Select Key Performance Indicators, and make sure the solution provides the right scope, format, and frequency of reporting data. Many companies derive value from GTM solutions primarily through their reporting and alert capabilities.

8 Assess the expertise of the professional services, managed services, and global trade content personnel. Quality GTM applications require experienced, knowledgeable personnel qualified to address your issues.

9 Test the system to make sure users can configure the application on the fly. Make certain the system is not hard-coded for specific transaction types that require cumbersome processes for updates over time. Determine what aspects of the solution will require updating, and put in place a convenient process for accommodating user updates.

10 Look for manageability. A best-of-breed GTM solution must have a configurable way to validate that data coming into the system is reliable and accurate.
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Moving Toward Greener Pastures

Greening the supply chain isn’t just good for the environment, it’s also good for business. Efforts to create a more sustainable and efficient footprint for freight transportation in the United States and around the world are becoming more transparent thanks to the stewardship of supply chain visionaries. In recent news:

**FedEx** will introduce 10 hybrid-electric/diesel vehicles to its European fleet, bringing its worldwide total of hybrid vehicles in revenue service to more than 100 in North America, Asia, and now Europe.

The new vans, supplied by Iveco, are being tested close to the manufacturer’s site in Turin, Italy, and will be the first hybrid-electric/diesel vehicles operated by FedEx in Europe. FedEx currently operates hybrid vehicles in the United States, Canada, and Japan.

“FedEx is making strategic investments in projects that will help drive the commercial development of new technologies for industry,” says Robert W. Elliott, president, FedEx Express, Europe, Middle East, the Indian Subcontinent, and Africa. “We expect these hybrid-electric vehicles to perform with increased fuel efficiency and decreased emissions.”

**UPS** has added 306 alternative-fuel vehicles to its “green fleet” by placing an order for 167 Compressed Natural Gas (CNG) delivery trucks and taking delivery of 139 new propane delivery trucks in North America. Additionally, the company has launched an initiative to use biodiesel fuel in its ground support vehicles at the UPS Worldport air hub in Louisville, Ky.

UPS will deploy the CNG trucks early next year in Dallas, Atlanta, and four California cities – Los Angeles, Ontario, San Ramon, and Fresno. They will join more than 800 such vehicles already in use in the United States.

UPS’s global alternative-fuel fleet now stands at 1,629 vehicles and includes CNG, liquefied natural gas, propane, and electric and hybrid-electric vehicles. The company also is working with the Environmental Protection Agency on a hydraulic hybrid delivery vehicle.

The carrier is launching its biodiesel
An increasing number of customers are showing interest in their carbon footprint from supply chain-related activities and are asking us for ways to reduce it.”

— Henrik Ramskov, Maersk Logistics

.initiatives in Louisville with the support of a $515,000 federal grant that is helping offset some of the cost of building a fuel infrastructure at the airport. The infrastructure will provide a five-percent biodiesel blend of fuel to run 366 ground support vehicles starting early next year.

“Deploying alternative-fuel vehicles and exploring renewable energy sources such as biodiesel are just two ways UPS actively pursues its commitment to sustainable business practices.”

14 Inbound Logistics • December 2007
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Menlo Takes NY by Storm

The New York City Office of Emergency Management (OEM) recently awarded Menlo Logistics a contract to warehouse, manage, and distribute a large stockpile of emergency supplies that would be used in the event of a hurricane.

The program was implemented as part of the city’s Coastal Storm Plan and calls for a specialized warehouse facility to store emergency provisions and serve as the central point for the dispatch of relief supplies.

Menlo was hired by the OEM to design, staff, manage, and operate the facility with logistics specialists and systems established for rapid response to emergencies. Since last May, Menlo’s team has been working in close cooperation with New York City’s OEM staff to identify a site, configure the 50,000-square-foot facility to house the supplies, and develop a response plan for relief operations. This plan includes the preparation and delivery of emergency supply shipments to assigned evacuation areas prior to a major hurricane hitting the city. Under the program, Menlo would be responsible for:

■ Initiating ramp-up plans.
■ Bringing in staff to process and stage shipments.
■ Securing transportation resources in advance of deployment.
■ Monitoring inventory draw-down and replacement needs.
■ Acquiring additional supplies from vendors.

■ Managing the response process to ensure that relief centers are continuously supplied with goods until the emergency passes.

In the aftermath of a hurricane, Menlo would also work collaboratively with the city to replenish and restock supplies within the warehouse. The center is storing more than four million units of water, along with hundreds of thousands of “Meals Ready to Eat”, and other basic supplies such as first-aid kits, protein bars, personal care and comfort kits, diapers, baby formula, cots, and blankets.

Intermodal Surges Despite Economic Ebb

As further evidence that stateside shippers and consignees are looking across modes to access capacity, reduce costs, and create more reliable transportation linkages, intermodal volume during the third quarter of 2007 was the second-best three-month period ever documented, according to the Intermodal Association of North America’s (IANA) Intermodal Market Trends & Statistics report.

Despite a difficult freight environment that included declining import traffic and sluggish domestic demand, third-quarter volume tracked 3,618,617 units, trailing only the third quarter of last year (see chart, right). Volume fell 2.2 percent from last year’s level and rose 3.5 percent above the second quarter of 2007. Domestic container volume rose 10 percent versus 2006, accounting for relative growth.

“The domestic container gains are especially noteworthy because they were achieved at a time when long-haul truck capacity was abundant, retail sales as well as other economic indicators were weak, and key industries such as construction were slumping,” says Thomas Malloy, vice president of member services and business development, IANA.

The latest report reflects a change from recent years, when international traffic consistently rose at a rate of six percent or more, while domestic business increased at a slower pace. International traffic fell 3.7 percent and domestic traffic rose 0.1 percent in the third quarter. Total intermodal volume for the year to date is 10,557,007 units, or 0.9 percent less than the same period last year.

Source: IANA
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CREATING OPPORTUNITIES IN GLOBAL COMMERCE.
The friendly skies are taking a stand against countries that fail to clean up their act—and the International Air Transport Association (IATA) is flying cover.

Giovanni Bisignani, director general and CEO of the international trade body, recently challenged governments attending the World Air Transport Forum in Cannes, France, to put aside politics and join industry in delivering real results to improve air transport’s environmental performance.

“Airlines are leading the environmental debate with a vision to become carbon neutral in the medium-term and attain zero carbon emissions in the long term. We are setting the environmental performance benchmark for other industries to follow,” said Bisignani.

To his point, IATA’s 240 member airlines have agreed to a four-pillar strategy on climate change:

1. Invest in new technology.
2. Build and use efficient infrastructure.
3. Operate planes effectively.
4. Consider positive economic measures while working with governments to define a fair, global, and voluntary emissions trading scheme.

Its efforts are already showing considerable progress. In 2006, IATA’s fuel campaign saved 6.6 million tons of CO₂ by shortening 350 routes; 8.8 million tons of CO₂ by working with airlines on best practices in fuel management; and 1.1 million tons of CO₂ through more efficient operational procedures.

IATA is also working with seven major cargo airlines (Air Canada, British Airways, Cathay Pacific, KLM, Martinair, SAS, and Singapore)

IATA’s 240 member airlines are making a concerted effort to set a benchmark for environmental performance.
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Airlines), freight forwarders (DHL Global Forwarding, Panalpina, Kuehne+Nagel, Schenker, TMI Group-Roadair, and Jetspeed), and ground handling agents to embrace a paper-free air cargo environment with the launch of six e-freight pilot projects. Cargo on key trade routes connecting Canada, Hong Kong, the Netherlands, Singapore, Sweden, and the UK has already begun transitioning to electronic shipment documentation.

The e-freight pilots will, for the first time, systematically test common standards, processes, procedures, and systems designed to replace paper documents that typically accompany air freight with electronic information. During the initial phase, selected shipments will travel without a number of documents that make up the majority of the paperwork, including the house and master airway bills. Results from the pilots will be used to expand e-freight to other territories.

But the airline industry needs support from government to prioritize and spearhead these ongoing efforts, Bisignani stated at the World Air Transport Forum.

“Our biggest disappointment is the European states. They are taking a completely political and totally irresponsible approach by unilaterally pursuing emissions trading rather than employing a global strategy. This will cause diplomatic trade battles, and do nothing for the environment,” he noted.

Specifically, Bisignani criticized Europe for the 13 million tons of CO2 it wastes each year due to its inefficient air traffic management system, comprising 34 air navigation service providers.

“Europe has been discussing a Single European Sky for 15 years, blowing a lot of hot air in discussions, but taking no action. On the environment it is acting like a hypocrite – charging for airline emissions without fixing its own air traffic management mess,” he said.

### Pulling Alarm on SC Preparedness

When it comes to emergency response, execution is paramount. That’s why global logistics companies are fine-tuning contingency protocols to make sure that when the unexpected happens, first responders and supply lines are prepared.

NP Collection Runs With RFID

aisten Pukutehdas (NP Collection), a Finnish apparel manufacturer and retailer, is giving RFID modeling a spin and then some. In June 2007, the fashion house began piloting an RFID-based solution in an effort to streamline its supply chain before opening a new group of stores and expanding its global purchasing network.

In the first phase of the pilot, garments were RFID-tagged at a site in Eastern Europe, helping the company track goods as they arrived at its distribution center and six retail locations in Finland. Beginning in January 2008, garments manufactured in China will also be tagged, enabling NP Collection to track all its garments, anywhere in the supply chain.

Using RFID, NP Collection can follow each stage of the supply chain in real time, which yields significant cost savings and increases manufacturing and logistics accuracy. The company knows exactly what garments are being manufactured, which ones are on their way to Finland, and when retail shops are expecting shipments.

“We have been following the development of RFID technology for many years. This spring we became convinced that it was the right time to implement it,” says Risto Rosendahl, managing director of NP Collection. “Thanks to our state-of-the-art RFID solution, we have improved our product handling rate tenfold and eliminated human error. We expect to reach return on investment in six months.”

In addition to tracking the supply chain, NP Collection’s item-level RFID solution covers the receipt and dispatch of goods, inventory management, and point-of-sale functions. Now it can even carry out daily inventory to see what products are on the shelves and which require replenishment. In retail shops, the company can tap into real-time product information to plan shelf space usage before goods arrive.

In an all-day drill at its Middle Harbor Terminal in Oakland, global container transportation company APL recently tested its international supply chain procedures for the third time in 12 months, bringing 100 public- and private-sector participants
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together to study how emergency response teams can collaborate with the maritime industry to secure containerized trade.

“We put our policies, procedures, and people to the test,” says Earl Agron, vice president of security for California-based APL. “We proved that we can work effectively with our law enforcement and government partners.”

Teams from the California National Guard, U.S. Customs and Border Protection, FBI, U.S. Coast Guard, and local authorities joined APL operations and security officers from the United States, Europe, and Asia for the exercise.

During the simulation in Oakland, emergency response officers and APL security executives established a joint command to investigate the origin and nature of suspicious cargo delivered from overseas.

As part of the drill, APL demonstrated its ability to integrate both vessel and terminal security plans, including a successful evacuation of vessel crew and terminal labor.

 Elsewhere around the globe, companies are preparing and equipping emergency response operations to support and manage contingencies of a different nature—humanitarian and disaster relief efforts.

In Bahrain, DHL has introduced its third disaster response team (DRT) in cooperation with the United Nations’ Office for the Coordination of Humanitarian Affairs (OCHA). The new deployment, based in Dubai, UAE, consists of more than 40 volunteers capable of setting up an effective airport logistics operation in the immediate aftermath of natural disasters to ensure relief supplies are efficiently sorted, stored, and distributed as needed.

As part of the strategic partnership with the U.N.’s OCHA, two teams of specially trained DHL experts were created for earlier missions in the Asia/Pacific and America/Latin America/Caribbean regions.

In the past few years, DRTs have supported relief missions following the earthquakes in Peru (2007), Indonesia (2006), and Pakistan (2005); Hurricane Katrina in the United States (2005); and the tsunami in Southeast Asia (2004).

“Given the vast number of incoming relief supplies that arrive at airports following a natural disaster, especially in the first few days, the expertise of DHL employees plays an extremely important role in setting up a functioning logistics operation at the airport,” says Isabelle de Muyser-Boucher, chief logistics support unit for the OCHA. “The provision of core skills by private companies is becoming more and more important for United Nations programs to expand current aid efforts,” she adds.
Lily clients say the nicest things about the company named after mom.

“I wanted to thank you and make you aware that the entire Lily team provided Whole Foods with outstanding service during Thanksgiving, our busiest time of the year. It is really a credit to your people that made this happen. Whole Foods broke records in product movement through the Cheshire DC each progressive day this week. We service 34 stores from Maine to NJ that get multiple deliveries around the clock.

The additional equipment and drivers Lily provided to satisfy a spike in volume of 50% in a 2 week period was conquered by some special efforts from the Lily Team. In addition, Lily supplied the stores with temporary straight trucks and trailers to work out of for a couple of weeks.... The number of loads and drivers kept changing throughout the days and Lily not only met the challenge and kept it together but we had minimal issues surrounding deliveries. In fact we received several kind notes and words of praise from our stores on the flexibility we had to overcome, and on any issues that arose to keep our service levels high.

Again, thanks for a job well done from all of us at Whole Foods Market, North Atlantic Region.”
Rick Ballard, Associate Facility Team Leader, Whole Foods Market, North Atlantic

“I second Rick’s appreciation for a job extremely well done. I can’t tell you what a pleasure it is to have record volumes of products moving to our stores as smoothly as it has. It is a credit to your excellent planning, preparation and organization. Have a great holiday.”
David Doctorow, VP Purchasing & Distribution, Whole Foods Market, North Atlantic

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In this last column of 2007, I thought I’d look back at some practical issues addressed last year, and speculate on future trends in supply chain risk and liability.

- **Insurers will broaden their scope.** In October, we heard from a logistics operator whose business grew, through an acquisition, from handling and transporting air cargo to servicing aircraft and operating air terminal facilities. This crossover presented a challenge as he tried to structure an insurance program that was suitable for both his existing operation and for the new service.

  Insurers tend to specialize in specific industries, so one willing to devise a program that is international in scope and that crosses the aviation/maritime divide is difficult to find. But insurers do have its niche providers, and seamless coverage is not impossible to obtain. It would not be surprising to see insurers broadening the scope of their coverage as their clients add to the mix of services they provide.

- **Partnering and globalization will continue to grow.** Liability complications continue to arise during the cargo handling process, sometimes with costly consequences.

  In August, an operator recounted his experience involving a shipment of machine parts that his customer wanted packed in “seaworthy” condition. The operator arranged with a sub-contractor to crate the goods and ship them to their destination. On arrival, the goods were found to have suffered corrosion damage. Containers are often loaded at their place of origin by entities having no contact with those who unload them at destination. The challenge for shippers is to bring these two operations together. This calls for greater control over the shipment from origin to destination, either by partnering with those who control the process or by globalization of your own operation. It is likely that both partnering and globalization will continue.

- **Shippers need to keep track of time.** The transportation industry allows extremely short time periods in which to file claims, as we discussed in the April column. One operator allowed a claim against a steamship line to lapse by failing to file his claim within one year after the goods arrived. While each transportation mode has its own time limit for filing claims, the period is always very short. Time is clearly not on the shipper’s side, and this can prove dangerous and costly for the unwary.

  Operators and cargo interests alike must maintain adequate insurance protection. Like any other commodity, insurance goes through hard and soft cycles. Today, the insurance market is increasingly competitive and premiums are comparatively low. Clearly, this presents an opportunity for an operator to save on insurance costs. But insurance should not act as a replacement for good business practices.

  As we enter a new year, we will continue to address the liability issues affecting supply chain operations. We look forward to hearing from you.
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In today’s complex business environment, nothing is more important than justifying dollar impact. In sports, when a team wants to win a championship, the least expensive option is never considered. Managers want to ensure a win, regardless of cost. They are looking at Return on Investment (ROI).

Likewise, all business functions ranging from sales and marketing to supply chain and customer service must rigorously and regularly determine ROI to increase their chances of success and survival.

Companies should define and calculate the quality of their supply chain hires the same way. To illustrate, let’s build a model that includes the benefits of an effective hire and the losses of an ineffective hire.

Human capital can average 20 percent of a company’s operating expense, according to Robert Albus, president of financial advisory Goodrich Capital, New York. A candidate hired for a top supply chain management position with a salary of $100,000 (including benefits) is, in effect, responsible for five times that income in value, or $500,000 annually. If the person hired is ineffective and operates at 50 percent of capacity, the value delivered to the company is half that amount.

In other words, the wrong hire can cost a company $250,000 per year.

With a retained search cost of $33,000 to hire the “right” candidate the company would gain an ROI of 750 percent instead of losing $250,000.

THE $10-MILLION MISTAKE

The bad-hire scenario can get even worse; a poor judgment call can cost millions. This is best illustrated by the following true story.

A major East Coast manufacturer shortcut the hiring process by using a contingency search strategy, and hastily hired a vice president of operations because its busy season was approaching. On two different occasions during the threat of a hurricane, the new vice president opted to shut down the plant instead of waiting to see if the hurricane would hit. It did not hit. This hasty hiring decision cost the company more than $10 million in one day.

To avoid such disasters, companies must access talent management using a business process that integrates ROI. If an organization has 20-percent turnover each year, and new hires are mediocre, within five years the entire work force will be downgraded to mediocre.

What does all this really mean? It means that human capital is as critical to the success of a business as financial capital. Employees are the resource that separates and elevates companies over their competitors.

Another challenge in today’s market is the obvious shortage of talent. With boomers retiring, an aging workforce, and more jobs than people, the supply chain hiring process is even more daunting.

Fortune 500 companies in America are projected to lose 50 percent of their senior managers in the next five years, states Human Resources Management Guide. Human resource audits confirm that retained search is a cost-effective alternative to locate and acquire the best talent. The problem is, few companies evaluate the recruitment return on investment in this manner.

A CULTURAL FIT

Retained search consultants understand the client’s culture and the critical nature of each new supply chain hire in the company’s value chain. This includes personality characteristics required to grow and thrive in various company cultures.
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With 15 years experience as a premier third party logistics provider, Kelron delivers intelligent transportation. That’s important because your company survives by making intelligent decisions.

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Search consultants gather valuable data and penetrate competitive environments and other similar industry sectors using proven techniques. They extract pertinent information required for the search and diligently reference candidates at the same time.

While outsourced recruiting may appear expensive, the cost is insignificant when compared to what top supply chain performers contribute to the company in results and innovation. By comparison, contingency placement counselors rarely recruit; their process is entirely different. Because of time constraints dealing in a volume business, they act as brokers to “fill jobs” from their available inventory of resumes. Contingency fees are linked to candidate placement, which obviously creates bias. Retained search is impartial, seamless, and targeted.

With the tightest labor market in three decades, in-house recruiting also presents challenges. Often, there are too many job requisitions and too few recruiters to fill positions, or the positions are difficult to fill and the talent pool is inadequate.

In any given year, internal recruiters work on three or four times the number of assignments as dedicated search consultants. In-house recruiters do not have the luxury of focusing on individual projects and have the added responsibility of dealing with internal company matters.

THE BEST OF BOTH WORLDS

Retained search works as an extension of a company’s human resource department, combining the best of both worlds. When consultants work in conjunction with human resource managers, the labor portion of the assignment is outsourced. Hiring managers have the ability to evaluate internal and external candidates with greater objectivity.

In turn, hiring managers are the best resource to ensuring a clear understanding of position expectations. When managers are presented with three high-potential candidates with varied backgrounds, the candidate of choice often clarifies, defines, and reconstructs the position.

Resourceful search consultants can help identify and evaluate supply chain candidates who are not actively seeking change. Passive candidates ensure that personal and professional goals are synonymous with client expectations. For these reasons, recruited candidates are committed to the new opportunity ahead.
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The Case for a Global Trading Partner Network

America’s appetite for imports continues to grow – in 2006, the United States imported a record $1.6 trillion of goods, according to U.S. Customs. But today’s global trade practices are highly fragmented. A typical overseas purchase, for example, requires the various parties in the logistics process to trade more than 60 different documents across partners, countries, languages, and time zones. With edits, updates, and status changes, a typical shipment can require hundreds of document exchanges. Most of the information is re-keyed over and over into each partner’s proprietary systems and transferred by fax, mail, and e-mail. This delays the movement of information and payments, and limits visibility across the trading community.

As U.S. companies rely more heavily on imports, the pressure to synchronize the fragmented parties in the global supply chain continues to grow. Managing today’s fragmented global trade processes is analogous to the internal integration challenges corporations faced prior to the adoption of enterprise resource planning (ERP) systems. What the world needs today is a common platform that allows trading partners to communicate electronically and hand-offs between one another. In doing so, the platform would improve each partner’s operational efficiency and overall supply chain cycle times by streamlining document creation, trading, and invoicing.

**THE POWER OF 3**

Much like an ERP system, which provides companies with a common platform for departments to manage their business across organizational silos, a global trading partner network acts as a platform to connect participants across global trading silos.

A global trading partner network can function on the following three levels to synchronize operations:

- **As a community management tool**, it brings together all stakeholders in the fragmented supply chain and enables them to communicate electronically with one another.
- **As a communication tool**, it delivers information directly to the parties that need the information to keep shipments moving.
- **As an information tool**, managers can reach into their supply chains and drive performance or manage by exception.

A successful global trading partner system comprises three critical elements: connectivity, visibility, and metrics.

- **Connectivity.** In order to communicate successfully, a trading community’s infrastructure requires a data transmission network that can receive, translate, and send data files electronically. As a common platform to trade documents and files among partners, this network becomes the global trade system of record – a common data repository.
- **Visibility.** A global trade system of record provides visibility to everyone within the trading community. Importers, for example, gain real-time visibility into their orders at a more granular and accurate level, across all supply chain participants. This process reduces excess delivery times, thus driving down working capital.

Importers also gain visibility into the supply chain to redirect inventory to another destination that may command a higher price or a location that has greater demand, increasing margins or driving down all participants’ cycle times. Importers can also
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THAT’S WHY WE APPROACH THEM ALL THE SAME WAY.

First, we get busy analyzing the way your goods and information flow from here to there. Then we determine what, if anything, can be improved. Then, we improve it. Whatever the challenge, if it involves transporting goods across town, cross-country, or overseas, *we’ll partner with you and together we’ll create solutions for your supply chain that are uniquely yours.*

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ensure that information is getting to the parties who need it in order to keep deliveries from being delayed.

- **Metrics.** Once shipping information for all trading partners is collected in a common data repository, they can manage their own performance or importers can manage the aggregate information across partners. Service levels can be monitored and performance bottlenecks can be identified, further streamlining processes and supporting continual process improvements across supply chain networks.

**REAL SAVINGS**

In implementing a global trading partner network, the opportunities for hard-dollar savings are real. A typical $1-billion company can free $10 million to $40 million in cash through basic automation and process improvements, according to Aberdeen Group.

The top 100 importers into the United States account for approximately 31 percent of the annual $1.6 trillion in U.S. imports. Assuming the trading partner hub reduces purchase-to-pay cycle times by four days, this represents an annual savings of $5.4 billion in working capital and $60 million in carrying costs.

Some additional benefits include:

- Synchronizing financial transactions in order to drive down trade financing costs.
- More aggressively managing inventory in transit and redirecting it to take advantage of market opportunities.
- Improving accuracy of regulatory compliance, thereby reducing the risk of fines, penalties, and audits.

Global sourcing continues to grow. Today's fragmented supply chains, which support trillions of dollars in trade, are fraught with inefficiencies stemming from traditional, silo practices.

By implementing global trading partner networks, all participants can streamline operations and recognize both hard- and soft-dollar savings. ■

What the world needs today is a common platform that all trading partners can use to tighten linkages and hand-offs.

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Managing the Mess on the High Seas

Logistics managers have given much thought to streamlining land and air transportation. But water transport still lags behind—and the fallout can have significant impact on even the best laid logistics plans. This is especially critical in a world where overseas sourcing has become the norm rather than the exception for North American companies.

As companies increasingly look farther afield for suppliers, their reliance on efficient water transportation has grown exponentially. To meet increasing volumes, ships have expanded their capacity from the early days of less than 2,000 TEUs (20-foot equivalent units) to the current 10,000 TEUs.

While these new vessels are able to handle massive shipment volumes, the infrastructure cannot. Port expansion has been slow to catch up. Traffic congestion is rampant, especially for Asian imports that have been posting double-digit increases in quantity every year.

Shipment loading, receiving, and distribution are not only becoming increasingly complex, but any delays can lead to significantly greater financial risks. A labor shortage or docking delay can quickly undermine the benefits of off-shore sourcing.

The escalating problem is not insoluble. But it does require a “bigger toolbox,” one that includes much longer planning cycle times, well-architected contingency planning, improved shipment visibility, and the ability to source from alternate delivery channels using “in transit,” off-dock distribution container freight stations to expedite deliveries on-shore in the event of a delay. The more focus on the visibility and planning process, the lower the risk.

Achieving results such as on-time delivery and low risk begins with an experienced ocean carrier—one that can help overcome these hurdles.

Shippers should look for carriers that provide intermodal ocean transport from door to door in a time-definite environment. Establishing long-term, contracted relationships with reliable carriers, bundled with customized pre- and on-carriage arrangements that include both full and less-than-full containerload services, is the best way shippers can achieve high service quality and efficiency. Carriers should also be able to handle customized solutions for logistically complex shipments, break-bulk, and other activities that need extra care.

No matter what kind of freight they move, shippers need to gain insight into the way carriers work and how they address unique business and transportation needs. The key is to probe a little deeper into the services carriers provide.

Shippers should find out if prospective carriers maintain their own offices in every significant harbor and industrial region of the world, enabling them to react promptly to unique requirements. Will that supplier facilitate the most suitable transportation arrangements and select appropriate carriers for every shipment? Can they recommend not only the most appropriate, but also the most cost-effective solution to suit the shipper’s specific needs? How are they prepared to handle delays and offer alternative solutions?

North America’s reliance on inexpensive raw materials and outsourced manufacturing from Asian countries will only increase in the future. That reliance will likely exacerbate ocean traffic and further clog already busy ports on both sides of the ocean and the continent. By asking the right questions and probing for the right answers, shippers are better prepared to select an ocean logistics service provider that will successfully steer their shipments through the mess on the high seas.
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Gauging Change

by Joseph O’Reilly
For better or worse, short-term memory is an unavoidable reality of operating in a global marketplace. With change as unpredictable as it is constant, and managing variability tantamount to increasing velocity, shippers and service providers are inclined to look ahead, outside the box, and around corners to differentiate themselves from the market.

But sometimes staying ahead of the curve is equally contingent on knowing when to slow down and survey the road—past, present, and future. Businesses and government pressing the pedal to the metal without heeding clear warning signs are traveling a precarious course—one where change remains absolute and progress becomes relative.

The past year presented several doses of reality that placed global shippers, transportation companies, and government agencies squarely in the present.

A U.S. economic downturn and softening capacity conditions served as a backdrop for two days in August that rattled the U.S. transportation industry and global supply chain: First, the I-35 Mississippi River bridge collapse; then one day later, Mattel’s recall of one million toys. Collectively these supply chain flash points gave public and private sector interests a much-needed wake-up to the status of U.S. transportation infrastructure, while delivering a crash course in the shifting rules of engagement for global transportation and trade.

“We’re seeing a new phenomenon, a new normal defined by permanent volatility,” reports Brooks Bentz, associate partner for Boston-based Accenture Supply Chain Management.

To look at it another way, “in today’s market there are three constants: change, growth, and trouble,” observes Scott Szwast, director of global marketing, UPS Supply Chain Solutions, Alpharetta, Ga.

By expanding and deepening supply chains to leverage labor and production cost economies, businesses have added infinite touchpoints and layers of complexity to their extended enterprise—factors that impede velocity as well as reliability and responsiveness.

The challenge for businesses today is figuring out how to balance the service

A soft economy, increasing global competition, the Mississippi River bridge collapse, and an influx of product recalls give global shippers plenty of reasons to slow down and check the rear-view mirror before accelerating into 2008.
and time demands of their customers with the volatility of the marketplace. Part and parcel of this task is properly evaluating where supply chains are most vulnerable, then identifying means to fund projects, processes, and partnerships that can fill these gaps. The past year provided plenty of quantifiable evidence that illuminated the former, while laying the gauntlet for government and industry leaders to address the latter.

The Importance of Partnerships  
As early as last fall, the U.S. economic compass began angling south as trucking companies felt the telltale signs of a downturn. Consumer spending, retail import volumes, and freight demand dropped as housing prices fell, interest rates increased, and energy costs remained statically high. This forecast set the tone for much of 2007, leaving motor freight carriers with the unwelcome task of fighting for freight, and shippers with a welcome reprieve to wrangle over pricing.

“As the market fluctuates, the capacity/cost pendulum swings according to demand,” says Bentz. “But many shippers are missing an opportunity to create partnerships that are reliable in both good times and bad. Shippers can hammer carriers now because they have leverage. But this perpetuates the boom-and-bust model. When capacity becomes tight, carriers gain the upper hand again.”

Unlike past economic downturns in the United States, other global economies suffered few residual effects in 2007. Solid economic growth in China and Europe, in particular, placed U.S. manufacturers in a unique position as they balanced the impact of a sluggish domestic economy with increasing competition from global companies.

Manufacturing and retail market leaders have become adept at exploiting shifting supply/demand dynamics to strategically align their businesses for global growth—for example, reverse engineering inbound supply chains to export product to emerging consumer markets.

But not all companies have had the wherewithal or inclination to look beyond the domestic scope and target these opportunities. Some companies still have their “heads in the sand,” Szwast says. Others, with a bit more foresight, rely on contingency plans to manage risk and address supply chain disruptions as they occur.

On the domestic front, economic, capacity, and pricing fluctuations present a cyclical bullwhip that shippers continue to wrestle with as they look to negotiate contracts and lock up capacity. Creating longer-term partnerships that make economic sense remains a recurring challenge for global businesses, regardless of market variability.

With so much emphasis placed on the importance of partnerships, what is really lacking is leadership, observes John Tracy, president of Tracy-Hayden Associates, a South Orange, N.J.-based logistics and operations consultancy. “The idea of a

The I-35 Mississippi River bridge collapse in Minneapolis last August served as a painful reminder of the need for government and industry to address transportation infrastructure funding.
MANAGED TRANSPORTATION SERVICES: 
Leveraging a New Logistics Model for Competitive Advantage

Leading companies today are finding that while transportation management is not one of their core competencies, it is a critical component of their overall competitive advantage. These enterprises are migrating toward a new business model—called managed transportation services (MTS)—that allows them to outsource non-core activities while maintaining other key logistics functions in-house, along with control over carrier relationships. For these companies, the MTS model is providing a new competitive advantage.

A New Model for Transportation Management

Many companies have discovered that outsourcing their entire transportation management function can result in giving up too much control and may be cost prohibitive. Retaining key functions within the company (carrier relationships, routing guide maintenance, accessorials payment decisions, visibility and control over utilization, etc.) may be the preferred solution, and the new managed transportation services business model provides that option.

Managed transportation services allow the outsourcing solution to be tailored to a particular company’s business objectives. Companies can outsource functions that may not be core competencies while still retaining oversight of their transportation operation and strategic carrier relationships.

The core of this new model is an on-demand transportation management solution with its network of carriers, suppliers, and other trading partners combined with business process management services. The following case studies demonstrate how companies working with LeanLogistics Managed Transportation Services (LLMTS) are already driving significant value by leveraging the MTS model.

CASE STUDY: Rich Products

Rich Products Corporation, a leader in the food service industry, has an extensive distribution network that encompasses over 60 locations, including 17 plants, 35 other production locations, and five regional distribution centers. Some of the network locations were managed by third parties, and there was no consistency in processes or procedures. Procurement was performed by Corporate Management, and a third-party handled freight payment.

Rich’s decided to outsource the daily management of transportation operations in order to centralize and standardize its processes, but to retain strategic control of its carrier relationships. Rich’s chose LLMTS to centralize command and control of its transportation processes.
Managed Transportation Services: Leveraging a New Logistics Model for Competitive Advantage

LeanLogistics manages daily operations for all locations: consolidation, optimization, carrier selection, and capacity commitments; tendering freight to carriers; monitoring carrier performance; leveraging the network to obtain additional carrier and capacity options; and reviewing unanticipated accessorials and payment anomalies.

Rich’s views managed services as the model of the future for transportation solutions, replacing both traditional third-party logistics providers and software solutions. Transportation is now managed with better technology, providing better coordination and control, and at a lower cost.

**Case Study: ACE Hardware**
ACE Hardware felt it was an opportune time to put its entire network up for bid. Ace issued a national RFP for transportation procurement and employed LLMTS to provide both the RFP and staff to manage the process. LeanLogistics created the RFP rate structure to meet Ace’s requirements. LeanLogistics also benchmarked its On-Demand TMS® network of over 4000 carriers against the Ace network and identified 400 new carriers that Ace had not used previously.

The benefits of issuing a national RFP were threefold—ACE standardized accessorials charges, aligned itself with more (and new) asset-based carriers, and secured capacity commitments across its network. Benchmarking its rates in On-Demand TMS® allowed Ace to validate and reduce its costs.

**Case Study: AEP**
AEP, a major supplier of plastic packaging film products, determined it could reduce costs in the transportation payment process by bringing it in-house. This would provide tighter control and eliminate third-party charges.

AEP selected LLMTS to transition from outsourced payment to the WebSettle® component of On-Demand TMS®. The LLMTS project team consisted of an administrator, a payment coordinator, and a load planner who set-up business rules, planned daily activities, and ensured proper carrier selection and payment. The team also mandated strict carrier compliance to established guidelines and deadlines for submitting accessorials.

AEP was able to move painlessly from outsourced to in-sourced settlement. They gained significant control over carrier selection and payment processes, reducing carrier costs significantly. The LLMTS team managed the transition, training the new AEP staff and their carriers. They provided expertise and knowledge transfer that resulted in significant time and cost savings.

**Case Study: Procter & Gamble**
Procter & Gamble’s objective was to improve performance on lanes with coverage and capacity problems. P&G implemented the On-Demand TMS® Supply Chain Monitor (SCM) and employed an LLMTS project team to implement visibility and best practices throughout its transportation processes.

This project team used the SCM to communicate process failures both to P&G and to its carriers throughout the cycle from Carrier Acceptance to Load Delivery. The team identified root causes of issues and recommended process improvements to increase performance, provided proactive communication to P&G Customer Service, and ran daily reports to manage timeline defects. The result was an increase in on-time delivery performance from 94 to 97 percent.

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true partnership must run much deeper than surface level.”

Technology is often the catalyst for initiating a rich level of collaboration. Some global businesses are leveraging IT solutions to drive visibility deeper into the supply chain to increase communication among offshore suppliers and logistics partners.

But for other companies, IT’s real potential has been fleeting. Simply applying technology to tactical problems doesn’t necessarily fix strategic gaps or drive better cooperation; and, in some instances, these failures have exposed businesses and their supply chains to considerable risk.

“Companies have invested heavily in technologies that drive costs down and visibility up. But many companies are still not in control; they don’t have their boots on the ground,” observes Tracy. “Technology is an aid, not a fix. In some cases the risk is not being managed because of technology.”

Mattel’s recall of nearly one million units of Chinese-manufactured Fisher Price toys spurred by fears of lead contamination, followed less than two weeks later by an additional 18 million units, presented a perfect example of the pervasive problems that can occur when businesses don’t have the offshore visibility to mitigate pain points before they swell beyond control.

“Businesses operating globally are challenged with creating partnerships that delve much deeper than the traditional relationship between an outsourcer and its supplier,” notes Tracy. “If a company sources components and parts from 14 different suppliers, what is its vision into that network? What is its oversight? Does it have total trust in that network?”

Recalls at Warp Speed

With consumers sensitized to concerns about product integrity, retailers and manufacturers have to be equally aware of how to ensure their products meet regulatory standards, then be responsive enough to locate and dispose of inventory when recalls occur.

“When dealing with a recall, everything must happen at warp speed—retrieving product from store shelves, capturing data at the lowest level of detail collected, and reporting progress daily to government agencies,” says Rodney Bias, vice president of regulatory compliance for CLS.

As U.S. companies continue to rely on offshore manufacturing partners to expand their production capacity, quality issues are becoming more prevalent. Problems are compounded when the source is located in a country that does not share the same level of regulatory guidelines as the United States. While the flurry of product recalls has been blamed on lack of government oversight, businesses are equally culpable.

“Companies need to evaluate their processes to ensure that they are accomplishing their business goals and protecting the public from risk. Government needs to take a more active role in helping to identify causal factors and work with businesses to develop better measures to protect the public. This process should be collaborative, not ‘us

While government intervention was necessary, the problem runs much deeper for global manufacturers and retailers simply because product recalls have severe consequences on down the line—to the bottom line.

“Out of necessity, companies will have to implement a more stringent approach to sourcing. The risk of recalls is just too high in terms of retrieving and processing expenses, and even more costly when it comes to potential damage to the brand name and consumer loyalty,” says Gil Hobson, vice president of sales and client services for Carolina Logistics Services (CLS), a Winston-Salem, N.C., service provider that specializes in reverse logistics and asset recovery.

A flurry of consumer product recalls in 2007 presented U.S. manufacturers and retailers with a crash course in supply chain event management.

Mattel’s mass recall was by no means an isolated event. Lenovo and Sanyo, Menu Foods, Ford Motor Company, Foreign Tire Sales, Gerber, and Nokia were among other companies that faced similar circumstances in 2007.

The influx of lead-tainted children’s toys garnered attention from media outlets and U.S. government watchdogs alike. In November, the House Committee on Energy and Commerce introduced the Consumer Product Safety Modernization Act of 2007, which outlines provisions for improving and reforming the nation’s consumer product safety system.

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versus them,” observes Bias.

As 2007 painfully revealed, many “big” companies still don’t have the resources to monitor all their suppliers effectively, especially on a global scale. The potential threat to profitability will force manufacturers to establish better protocols for managing offshore suppliers, or give greater consideration to areas where they source product, as well as incent retailers to drive visibility from vendor to store shelf.

Alternatively, companies will continue to rely on partnerships with global third-party logistics providers to audit and inspect goods at point of origin and serve as a forward line of defense in the supply chain.

Transportation Tipping Point

While a soft domestic market and the product recall debacle illuminated the importance of supply chain partnerships, the Mississippi River bridge collapse in Minneapolis cast a wider spotlight on the lack of leadership among U.S. state and federal authorities.

The I-35 Minnesota bridge tragedy gave public face to an infrastructure crisis that has been looming for some time—a concern widely voiced by transportation industry pundits and largely ignored by U.S. government and transportation authorities.

That the Minnesota tragedy occurred during the buildup to the 2008 presidential election was timely, though to date the concerns of the transportation industry have been little more than a side note to political discussions.

“Congress is growing increasingly aware that infrastructure deserves attention. The bridge collapse brightly shined the light on U.S. infrastructure problems, for a short time,” says Bentz.

Ivan Figueroa, global logistics manager for Radiant Systems, a POS hardware and software manufacturer and developer based in Alpharetta, Ga., shares a common sentiment from a unique perspective. Aside from his responsibility for managing Radiant’s offshore distribution network, Figueroa also serves as a councilman for the City of Johns Creek, Ga.

“In Georgia, transportation infrastructure is a major topic of discussion,” he says. “The soccer moms at the school carpool lane and the drivers at truck stops along I-75 ask the same question: ‘How can we fix these roads and improve traffic?’ The key, of course, is money.”

Georgia, in fact, faces a $51-billion transportation funding shortfall through 2035—a disparity that the Georgia Department of Transportation recently reported will lead to worsening congestion and deteriorated highways and bridges. Similar concerns exist elsewhere.

“When a topic such as bridges and underlying infrastructure is covered in the media, people talk about it. When it is not, their focus shifts elsewhere.

We’ve become a sound-bite society with a short attention span,” adds Figueroa. Many transportation insiders would likely argue that Congress suffers from a similar memory lapse as attention to bridge spans and other neglected transport infrastructure waxes and wanes.

“If there was ever a time to draw attention to this issue, now would be appropriate with the impending election. But, thus far, it has not been an issue in any of the political debates,” says Tom Finkbiner, CEO of Quality Distribution and chairman of the Board of Directors of the Intermodal Transportation Institute (ITI) at the University of Denver.

He cites two reasons for the government’s lack of action to date: “First, politicians don’t understand the issue; second, government regulators and the bureaucracies that support and control transportation infrastructure are siloed—railroad, highway, air, ocean, freight, and passenger constituencies operate vertically. These agencies aren’t talking with each other.”
Louisiana’s transportation infrastructure boasts one of only two sites in the nation where all six class-one railroads converge. It also includes six interstate highways, the largest port system in the world and commercial airports that can accommodate any size aircraft. When you’re looking to give your business global reach, reach out to Louisiana.
The need for more collaboration between government agencies has been a recurring theme for some time, especially in areas such as security, economic development, and transportation. Historically, many state and local offices have been forced to go it alone and plan their own strategies for improving infrastructure, including selling toll roads and bridges to foreign corporations to fund improvement projects.

**A Call for Leadership**

But often their limited perspective and reliance on political constituencies and leaders ignorant of the importance of transportation and logistics has presented major obstacles. A voice of reason was largely absent. Now, the private sector is answering this call for leadership.

As an example, Michigan lawmakers recently attempted to pass legislation extending a six-percent sales tax on warehousing and logistics services. Businesses such as Evans Distribution Systems have been vocal about the potential impact this service charge would have on an economy that is intrinsically tied to the automotive industry and consequently warehousing and logistics activities; and has the highest unemployment rate in the country.

The bill was ultimately repealed, but its impact still resonates. “We learned a valuable lesson over the last few months. Our industry definitely needs to be more involved in government affairs,” says John A. Evans, president of the Melvindale, Mich.-based 3PL.

On the transportation side, collaboration between the government and private sector has been equally patchy. “Social Security, downsizing military bases, and where you spend money on highway and transportation infrastructure is the third-rail for partisan politics—touch it and you’re dead,” says Finkbiner.

One solution to this national impasse, he suggests, is creating a commission that oversees Congressional decision-making regarding transportation funding initiatives. He likens such an approach to the development of the Base Closure and Realignment Commission (BRAC) in 2005, which helped the Pentagon and government vet and carry out military base closures.

“An independent commission flew cover for Congress, made recommendations for closures, then gave Congress a ‘thumbs up or thumbs down’ provision without the power to amend their recommendation,” he says.

**Fiddling with Finaqling**

Having an independent commission along the lines of the BRAC model would eliminate some finagling among bureaucrats with mixed interests, while prioritizing and expediting funds for critical transportation needs.
As Fiorina pointed out, the supply chain cuts across verticals and therefore creates an interface for effecting change throughout an organization and its extended enterprise. Thinking laterally can similarly help U.S. government integrate modal and political silos to respond more effectively to critical transportation needs and national security concerns.

But people—and by extension, corporations and government—are generally resistant to change. Without leadership that can see the bigger picture, look beyond the four walls of the enterprise, then execute ideas and strategies within and across verticals, public and private sector interests are destined to fail. Managing change in a global world requires this type of purview.

For many businesses, the past year provided some relief in terms of securing capacity and perhaps extra incentive to invest capital in equipment, technology, and partnerships to better manage their supply chain. For others, it presented a painful reminder of how complacency and reactivity can thwart progress. For all, 2007 provided a call to action for more leadership—within the enterprise, within the supply chain, and most importantly, within government. Without that leadership, history may repeat itself.

Finkbiner and Ted Prince, a fellow ITI board member, recently issued a paper—Leveraging the Freight Network: 10 Steps to Improved Modal Connectivity—that addresses some of these concerns.

They point to the importance of addressing and embracing intermodal as a fundamental part of a national freight transportation policy, along with highways, railroads, and other transportation modes. Highways have their constituency for funding with fuel taxes and the railroads conceivably will get their own with the bipartisan Freight Rail Infrastructure Capacity Expansion Act currently on the docket in Congress, notes Finkbiner.

“But intermodal, in this paradigm, is orphaned—and as a connector between modes, it is just as important,” he says.

Supply Chain As Change Agent

The events of the past year have brought the importance of transportation and logistics and the repercussions of supply chain failures to the attention of the broader public. Now the bar has been raised for public/private discourse to address these fundamental problems.

At this year’s Council of Supply Chain Management Professionals (CSCMP) conference in Philadelphia, keynote speaker and former Hewlett-Packard CEO Carly Fiorina spoke of the value of supply chain management as a change agent within the corporate enterprise.

One task today’s global businesses face is growing an organizational and supply chain culture that is open and adaptable to new ideas and strategies as consumer demand and market variability allow.

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For all, 2007 provided a call to action for more leadership—within the enterprise, within the supply chain, and most importantly, within government. Without that leadership, history may repeat itself.
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JIM LOWDER IS ALWAYS THINKING ARBY’S. That’s because, as the fast food chain’s director of quality assurance, he’s responsible for the condition of the food products delivered to the company’s 3,600 stores.

He also thinks a lot about transportation management systems (TMS) because he believes they play a critical role in ensuring that Arby’s stores receive the ingredients for their sandwiches, salads, desserts, and other menu offerings in optimal condition.

Lowder isn’t the only business manager who spends time pondering TMS tools. As the number of offerings grows and software delivery options expand, the market is becoming increasingly complex. This complexity is causing managers at businesses in a variety
of industries to think hard about TMS technologies and the role they can play in organizing and managing transportation networks.

“All types of businesses can use TMS, but it’s most appealing to high-volume, complex scenario companies,” says Kevin Harrison, senior solutions consultant for RedPrairie, Waukesha, Wisc.

“Most small companies start out managing transportation manually, with spreadsheets and other paper-based systems,” he notes. “But as companies grow, they eventually find they can’t get away with a simple solution—not if they want to stay cost competitive and meet service-level requirements.”

A Common Thread

The TMS market surpassed the $1-billion mark for the first time in 2006, and is poised to grow at least seven percent in 2007 based on ARC’s year-to-date results (see chart, page 50).

“The TMS market has grown faster than predicted the past two years,” Gonzalez says.

The TMS market is fueled by continued demand for global trade management solutions, a reinvigorated market for fleet management solutions, and increased sales to logistics service providers (LSPs). Gonzalez also points to strong activity in Europe and in the small- and mid-size business (SMB) segment as additional growth motivators. The TMS market will exceed $1.5 billion by 2011, representing a compounded annual growth rate of 7.3 percent, ARC predicts.

As TMS sales grow, vendors are reaching out to customers in an ever-expanding number of industries, ranging from retailers to heavy manufacturers—even carriers and 3PLs.

“Historically, TMS solutions have been geared toward manufacturing or retail environments, but now 3PLs and carriers are also looking for software applications to help them manage transportation,” Gonzalez says.

While they are a diverse group, TMS buyers share one thing in common: the need to tie together the loose ends of their transportation infrastructure. TMS applications and modules are now available for tracking and managing just about every aspect of a company’s transportation infrastructure, including vehicle maintenance, carrier selection, accounting, cargo care and handling, fuel costing, routing and mapping, and vehicle communications.

“All types of businesses can use TMS, but it’s most appealing to high-volume, complex scenario companies,” says Kevin Harrison, senior solutions consultant for RedPrairie, Waukesha, Wisc.

Overwhelming Choices

The TMS options facing businesses are snowballing and can easily become overwhelming, says Joe Martha, a vice president at Booz Allen Hamilton, a McLean, Va.-based global business consulting firm. Besides choosing from among the myriad areas TMS products now cover, businesses also face the choice of buying into a comprehensive TMS suite—capable of covering a spectrum of logistics-oriented tasks—or acquiring individual stand-alone applications and knitting them into their own TMS.

“TMS is not just a big, integrated solution,” Martha says. “Some companies might need only one or two types of applications.”

Ultimately, the decision of whether to implement a full suite or a point
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solution boils down to knowing just how much TMS technology a company needs. While most businesses have a good fix on their TMS goals, Martha warns that vendors often try to sway prospective customers into buying software with functions they will rarely—or perhaps never—use.

With any TMS software, but key products in particular, it’s important to determine the quality of the program’s output. Because vendors need to serve companies with varied and flexible needs, it can be tough for them to get a single product to work reliably under all conditions.

One major challenge Martha sees with large TMS suites, for instance, is their inability to handle different cost structures—such as managing an internal fleet vs. handling an outside carrier. “Some TMS vendors find it difficult to handle both cost structures effectively,” he says.

Arby’s to Go

For Lowder, cold chain management is a critical way of ensuring food quality, so he needed a point solution to address this particular challenge.

“Arby’s does not own or operate manufacturing facilities or distribution centers, and we don’t haul our own products,” he says. “But we do specify systems to our supply chain partners.”

For example, Arby’s requires many of its logistics partners to use the Personal Information Management Monitor (PIMM) from Procuro, a TMS vendor based in San Diego.

PIMM is designed to help SMBs manage various operational resources, says Vincent P. Gordon, Procuro’s chairman and CEO. Using various types of probes, PIMM can monitor operational devices inside vehicles, facilities, and warehouses to ensure that environmental conditions are maintained, surveillance devices are operational, and plant equipment is running within specified limits.

PIMM is similar in concept to an online chat program, using a buddy list to manage digital resources. Instead of friends, family, and colleagues, PIMM lets business users create lists that support job-related metrics.

Facility managers, for example, might use PIMM to display operational metrics related to the physical environment such as “freezers,” “security cams,” and “fuel levels.”

“We currently use the solution to monitor the deliveries of key products between our approved manufacturing facilities and distribution centers,” Lowder says. “We tried a few other systems, but they were not as efficient as we would have liked.”

The problem was two-fold. “First, those systems relied heavily on personnel performance at both the shipping and receiving locations,” Lowder says. If procedures weren’t carefully followed, trip data would be lost.

“Second, even if everyone did their part, the method of communicating the data for questionable loads was manual: attaching files to e-mails and, in many cases, even using overnight delivery service to send monitors back to our monitoring partner for processing,” Lowder says.

The information turnaround time often left Arby’s managers in the awkward position of looking at data after a delivery had already been accepted or refused.

Gaining Insight

Since deploying PIMM in 2006, Arby’s managers have gained enhanced insight into a variety of areas.

“We have better information to make decisions about load acceptability,” Lowder says. “We also have more visibility into who is doing a good job—not only with respect to how they’re handling our products, but how they’re executing our monitoring program.”

Arby’s vendors and distributors also appear to be pleased with the technology. “The vendors are getting more for their money because they have access to all their deliveries, not just the problem loads,” Lowder notes. “The distributors get a system that’s easier to use.”

TMS technology is helping Eastern Propane and Oil coordinate its propane and fuel oil services to 80,000 New England residential and commercial customers. The Rochester, N.H.-based company uses its TMS solution to map the movement and activities of approximately 80 delivery and 70 service
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Efficiency and Savings

The company's TMS goal was to find a technology that could bring efficiency and cost reductions to service and delivery operations, says Kathy Ford, Eastern’s vice president of customer care, forecasting, and logistics. After considering fleet management offerings from several vendors, the company ultimately selected Wireless Matrix, a Reston, Va.-based supplier of TMS solutions to companies in the utilities, service delivery, telecom, rail, and distribution markets.

Wireless Matrix’s FleetOutlook solution combines a Web-based fleet management application with an in-vehicle global positioning system (GPS) receiver, Wi-Fi capabilities, and a supporting hardware platform, says Mike Jakab, Wireless Matrix’s vice president of sales. FleetOutlook provides functions that allow companies to accomplish more work with their fleet assets, leading to greater efficiency and lower costs. That philosophy meshed perfectly with Eastern’s goal.

The TMS includes vehicle mapping, customer-defined stops and points of interest, as well as dynamic status reporting, trip reporting, and XML data integration to back-office systems. Eastern uses FleetOutlook for managing deliveries, assessing miles traveled and gallons delivered, and calculating vehicle stops per day and per employee. “Based on these reports, we can reroute freight to optimize the number of stops,” says Peter Paone, Eastern’s delivery manager.

The product also supplies an important safety feature. “It allows us to observe all our vehicles simultaneously, providing a bird’s eye view of each one’s location at any time,” Paone says. “If a customer reports an emergency, we can quickly determine the closest responder.”

Eastern encountered some pushback when it introduced the TMS to its technicians, who were suspicious that the technology was primarily intended to spy on their activities with the ultimate goal of driving them to work faster and harder. “It was a big culture change; the technicians were not happy about it,” Ford recalls.

Over time, however, Eastern was able to convince its technicians that the software wasn’t being used as a snooping tool and would eventually reduce many frustrating activities—such as sitting in traffic jams or servicing customers in illogical route sequences. “They’re fine with it now,” Ford notes.

Convincing Eastern’s delivery drivers was much easier because they could already see how the TMS was helping the company’s technicians. “Drivers didn’t make a fuss because they came second,” Ford says. “It was already a part of the technicians’ workday, so it became part of the drivers’ culture, too.”

Subscribe Now

The TMS market has added yet another layer of complexity over the last few years with the arrival of applications delivered via the Internet: on-demand or SaaS (software as a service) deployment.

“Instead of companies paying a licensing fee up front and implementing software in-house, they access the application via the Internet and pay a monthly subscription fee,” explains Gonzalez. “This makes it easier for companies to get solutions up and running quickly.”

Snack food manufacturer Otis Spunkmeyer recently bit into a hosted TMS. With some 62,000 food industry customers, Otis Spunkmeyer delivers frozen cookie dough, prebaked cookies, and packaged baked goods to convenience stores, supermarkets, restaurants, and food service distributors. The company also serves institutional, military, and vending machine operators.

Mike Mahon, director of distribution operations logistics, handles the San Leandro, Calif.-based company’s transportation interests. He’s responsible for the distribution—including transportation and warehousing with contracted carriers and 3PLs—of all finished foods from the plant forward. The firm ships products to its 55 direct-store delivery facilities, as well as to more than 1,000 local distributors.

Mahon is currently in the process of deploying a hosted TMS supplied by LeanLogistics, Holland, Mich. LeanLogistics’ Web-based On-Demand TMS combines traditional TMS functionality...
with collaborative capabilities that can only be delivered online, says Pete Stiles, LeanLogistics' vice president of strategy and marketing.

**On-Demand TMS** is designed to connect customers to their supply chain trading partners and to promote information sharing. Connected parties aren't limited only to a company’s carriers—the service provides access for all relevant partners, including suppliers, consignees, shippers, and third parties.

The Web-hosted TMS provides daily planning, execution, and settlement functions in addition to periodic strategic procurement functions. It also supplies functions that are best delivered through a network, such as supplier inbound management, appointment scheduling, benchmarking and network-wide reporting, a private transportation marketplace to obtain capacity and reduce costs, and supply chain visibility.

Otis Spunkmeyer currently uses **On-Demand TMS** for all products leaving its plant, as well as for forwarding inventory to distribution centers and customers. Down the road, the company plans to use the solution for load distribution optimization and tendering.

By the time the TMS is fully deployed, Mahon expects that managers will have clear visibility of their financial spend down to the customer and item level. “They’ll be able to effectively manage their carriers on a wider basis and have more visibility to more carriers,” he says.

**Narrowing the Choices**

With so many TMS choices being used in different ways, businesses could get hung up on deciding how best to approach the market.

“Companies need to examine their current capabilities,” Gonzalez says.

He advises companies not to attempt to turn all their processes over to a TMS simultaneously. “Understand your operations and processes, and what functions you want to enable today and down the road,” he says.

After deciding on a particular technology, it’s time to begin assessing TMS vendors and their various offerings.

“When you survey the vendor landscape, make sure their capabilities align well with your requirements,” Gonzalez says. “Look for a vendor that has proven expertise in your vertical industry.”

Businesses may also see labor reduction benefits by automating processes that had been done manually. “Savings also can be extracted by optimizing routes, combining loads, and making smarter decisions,” he adds.

The biggest mistake businesses make is buying a TMS that doesn’t fit. This usually happens when a company fails to fully analyze the need for a particular TMS technology or doesn’t carefully investigate a particular TMS offering and its vendor.

“Companies invest heavily in a TMS package, then discover it doesn’t meet their needs, or it’s too complicated, so they go back to using spreadsheets,” Martha says. “The biggest pitfalls are caused by not doing the homework up front and rushing into TMS implementation.”

Time and effort invested in researching TMS technologies and their applications can pay substantial dividends for many years.

“Anyone considering a TMS should commit to doing it right,” says Arby's Lowry. “The process can be time-consuming, and you might find out more than you want to know about your company’s operations at first.

“But as you gain a better understanding of what goes on during transportation,” he notes, “it will get easier to make better-informed decisions about TMS solutions.”

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*SWEET SAVINGS.* Snack food manufacturer Otis Spunkmeyer uses a TMS solution to track all products leaving its plant, and to forward inventory to DCs and customers.
Thinking TMS? Check out this list of suite vendors and point-solution providers offering innovative TMS packages.

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<th>PRODUCT &amp; VENDOR</th>
<th>WHAT IT DOES</th>
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<tr>
<td><strong>FleetOutlook</strong></td>
<td>Combines a Web-based fleet management application with an in-vehicle global positioning system receiver, Wi-Fi capabilities, and a supporting hardware platform.</td>
<td>FleetOutlook is a comprehensive 360-degree solution, backed by 24x7 support, which enables the full value chain of dynamic schedule planning execution. From vehicle mapping and XML data export to optional telematics monitoring, it offers features that maximize productivity and reduce cost.</td>
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<td><strong>HighJump Transportation Advantage</strong></td>
<td>Provides tools to automate once-manual optimization processes, improve customer service, and reduce costs. Managers can spend more time on strategic transportation requirements and less effort on running scenarios.</td>
<td>TMS is strategic and necessary. The challenge of finding the best way to optimize and route shipments can no longer be met with paper-based methods.</td>
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<td><strong>i2 Transportation Planning and Management</strong></td>
<td>Delivers transportation modeling and analysis, transportation planning and management, bid collaboration, supply chain visibility, and replenishment planning.</td>
<td>i2’s TMS uses configurable business rules and appropriate constraints to transform order fulfillment, procurement, and replenishment plans into cost-optimized and executable transportation plans that adhere to inventory and network constraints.</td>
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<td><strong>Infor SCM Transportation Management</strong></td>
<td>An integrated global transportation and trade compliance solution that aims to simplify global trade by managing inbound and outbound transportation from order inception to delivery.</td>
<td>Globalization, increasing pressure on profit margins, and the growing complexity of the supply chain demands companies pay special attention to their TMS strategies.</td>
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<td><strong>JDA Transportation Management</strong></td>
<td>Helps shippers, carriers, and transportation service providers effectively manage multimodal logistics networks.</td>
<td>The solution covers the entire closed-loop transportation process – from strategic transportation sourcing, planning, and optimization to shipment visibility, payment, and performance analysis.</td>
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<td><strong>LeanLogistics OnDemand TMS</strong></td>
<td>Provides procurement, planning, execution, private transportation marketplace, appointment scheduling, continuous move, visibility, and business intelligence features.</td>
<td>LeanLogistics offers a Web-based TMS that combines traditional TMS functionality with collaborative capabilities that can only be delivered online.</td>
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<td><strong>mySAP Supply Chain Management</strong></td>
<td>Offers transportation planning and shipment completion, shipment cost calculation and settlement, shipment cost calculation for individual customers, billing of customer freight, service agent selection, follow-up and supervision of shipments, and management of shipment costs.</td>
<td>mySAP Supply Chain Management offers a complete, integrated set of tools needed to plan and execute supply chain operations. Users can collaborate at all planning levels and work with partners on taking orders, tracking inventory, shipping products, and managing relationships with customers and suppliers.</td>
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<td><strong>Oracle</strong></td>
<td>Integrates and streamlines transportation planning, execution, freight payment, and business process automation on a single application across all transportation modes.</td>
<td>Oracle Transportation Management delivers scalable capabilities in an open standards-based architecture that allows users to start with a single component or any mix of components.</td>
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<td><strong>Oracle Transportation Management</strong>&lt;br&gt;Oracle&lt;br&gt;Redwood Shores, Calif.&lt;br&gt;www.oracle.com</td>
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<td><strong>Personal Information Management Monitor (PIMM)</strong>&lt;br&gt;Procuro&lt;br&gt;San Diego, Calif.&lt;br&gt;www.procuro.com</td>
<td>Manages operational devices inside vehicles, facilities, and warehouses, ensuring that environmental conditions are maintained, surveillance devices are operational, and plant equipment is operating within specified limits.</td>
<td>PIMM was designed to be used by the average business person. You don’t have to be a computer expert to use PIMM.</td>
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<td><strong>RedPrairie Transportation Management</strong>&lt;br&gt;RedPrairie&lt;br&gt;Waukesha, Wisc.&lt;br&gt;www.redprairie.com</td>
<td>Six different modules cover various aspects of TMS, including shipment optimization, partner coordination, and performance management.</td>
<td>RedPrairie Transportation Management solutions automate transportation tasks and bring better visibility to order-fulfillment activities. They connect multiple parties and business processes throughout the broader supply chain, continuously optimize all transport variables, and bring organizational efficiencies and cost reductions.</td>
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<td><strong>ShipperConnect FMS</strong>&lt;br&gt;RMI&lt;br&gt;Atlanta, Ga.&lt;br&gt;www.railcarmgt.com</td>
<td>Traces railcars contained in permanently assigned fleets, or rail shipments loaded in “free-running” equipment. Inbound and outbound rail shipments can be monitored using information from Class I railroads, and from more than 300 short line and regional railroads.</td>
<td>Provides a comprehensive, proactive rail shipment tracking system. With FMS there are no more “black holes.”</td>
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<td><strong>Telargo Mobile Asset Management Solution</strong>&lt;br&gt;Telargo&lt;br&gt;Jersey City, N.J.&lt;br&gt;www.telargo.com</td>
<td>Enables users to streamline operations and maximize the performance of mobile assets, including vehicles, machinery, trailers, vessels, and drivers/operators.</td>
<td>Telargo is easy to use and dependable, providing a fast ROI due to its built-in integration capabilities. Telargo allows users to focus on their own business, providing the necessary logistical tools and decision-making information at a moment’s notice.</td>
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<td><strong>Transplace TMS</strong>&lt;br&gt;Transplace&lt;br&gt;Plano, Texas&lt;br&gt;www.transplace.com</td>
<td>Encompasses freight and carrier optimization, event management, and TMS financials.</td>
<td>The TMS market for on-demand technology continues to increase. Generally accepted as good business practice, Web-native TMS provides cost-effective, robust solutions for shippers of all sizes.</td>
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<tr>
<td><strong>Transportation Planning and Execution</strong>&lt;br&gt;Manhattan Associates&lt;br&gt;Atlanta, Ga.&lt;br&gt;www.manh.com</td>
<td>Allows users to create a strategic transportation plan and efficiently manage daily operations.</td>
<td>This Web-based solution easily links your plans to actual transportation processes to gain global visibility into all shipping activities, allowing you and your trading partners to coordinate operations.</td>
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A well-engineered network of professional contacts provides the structural support to build a logistics career with potential for expansion.

IT’S WHO YOU KNOW

by Steven Kerno and Dr. Kevin Kuznia
he word “logistics” brings several images and concepts to mind: collaboration with partners, supply chain optimization, on-time delivery, and networking. Successful logistics professionals must be able to create an effective network capable of moving products from one location to another—be it down the street, across the country, or around the globe—where they can provide greater value or return. Without an effective network, a supply chain would cease to function properly.

Your career is no different. You’ve developed yourself as a “product” with unique knowledge, capabilities, skills, and talents. You want to deliver that product to the customer who not only needs it, but can derive the greatest value and contribution from it. It’s up to you to ensure the product gets there.

Establishing a network of individuals who can be of service to you will help your career progress in the right direction. They’re the ones who supply you with information that not everyone has access to. They’re capable of putting in a good word for a project you’re championing, and they’ll keep you in mind for future assignments. Additionally, they’re likely able to help you better define talents, skills, and abilities that will be most valuable to your future boss.

GETTING STARTED

Chances are, you’re part of a significant logistics network and you’re not even aware of it. Think about how you got to where you are today. Many of us started our careers while we were in school, where we formed relationships we still maintain. After we were hired for our first jobs, we started meeting people who had been in the logistics business for several years and knew the ropes—people who could share valuable industry knowledge. We also made friends with other newbies, and continued to make connections as we, and our colleagues, changed positions within our organizations. Each contact we’ve made through these transitions has the potential to be in our personal network.

Have you ever received a surprise phone call from a former colleague or bumped into someone you used to work with while running errands? You spend a few minutes chatting about the old days and almost certainly walk away with a grin thinking about those times. Why not be the person to take the initiative and make that first contact?

You may wonder, “What do I say when I make such a call?” Whatever you do, don’t cut to the chase too quickly with “Do you have a job available for me?” or “I need help with this!” If you start the conversation this way, you’re likely to sound opportunistic or, even worse, desperate.

A good idea is to take a step back and remove yourself from any immediate or pressing concerns. Then ask, “I’ve been pondering this question. What do you think? Do you know anyone who can help me achieve this?” With this approach, you show that you value the opinion of the person you’ve contacted. That’s sure to make him or her more inclined to help you than if you just make demands.
How Effective is Your Personal Network?

Do you wonder how robust your personal network really is? Determine its strengths and limitations by checking “Yes” or “No” for each action. The more items you answer “Yes”, the stronger your network. “No” answers indicate areas where your network could use a boost. Above all, be honest with yourself.

Do you...

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<td>Know what direction you’ve plotted for your career?</td>
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<td>Know people who can provide guidance to help you achieve your career goals?</td>
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<td>Dedicate at least two hours per week to network maintenance or improvement activities?</td>
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<td>Participate in networking opportunities offered by your organization?</td>
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<td>Keep up with personnel changes in the logistics field?</td>
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<tr>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>Updated your résumé in the last two months?</td>
<td></td>
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<tr>
<td>Added at least one contact to your personal network in the last month?</td>
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<tr>
<td>Attended a seminar, conference, class, or other activity to gain exposure to new technologies and ideas within the last six months?</td>
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Are you...

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<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td>Willing to become involved in activities or organizations that are not directly connected to your current employer?</td>
<td></td>
</tr>
<tr>
<td>Eager to learn more, or willing to push beyond your personal comfort zone, no matter how uncomfortable it is?</td>
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Develop specific career-related goals.

Where do you see your career heading? Without a roadmap for its direction, you’ll have little chance of moving forward, let alone achieving your goals. Imagine that you’ve sourced components from a supplier, and you specify those parts be sent to the factory. Upon receipt, what’s the probability of those parts making it to the correct location within the factory if they aren’t properly identified?

Taking the “shotgun” approach to your career aspirations is analogous to the hazardous shipment of parts. They may or may not get to the right destination internally – or on time and within budget. In other words, you can’t leave this critical decision to chance; you have to take control of where your product (you) is headed.

Once your career-related goals are clearly defined, take the next step and create a plan for achieving them. Include specific, measurable, achievable, relevant, and time-based (SMART) metrics to measure when you expect to achieve this goal, who is in a position to be most effective in helping you, and what exactly your goal is – a promotion, an educational degree or certificate, or a company-sponsored honor or level of excellence. Sometimes the first step is the hardest, but with a little practice, you’re likely to improve dramatically.

Update, maintain, and enhance your network continually.

There are many opportunities to make new contacts. When you attend meetings or conferences, set a goal to meet two new people. Ask questions that convey a genuine interest in their skills, abilities, and talents, and they’ll be sure to remember you. Even though people you meet may not have a direct connection or association with your business, they may know someone who can be an asset to your network.

Dedicate a set amount of time to engage in activities oriented toward enhancing your network. For something as important as your career, two hours per week isn’t unreasonable.
Know what’s in your personal toolkit.

A critical component to networking is knowing what you bring to the table and can provide to others. When was the last time you updated your resumé? This important document may be your only opportunity to clearly and concisely communicate your value to others, particularly hiring managers. If you haven’t updated your resumé recently, figure out why, with honesty and forthrightness. For example, what was your last resumé-worthy activity or achievement? Many of us scramble to update our resumés only when a career event—good or bad—occurs. We find ourselves unprepared, trying to remember what we’ve accomplished, and end up forgetting the professional training, recognition, and accomplishments that might help us stand out from the crowd. It takes a little extra effort, but it’s always easier to record activities as they occur and edit them later than try to remember achievements over an extended time.

Embrace lifelong learning.

Technology is continually changing and expanding the threats and opportunities all businesses confront. Once you’ve identified your knowledge, skills, abilities, and talents, objectively compare them with your career targets and requisite competencies. Attending seminars, conferences, or courses offered by your employer or a local college or university allows you to not only gain exposure to new technologies and their applications, but also enables you to meet people who share common interests—ideal for your network.

Take advantage of networking opportunities.

A growing number of companies recognize the benefits of peer-to-peer networking and promote such events. Often, these events are not specifically geared to logistics or supply chain management professionals, but may be oriented on the basis of employee length of service, gender, ethnicity, or other demographic factors. Regardless of their basis, what matters is making contacts with and getting to know individuals who can assist you when you need support or can provide knowledge and guidance on specific topics.

Know the key movers and shakers in logistics.

Who are the people moving up the logistics hierarchy? People love to be acknowledged for their achievements. Why not send a congratulatory card recognizing someone’s milestone? Because such an acknowledgement occurs so infrequently, you’ll surely be remembered kindly—and kindness is often reciprocated.

Let’s face it—as busy as we all are, it’s difficult to find the time to take on an additional logistics project. But your personal logistics network will be the most important work you’ll ever undertake. Approach every meeting as a potential source of contacts, and you’ll soon find your network working for you.
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Whether it’s a belt studded with vintage bottle caps, a purse made of license plates and hub-caps, an Elvis evening bag adorned with Swarovski crystals, or a tote sewn from authentic Denver Broncos jersey fabric, when you spot a fashion accessory from Littlearth, you’re bound to take notice.

Littlearth is turning out those accessories more efficiently, and more accurately matching them to customer demand, thanks to a Web-based business suite that integrates all the company’s operations and provides new inventory management tools.

THROW NOTHING AWAY

With 50 employees and about $4.5 million in annual sales, Littlearth assembles most of its products at its Pittsburgh headquarters, wholesaling them mainly to boutiques. Overseas distributors take the products into the United Kingdom, Japan, and Australia. A Web site offers products to retail customers who can’t find them locally.

Littlearth makes those products from a combination of manufactured materials—many with recycled content—and found objects. For license plates, it relies on a network of collectors who comb junkyards, motor vehicle departments, and dealerships looking for discards. It makes team-branded products under licensing agreements with the National Football League and National Hockey League.

When Littlearth started in 1993, it wasn’t hard to run the company with paper-based processes or track inventory by eye. By the late 1990s, though, it had outgrown that business strategy. So out went the paper and in came the software—one package to manage accounting and another to manage sales.

But three years ago, it again became clear that Littlearth’s business processes weren’t keeping up with its needs. The biggest problem was that the software applications weren’t integrated.

“We would have to key in information three times to get an order into the system,” says Ava DeMarco, co-founder and chief executive officer of Littlearth.
First, a salesperson entered account information in the sales package. Then, as a customer placed an order with a sales rep or through the Web site, an employee entered those details in the accounting package. Finally, when it came time to ship, someone else entered data in a FedEx shipping system.

“We were doing a lot of redundant work, which resulted in the expected problems,” DeMarco says.

Other problems stemmed from the fact that Littleearth did not use inventory management software. Employees relied on what they saw in the warehouse to keep track of both materials and finished goods.

On the manufacturing side, they sometimes ran out of materials they needed to assemble products for current orders, or ordered fresh materials then found a supply tucked away in a corner.

On the fulfillment side, without a good view of finished goods, Littleearth sometimes took too long to fill orders, filled them incorrectly, or promised product to one customer then shipped it to another.

With a few thousand SKUs, custom-made products, and at least $100,000 worth of Swarovski crystals on hand at any time, inventory management was turning into a serious pain point.

“It became impossible to keep track of inventory, and we found we were running short of products,” DeMarco says.

ONE-MONTH LAG

To make matters worse, the reports the accounting system produced weren’t useful enough. “We wouldn’t know the financial results of a certain month until one month later,” she recalls.

The application was also hard to maintain. Each time the developer revised the software, someone had to load the new version onto each of the company’s PCs. “We were usually down for three days during the upgrade,” she recalls.

The prospect of yet another costly, time-consuming upgrade motivated DeMarco and Rob Brandegee, her husband and co-founder, to look for another solution. After investigating many products, they chose NetSuite, a package that integrates enterprise resource planning (ERP), customer relationship management (CRM), and e-commerce.

NetSuite appealed to DeMarco in part because Littleearth employees working on both Windows PCs and Macs could use it. In fact, because NetSuite is a vendor-hosted product accessed through the Internet, an employee can...
use the software from any computer, in any location.

At first, DeMarco was leery of signing on with an application service provider (ASP). “I had a lot of concerns about data security,” she says. “But now I’m glad we did it.”

WATCH YOUR BACKUP

The advantage of letting the vendor host the business applications became clear when a tornado blew through Littleearth’s neighborhood and computers crashed. “We didn’t have to worry about our data because it was backed up on NetSuite’s server,” she says.

Because NetSuite hosts the solution, Littleearth doesn’t miss a beat when it’s time for an upgrade. “We are notified of an upgrade, wake up the next morning, and there it is,” DeMarco says.

Another benefit of the ASP model is that small and medium-sized businesses can start with just a few modules, then scale up later, says Malin Huffman, senior product manager at NetSuite. This lets them get their feet wet without making a large initial technology investment.

“For small WD (wholesale and distribution) and inventory-based businesses such as Littleearth, margin is a big deal,” he says. “They don’t have a lot of cash to throw in up front.”

NetSuite charges a subscription fee based on the number of users. Rates vary depending on the version of the software and modules the company uses.

NetSuite offers a lower-end product, NetSuite Small Business, for companies that previously used programs such as QuickBooks for accounting, but want to add some CRM and e-commerce functionality. Larger companies such as Littleearth usually opt for the full version of NetSuite.

Although NetSuite’s customers come from a wide range of industries, wholesale and distribution is its largest vertical market. “Our sweet spot tends to be companies with between 20 and 100 employees, although larger organizations, both in WD and outside, use the product,” Huffman says.

Once DeMarco and Brandegee decided to implement NetSuite, the biggest challenge was configuring the software. Company officials wrestled with decisions such as how to name and number products in the system and whether to make picking, packing, and shipping a single function or three separate steps.

Although it was difficult, this exercise forced them to reevaluate Littleearth’s business processes. “It was a good opportunity to tweak practices that weren’t working well,” DeMarco says.

DONE WITH REDUNDANCY

Since Littleearth started operating on NetSuite in August 2004, the system has brought numerous benefits. “The biggest improvements are that information throughout the company is linked together, and we have eliminated redundancy,” DeMarco says.

The sales, inventory management, and accounts receivable functions all now draw from the same customer records, for example. Online orders show up in the system automatically. A dashboard gives users real-time access to the information they need, with the display tailored to each person’s role. The system also provides numerous customized reports.

On the purchasing side, NetSuite’s real-time view of inventory keeps purchasing agents from ordering materials until they’re needed.

One thing that NetSuite doesn’t currently provide, but that DeMarco hopes it will offer in the future, is a way to pull components out of inventory as soon as an order comes in for products that require those parts. Right now, for example, if a customer orders 250 handbags that aren’t yet assembled, and that will require 500 Pennsylvania license plates, NetSuite shows those plates as available in inventory until the finished handbags move into the warehouse.

“I’m trying to determine a better way to do that,” DeMarco says. “Could we figure out the usage of the parts before the finished products are made?”

This year, Littleearth started using NetSuite to develop just-in-time manufacturing for some of its pricier products—the sort it might only sell four times a year, and that it doesn’t want to carry in inventory longer than necessary.

Each day, the production manager runs a report listing all open orders and back orders. “He knows all the products he has to build daily to fill these specific orders,” DeMarco says. “If a product is on the shelf, then NetSuite tells him he doesn’t have to build it. This has enabled us to dramatically reduce finished goods inventory.”

This technique also has helped Littleearth cut down on the five weeks it used to take to fill a wholesale order. “Now, it’s typically a one-week turnaround, unless we get a big order,” says DeMarco.

With the benefits of its integrated Web-based solution still emerging, the sky’s the limit for Littleearth.
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WHAT’S NEW: The ability to retrieve shipment information on handheld devices.
THE VALUE: When away from the office, customers can use handheld devices, such as a Blackberry, Palm, or other browser-supported models, to track freight, get transit times, and determine mileage between points.
@ www.jevic.com ☎ 888-465-3842

Accellos Inc.
WHAT’S NEW: A Web-based data collection and warehouse management software solution.
THE VALUE: Collect, the first component of Accellos’ One Warehouse suite, enables any warehouse to transition from paper to automated processes. It’s compatible with most ERP and accounting systems as well as complementary packages such as EDI and demand planning systems.
@ www.accellos.com ☎ 719-433-7000

Blue Sky Logistics
WHAT’S NEW: An inventory visibility solution.
THE VALUE: The application provides centralized and timely access to inventory data across extended, disparate supply chain executional systems and organization. It also stores current and historical inventory levels and demand information.
@ www.blueskylogistics.com ☎ 866-290-6527

FastPic Systems
WHAT’S NEW: A graphics-based inventory control software.
THE VALUE: FastPic IC software creates a graphic representation of storage and retrieval system shelves and totes. Users can visually rearrange them to achieve optimum storage density, maximizing the number of SKUs the unit can hold.
@ www.fastpicystems.com ☎ 800-897-8379

Accu-Sort
WHAT’S NEW: A software tool that monitors and diagnoses sortation systems.
THE VALUE: Auto ID users can implement FAST Monitor to identify issues affecting bar-code scanners in sortation systems. The software provides real-time performance data for both laser and camera product lines.
@ www.accusort.com ☎ 800-227-2633

HighJump Software
WHAT’S NEW: A warehouse management system designed for small and mid-size companies.
THE VALUE: HighJump Warehouse Advantage-45 is designed to be fully implemented within 45 business days. It helps users with tracking and visibility of inbound orders; accurate receiving and putaway; and rapid picking, shipping, and replenishment.
@ www.highjump.com ☎ 800-328-3271

White Systems
WHAT’S NEW: Two vertical carousel models.
THE VALUE: The MiniVert Carousel stores products on movable carriers inside a closed metal cabinet to take advantage of unused overhead space. With streamlined dimensions of 34 inches x 66 inches x 75.5 inches it represents the smallest vertical carousel available. The VertZilla Carousel is the largest vertical carousel and efficiently stores heavy or bulky materials using a minimum amount of floor space.
@ www.whitesystems.com ☎ 800-275-1442
HandHeld Products
WHAT'S NEW: An enhanced mobile data collection solution.
THE VALUE: The Dolphin 7900 Mobile Computer has been enhanced with GPS technology, providing location-based information for navigation services, mobile asset tracking, and field service or visitation. The device can read linear and 2D bar codes, and capture digital images and signatures.
@ www.handheld.com 800-582-4263

FreightScan
WHAT'S NEW: An automated dimensioning system.
THE VALUE: The FreightScan FS100 System enables logistics companies to collect accurate and reliable dimensions and calculate chargeable weight for multiple packages, in all configurations, with a single scan.
@ www.freightscancargo.com 800-998-5715

LXE
WHAT'S NEW: A lightweight handheld data collection computer.
THE VALUE: The MX8 handheld terminal, suitable for use in light industrial and retail environments, rounds out LXE's product line. Measuring 7.6 inches in length and weighing less than 13 ounces, the device tested at more than 10 hours of intensive operation on a single charge. It comes with LXE's ToughTalk voice recognition technology.
@ www.lxe.com 770-447-4224

FreightScan
WHAT'S NEW: RFID tags for use on pipes.
THE VALUE: The latest addition to the SmartMark RFID series offers a vulcanized rubber loop that securely fastens to pipes with simple cable ties. The tags provide solid read ranges up to 15 feet, can record more than 200 characters of text, and boast a service life of 10 years.
@ www.fricknet.com 847-918-3700

Confidex
WHAT'S NEW: A small-scale, durable RFID tag.
THE VALUE: The Halo passive UHF EPC Gen 2 RFID tag measures 14 mm x 60 mm x 11.7 mm. The product easily attaches to metallic cables and pipes. With a read range of three to four meters on metal surfaces, the tag works with both fixed and handheld readers and eliminates the line-of-sight placement required by bar-code scanners.
@ www.confidex.net 609-605-0670
Symbol

**WHAT’S NEW:** A handheld digital imager scanner.

**THE VALUE:** The DS6707 all-in-one device captures bar codes, prescriptions, and invoices. Its 1.3-megapixel imager can capture and transfer images, and its text enhancement technology sharpens the clarity of scanned text documents. Pharmacies, retailers, and manufacturers can use the device to scan bar codes and capture, store, and instantly recover documents and images.

[www.symbol.com](http://www.symbol.com) ❆ 866-416-8545

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DHL

**WHAT’S NEW:** The expansion of its online importing service.

**THE VALUE:** DHL’s Import Express online service has increased its scope to serve 95 countries worldwide, including the top 30 U.S. trade lanes. The application gives users the ability to specify all instructions for their shipments, including terms of sale, pickup schedule, service levels, and the amount of insurance desired, eliminating the time and expense of filling out forms manually. All waybill numbers for tracking are easily accessible in the system during the entire shipment process.

[www.dhl.com](http://www.dhl.com) ❆ 800-225-5345

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Freightgate

**WHAT’S NEW:** The launch of an enhanced application.

**THE VALUE:** In addition to the existing functions in the site’s first version, Freightgate Portal 2.0 encompasses a comprehensive search capability and collaborative features such as message boards and Wikis.

[www.freightgate.com](http://www.freightgate.com) ❆ 714-799-2833

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Lynden International

**WHAT’S NEW:** A Web site feature that improves customer communication.

**THE VALUE:** EZ Communications allows customers to use Lynden’s web site to communicate with Lynden staff and submit comments about specific shipments. With this technology, Lynden staffers can reply to customers within seconds of their query, as well as send an e-mail of the submission for the customers’ records.

[www.lynden.com](http://www.lynden.com) ❆ 800-825-3255

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Purolator USA
WHAT’S NEW: The opening of headquarters for the southeastern United States.
THE VALUE: This Purolator Courier subsidiary, which specializes in the air and surface forwarding of small packages and freight shipments to, from, and within North America, now offers increased service to the Southeast from its new base in Raleigh, N.C.

International Truck and Engine Corporation
WHAT’S NEW: The development of the first hybrid commercial truck.
THE VALUE: International Truck and Engine has begun production of a diesel hybrid electric medium-duty truck. The vehicle boasts fuel savings of 30 to 40 percent on standard in-city pickups and deliveries. Fuel efficiency can increase to more than 60 percent in utility-type applications in which the engine can be shut off and electric power operates the vehicle. Diesel emissions are completely eliminated when the hybrid truck operates equipment, such as overhead utility booms, solely on battery power, instead of allowing the engine to idle.

Crown Equipment Corporation
WHAT’S NEW: The introduction of the FC4500 Series line of lift trucks.
THE VALUE: The FC4500 Series has monitoring systems for critical...
elements such as system-controlled hydraulic speeds, travel speed control, tilt interlock, stability-enhanced counterweight, and ramp speed control. Other features include a braking system that offers more friction area than other disk brakes, providing better braking efficiency and reduced maintenance costs. A cab-forward design, sculpted steering column, and unobstructed view from the mast combine to provide the operator better visibility.

**Isuzu Commercial Truck of America**

**WHAT’S NEW:** The availability of gas-powered, low-cab forward trucks.

**THE VALUE:** Improvements to the 2008 N-Series trucks include the Vortec 6.0L V8 engine with 325 horsepower (up from 300 horsepower) and a Hydra-Matic four-speed automatic transmission with lockup torque converter and overdrive. The trucks can accommodate 10- to 20- foot body lengths and body/payload combinations ranging from 6,829 to 9,411 pounds.

@ www.isuzucv.com ☏ 866-441-9638

**Lufthansa Cargo**

**WHAT’S NEW:** The addition of freighter services to Mexico City.

**THE VALUE:** Lufthansa Cargo serves the Mexican capital twice a week with MD-11 freighters. Freighter stopovers in Dallas, Texas, have also increased service frequency to four days a week.

@ www.lufthansa-cargo.com

**Emirates SkyCargo**

**WHAT’S NEW:** Offline cargo capacity to Mexico.

**THE VALUE:** Mexican exporters can connect to Emirates SkyCargo’s route network from New York and Frankfurt, using interline partners such as Atlas Air, Aeromexico, and Mexican Cargo. Atlas Air freighter capacity is offered every Thursday from Frankfurt to Mexico and on the return flight Friday. The Mexico service bolsters Emirates SkyCargo’s offerings to the Americas, supplementing its direct non-stop services to Sao Paulo and Toronto.

@ www.skycargo.com

**NLM**

**WHAT’S NEW:** The alignment of four logistics providers to create a new brand.

**THE VALUE:** The marriage of Artisan Associates, Artisan Container Services, National Logistics Management, and NLM Supply Chain Solutions allows the new organization to provide coordinated services with a number of specialties. The Detroit-based company offers transportation, on-site management, and software solutions for a variety of industries including aerospace, automotive, chemical/oil, construction, health care, pharmaceutical, retail, technology, and utilities.

@ www.nlmi.com ☏ 866-656-4266

**DHL**

**WHAT’S NEW:** A prepaid, flat-rate box for second-day delivery service.

**THE VALUE:** With one inclusive fee and no weight restrictions, DHL’s ShipReady Box allows for convenient shipping within the 48 contiguous states from more than 25,000 locations, including DHL drop boxes, OfficeMax locations, and DHL authorized shipping centers. The 11-inch x 8.5-inch x 5.5-inch box comes with total tracking visibility and guaranteed on-time delivery.

@ www.dhl-usa.com ☏ 800-514-0351

**Bender Group**

**WHAT’S NEW:** A division focused on international operations and services.

**THE VALUE:** The new company, Bender International, provides customs
brokerage and air and ocean freight forwarding. These services complement the public and contract warehousing, managed distribution, foreign-trade zone operations, and domestic transportation solutions that Bender Group currently offers from its Reno, Nev., headquarters.

**APL**

**WHAT’S NEW:** The introduction of 53-foot containers designed for deep-sea transport.

**THE VALUE:** The containers, marketed under the name Ocean53, are longer and wider than those currently employed in ocean trade lanes. Shippers using the boxes can load more cargo onto containerships in Asia, which reduces container expense and port, railway, and highway congestion. In addition, Ocean53 containers eliminate the need to transfer cargo from smaller ocean containers to 53-foot boxes on arrival in the United States. The first cargo-laden boxes were recently loaded at China’s Port of Chiwan and arrived at APL’s Global Gateway South marine terminal at the Port of Los Angeles.

[www.apl.com](http://www.apl.com)  ☎ 775-788-8800

**CSX Intermodal**

**WHAT’S NEW:** The opening of a terminal in Buffalo, N.Y.

**THE VALUE:** Offering increased capacity, improved technology, and additional service lanes, CSX Intermodal’s Buffalo facility enhances service to and from the New York metropolitan area via CSX’s South Kearny, N.J., terminal. Both domestic and international containers can reach Buffalo and Toronto six days a week. The new terminal also continues CSX Intermodal’s service to Chicago.

[www.csxi.com](http://www.csxi.com)  ☎ 800-288-8620

**FLS Transportation**

**WHAT’S NEW:** A logistics office in Hartford, Conn.

**THE VALUE:** Serving as FLS’s main presence in the northeastern United States, the Hartford operations center is the third-party logistics provider’s 17th facility. FLS expects to continue expanding its locations in the United States and Canada.

[www.flstransport.com](http://www.flstransport.com)  ☎ 800-739-0939

**Horizon Lines**

**WHAT’S NEW:** The addition of 1,200 45-foot containers.

**THE VALUE:** As part of an ongoing equipment investment program, Horizon Lines purchased 2,200 dry containers, including 45-foot dry containers and 40-foot high-cube containers, among others. Since the beginning of 2007, the company has added to its fleet more than 1,000 high-cube refrigerated containers, including 40- and 45-foot reefers specifically for use in the Puerto Rico trade. Horizon Lines also has brought more than 235 flat-racks online in its Pacific services, particularly in Hawaii. The new reefer equipment and flat-racks allow the ocean carrier to better serve the special needs of those who ship perishables and oversized cargo.

[www.horizon-lines.com](http://www.horizon-lines.com)  ☎ 877-678-7447

**Estes Express Lines**

**WHAT’S NEW:** The opening of terminals in seven states.

**THE VALUE:** New facilities in North and South Dakota, Nebraska, Minnesota, Iowa, Wisconsin, Michigan, and New Jersey bring the number of terminals in the Estes nationwide system to 187, and open up a number of direct and next-day lanes. The company can now provide its regional and comprehensive long-haul services to all 50 states.

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Lehigh University - College of Business & Economics
www.lehigh.edu/business

Through in-depth study of an organization’s value chain, Lehigh University’s supply chain management certificate program demonstrates how supply chain activities are linked both internally and externally. In a creative, hands-on environment that uses case studies and industry experts, students explore the multiple factors that impact a company’s supply chain. The curriculum offers a wide-ranging focus for students who wish to explore the broader issues of the supply chain—from team leadership to activity-based costing.

University of Arkansas • http://gsb.uark.edu

The MBA at the Sam M. Walton College of Business at the University of Arkansas has been redesigned to focus on retail marketing, information systems, logistics, and supply chain management. There are two options—full and part-time. The full-time program begins in January and continues for three semesters. The part-time program begins in the fall semester and students only attend class one Saturday a month for two years. Students are able to participate in this program from all over the country. Visit our Web site for more information.
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January 8–10, 2008, Supply Chain Driving Strategic Advantage, Cambridge, Mass. This interactive, three-day course, sponsored by MIT’s Center for Transportation and Logistics, provides senior executives with the cross-functional and global perspective necessary to create, optimize, and manage a competitive supply chain. The program includes a mix of management exercises, case studies, and interactive sessions with experts from MIT.

617-253-1547
tctl.mit.edu

January 9–10, 2008, Consumer Electronics Supply Chain Academy 2008, Las Vegas, Nev. At this event, sponsored by the Consumer Electronics Association, executives from Sony, Best Buy, Philips, IBM, and other companies will present an industry-specific perspective on global sourcing, returns management, new product distribution, and retail inventory management.

513-895-2051
www.entertainmentsupplychain.com

January 12–16, 2008, NPTC Private Fleet Management Institute, Jacksonville, Fla. The National Private Truck Council’s five-day educational program offers courses on fleet finance; operations; legal, regulatory and safety compliance; human resources; maintenance and equipment. A faculty of experienced and respected private fleet management leaders will provide insights into best practices, benchmarking, and operational excellence.

703-838-8898
www.nptc.org

January 13–15, 2008, Georgia Foreign Trade Conference, Sea Island, Ga. A panel of speakers will focus on issues facing shippers, carriers, ports, terminals, and the maritime community, as well as changing legislation and new technologies affecting the way businesses operate. Walter Kemmisies, PhD, senior economist at Moffatt & Nichol, will provide the keynote remarks.

912-264-7305
www.qaforeigntrade.com

January 20–22, 2008, American Association of Exporters and Importers (AAEI) Western Regional Conference and Expo, Newport Beach, Calif. Industry leaders will discuss import safety, trade continuity and resumption, commodity jurisdiction, C-TPAT, legislative and regulatory action, transfer taxation, service provider relationships, export controls, and drawback.

202-857-8009
www.aaei conferences.org

January 22–23, 2008, SMC³ 2008 Winter Conference, Atlanta, Ga. Attendees will learn what it takes to adapt and grow their business through the expanding and shifting global pipeline. Industry experts will provide insight to plan for both short- and long-term sustainability in the next era of transportation and technology.

800-845-8090
www.smc³.com


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www.rila.org

February 26–28, 2008, LogiCon 2008, Brussels, Belgium. Senior supply chain and logistics professionals from across Europe will gather to discuss new ways to drive supply chain innovation, methods for improving forecasting accuracy through effective retailer/supplier collaboration, and sustainability through new collaboration models.

+44 (0)20 7368 9438
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March 2–4, 2008, National Association of Chain Drug Stores Supply Chain and Logistics Conference, Chandler, Ariz. Speakers will address topics such as inventory management, sustainability, hazardous materials handling, the state of America’s ports, improving supply chain security with ePedigree technology, and trading partner collaboration.

703-837-4302
www.nacds.org

March 3–4, 2008, Council of Supply Chain Management Professionals (CSCMP) Southern Africa 2008 Conference, Johannesburg, South Africa. The theme, “Aligning People, Functions, and Organizations in the Supply Chain,” describes the event’s focus on best practices employed by global organizations to achieve both internal functional alignment and external alignment among supply chain partners.

630-645-3487
www.cscmp.org

March 16–18, 2008, AirCargo 2008, Orlando, Fla. The Air and Expedited Motor Carriers Association’s fifth-annual conference will feature 100 airfreight forwarding and express delivery service provider exhibitors. Educational sessions will address topics such as branding, security, business operations, and more.

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

It’s that time of year again—when holiday shoppers and shippers begin planning ahead to ensure their respective “loved ones” get what’s coming to them. Nearly 45 percent of consumers plan to do some holiday shopping on the Web, says a recent National Retail Federation survey. This brings glad tidings for the major expedited carriers.

Here’s how they gear up to get every package delivered, by the numbers:

**FedEx**
- Dec. 17: Estimated peak shipment date
- **11.3 million** packages vs. 7 million on an average day (through FedEx Ground and FedEx Express networks)
- **669** aircraft
- **15,000** additional seasonal employees (FedEx Ground)
- **6.5 million** Average number of tracking requests per day during December, peaking at 8 million

**UPS**
- Dec. 19: Estimated peak shipment date
- **22 million** packages vs. 15 million on an average day
- **600+** aircraft
- **423** additional flights/day
- **32** leased aircraft
- **60,000** drivers, driver helpers, and package sorters
- **32 million** package tracking requests at peak

**DHL**
- Dec. 17: Estimated peak shipment date
- **50%** shipment increase over average day
- **425+** additional domestic point-to-point flights
- **440** additional daily truck routes
- **1,300** Average number of additional sorters during peak week at 19 regional sort hubs
- **350** additional seasonal employees at DHL Air Park
- **30%** increase in online tracking requests over 2006

**U.S. Postal Service**
- Dec. 17: Busiest mailing day
- (Dec. 19: busiest delivery day)
- **1 billion** pieces of mail on peak season days vs. 703 million on an average day
- **32%** increase in air cargo lift
- **216,000** delivery vehicles
- **13,000** additional workers

**Discount store:** 68.4%
**Department store:** 58.2%
**Clothing or accessories store:** 36.1%
**Electronics store:** 34.3%
**Specialty store:** 21.7%
**Crafts or fabrics store:** 17.4%
**Drug store:** 19.1%
**Grocery store:** 44.6%
**Catalog:** 20%
**Other:** 8.6%

*SOURCE: NRF*

Happy Holidays from Inbound Logistics!
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