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THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS • AUGUST 2017

## E-COMMERCE: RETAIL'S GREAT EQUALIZER

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Is Your DC Ready For Peak Season?

Sustainable Packaging

The Benefits of Reverse Logistics



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\$2 million worth of product hits the dock. Without insurance, it'll take \$33 million in new sales to cover it.

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\*Business Continuity Institute and Zurich Insurance Group, 2014 Supply Chain Resilience Survey

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# info snacks

BITE SIZED SUPPLY CHAIN/LOGISTICS INFORMATION

## Add Unified Commerce to Your Dictionary

“Omni-channel is dead,” says Jim Barnes, CEO of Enspire Commerce. The strategy that Amazon, Walmart, and other leading retailers are pursuing is what the industry now calls “unified commerce,” where all sales channels share a single inventory and a single digital platform for all transactions.

(See *E-commerce: The Great Retail Equalizer*, p. 44)

## Many Happy Returns

During the holiday rush, when you focus on getting orders out the door, don't leave returns for later. If products being returned are in demand, you want to get them back into inventory as soon as possible so you have more to sell.

(See *It's Beginning to Look a Lot Like Christmas*, p. 50)



## Tricks of Trade

In response to the Trump administration's pending trade changes—such as border tariffs, revoking existing trade agreements, and a focus on “buying American”—about one-third of manufacturer and distributor survey respondents have already increased investments in technology and hired more U.S.-based employees.

(See *Exact survey, Trends*, p. 27)

## Get Out!

“I have a saying that the longer I sit in my office on the 10th floor in Overland Park, Kansas, the more stupid I get. It's important to be out and about, hearing from customers and employees about what's going on with business, with trends, and with the competition.”

– James Welch, CEO, YRC Worldwide

(See *LeaderShip*, p. 16)



# 91%

of global consumers expect companies to do more than make a profit; they also expect them to operate responsibly and address social and environmental issues.

(See *Cone Communications/Ebiquity Global CSR study*, p. 38)





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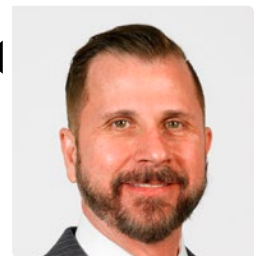
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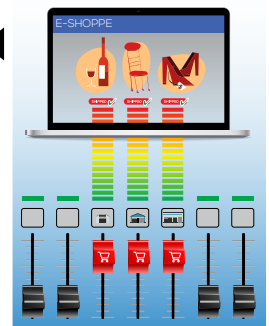
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Whether your temporary peak periods are linked to holidays or seasons, these tips will keep your distribution center merry and bright.



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### The Key to Lasting Supply Chain Innovation

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While flashy innovation grabs headlines, even the most technology-savvy business leaders know to look beyond the hype to find practical yet transformational innovations that deliver bottom-line results. Check out these real-world solutions to help drive your success.



### Customer Loyalty Hinges on Quality Of Product Information

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Brands and retailers can win or lose customers on the quality of their product and supply chain data. Here's how to maintain complete, consistent information that can be utilized throughout the supply chain.



### Route Planning: How Good Logistics Makes E-commerce Companies Great

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Route mapping software makes it much easier to satisfy customer demands for fast delivery. Plug in an address and you are good to go.

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# CHECKING IN

*Keith Biondo*

by Keith Biondo | **Publisher**



## It Happens Automagically

I heard the phrase “it happens automagically” not long ago, and it reminded me of an editorial I wrote in 2000, when I mused that one day we’d have “a global internet without wires, melded with interaction free detection—finding something without looking.” Today, it is real and it happened sooner than I expected.

The Internet of Things’ (IoT) impact on your operations may just be beginning now, but given the rapidity of innovation, invention, and collaboration, you won’t wait another 17 years to find what you need—customers, vendors, inventory, solutions, services, and yes, people—without having to look for them.

You’ve heard the clarion call, and a good measure of concomitant hype. The IoT market will grow from 15 billion devices today to 30 billion devices in 2020, 50 billion by 2027, and 75 billion by 2025, according to IHS Markit and other observers. One problem is these devices will all need their own internet routable IP addresses because they will not be able to auto-renew IP addresses to find varying networks, especially if they are moving. Many companies are working on solving this limitation. And they will solve it.

“We are at an exciting phase in how IoT technology is being deployed in supply chain and related operations,” says Ashish Chona of ORBCOMM, an IoT solutions provider. IoT supply and demand chain integration will “seamlessly connect business processes, such as shipping and receiving, with people, data and things, such as pallets, containers and transportation trailers, to run networks at maximum efficiency.”

But it is not just those logistics tendrils that will be transformed; there’s also money (think blockchain) and all manner of machines and devices that manage flow and touches across global value chains. Recent IoT advances are particularly impactful, enabling predictive maintenance so managers can act before a device fails and a line goes down.

But all those billions of devices machineware driving transportation, warehousing, financial, and global inventory and supply visibility data points will be transmitting trillions of messages across the internet. Experts at CISCO know the current state of the internet is not set up to handle that exponential explosion of daily data demands.

That’s why they’ve come up with an add-on to the IoT called the Internet of Everything, which they define as the intelligent connection of people, process, data and things. Intelligence at the local node or network level allows visibility across previously disconnected systems. More importantly, it limits the amount of data flow sent back to managers because the network intelligence allows for local decision-making without human intervention, based on defined business rules. Examples include smart meters that measure energy consumption and take action, robots that automate factory and warehouse operations, and intelligent transport systems that see and adapt to traffic conditions.

Whether your company is a manufacturer, retailer, distributor, or in e-commerce, the future is happening now, automagically. ■

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### STAFF

**PUBLISHER** Keith G. Biondo  
[publisher@inboundlogistics.com](mailto:publisher@inboundlogistics.com)

**EDITOR** Felecia J. Stratton  
[editor@inboundlogistics.com](mailto:editor@inboundlogistics.com)

**MANAGING EDITOR** Lauren Muskett  
[lmuskett@inboundlogistics.com](mailto:lmuskett@inboundlogistics.com)

**SENIOR ASSOCIATE EDITOR** Katrina Arabe  
[karabe@inboundlogistics.com](mailto:karabe@inboundlogistics.com)

**CONTRIBUTING EDITORS**  
Sandra Beckwith • Merrill Douglas  
Karen M. Kroll • Jean Thilmany

**CREATIVE DIRECTOR** Jeof Vita  
[jvita@inboundlogistics.com](mailto:jvita@inboundlogistics.com)

**MULTIMEDIA CONTENT DESIGNER** Evelyn Klotz  
[eklotz@inboundlogistics.com](mailto:eklotz@inboundlogistics.com)

**DIGITAL DESIGN MANAGER** Amy Palmisano  
[apalmisano@inboundlogistics.com](mailto:apalmisano@inboundlogistics.com)

**PUBLICATION MANAGER** Sonia Casiano  
[sonia@inboundlogistics.com](mailto:sonia@inboundlogistics.com)

**CIRCULATION DIRECTOR** Carolyn Smolin

**PUBLISHING ASSISTANT** Kathy Narvaez

### SALES OFFICES

**PUBLISHER:** Keith Biondo

212-629-1560 • FAX: 212-629-1565  
[publisher@inboundlogistics.com](mailto:publisher@inboundlogistics.com)

**WEST/MIDWEST/SOUTHWEST:** Harold L. Leddy

847-446-8764 • FAX: 847-305-5890  
[haroldleddy@inboundlogistics.com](mailto:haroldleddy@inboundlogistics.com)

**Marshall Leddy**

612-234-7436 • FAX: 847-305-5890  
[marshall@inboundlogistics.com](mailto:marshall@inboundlogistics.com)

**SOUTHEAST:** Gordon H. Harper

404-229-9691 • FAX: 404-355-2036  
[south@inboundlogistics.com](mailto:south@inboundlogistics.com)

**MIDWEST/ECONOMIC DEVELOPMENT:** Joseph Biondo

516-578-8924

[jbiondo@inboundlogistics.com](mailto:jbiondo@inboundlogistics.com)

**NORTHEAST:** Rachael Sprinz

212-629-1560 • FAX: 212-629-1565  
[rachael@inboundlogistics.com](mailto:rachael@inboundlogistics.com)

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# Good Question...

READERS WEIGH IN

## What's the most interesting or unusual supply chain problem you've solved?

**H**ow to ship toy motorcycles made out of magnets and tubes to retail stores around the country without them falling apart. They were used as a display for a toy kit.

Our solution was to put them in a small cooler, fill the cooler with water, freeze the entire contents of the cooler, and ship out. Upon arrival at the retail store, they were thawed, dried, and displayed. It worked beautifully.

**Scott McDevitt**  
President and CEO, Translogistics



Working with experts and global 3PLs to trim excess days to ensure delivery of red blood cells from New Jersey and Wales, UK, to some of the most remote parts of the world—all with only 10-15 days of shelf life to work with.

**Jeff Hoban**  
SVP, Operations, Transplace

Helping to deliver a science project robot to NASA that was designed and built by engineering students from an Indian engineering university as part of a worldwide competition.

**Tom Ciepchal**  
Vice President,  
Global Supply Chain  
Dover Fueling Solutions

Moving several overly dimensional HVAC units, via drop-deck trailers, to a major urban construction project and then transporting

those units via helicopter to the top of the multi-floored building site. We were successful.

**Bill Carter**  
Vice President, Logistics  
CFI

Trying to get wine that wasn't in a reefer into Mumbai off a hot dock. Persistence and many phone calls and emails eventually got the wine in before it turned to sherry.

**Catherine Else**  
Operations Manager  
Lionstone International

Starting a UK supply of butternut squash that is supplied by the pallet rather than the container, to reduce waste and give the customer better control over their orders.

**Samantha Rogers**  
Logistics Administrator  
GoGlobal, LLC

A bobblehead manufacturer contacted us a few months ago as they needed to change a few markings on 2,000 bobbleheads. We scraped a few of the trademarked designs off the bobbleheads and re-painted them to look like new.

**Jeff Glassman**  
CEO, Darn It! Inc.

### HAVE A GREAT ANSWER TO A GOOD QUESTION?

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

**What would you put in a logistics time capsule for people to open 50 years from now?**

We'll publish some answers.  
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**Mo Khurana**

**Vice President, Global Management Consulting, Inspirage**

an integrated supply chain solutions provider, which recently completed a study on the key challenges supply chain leaders face.

“Sustainability is a strategic focus for companies, yet they are struggling to achieve sustainability targets. They must address these goals across the extended supply chain before, during, and after product development. Further, companies can take simple steps such as optimizing shipments, improving transportation systems, and streamlining processes.”

## **Optimizing Your Distribution Center Site**

[bit.ly/optimizeyourDC](https://bit.ly/optimizeyourDC)

**Maximizing the efficiency of your distribution center site requires strategic planning and analysis.**

**Gary Wlassak**

A transportation network needs to consider all options to better utilize the available equipment in developing last-mile solutions.

Questions to consider include: Is this distribution point a company site or a general, FAK location? Are orders generally pallets of items or parcel-size orders? Is your customer base local, regional, or worldwide? Do these products or supplies need to be delivered on a route or direct on request, such as e-commerce orders? All these questions can help determine which equipment options to use to improve costs, equipment efficiency, and speed of delivery to your customers.



## **Reader Email**

[bit.ly/security2025](https://bit.ly/security2025)

**P**ublisher Keith Biondo's Checking In column "Perfect Security by 2025?" shows great imagination for the future use of technology.

The ideas in your column take me to this: The highest cost that we'll pay in the future will be for security. It seemingly will overtake every other cost of society. The cameras and makers that your column describe will need to be built, bought, installed, maintained, replaced, and utilized when needed.

It comes down to money. How much would our standard of living increase if we didn't have to continually pay more for security? The answer is much. That seems unattainable so in the meantime, security-related stocks look like a good long-term bet.

**Danny R. Schnautz**  
**Clark Freight Lines**

## **Web Comments**

**Eight Ways to Find and Retain Qualified Supply Chain Talent**

[bit.ly/SC\\_talent\\_8ways](https://bit.ly/SC_talent_8ways)

**Rex Beck**

Practice #5 (partner with top universities) may be a way to recruit future executive management. However, it will do little to find the future mid-level managers every organization needs. To find needed mid-level leaders, organizations may do well to partner with their local community colleges.



# HOW KENCO KEEPS PERSONAL CARE PRODUCTS HEALTHY



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# 10TIPS

## STEP-BY-STEP SOLUTIONS



## Recruiting Supply Chain Talent

**N**ew technologies, consumer demands, and the rise of the mobile workforce are shifting the business landscape quickly, making specialized supply chain and logistics workers more valuable than ever. It's imperative for organizations to have a strategy in place to recruit and retain these talented workers. Tisha Danehl, vice president of staffing agency Ajilon, offers this advice for attracting the industry's future leaders.

**1 Update job descriptions.** Be as specific as possible in your job postings and define the required experience level, position demands, and company expectations. It's also important to outline the exact skills you are looking for, taking into account not only technical skills, but also soft skills such as collaboration and multitasking.

**2 Leverage industry-specific organizations.** It may feel logical to post your open position on every job board you can find, but this will cost you more work in the long run. To make sure you get applications from qualified candidates, focus efforts on industry-specific job boards and social media groups. LinkedIn is a great place to begin your search for targeted groups.

**3 Diversify your hiring panel.** You'll attract a more diverse pool of candidates if you employ a diverse group of hiring managers. The interview process is your chance to make a great first impression, so it's important to emphasize all backgrounds to show that everyone has an equal opportunity.

**4 Partner with universities.** Recruiting directly from undergraduate programs is a great way to find workers with the right knowledge. You also can engage in a partnership to offer skill-building workshops that prepare graduating seniors, or work with colleges to align specific job skills with those today's supply chains need most.

**5 Get creative on social media.** Show potential recruits what it's like to work for your organization by highlighting examples of your company's biggest successes or top performers on your website and social channels.

**6 Offer paid internships.** Paid internships or scholarships are mutually beneficial for students and the future of supply chain organizations. Providing paid opportunities to students can help draw more young people with potential to the field.

**7 Provide training programs.** Employees will benefit from professional development and skills training opportunities. As new technologies and business models continue to shift, you can secure talent by offering in-house training to close any skills gaps.

**8 Offer competitive salaries.** Salaries are expected to increase by 2.9 percent in 2017, according to the 2017 Ajilon Salary Guide. Avoid losing strong candidates or valuable employees to competitors by researching salaries to make sure they are competitive.

**9 Emphasize opportunities for growth.** What does a career path at your company look like? When will there be opportunities for promotion or advancement? These are questions you should anticipate from job seekers and be prepared to answer before they are even asked.

**10 Bring in external resources.** Recruiting firms can be a resource to help find pools of specialized candidates. The partnership allows you to focus on other responsibilities and ensure that talent is qualified and a good cultural fit. ■



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# LEADERSHIP

*Conversations With  
The Captains of Industry*

By Merrill Douglas



**James Welch**  
CEO  
YRC Worldwide

## Betting the Farm on YRC's Success

**J**AMES WELCH HAS WORKED FOR YRC Worldwide for nearly his whole career. At 23 years old, he joined what was then Yellow Freight System as a sales representative in Houston. Over the next 29 years, he took on a series of management positions with increasing levels of responsibility.

Welch left Yellow Transportation in 2007 to serve as president and CEO of same-day carrier Dynamex Inc. But he wasn't gone for long. In 2011, the board of directors of YRC Worldwide (formed when Yellow Corp. acquired Roadway Express) tapped him to become its new CEO. That nearly five-year detour provided valuable perspective. "It gave me an opportunity to see the world outside the business I was trained in and grew up in," Welch says.

Welch returned to YRC Worldwide with a strong and immediate agenda. He filled us in on his leadership philosophy and vision for the less-than-truckload (LTL) carrier.

### **IL: How did you get into the transportation industry?**

When I graduated from college, I thought I wanted to work in human resources as a personnel director. But after working for one year as a management trainee, I discovered HR was not what I wanted to do. My father worked in transportation, first as a truck driver and then, for most of his career, as a road dispatcher.

I decided to give the industry a try, starting with a smaller trucking company and then, one year later, taking a job with Yellow.

Transportation is a fascinating business. In many ways, what we do is like putting together a giant jigsaw puzzle and then making it work. Having something new and different to work on every day has always made it fun and exciting for me.

### **IL: Which of your past positions have shaped you as a leader?**

In the days after deregulation, Yellow grew from 160 terminals to almost 700. At that time, if you could walk and chew gum, you were opening a terminal. So I opened and ran a terminal in East Texas. Then I was an area sales manager in Dallas, a regional manager in Albuquerque, and a regional manager in Tracy, California. Each of those jobs taught me a lot about both sales and operations; a dual perspective that helped me a great deal as I continued to advance in my career.

### **IL: When you returned to YRC from Dynamex, what projects did you put at the top of your agenda?**

I left YRC in 2007 because I disagreed with the direction the company was taking, from an acquisitions standpoint. When I came back, I wanted to return the company quickly to what it does best, LTL trucking. Two joint ventures in China and a truckload company were distracting us from our core business.

Some of the biggest changes I made were to decentralize everything back to our four operating companies—our \$3-billion long-haul company, YRC Freight, and our \$1.8-billion group



of three regional carriers: Holland, New Penn, and Reddaway. I wanted to stand the brands back up and rally employees around their individual companies. Then we would figure out Roadway Express and Yellow's lingering integration issues and move the company forward.

**IL: How have your customers' wants and needs changed?**

The transportation of information has become as important as, if not more important than, the transportation of commodities. It's as if digital information traveling over the 'information super-highway' runs parallel to actual freight traveling on the highway.

Also, customers are more sophisticated about using technology, and this has changed the buying and decision-making process. Today, our customers route freight by specific lanes, instead of assigning a carrier to a region of the country.

**IL: What kind of leader are you?**

I think my employees would describe me as fair and inclusive, but firm with the direction I provide. I've always tried to have smarter people than myself in the room, and to encourage collaboration wherever possible. From some of the best leaders I've worked for over the years, I've learned the importance of taking a consistent approach to an issue, across a spectrum of situations. I've also learned that it's important to really listen to people before making a decision or providing direction.

I don't think I'm better than anybody else just because I'm CEO. I respect and listen to people's opinions and advice. I love a little bit of tension and constructive conflict from time to time. It's good to be in an environment where people can say whatever is on their minds, as long as it is done respectfully. I'm fine with people disagreeing with me or challenging my thought process. In fact, I encourage it. It helps the whole collaborative process.

**IL: What are your near-term goals for YRC Worldwide?**

We're still continuing our turnaround. We're in the seventh inning of a nine-inning ball game. We are paying down our debt, and we need to continue to invest heavily in our assets. The company went for too long—from about 2008 to 2012—without investing in equipment and technology. Now we are investing at normal industry rates. We have new tractors coming on board for our drivers, and we have just invested in some advanced routing and load optimization technology.

We're still playing catchup in some ways, but I feel good about the progress we've made. I have more confidence than I've ever had that this company will be successful for the long term.

**IL: Which aspect of your job is the most fun?**

Working with people I respect and enjoy; watching people grow, accept new challenges, and excel. I'm happiest when I'm out with customers and/or employees. I have a saying that the longer I sit in my office on the 10th floor in Overland Park, Kansas, the more stupid I get. It's important to be out and about, hearing from customers and employees about what's going on with business, with trends, and with the competition.

**IL: What other leaders do you find inspiring?**

I'm a huge admirer of Bill Gates. At a Microsoft seminar five years ago, I had the opportunity to hear him speak about leadership, about what's important, and about the art of giving. We also toured his charitable foundation. I love the fact that he has accumulated a lot of wealth but is determined to give much of it away.

**IL: Do you have a hidden talent?**

I own a ranch and do some farming on the side. Besides working in the transportation business, my dad also had a farm, and so I've always had a desire to own land. I raise wheat and soybeans. It's a diversion for me and a great stress reliever. ■

## Safety First

One of the toughest aspects of James Welch's job as CEO concerns safety. "Our thousands of drivers interact on the road every day with a public that's increasingly distracted," he says. "The highways are full of people phoning, texting, and even watching videos while driving. The first thing I do when I wake up is to check to make sure the drivers on our overnight runs are all okay. Safety is the most important part of my day, every day."

To reduce risks, YRC Worldwide has implemented some new technology. "We have retrofitted all of our equipment with Lytx drive cams and Mobileye collision avoidance systems," he says.

But even the best technology available can't outperform a professional driver who puts safety first. "And we have so many of them at our companies," Welch adds. "Last year one of our drivers, Arthur Cage of Memphis, surpassed 6 million consecutive accident-free miles. In addition to Arthur's great achievement, we have more than 2,000 drivers who have traveled 1 million or more miles accident-free."



**Chris Ward is vice president, supply chain, with Church's Chicken, a chain of fast food restaurants specializing in fried chicken with about 1,600 domestic and international locations. He has been with the brand since August 2011.**

#### RESPONSIBILITIES

Purchasing, distribution, logistics, freight, all food and packaging products.

#### EXPERIENCE

Director, global supply chain, Popeyes Louisiana Kitchen; vice president, purchasing, Shells Seafood Restaurants; director of purchasing, Buffets, Inc.; vice president, purchasing, Peasant Restaurants; and senior director of purchasing, Church's Chicken.

#### EDUCATION

Midlands Technical College, Columbia, South Carolina.

## Chris Ward: Get the Food To Church's On Time

**T**HE PAST FEW YEARS HAVE BEEN TOUGH FOR QUICK service restaurants. Church's Chicken is a value brand with locations in many struggling neighborhoods. We support those communities. Guests can come to Church's and get a great meal that is value priced, as opposed to other restaurants where they pay higher prices.

I find creative ways to be cost efficient. For instance, I work with suppliers to eliminate production inefficiencies, while ensuring we always meet our quality specifications. Church's also collaborates with suppliers to improve production methods and associated costs. These partnerships contribute to the success of our products.

We spend a lot of time with our suppliers, and not just to hit them over the head asking them to get costs down. We

try to learn more about their business and what they are trying to achieve. We also strive to develop a personal relationship—we talk about their kids or their favorite car. The food service industry is still close knit and that benefits the supplier/restaurant relationship.

When it comes to making restaurants more efficient, I take a snapshot of what we're currently doing, plan our work, and work the plan. We then strategically go after certain logistics costs. We want

### The Big Questions

#### Where would you like to visit for the first time?

The Middle East. The culture, the food, and the people fascinate me. It's on my bucket list of future destinations.

#### If you could have dinner with any two people, who would you invite?

Abraham Lincoln and Pope Francis would be amazing to talk to. It would be interesting to hear Lincoln's perspective on the challenges he faced and the success he attained.

#### If you had \$1 million to start a business or philanthropic endeavor, what would you like to do?

I'd open a fine dining restaurant—a cool place with a great vibe and an amazing chef—in Carmel or Monterey in northern California. It's beautiful and one of my favorite places in the world.

#### What advice would you give your 18-year-old self?

Focus on education. Learn as much up front as you can because it will serve you better in the long term.



to find the lowest possible cost and most efficient way to get products to our franchisees, so they can focus on driving sales, pleasing customers, and building the brand.

I work with our distributors to ensure we achieve the lowest inbound cost of goods. One way we do that is by backhauling products.

Say a distributor delivers our food to restaurants around Oklahoma City, where we also have a supplier. Once the truck finishes the deliveries, it drives to the supplier, picks up a truckload of green beans, for example, and brings it to

their distribution center. This optimizes the distributor's equipment and is an opportunity for the distributor to generate income with otherwise empty trucks.

We're also doing more global sourcing. We recently visited a company in Sweden that produces the paperboard we use to manufacture chicken boxes. With state-of-the-art equipment, the company produces the paperboard more cost effectively than other domestic companies. We extensively tested it in several markets, and the tests have gone great. We will roll out the product system wide.

I'm also a big believer in diversifying our

supplier community. We're strategically developing new suppliers and working closely with them to gain approval to produce Church's products.

Since I've been here, we've worked closely with our partners in quality assurance, and have dual-sourced 15 sole-sourced items. This mitigates risk and provides competitive proposals to work with when we negotiate pricing.

I like to see restaurants thrive. I get a lot of satisfaction from delivering the right products at the right cost to our franchisees so their businesses are successful. I love what I do. ■



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# NOTED

THE SUPPLY CHAIN IN BRIEF

## GREEN SEEDS

Container carrier **Maersk Line** and **JF Hillebrand**, a service provider specializing in beer, wine, and spirits logistics, formalized their joint sustainability commitments by signing the Carbon Pact. The document represents their commitment to reduce the environmental impact of JF Hillebrand's shipments with Maersk Line. Both companies aim to reduce carbon dioxide emissions per container moved by 20 percent by 2025, increase transparency and benchmarking in container shipping, and promote sustainable transportation solutions.

## SHOVEL READY



Retail store chain **Tractor Supply Company** began construction of a new distribution center in Frankfort, New York. The facility, which will support the home improvement retailer's digital fulfillment strategy, is expected to begin shipping by the end of 2018. The DC will be approximately 930,500 square feet, with the potential to create more than 350 new full-time jobs over the next six years.

ma  
m&a

**VTG Rail**, the U.S. subsidiary of rail car leasing and rail freight logistics company VTG AG, acquired the fleet of rail car leasing company **Redwood Rail**. The move adds 1,135 rail cars to VTG's fleet, expanding it to approximately 5,200. VTG also assumed the associated leases as well as Redwood Rail's existing customers. The acquisition strengthens VTG Rail's position in the U.S. market and diversifies its rail car portfolio. In particular, freight cars for grain, cement, sand, plastics, and logs transportation have been transferred to VTG.

**American Fast Freight** (AFF), an ocean freight forwarder specializing in less-than-containerload shipments, acquired **Grand Worldwide Logistics**, a warehouse and third-party logistics company serving the beverage/spirits, food, and paper industries. The purchase expands AFF's global logistics platform by adding more than 2 million square feet of warehouse space and more than 150 rail spots.

## UP THE CHAIN

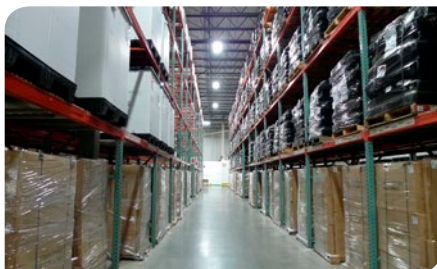
**Amit Kumar** was promoted by General Electric to vice president, global supply chain - GE India & Southeast Asia. Kumar started his GE career in 2009 as the India sourcing leader for all GE businesses and was promoted in 2013 to regional chief supply chain officer for all GE businesses for India. His new role includes providing supply chain leadership to more than 30 manufacturing operations, sourcing, digital deployments, and talent development in partnership with all GE businesses.



## SEALED DEALS

### ► New York City Emergency Management

renewed its contract with **XPO Logistics** to manage the Logistics Shelter Support and Commodity Distribution programs. The new contract expands XPO's services beyond the primary sheltering operation to include mass feeding and other logistics needs of the Emergency Operation Center task force. Under the multi-year agreement, XPO continues to manage two dedicated logistics facilities that house the city's stockpile of emergency relief supplies. The company is also responsible for expediting supplies to approximately 100 shelters across five boroughs.



**ACH Food Companies**, a distributor and manufacturer of baking ingredients and products, selected supply chain software and services provider **BluJay Solutions'** Logistics-as-a-Service (LaaS) offering. BluJay is helping ACH Food Companies, which makes household brands such as Mazola Corn Oil and Fleischmann's Yeast, optimize transportation management, scale to meet customer and industry demands, and reduce freight costs.



▼ **Peak Scientific**, which designs, manufactures, and supports gas generators for analytical laboratories, partnered with **SEKO Logistics** to optimize its supply chain with increased visibility, reporting, and cost-saving solutions. Working with SEKO, Peak now serves customers in two major markets in China and the United States with in-territory stock, using ocean freight to ship products in bulk. SEKO also enables Peak to achieve a steady flow of product and faster response times for its customers. SEKO's



technology provides detailed data to help Peak review and manage the performance of its suppliers.

## recognition

▼ **Penske Logistics** received its fifth **World Excellence Award** from Ford Motor Company at the 19th annual Ford World Excellence Awards at the Henry Ford Museum (*pictured below*). Penske Logistics was recognized in the Aligned Business Framework category for its operational performance, transparency, responsiveness, and sustainability leadership. For more than 20 years, Penske Logistics has provided the automaker with a range of supply chain services, including lead logistics provider services in North America, South America, Europe, Thailand, and India.



Transportation and logistics provider **Werner Enterprises** was named a 2017 **Military Friendly Company** by *G.I. Jobs* magazine. The distinction honors organizations showing commitment to tapping into military talent. Since its apprenticeship program began in 2006, Werner has hired more than 25,000 veterans and veteran spouses, and they now comprise approximately 20 percent of its workforce.

▼ Ocean container line **Hamburg Süd** was awarded the **Volkswagen Group Award 2017**. The automotive corporation honors its best suppliers for innovation, product quality, development competence, sustainability, and professional project management. Hamburg Süd received the award in the Global Champion category and was commended for its flexibility in the production start-up of the new Audi plant in Mexico.







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# TRENDS

SHAPING THE FUTURE OF LOGISTICS



Photo: John Kucio Digital

**New York State's canal system is seeing significant commercial traffic growth. One recent and unusual shipment-12 mammoth beer fermentation tanks transported across the state from Albany to Rochester on the 200-year-old Erie Canal-attracted a great deal of interest as its barges moved through 33 locks and under 226 bridges.**

## Low Bridge, Everybody Down!

**A**s the historic Erie Canal celebrates its 200th anniversary, it's also enjoying another milestone: commercial traffic volume that's five times higher than in recent years. Built in 1817 to transport goods and people from one side of New York to the other, today the canal is primarily a recreational waterway.

by **Sandra Beckwith**

Commercial volume on the state's four-canal system five years ago was 43,000 tons, according to the New York State Canal Corporation. Thanks in part to a marketing push, it's about to hit a record 200,000 tons mid-2017, with much of that coming from aggregate quarry stone bound for construction projects. Higher dollar value but lighter cargo includes turbines and cooling towers.

Until May 2017, the increase in commercial traffic had gone mostly unnoticed by the communities from Albany to Buffalo that sprang up along the Erie Canal in the early 1800s. But this spring, 12 mammoth beer fermentation tanks on four barges moved down the canal and through 33 locks on their way to the Genesee Brewery in Rochester, New York. Residents living near the mostly recreational waterway came out by the thousands, flooding social media with pictures and videos featuring a decidedly modern twist on the old-school transportation mode: a unique #toastthetanks hashtag for the barges.

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The 60-foot-high and 20-foot-wide tanks that will hold 2,000 barrels each are part of a \$40-million modernization project at one of the largest and oldest continuously operating breweries in the United States. Manufactured in China and transported by ocean, the tanks moved from New York City up the Hudson River to just north of Albany on the eastern side of the Empire State.

Tank manufacturer Lehui Group contracted with logistics company Welton

Shipping for the entire move. The canal route for transport to Rochester in Western New York made sense, says Henry Hui, Welton vice president, because the tanks were taller than the 16-foot clearance required for telephone, cable, and electrical lines along highways and railroad tracks. They were almost too tall for the canal, too.

“One of our biggest challenges was sinking the barges low enough to get clearance on bridges because the tanks themselves

weren’t very heavy,” says Hui.

Welton added sand and water to weigh down the barges so they could coast under the route’s 226 bridges. Leaving nothing to chance, Hui did a simulation trip before confirming it could be done. “We started planning the logistics for this nine months in advance,” Hui says.

This was Welton’s maiden voyage on the Erie Canal, but with the increased commercial use, it may not be its last.

## Digital Change: Realizing the Potential

Digital Transformation (DT) is coming of age. Eighty percent of respondents to a recent IFS Digital Change Survey see themselves as “enabled”, “enhanced” or “optimized” to leverage DT. More impressively, 89 percent say they have “advantageous” or “adequate” funding in

place for digital projects—a clear acknowledgment that the time of disruptive technologies is here, and that most firms realize that they need to invest.

But why are businesses investing? The survey finds that 27 percent of companies say digital transformation “makes them

more competitive,” giving them a vital differentiating edge; 29 percent see the main benefit as “accelerating innovation” and 28 percent “growth opportunities in new markets.”

Companies using digital transformation to ask far-reaching strategic questions—Can I

### Using Digital Transformation to Stay Competitive

One in three companies responding to a recent IFS survey on digital change are “unprepared to deal with the digital skills gap.” Smart businesses are already spotting potential data candidates who have the appetite and skills to expand their role. How can companies bridge the skills gap affordably, sustainably, and creatively?

**Consider how your organizational structure fosters digital development.** Large companies have the option of creating new departments dedicated to digital initiatives—hothousing analytic skills and nurturing them in-house.

**Conduct digital competence inventory.** For companies to succeed with digital initiatives, they need to train staff to manage and analyze data. Establish what technology is key for your company’s development. As part of this digital inventory, start earmarking individual staff members who have the drive to upskill.

**Developing skills properly is paramount.** HR teams need to decide what current roles need to be developed and where new talent is needed. Bring in external trainers to provide new perspectives.

**Work with local universities, both to attract talent and to influence them to focus education programs in the right areas.** Placement schemes offer undergraduates real-life programming experience, growing the firm and the student.

Apprenticeship schemes discover local talent and give them support and a place to grow.

**There are three pillars to succeed with digital transformation—technology, investment, and people.** Companies often master the technology aspect most successfully, as it is driven by experts with clearly dedicated areas of responsibility. The main question is whether you are focusing on the right technology to drive transformation at the right time. Do you want to be the pioneer taking risks, or jump on the bandwagon when the technology is more mature?

The survey results show that companies think they are investing enough in digital transformation, but are they focusing on the right areas? The results indicate a heavy focus on process efficiencies, so there could be a need to steer the focus toward more innovation-focused investments.

The people factor is most often forgotten in the digital transformation process. This is significant from both a talent and communications perspective. If more than 40 percent of respondents view “aversion to change” as the main barrier, employee communications is of utmost importance to make sure that your staff knows the purpose of change and how it affects them.

So it’s high time to ask: Where do you need to focus to build these pillars and be successful in your digital transformation?



use DT to get a bigger share of market, or increase my product portfolio?—are making the most of the technology’s long-term, strategic opportunities.

But these companies are in the minority. The largest survey group—47 percent—still see DT’s main benefits as “improving internal process efficiencies.” This begs the question: Do companies see the full potential of what disruptive technologies can achieve?

This could mean that companies are

investing the majority of funds in making internal processes more effective and thereby failing to enable innovation. Seeing “improved internal efficiency” as the key reason to explore DT is too short sighted. It fails to exploit the strategic benefits and makes it more difficult to win employee understanding and commitment.

Despite plenty of good news, the survey still reveals that 42 percent of the respondents view “aversion to change” as the main barrier to digital transformation.

Companies need to think carefully about how they position IoT and other disruptive technologies, how they tell the story of why they are using them, and how they communicate the benefits to their workforce—transforming staff from “data-phobes” to data fans.

Painting the big picture, and positioning digital change as strategic not tactical, as inspiring not invasive, is vital.

## U.S. Manufacturers Respond to Regulatory Plans

Manufacturers and wholesale distributors are optimistic about the perceived impact of the Trump administration’s plans for trade deregulation on their businesses, according to new research commissioned by business software provider Exact. Sixty-three percent of respondents anticipate that the plans will be beneficial to their businesses.

Fifty percent of manufacturing respondents anticipate that the plans will be beneficial to their businesses. In response to pending changes such as border tariffs, revoking existing trade agreements and a focus on “buying American,” about one-third of respondents from both industries have already increased investments in technology and hired more U.S.-based employees.

Additionally, the survey shows that emerging technology and IT innovations are significantly disrupting business models in the eyes of 72 percent of wholesale distributors and manufacturers. Notably,

respondents are embracing the “fourth industrial revolution,” already finding value in applying 3D printing, the Industrial Internet of Things, wearables, virtual reality and other tools to their operations.

The research also proves that business process automation is a strong value and revenue driver for both distributors and manufacturers; respondents cite reduced costs, fewer errors, enhanced visibility, and improved customer service as top benefits to automating core business processes.

Key findings include:

■ Manufacturers who automate their core business processes with software—77 percent of respondents—had stronger revenue gains on average in 2016 compared to those who do not automate.

■ 70 percent of respondents are currently using wearables, citing production efficiency, cost savings, and worker safety as the areas positively affected by implementation.

■ 81 percent of respondents note that automation has improved employee productivity.

■ 91 percent of manufacturers are currently using ERP systems and find it extremely valuable across operations.

■ 92 percent of wholesale distributors either strongly agree or somewhat agree that Amazon is currently one of their biggest competitors.

■ 74 percent of distributor respondents view the impact of Amazon as resulting in customers demanding faster delivery times for orders.

■ 58 percent of wholesale distributors are currently using connected machinery (Internet of Things), while 55 percent use tablets with voice recognition to place orders.

■ 97 percent of wholesale distributors either strongly agree or somewhat agree that business process automation has allowed them to better service customers.

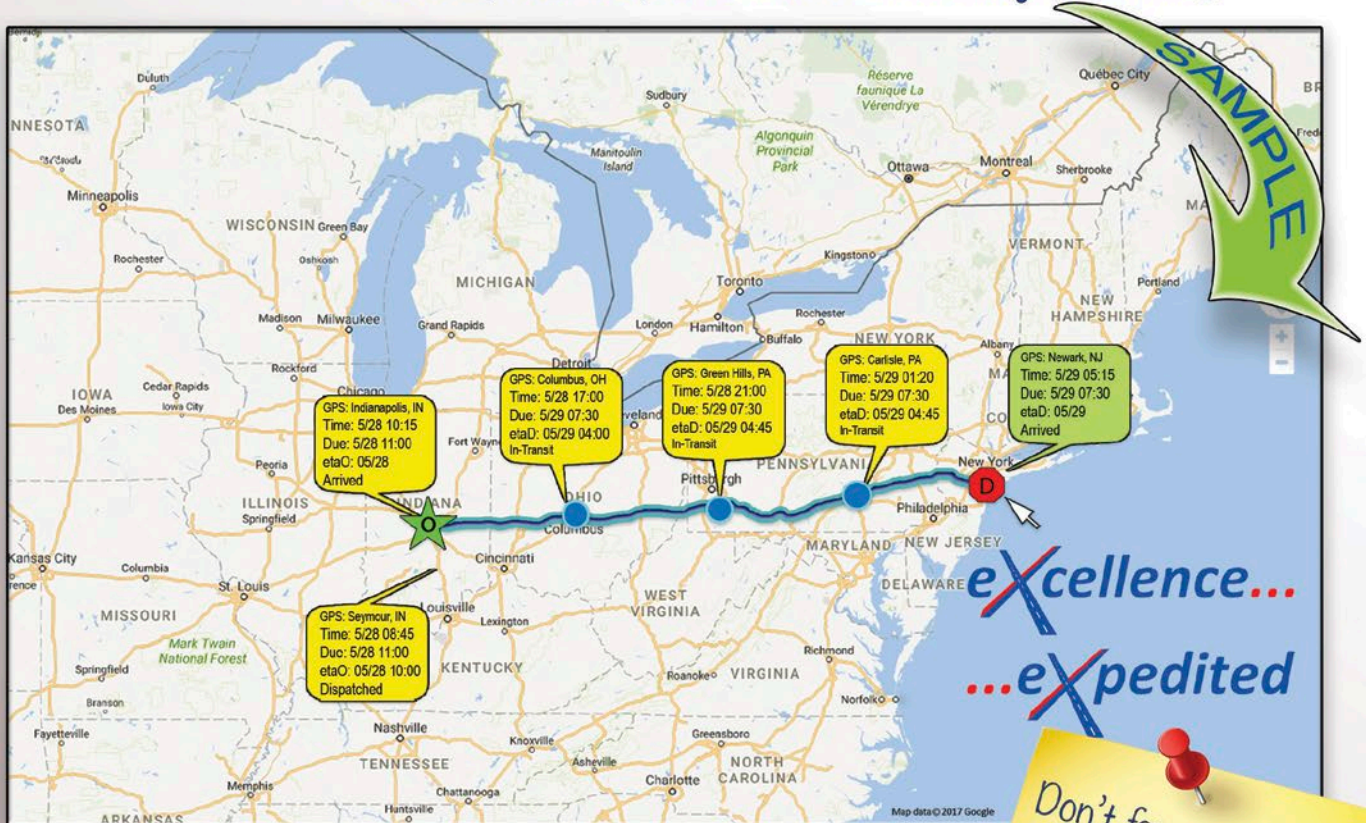


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# GLOBAL

THE WORLD AT A GLANCE

Since 2013, Mid-Atlantic and Southeastern seaports have seen a 20-percent hike in volumes compared to just 5 percent on the West Coast. JLL research attributes this growth to the expanded Panama Canal, among other factors.

## Docked and Loaded: 5 Trends Turning the Tide Of North American Shipping

Only one year after opening, the \$5-billion Panama Canal expansion is already having a major impact on North American shipping. As a result, industrial real estate demand around East and Gulf Coast ports is escalating, finds a new report from JLL, a commercial real estate services company.

The JLL report notes five major trends that will impact North American ports and their surrounding real estate:

**1. Gulf Coast ports are winning the U.S. seaport trade war.** Thanks to the Panama Canal expansion and increased downstream demand in recent years,

port volumes and industrial real estate demand are higher than ever in Gulf Coast ports.

At Port Houston, for example, 20-foot equivalent unit (TEU) volumes increased from 4.6 percent to 5.2 percent of total U.S. TEU volumes between 2010 and 2017.

**2. Mergers and alliances are causing uncertainty and changing the shipping landscape.** The industry has shifted from four shipping alliances to three leading alliances which, combined, affect 90 percent of global trade routes. In the short term, these alliances

disrupt the industry for tenants while helping carriers stay competitive and reduce costs. With a number of mergers still occurring, control and travel routes will continue to shift.

**3. Larger ships are calling on U.S. ports, passing through the new Panama Canal.** In advance of the Panama Canal opening, ocean carriers ordered larger vessels to deploy across all cargo types. To accommodate these vessels, U.S. ports led efforts to employ new cranes, dredge channels, have deeper berths, and remove air draft restrictions. With larger vessels calling

on ports, shipping liners are likely to reduce the number of port calls, which will only increase already fierce regional port competition.

4. **Next-day deliveries and autonomous vehicles are bringing the trucking industry to new heights**—with new challenges. E-commerce isn’t going anywhere, and neither is its dependence on trucking. The trucking industry is using technology more than ever to

increase efficiency from the first to last mile, but congestion on the roads is getting worse.

The only true resolution is a complex, multi-year decision that would impede delivery times and increase operating costs. This provides opportunities for other intermodal sectors such as rail to ease the burden.

5. **Rail needs to be nimble as competition from other transportation**

**modes intensifies.** Viewed by shippers as a cheaper, more environmentally sustainable alternative to trucking, the rail industry is expected to grow. With coal transportation waning, the industry is moving away from traditional cargo to being more nimble.

Intermodal volumes have been a bright spot for railroads, accounting for more than half of all railcar volumes, up from 40 percent just one decade ago.

## Does Multimodal Logistics Have a Future in Europe?

When it comes to multimodal logistics—moving freight by combining two or more transport modes—Europe still lags the more advanced U.S. market, but has made steady progress, according to Colliers International’s latest industrial research for the EMEA.

The future drivers of multimodal traffic in European corridors include:

**Mega projects.** Infrastructure is vital to enhancing the efficiency and competitiveness of multimodal transportation compared to trucking alone. Most ongoing infrastructure projects in Europe involve upgrading existing lines and platforms.

Many European ports have set modal split targets and embarked on ambitious infrastructure investment programs to hit those targets. Due to the importance of maritime trade, ports play a clear role in facilitating the modal shift.

Some mega projects are also in the works. “The largest project in Europe is the Alpine crossing between Switzerland and Italy,” says Bruno Berretta, associate director, EMEA research at Colliers. “This is a key section of one of Europe’s most important trade corridors, connecting northern Europe’s seaports with northern Italy through Germany.”

“The Gotthard Tunnel opened in 2016 and a second tunnel is being dug on the same line and will open in 2019,” Berretta adds. “This will unlock

opportunities for multimodal logistics, and some operators are stepping up investment in new facilities and interchange platforms along this corridor.”

**Paris leads the way.** Multimodal logistics has a future within cities as well. While lorries and vans dominate last-mile distribution thanks to their ubiquity and speed, planned bans and restrictions on vehicles in European city centers mean that road-based distribution may not be sustainable at current levels in the future. Rail and waterways provide alternatives and will increasingly complement eco-friendly vehicles for last-mile deliveries within cities.

“Paris is a leading European city in this regard, having embarked on a strategic initiative to redevelop city logistics hubs around major rail transportation nodes and along the Seine,” Berretta notes. “New development incorporates ‘logistic hotels’ into larger, mixed-use developments.”

Local authorities play a key role in making this happen

through proactive planning policy and by engaging with stakeholders, including shippers, freight forwarders, rail operators, land owners and the community.

“Bringing together a divergent range of interests is a challenge, but recent examples of successful developments in Paris show there is a way forward,” says Berretta.

**Ride the green wave.** Multimodal transportation sometimes incurs extra costs due to transshipment operations, particularly over shorter distances. “Nonetheless, there is greater corporate acceptance that the higher short-term

EUROPEAN MULTIMODAL INFRASTRUCTURE PROJECTS		
PROJECT	COUNTRY	PLANNED COMPLETION
Gotthard and Monte Ceneri tunnels	Switzerland/Italy	Gotthard open–Monte Ceneri from 2019
Seine Nord Europe Canal	France	2025 (first segments operational from 2021/2022)
Koper-Divaca second-railway track	Slovenia	2022
Belgrade-Budapest high-speed rail (key section of the new rail corridor between port of Piraeus in Greece and Hungary)	Serbia/Hungary	2019/2020

SOURCE: Multimodal: Shaping the Future of European Logistics, Colliers International



costs associated with more sustainable transport solutions can be justified by the long-term benefits in Corporate Social Responsibility and the fact that at some point more stringent environment regulation is likely to come into force,” says Tim Davies, head of EMEA.

Improving multimodal infrastructure, the diminishing cost of technology, and the ability to deliver scale will contribute to make multimodal—and rail in particular—a more compelling proposition from an economic point of view as well.

The major players shaping multimodal logistics include:

**Policymakers** are keen to shift more freight off the road to reduce carbon emissions and encourage more sustainable transport solutions. One objective the EU set out in its *Transport 2050 Roadmap* is for 30 percent of road freight traffic on distances longer than 300 km (about 186 miles) to be shifted to rail or waterborne transport by 2030, increasing to 50 percent by 2050. Over these distances, rail freight is both a cost- and emissions-effective alternative to road traffic.

**Construction and materials companies and the automotive sector** are

traditionally the most intensive rail users. More retailers, such as supermarkets, are embracing multimodal logistics for some of their products, too.

**Carriers** continue to expand their

Europe; the inland connections of the North Sea ports (Rotterdam/Antwerp); and the links between Germany and its supply chain. ■

multimodal services, leveraging favorable policy, infrastructure improvements, and emerging trade corridors where rail/barge is particularly interesting in terms of cost and speed.

While there is a greater focus on rail and waterways transportation, carriers continue to upgrade their road fleets by switching to more fuel-efficient vehicles.


When it comes to platforms, developers and investors are increasingly committed to provide multimodal infrastructure on site to maximize connectivity and cater to the highest number of occupiers possible. Interest is generally proportional to the maturity of the local rail freight industry.

As Europe’s third-largest market for domestic combined road-rail transport after Germany and Italy, the UK provides recent examples of rail-linked logistics parks.


The busiest multimodal transport corridors are Germany-Italy, connecting the two most industrialized countries in Western

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## 5 Ways to Execute a High-Performing Demo Program for Medical Devices

**N**ow more than ever, healthcare supply chains are key differentiators for best-in-class manufacturers. Leading companies effectively use their supply chains as a competitive advantage to drive revenue growth and achieve cost containment goals. At the same time, logistics practitioners face a unique and growing set of challenges that directly affect the bottom line. Current pressure points converging upon the industry include:

- Financial impact of the Affordable Care Act
- Shrinking profit margins
- Increased regulatory and compliance demands
- Initiatives to reduce inventory carrying costs
- Lack of in-house IT and systems support
- Conflicting internal priorities among the logistics, quality and service organizations
- Mandates to improve quality and customer satisfaction

The combination of these issues presents a formidable test to every company in the industry. How well does your organization stack up against the competition?

Ultimately, success will be measured by the number of demonstrations that turn into sales. The following five points are crucial to executing a high-performing demo program:

- 1. Optimize your asset utilization.** Focus must be placed on increasing on-site demo activity with less inventory. The primary components include; transit-time, depot turnaround time, and on-site demo time. By effectively using Key Performance Indicators (KPI's), you will drive continuous process improvement.
- 2. Reinforce quality, regulatory and compliance standards.** HIPAA, Sunshine Act, Sarbanes Oxley and FDA device history records all carry regulatory implications that are critical to your supply chain objectives.
- 3. Utilize a network of specialized regional facilities.** The critical functions performed at these facilities include: Functional testing, product decontamination, consumable replenishment, preventative maintenance & repair scheduling.
- 4. Outsource to business partners with engineering expertise.** By leveraging a best-in-class service provider, you will enable process

innovation to occur. Key considerations include business process re-engineering, systems integration and crate design & manufacturing.

**5. Transform your data into business intelligence.** Implementing a global real-time operating system will fill cross-functional gaps within your organization – improving on-demand business planning.

Regulatory and compliance concerns are a top supply chain priority. Auditable transaction and inventory records provide the information you need, both now and in the future. When selecting a 3PL partner, it is essential that they have the level of service you need to accomplish your desired goals.

### Are they ISO 13485 certified?

Both internationally and locally, ISO 13485 helps ensure improved overall performance, reduced risk and provide increased visibility. In the medical device industry, these trusted quality standards are adopted by authorities, suppliers and manufacturers around the world to demonstrate their commitment to protecting the safety and integrity of medical devices.

### Do they have event management software?

For demo logistics, medical device manufacturers need a tool that facilitates the movement and communication of both products and people. Successful medical device demonstrations require a combination of consoles, accessories, specialists, engineers and sales to be at the right place at the right time. Leading medical device supply chains have the ability to simultaneously optimize their human resources, physical inventory and transportation expenses.

### Most importantly, does your 3PL have a team you can trust and rely on?

In an ever-evolving industry that places so much emphasis on speed, quality and efficiency, it is imperative that you have a 3PL partner you can trust. In your quest for quality, search for a dedicated control tower to manage shipments, as well as, track & trace. Search for a team with experience in compliance and managing medical devices so you can protect your assets and build on the business you love.





## Recent Industry Disruptions Challenge, Improve Retail Logistics and Supply Chain

American consumers are now living in an era of supply chain domination, in which we sometimes sacrifice privacy for convenience, or a few extra dollars for speed. Amazon drones drop small packages on our doorstep the same day. Meals arrive on urban doorsteps via tiny robots moments after placing the order. Naturally, the retail industry needs to adapt an agile and visible supply chain to fulfill these increasingly complex consumer requests.

In recent weeks, both Walmart and Amazon made waves in the retail industry, though for rather different reasons. Walmart recently narrowed its "must arrive by" date windows and will penalize suppliers, big or small, for early or late product arrival. The retail supply chain needs to up its game to meet these requirements; the penalties Walmart intends to inflict will sting. Similarly, Amazon's recent acquisition of Whole Foods may disrupt the retail industry in a profound way. The initial announcement caused a seismic shift in stock prices and provoked thousands of articles and blog posts about the implications of the deal for the supply chain, brick-and-mortar grocery stores, and small-to-medium-scale organic food producers.

### Walmart's "Must Arrive By" Dates Set Tone for Retail Supply Chain

As consumers make their needs and desires more clearly heard, big-box retailers like Walmart seek to streamline supply chain operations—to have the right product on shelves when the consumer wants it. Walmart has turned to a more holistic approach to shopping, integrating its traditional big box retail locations with e-commerce. Walmart aims to stock shelves with product based on just-in-time, lean-minded operations.

And, the retail giant will now require its suppliers, from manufacturing giants like Unilever to smaller, local producers, to adhere to stringent delivery windows. When product arrives too early or too late at the designated Walmart location, suppliers will incur fines equal to 3 percent of the products' value. The effort to whip suppliers into shape, with the stated goal of 95% on-time, in-full deliveries, reveals Walmart's mission to compete directly with Amazon.

Walmart's rivalry with Amazon is also now reaching toward cleaning up its in-store workings, to provide consumers with a better shopping experience. Notably, after Amazon's acquisi-

tion of Whole Foods, Walmart announced its intention to provide customers with better-located and more aesthetically pleasing produce and fresh foods aisles. The compliance squeeze for Walmart's logistics providers and suppliers is getting ever-tighter. Suppliers and 3PLs that count on Walmart as a client would be wise to shape up and ship out—ideally within the allotted 24-hour window for on-time deliveries.

### Amazon and Whole Foods: A Perfect Storm for Grocery Retail Disruption

News that Amazon intends to purchase Whole Foods in the second half of 2017 rocked the retail industry and stock market earlier this summer. The marriage of two retail powerhouses—one e-commerce and the other a traditional brick-and-mortar grocery store specializing in organic, locally produced and supplied grocery—inspired scads of think pieces and provoked lots of questions, from those for and against the merger.

Generally, economists see the deal as a positive one for both companies. Whole Foods has been reluctant to embrace digital supply chain technologies, and Amazon can help with that, given its position as a retailer that is really a data and supply chain company. Similarly, Whole Foods provides the cold-chain footprint close to end users that Amazon needs to become a major player in the grocery retail sector. Amazon's relationship with Sprouts Farmers Market and Whole Foods' relationship with Instacart could help expand fresh food delivery in an efficient manner. Or the two companies could leave those partnerships by the wayside and focus on enhancing their own complementary synergies in last-mile fresh food delivery.

The potential for cashier-free stores, as currently seen in Amazon's Seattle, Washington venture, could streamline the grocery-buying process for consumers nationwide. Plus, omni-channel presence would become even more convenient. Consider the possibility of Amazon lockers in every Whole Foods nationwide, to pick up online orders of pillowcases and books, along with your family's organic carrots and yogurt.

With these recent changes, the potential for retail supply chain disruption is great. 3PL providers must be cognizant of these changes in the supply chain and shifting compliance requirements to ensure continued profit and high performance for some of their biggest clients.



Nisa Moore (*pictured*), Senior Director of Operations, General Dynamics Information Technology  
571-526-3036 • Nisa.McCarter@gdit.com

Chris Makowski, Transportation Manager, General Dynamics Information Technology  
571-526-3034 • Christopher.Makowski@gdit.com

## Insights into Complexities of Managing Secure Global Transportation for the Government

Operating one of the largest supply chain and logistics operations on behalf of the government, General Dynamics IT, a 2017 Inbound Logistics Top 100 3PL Provider, functions as a 3PL provider and is responsible for the shipment of goods around the world to high-threat and isolated posts. In addition to meeting contract door-to-door terms and strict service level agreements, the company also successfully navigates the complex and changing regulations and licensing of United States exports. The client's end users can choose products from a 6,200-item catalog as well as original equipment manufacturer parts and anything else they might require from commercial vendors.

"We purchase all products without forecast data, which represents a significant financial risk that's uncommon in other relationships," Nisa Moore, General Dynamics IT senior director of operations said. "Even with a government contract, we deal with speed to market. Our customers expect the same fast service and shipment visibility as they get when they shop online."

### Managing the Risk of Door-to-Door Shipping

General Dynamics IT is responsible for procurement, domestic and international door-to-door shipping and the final delivery of all products. Compared with the normal "door-to-port" service, this creates additional risks and challenges.

The company manages all aspects of the transportation logistics for the contract, from a vendor's delivery to the customer receiving point and customer transfers domestically and internationally. For international shipments, the customer is responsible for submission of import documentation, as required by the local government. All other aspects of the shipment, including all associated costs, are handled by General Dynamics IT. The chain of custody is vital, as well as the reliance on trusted agents and freight forwarders for in-country expertise.

"In our experience, freight forwarders are more familiar with door-to-port. Similarly, parcel carriers tend to be less familiar with the requirements of door-to-door shipping, leaving airfreight shipments at the airport if there are clearance issues. To overcome this, we have established a robust process to reduce customs and port delays," said Chris Makowski, transportation manager at General Dynamics IT.

### Export Regulation Compliance

General Dynamics IT manages shipments which range from single parcels to airfreight boxes to full 40-foot containers, all of which falls under the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR).

The company has developed a strict process to ensure international shipments are in compliance with all United States export regulations. They have a dedicated team that triages every international shipment and will manage the process if export licenses or exemption requests are required.

The State Department is charged with controlling the export and import of defense-related articles and services on the United States Munitions List (USML) under the ITAR. The ITAR regulates products and services that are for military purposes including electronics, navigation, computer security, maritime, aviation and other technologies.

The Commerce Department enforces the EAR for commercial items, but also items that have dual use for civilian or military purposes. The level of control depends on the country being exported to, destination party, end-use and Export Control Classification Number.

Any company that accepts being a supplier for a USML prime exporter must certify themselves as operating in accordance with ITAR.

### Engage an Experienced Team

"For a complex global logistics network, an experienced, knowledgeable and flexible team is the best asset you can have," Moore said. "The key to a successful global supply chain is to have experienced logistics personnel, a knowledgeable network of forwarders and agents with worldwide reach. To effectively manage the complex web of global shipping, we have developed a strategy that combines commercial best practices and the unique nature of government contracts, and over several years we have successfully established a committed global team with clearly defined procedures and expectations."



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## [ IT MATTERS ]

BY KEN WOOD

EVP Product Management, Descartes Systems Group  
descartes@affect.com | 212-398-9680

# Using Content Solutions To Unlock Supply Chain Value

**N**ew Content-as-a-Service solutions deliver content that exists outside an organization. This outside-in perspective is spurring companies to find new value to make supply chain planning and execution inherently more intelligent—especially when it comes to global trade.

Content solutions can, for example, help companies properly classify goods to ensure compliance while minimizing duties and tariffs; research, analyze, and act on import/export movements, trade regulations, and market trends; and reduce the risk of transacting business with denied parties.

In many cases, companies manually research and store this type of information, but few have the resources to stay on top of business and regulatory environments in constant flux.

### Central Point of Access

As companies expand product lines and geographies, the intersection of trade content and item compliance is central to an overall compliance program. One big advantage content solutions offer is that they function as a central point of access to a vast amount of country- and territory-specific data on trade regulations, rulings, duties, and taxes.

Having timely access to this type of up-to-date and accurate information

allows compliance professionals, multinational shippers, and multimodal carriers to better meet the reasonable care standards of international customs agencies, and to better support classification determinations in the event of a customs audit.

Supply chain participants are increasingly seeking big data content and insight solutions for analyzing global logistics trends and activity. Solutions that collect, cleanse, and commercialize import/export trade data offer this type of intelligence, which companies can leverage for market research, sales insights, supply chain management, enhanced security, and competitive strategy.

Leading content tools today can cover more than 75 percent of the world's import/export trade with data sourced from the trading nations of the Americas, the EU, Asia, and Africa. Largely oriented toward ocean transportation, these systems can provide global visibility into shipments by vessel, into and out of a given country.

Such highly granular data requires a massive searchable database of shipment records, primarily gathered directly from official filings with global customs agencies and trade ministries. The depth of information varies by country.

### Put Content to Use

Companies use this veritable warehouse of detailed, timely, and authoritative content in many ways. They can refine sourcing strategies by identifying and prequalifying alternative suppliers of key raw materials; evaluate growth strategies by gauging supply and demand for their products; add supply chain resilience; and simplify trade data research.

Global trade and transportation practices are often manual and complex to manage. Moreover, many overarching factors, including the growing number of participants in companies' global supply chains and changing customs and regulatory requirements, exacerbate these complexities.

As the logistics and supply chain management disciplines continue to evolve, integrating external content is becoming more valuable for companies seeking more automation and real-time control over their supply chain planning and execution functions. ■

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## [ GREEN LANDSCAPE ]

BY TIM CASEY

President, ProShip Inc.  
sales@proshipinc.com | 414-302-2929

# Sustainable Supply Chains: Send Them Packing

**A**iming for a green supply chain not only reduces costs but also is socially responsible. Shippers are turning to innovative solutions to reduce packaging waste and emissions as key components of their sustainability efforts.

More customers than ever choose to purchase from sustainable companies. In fact, 91 percent of global consumers expect companies to do more than make a profit; they are also expected to operate responsibly, addressing social and environmental issues, according to a Cone Communications/Ebiquity Global CSR study.

### Pack Like a Pro

Online retailers are sending deliveries in boxes that are too big—creating an extra 2 billion pounds of waste every year—and customers are noticing.

A Sealed Air study shows 77 percent of customers note the packaging a retailer uses for e-commerce reflects its environmental values. This means that everything matters, down to the packing of the order. To meet customer expectations for more sustainable packaging, many shippers are turning to automated packing solutions.

Automated packing solutions optimize all steps of order fulfillment. These systems scan, build, fill, fold, and label each order in a fit-to-size parcel in as few as seven seconds.

They even can build a parcel around single or multi-item orders with variable dimensions. By creating a fit-to-size parcel, automated packing solutions eliminate void fill and reduce the amount of corrugated material used by up to 20 percent.

These innovative systems can also place return labels and seal the parcel with reusable tape, which allows customers to reuse the box and the printed label for an easy and environmentally friendly returns process.

Customers are not the only ones happy with this green initiative. Shippers like it too, because it can save money.

As shippers install automated packing solutions to get orders out the door fast, delivery is also top of mind. Shippers know customers want

their orders on time and hassle-free. That's why many offer parcel lockers as a final-mile delivery option.

Only 1.5 percent of all parcels delivered to a parcel locker require a second delivery attempt, and only 0.8 percent require a third attempt, according to a ShipMatrix study.

Shippers commonly place parcel lockers at apartment and condominium complexes, in brick-and-mortar stores, and even at convenience stores. This gives customers 24/7 access to their orders, resulting in fewer delivery attempts from carriers, which means shippers can reduce their carbon footprint while lowering freight costs.

### Customers Want it All

Customers believe it is important for a brand to be environmentally friendly, don't want bulky orders when receiving a small item, and want to reuse packaging for any returns. They also want to receive their order on time and hassle-free.

To achieve these goals, enhance the customer experience, and maintain a green supply chain, a growing number of shippers are turning to automated packing systems and parcel lockers. ■



### THE SESSIONS

A Look Down the Road CEOs Speak: panel consisting of C-level from LTL, TL and 3PL industries speak about challenges affecting transportation.

The "Uber" Model for Warehousing Goes Mainstream – What works today, what still needs tuning, and what's likely to come.

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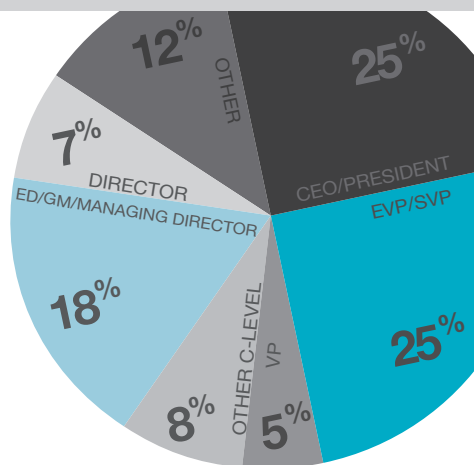
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## [E-COMMERCE]

BY LORI MITCHELL-KELLER

Global General Manager, Consumer Industries, SAP  
@LoriMitchellKel | 800-872-1727

# Developing Innovative Delivery Services That Delight Customers

**T**o compete in today's retail landscape, companies must differentiate themselves to meet consumer demands and drive brand loyalty. Many retailers are reassessing every aspect of their supply chains—including their delivery services—and implementing digital processes to ensure superior consumer experiences.

Many consumers are willing to pay more for a better shopping experience. In recent years, retailers have found great success by offering innovative delivery options. Services such as door-to-door delivery, curbside delivery, and same-day delivery have provided ways to get goods to the consumer faster.

When customers have the ability to place orders through any channel in real time, they also expect the order to be fulfilled in near real time. Uber gets it.

UberRUSH allows retailers to offer door-to-door delivery in one hour or less. This makes purchasing items more convenient, affordable, and reliable. Sunglass manufacturer Maui Jim has embedded UberRUSH delivery micro services in its technical infrastructures—resulting in elevated convenience and overall consumer satisfaction.

Another service that many companies are implementing is click and collect, which includes curbside delivery. It's

crucial that retailers blend the benefits of both traditional shopping and e-commerce. To do so, retailers are focusing on the growing online consumer base and offering one-hour curbside delivery at local franchises.

Retail giant Walmart is offering a service that does just that. Through its click and collect pickup and curbside delivery, shoppers can fill their carts online and select at-store pickup during checkout. Walmart's digital database collects the data and creates the order. Upon pickup, shoppers arrive at their local Walmart and receive orders to their cars within minutes—resulting in increased convenience.

### 30 Minutes or Less

To further support e-commerce sales, retailers will also soon be investing heavily in digital databases that support independent airplane delivery.

The first company to do so is Amazon.

The online retailer has been developing its airplane and drone programs to elevate the consumer experience and provide a unique delivery service.

To support increased sales from Prime Day 2017, Amazon launched the Prime Air network and delivered items via company-branded cargo planes. As soon as orders were placed, the company's digital programs sorted orders, monitored inventory, and determined the closest fulfillment centers that could ensure same-day global deliveries.

The company has conceptual plans to expand its freight network through drone delivery. Although not yet available for the general public, the company will use its digital database to review order information and delivery logistics to ensure consumers across the globe receive their products in 30 minutes or less via drone.

To thrive in this era of unprecedented innovation, retailers need to place technology at the epicenter of all business strategies.

To truly stand out, retailers must invest in agile, scalable solutions and digitize their entire supply chain, including delivery services and capabilities. From the point of ideation to the moment of delivery, it's crucial that retailers exceed expectations to heighten the overall consumer experience. ■



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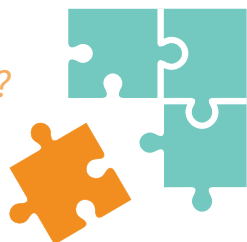


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Supply Chain Challenge?

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# A Consolidated Fulfillment Solution With Global Visibility

Sphere 3D turned to SEKO for global visibility and reduced logistics and warehousing costs.

## THE CHALLENGE

Sphere 3D's rapid expansion drove them to a position in which they sought out a logistics partner that offered a consolidated Global service to replace their two company-owned warehousing facilities located in the US and Germany, and a current fulfillment provider in Hong Kong. This partner needed to offer a single solution that would save money and have the ability to cover the Americas, EMEA and APAC regions. Sphere 3D deemed it essential that this new solution could provide global visibility of

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## THE SOLUTION

SEKO's global reach, commitment, pricing and technology gave Sphere 3D the consolidation and visibility they needed. The SEKO solution provides logistics support for the shipment of finished goods from manufacturing facilities in Mexico, Taiwan, Japan, China and Germany to SEKO multi-user warehouses in California

and Amsterdam. This distribution model helps Sphere 3D to manage spikes in monthly and quarterly activity. SEKO's technology (MySEKO and SEKO WMS portals) enables detailed tracking of inbound and outbound shipments.

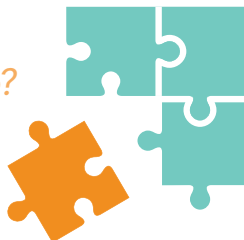
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Supply Chain Challenge?

SOLVED!



# Satellite DC Quickly Fulfills Orders

Unyson helped a customer simultaneously increase service for time-sensitive shipments while decreasing costs.

## THE CHALLENGE

One of the main providers of vitamins and minerals, herbal supplements, and weight loss products was looking for a 3PL that could help grow the company's DC footprint without a brick and mortar building and flex up or down based on demand. The 3PL had to simultaneously increase service for time-sensitive shipments while decreasing costs.

## THE SOLUTION

Unyson analyzed the retailer's network to create a new and innovative solution. Unyson coordinates with the retail client to manage a satellite DC operation in the Pacific Northwest for an average of 50 loads per week. There are several DC locations positioned to fulfill orders to the store locations within one day of orders being

submitted. The retailer manages full container freight into the DC, while Unyson manages processing the inventory and fulfilling orders to the stores.

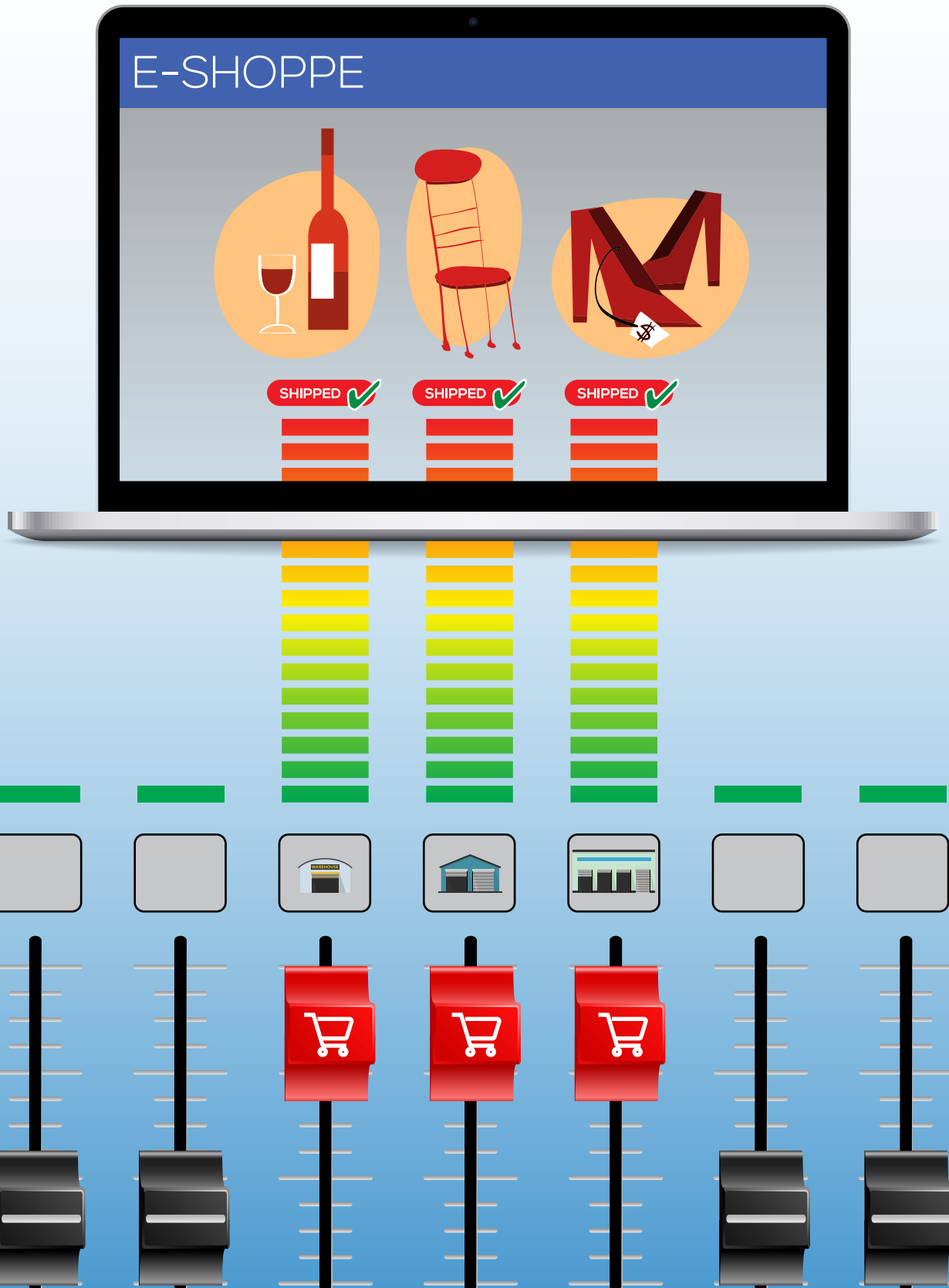
With this solution, Unyson was able to reduce transit times to the store and use the satellite DC to hold just-in-time freight near the end user.

Additionally, the retailer is able to hold a large amount of inventory to supply dense pockets of stores that have no inventory space and are far away from their brick and mortar DCs. This solution provided savings to the client while decreasing transit times.

Additional benefits of the solution included: dedicated account management, inventory reduction, executive reporting, and increased store scheduling accuracy.



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# E-Commerce: The Great Retail Equalizer

**From small, local businesses to national giants, merchants fashion e-commerce strategies to attract and delight consumers in an ever-more competitive market.**

**By Merrill Douglas**

**E**-commerce continues to redefine the way people shop. Online retail sales in the United States totaled \$394.86 billion in 2016, representing a 15.6-percent increase over 2015, according to the U.S. Department of Commerce. Excluding sales of fuel and cars, 11.7 percent of retail sales in the United States in 2016 were e-commerce sales, according to Internet Retailer calculations.

It's getting harder to define "e-commerce," as merchants blur the distinction between buying online and buying in a store. Crossover moves—such Amazon's foray into brick-and-mortar bookstores and its plans to acquire the Whole Foods chain, and Walmart's purchase of Jet.com and Bonobos—make the picture especially fuzzy. For consumers today, buying a product online for in-store pickup, or whipping out a phone in the store to order an item that's out of stock at that location, is just part of the everyday shopping experience.

One thing is certain, though: e-commerce and omnichannel retail leaders have trained their customers to expect more options and better service. "People want convenience," says Daphne Carmeli, founder and CEO of same-day delivery service Deliv, in Menlo Park, California. For instance, they want to order a product this morning and receive it this evening. "Fifty-six percent of millennials say they won't buy if there's not a same-day option," she adds.

As new models emerge, industry leaders set new standards, and competition continues to heat up, retailers that include e-commerce in their strategies are racing to stay out front. Here's a look at how three merchants—one small, one mid-sized, and one large—deal with the logistics and fulfillment challenges associated with e-commerce.



By partnering with Deliv, Vin Chicago can offer same-day, temperature-controlled deliveries of its wine selection.



## Vin Chicago: Same-Day Sipping

**W**hen wine merchant Vin Chicago first tasted e-commerce about nine years ago, the initiative was small and the process was simple. Periodically, the company sent an email to its customer list announcing the arrival of an especially interesting wine. Customers followed a link to a secure site, where they filled out a form to place an order. Then, in 98 percent of cases, customers visited a Vin Chicago store to pick up their purchase.

“With the email-based ordering, we didn’t even offer delivery, because the method we were using couldn’t scale up,” says Peter Schwarzbach, owner of Vin Chicago. “If we had received a lot of delivery orders, we couldn’t have serviced them properly.”

A family business founded in 1934, Vin Chicago currently operates four stores in Chicago and its suburbs. About four years ago, it built a new website that offers a full assortment of wines, a checkout process using a shopping cart, and three fulfillment options: in-store pickup, local delivery, or shipping within Illinois via UPS.

In 2017, Vin Chicago added another innovation. Rather than use a conventional courier service for local deliveries, it started working with Deliv, a crowd-sourced last-mile logistics network built for same-day deliveries.

Founded in 2012, Deliv is doing

for same-day product delivery what Uber and Lyft have done for personal transportation—using the Internet to mobilize large numbers of independent contractors, driving their own vehicles, to serve customers.

Deliv started out delivering product for large omnichannel merchants from their stores in shopping malls. It has since added same-day delivery for e-commerce merchants of all sizes, entered a partnership with UPS, and launched a grocery delivery service.

Alcohol retailers are Deliv’s latest market. For Vin Chicago, part of Deliv’s attraction is its web-based platform. In the past, the process of arranging a delivery took five or 10 minutes to make plans with the customer and then with a courier company, all by phone. “We could handle five or six deliveries every day, max,” Schwarzbach says. “Even that was taking up a lot of time.”

Scheduling a delivery through Deliv’s website takes only about one minute. This faster, simpler process lets Vin Chicago handle a lot more same-day deliveries. So does the extra capacity that the crowdsourcing model offers.

The greater speed and expanded capacity should make local delivery a more viable option for Vin Chicago. It’s certainly becoming a more important option. “With the efforts that Amazon has been making to improve the convenience factor, the market is inevitably going toward delivery, and quickly,” Schwarzbach says.

Two other factors also make same-day delivery from local inventory attractive to merchants who sell wine or

spirits. “One is that alcohol is generally heavy and fragile,” says Carmeli. It also requires temperature control. All that makes alcoholic beverages expensive to ship via parcel carrier—as much as \$20 for a bottle of wine shipped from a vineyard. “Being able to pick up locally and deliver becomes a huge benefit,” she says.

Also, the transportation service must understand and comply with local regulations for alcohol. That means, for example, verifying the age of the person who receives the delivery, and making sure not to deliver to addresses in “dry” counties. “The system has to be smart enough to understand what is or isn’t possible,” Carmeli says.

“Deliv lets us compete with Amazon,” Schwarzbach says. “We’re able to offer same-day, temperature-controlled service with a quality driver, with carding—and our wine selection holds up to anyone.”

### No Same-Day Chardonnay

One situation that Vin Chicago currently can’t accommodate with same-day delivery is a purchase of inventory held at more than one store. “State law does not allow us to transfer wine between stores,” Schwarzbach says.

So if the case of chardonnay you want is available only in Highland Park, and your favorite cabernet is available only in Barrington, you’ll have to make two separate purchases online. “And then we’ll arrange for your purchased wine to be consolidated and delivered,” he says. Currently, the company can’t arrange that quickly enough to get you your wine the same day.



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For customers in the City of Chicago, however, same-day delivery from Vin Chicago could soon become a run-of-the-mill event. Vin Chicago is working on a mobile app that will give customers access to inventory held just at that store, the company's largest.

"Customers can see exactly what we have in inventory in our City of Chicago store, place an order, and schedule delivery online," Schwarzbach says. "If they order before noon, they can pick a 4 p.m. delivery window and have the wine that night."

As Vin Chicago starts to publicize this new service, the ratio of in-store pickups to deliveries is bound to change drastically from the current 98:2. "I don't know if it will be 50:50, or if it will be 80-percent delivery," Schwarzbach says. "It'll be fun to see how it sorts out."



## American Freight Furniture: Always in Stock

**A**merican Freight Furniture (AFF) is new to e-commerce. Its website has featured a browsable product catalog for some time, but if you spotted an item you wanted, you had to visit a store to close the deal. Only now is the company offering up a site where you can put a whole living room suite in your online cart, and proceed to checkout.

When it comes to deploying technology to support AFF's new omnichannel approach, that late start is an advantage. "We can leapfrog some challenges the industry has experienced over the past few years and go to the preferred platform," says Jim Brownell, chief operating officer of AFF, in Delaware, Ohio.

The challenges Brownell has in mind are the ones that arise when a traditional brick-and-mortar retailer adds e-commerce and later decides to merge the point-of-sale (POS) technology with

its e-commerce technology. The goal is to gain a single view of all inventory and sales, across all channels. Large retailers are spending a lot of time and money to integrate their platforms, he says, while AFF can integrate from the start.

The company is working with technology vendor Enspire Commerce to turn AFF's existing site into an e-commerce site and also implement a new POS. That in-store system is actually an order management system—the same one the e-commerce site uses. The only difference is that the POS comes with a user interface optimized for use by in-store sales associates.

Thanks to the e-commerce-POS integration, every customer has access to all the inventory AFF holds, or that it can get from vendors. "When a customer asks, 'Do you have this item?' a sales associate can say, 'I have it in my store. I have it in the store up the street. Or I can ship it from our vendor,'" Brownell says.

AFF does not operate distribution centers; rather each retail location serves as a warehouse. Under its new business model, it will fulfill all orders—in the store or online—from any combination of store and vendor inventories it takes to do the job. E-commerce customers who don't live near any of AFF's approximately 140 stores may see different delivery options than customers who do.

"Customers not close to a store will get orders delivered from a vendor," Brownell says. "The platform has to be smart enough to display only the options that are available for that product."

If a customer comes to a store looking

for four items, and only three are in stock at that site, the integrated order management system makes sure the customer walks out happy.

"It will source that fourth item, and offer delivery options—either ship from another store, ship it from my vendor, have the customer pick it up at another store, or ship it to the store and the customer picks it up later," says Jim Barnes, CEO at Enspire Commerce in Carmel, Indiana.

The order management system includes a rating engine to help AFF choose the most cost-effective carrier or carriers for the shipment.

### Compensating Associates

One challenge this new model creates involves integrating store personnel into the e-commerce world. Because AFF store associates work on commission, they want to deal directly with customers. Associates might feel that e-commerce sales are "stealing" their inventory.

"Associates might say, 'I received eight of those items, six of them just went out the door for e-commerce orders, and I don't get paid for that. Yet I had to buy them, bring them into my store, unload them.' Compensation will be a big issue," Brownell says.

On the other hand, the new e-commerce/POS system gives associates the chance to sell products that aren't available on the floor, or even in other AFF stores.

Say the customer chooses a couch but wants blue throw pillows rather than the gray ones it comes with. "I don't have blue pillows," says Barnes.



American Freight Furniture's retail locations also serve as distribution centers. With its new e-commerce system, the company fulfills orders from any combination of store and vendor inventories.

“But I can switch to my vendor catalog on my POS device and send the vendor an EDI message to drop-ship those pillows to the customer’s home.”

As it changes the sales process and creates new fulfillment options, e-commerce will also change the calculus for how inventory flows into AFF’s stores.

“We put eight units of an item in a store and six are shipped out. Is that an e-commerce demand, a retail demand, or a combination of both?” Brownell asks. “Understanding the demand signal will be an important challenge for us, to make sure that we’re most effectively placing inventory in locations.”

Enspire’s system will collect data on the source of each order, to create a history. “The challenge will be interpreting all that data,” Brownell says.



## Zappos: If the Shoe Fits, Ship It

**Z**appos was already an important force in e-commerce in 2009 when it joined up with one of the biggest forces of all, Amazon. Post-acquisition, Zappos has retained its independent identity, but the relationship with its parent has reshaped the company’s options for shipping products.

“When you have the world’s best fulfillment network at your disposal, you take full advantage of it,” says Justin Brown, director, supply chain and liquidation at Las Vegas-based Zappos.

Founded in 1999 as an online shoe retailer, Zappos has since expanded to sell clothing, accessories, housewares, and other consumer products. The fulfillment experience is central to the Zappos brand; the company promotes its fast, free shipping and easy, free returns.

In the early days, suppliers drop-shipped most orders to Zappos customers. By 2009, Zappos was fulfilling all orders from two facilities in Shepherdsville, Kentucky. The company added new materials handling

equipment to those centers several times to increase inbound and outbound capacity, but the warehouses were straining to keep up.

“Soon after the acquisition, our unit volume was growing at such an alarming rate it made sense to partner with the Amazon fulfillment network to help meet our demand,” Brown says. So, in 2012, Zappos turned over the facilities and fulfillment operations to Amazon.

### Balancing Act

One of the biggest fulfillment challenges Zappos faces comes at the end of each month and each quarter, when the company has to balance the needs of its suppliers with the capabilities of its facilities. The end-of-year peak shipping season also brings challenges.

“It’s imperative that our fulfillment centers have accurate forecasts that feed into our labor, sales, and operational plans,” Brown says. “Being off by a few hundred basis points can make a big difference in overtime hours and additional head count, which could prevent our associates from being able



**Zappos encourages a ‘fun and weird’ culture that includes having corporate management spend time on warehouse and fulfillment activities to improve customer service.**

to spend time with their families.”

To understand how operational decisions affect front-line associates, each year Brown takes a different team from the corporate organization to work on the warehouse floor. “Go pick, pack, and ship boxes for 10 to 12 hours every day for five or six days,” he tells them. “That will make sure this stays top-of-mind and will force you to want to be better.”

Although Zappos and Amazon helped set the standard for e-commerce fulfillment in the early 2000s, there’s still a lot of room for innovation in responding to demand for a great delivery experience.

“Ten years ago, retailers such as Zappos focused solely on speed,” Brown says. “But now they need to focus on the three pillars of the delivery experience: speed, quality, and personalization.” ■

## Goodbye Omnichannel; Hello Unified Commerce

Has “omnichannel” replaced “e-commerce” as the ascendant retail model? Some say we’ve moved beyond even that distinction.

“There are no more channels. Omnichannel is dead,” says Jim Barnes, CEO of Enspire Commerce, a technology vendor and consultancy based in Carmel, Indiana. The strategy that Amazon, Walmart, and other leaders are pursuing is what the industry calls “unified commerce.” In this approach, all sales channels share a single inventory and a single digital platform for all transactions.

Retailers that embrace unified commerce don’t think in terms of channels. “They just think in terms of the consumer,” Barnes says. “How do I delight the consumer and provide a positive experience, so they always end up coming back to me?”

In a unified retail world, e-commerce is simply a demand source—one more way for a customer to buy a product, which the merchant will deliver in three days via parcel carrier, later today via local delivery service, one hour from now in a brick-and-mortar store, or whatever the transaction requires.







# It's Beginning to Look a Lot Like CHRISTMAS

Whether your temporary peak periods are linked to holidays or seasons, these tips will keep your distribution center merry and bright.

By Sandra Beckwith



**W**ith a new distribution center that's five times as large as the previous one, its first warehouse management system (WMS), and an additional foundry coming online in fall 2017, Lodge Manufacturing Company is poised to meet the demands this year's holiday rush will ring in. The 122-year-old manufacturer of seasoned cast iron skillets, griddles, and other cookware plans to begin drop shipping online orders generated by its customers' websites this holiday season. Drop shipping will eliminate double-shipping the products—from Lodge to the retailer and then to the consumer—while also erasing the need for retailers to stock every Lodge product in their own distribution centers. It also will allow Lodge's retail customers to offer a larger product selection online than they can display in stores.

But Lodge is leaving nothing to chance as it anticipates the impact of these changes. Following one of the seven commandments of distribution center holiday rush preparation, the Tennessee-based company is pilot-testing the new drop-ship option before introducing it to select retail customers.

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**Cast iron cookware maker Lodge plans to drop ship online orders this holiday season, but is testing the new logistics process well in advance to work out any bugs before sales sizzle.**

"We're making sure we have the right processes in place by testing this new shipping process with a specialty gourmet retailer first," says Sam Touchstone, senior vice president, finance and administration for Lodge. "We set up the warehouse to support it and are coordinating with our WMS provider to make sure the new automated system works properly."

Here's more on the importance of that first step, plus six others, to make sure your distribution center is ready for the holidays, or any other high-volume period.

## 1 Test new processes or simulate peak periods months in advance.

Sean McCartney, executive vice president of operation services at Radial, a Pennsylvania commerce technologies and operations provider, does this internally and with clients, too. "To test operational capabilities and automation systems, we hold volume, then surge a facility in a compressed time period," he says.

Testing in advance lets companies head into peak season confident that they can handle the increased volume.

## 2 Use data analytics to organize the distribution center for maximum efficiency.

"We believe in data-driven warehouses," says Evan Garber, CEO of EVS, an enterprise software company in Boulder, Colorado. "The systems

capture an incredible amount of data, but not everybody analyzes it to identify trends."

EVS works with clients to organize warehouses for peak periods around trends the data reveals. For example, if 80 percent of an online shoe retailer's orders during November and December are women's black shoes in sizes 7 to 9, the retailer should locate that inventory near the packing station to reduce picking time and distance.

This thinking influenced Lodge's new distribution center layout, which includes a 10,000-square-foot space with flow racks for web orders, the first time it has had a separate space for filling small parcel orders. When inventory is delivered to the center, it's now cross-docked, with products directed to both the web and warehouse fulfillment areas.

## 3 Get an early forecast from marketing and sales.

Lawson Products, a Chicago-based distributor of industrial maintenance and repair supplies, makes early forecasts a priority.

"We ask our marketing group to tell us about product promotions at least three months in advance and to let us know about the season's hot items," says Shane McCarthy, senior vice president, supply chain. "When we know products will be especially popular, we create fast pick zones for them."

Early forecast communication is also a priority at UPS's third-party logistics

provider unit. "Planning for the holiday rush starts with understanding what companies expect during the peak period, and breaking it down to a forecast that's as granular as it can get," says Stephen Hydrick, vice president of North American distribution at UPS. "From our client's forecast, we start building operational plans."

"The projected volume drives the space allocated to incoming products plus the labor and training programs in the months leading up to peak," says Don White, vice president of enterprise solutions at WMS provider Snapfulfil in Colorado. "It also helps us estimate how long the distribution center will operate at what's often 140 percent of normal capacity."

## 4 Be prepared for labor shortages.

"Don't discount the scarcity of labor and the need to train a new workforce," notes White. He advises training seasonal workers during non-peak periods so supervisors can shadow them. Training early also helps weed out workers who don't meet expectations.

White also recommends moving trusted employees into positions involving more complex processes and using temporary labor for simpler tasks.

The amount of training, and when, depends on the task and how companies teach new hires. "If you use an app that simplifies the process, training and proficiency can occur in one shift," White says.

Mike Schoenfeld, vice president of logistics, head of contract logistics, USA, for third-party logistics provider DB Schenker in Atlanta, advises staffing up at least two months out from the peak period. "Try to onboard employees 60 to 90 days ahead of time so they're properly trained and you can tell who will stay through the seasonal surge," he says.

ABM, a New York City-based company that provides temporary warehouse staffing, understands this better than most because its services are labor-based. One solution ABM offers involves on-site account management so the company is close to the situation. To that end, ABM continually recruits,

screens, hires, and trains workers who are then outsourced to clients.

The company “casts a wide net” to find enough seasonal workers, says Eric Kirchhoefer, vice president of sales and national accounts. “We blitz a region with advertising while we engage local churches and community groups,” he explains. “We even set up a shuttle service to transport workers if necessary.”

One of UPS’s advantages is that it can shift employees to different buildings and projects when needed because many of its facilities are part of multi-building campuses.

“You need to get out in front of peak season early, bring workers in on time, treat them professionally, and train them so they can succeed,” Hydrick says.

## 5 Hold off implementing new processes, systems, or technology just before or during peak periods.

“Implement anything new far enough from peak season that it can be perfected well in advance,” says Schoenfeld. “Operations during the busy period need to be as clean as possible.”

Poor timing is a common mistake. “Trying to implement a new system or automation in September or October adds a lot of risk to peak season,”



UPS trains seasonal workers well in advance of increased shipment volumes.

McCartney says. “So many things can, and have, gone wrong with new system implementation.”

## 6 Evaluate how you handle reverse logistics.

During the holiday rush, when the focus is on getting orders out the door as quickly as possible, many distribution centers set returns aside, preferring to deal with them after outgoing volume drops. That can be a mistake. If products being returned are in demand, you want to get them back into inventory as soon as possible so you can continue to meet demand.

“Handle as many returns as possible in real time so you have more inventory to sell,” advises White. “For example, if returns are 30 percent of an inspector’s job during the holiday sales period, increase staffing for that task.”

Snapful’s WMS demonstrates the wisdom of using the staff that receives and inspects new inventory to inspect returned orders as well. “Companies leverage the experience and proficiency that people gain during receipt inspection,” he says.

## 7 Communicate often. Then communicate some more.

At Lawson, which used lean design and other initiatives to increase order completion rates by 60 percent and reduce back orders by more than 80 percent, DC employee teams meet at the start of each shift and again after lunch. Using a rolling blue board updated with the previous and current day’s metrics and other relevant information, they discuss goals and challenges.

“This is old school, low-tech, face-to-face communication,” says McCarthy.

“Consistent updates and regular planning sessions around the peak period help a company and its service providers address peak season challenges hand-in-hand,” Hydrick says. ■

## Santa’s Software Helpers

Finding one of these new software solutions in your stocking might help solve your holiday demand challenges.

■ **EVS’s mobe3**, the first iOS-based warehouse management system, optimizes and improves warehouse workflow. It’s also the first WMS that can simulate warehouse operations under multiple scenarios. This lets a company determine how to lay out a new warehouse or improve an existing facility, add new equipment, update picking methods, or optimize staff for a busy season—all before making changes. In addition, because the user interface is an iPhone app, it’s familiar to many warehouse employees.

■ **SmartPack Trailer from Zebra Technologies** uses video and 3-D depth sensing to let companies calculate load density and trailer fullness, or view images of loads in progress. The system’s software,

analytics, and ceiling-mounted hardware integrate with various enterprise resource planning systems to track truck volume efficiency, load rate, and when a load is nearing completion. The system also helps loading dock supervisors make on-the-spot decisions to help employees work faster and more efficiently.

■ **Honeywell’s Vocollect Voice** is a voice-activated and data capture technology that warehouse workers use to improve accuracy, increase efficiency, and cut employee training time in half. Workers wearing a Vocollect headset get input on what to pick and where to find it, as well as answers to questions. System data is shared with the company’s WMS so stock is automatically updated as it’s picked. Vocollect Voice also documents the amount of time it takes to pull orders, which helps track workforce efficiency.







# The Perfect Amount of Packaging

**Sustainable packaging helps shippers' bottom line and brand as well as being easier on the environment.**

**By Jean Thilmany**

Do you really need all the packaging you've used?

That's one of the top questions in Walmart's *Sustainable Packaging Playbook*, which the retailer introduced in 2016 as a guide for vendors, private-label manufacturers, and packaging suppliers. Walmart designed the guide to improve suppliers' sustainability index score, a metric the company created to track suppliers against. But it should also help reduce the cost of goods for both supplier and retailer, says Ashley Hall, Walmart's senior manager of sustainability.

The move is part of the retail giant's across-the-board commitment to sustainable packaging, which generally helps cut supply chain and logistics costs, Hall says.

In fact, shippers often find a win-win relationship between logistics and sustainable packaging. One of the *Playbook's* best practices, for example, asks suppliers and manufacturers to ensure their packaging is recyclable. These companies often find that when they redesign their packaging for recyclability, they cut out unnecessary material, optimizing cube use in the bargain.

"Walmart has been doing that for a long time, even before it was called sustainability," Hall says. "We've been as efficient as possible with packaging."

With benefits such as weight reduction, more products per container, and more containers per shipment, sustainable packaging has become so top-of-mind for shippers that it has moved from the transportation and logistics department into the C suite, says Marc Bevilacqua, senior vice president of global packaging at OIA Global, a Portland, Oregon-based global third-party logistics provider.

Over the years, many companies—particularly those in retail and food, who operate at razor-thin margins—have found that sustainable packaging drives energy savings, which equals an economic savings.

The OIA Optimization Program helps enterprises find these savings through solutions such as a high-performance corrugated cardboard, which is as strong as the standard corrugated cardboard used in Asia but only one-third as thick. That fiber reduction frees up an extra 10 to 12 percent of space within a shipping container.





**To conserve energy, Walmart moves products by conveyor rather than by forklift in its distribution centers.**

The program determines whether a product can be compression packed—a method that literally pulls the air from bulky items such as sweaters. It also trains operators on how to best fold apparel for packaging—for example, stacking zippered items with the zipper first on the right, then on the left, to avoid a higher-than-needed “pyramid effect,” Bevilacqua says.

The program often finds that a company can redesign its packaging boxes to create the least wasted space while still being able to contain every type of item from its product line—say shoes—inside. Shoes are a good example because a standard shoebox often can be made smaller, yet still serve as a standard size.

“Sustainability and savings produce a cascading effect,” Bevilacqua says. “Sustainable packaging also reduces the carbon footprint to transport shipments, and saves the water and energy it takes to make those boxes.”

### Finding a Sustainable Balance

Sustainable packaging goals exist in tandem with a shipper’s many other concerns.

Even as Walmart’s suppliers redesign packaging, they need to keep other considerations in mind—such as

protecting the product inside. “A product that’s not robust enough to survive the shipping process or isn’t compatible with our automation is more likely to be damaged,” Hall says. “It’s a fine balance between addressing a product’s weight, size, and robustness while not over-packaging, but also not under-packaging.”

Automation comes into play because Walmart finds it uses less energy when products move on a conveyor rather than by a forklift in the warehouse.

### A Taste for Savings

Since 2002, Hormel Foods has closely tracked savings associated with sustainable packaging. The food company’s goal, initiated in 2012, is to reduce packaging weight by 25 million pounds by 2020, says Dan Miller, group manager of research. The company is currently only 20 percent away from that goal.

At Hormel, packaging scientists test, evaluate, and approve sustainable packaging materials, which the company’s sourcing group then purchases or the scientists design.

“We’ve examined just about every packaging material from a sustainability standpoint,” Miller says. That includes

analyzing corrugated cardboard against paperboard in terms of strength and recyclability, and considering cardboard with various fluting levels for strength-to-thinness ratios.

Packaging scientists are currently studying paperboard made from alternative fibers—sometimes called tree-free fibers—such as cotton, hemp, or agricultural residues such as wheat straw.

One recent change at Hormel impacts its Lloyds Barbecue meats, which were originally packaged in rigid plastic containers with a plastic film seal. The container was wrapped in a paperboard sleeve to identify its contents, says Chad Donicht, senior scientist for packaging, research, and development at Hormel.

A few years ago, the company moved to an in-mold labeling system to brand the plastic package and eliminate the need for the sleeve. At the same time, Hormel packaging scientists optimized the plastic container to reduce weight.

The move not only saved paperboard, but it also contributed to the product’s visibility on the supermarket shelf, Donicht adds.

Hormel has also found ways to reduce the weight of the metal cans it uses for certain products—which, in turn, lightens shipping loads. The food company also found it could do away with some pallet dunnage—including the layer pads used during shipping—when products are more tightly and more sustainably packaged.

### Packaging Pushback

But shippers could face market resistance to their sustainable packaging moves. In 2016, that type of pushback hindered Procter & Gamble’s progress toward meeting sustainable packaging goals, according to its citizenship report.

“In some key markets, customer requests for smaller case counts increased the amount of corrugate usage,” the report states. “We also shifted some products to smaller sizes to better meet consumer needs, which also increased the amount of packaging per consumer use.”

The company was able to offset those issues, however, with several packaging





Procter & Gamble considers sustainability when manufacturing all aspects of its products, from initial design to packaging.

changes, delivering a 12.5-percent packaging materials reduction for 2016 as compared to 2010.

Among the changes:

- In Europe, P&G's hair care line moved to caseless shipping within some supply chains.
- In Latin America, the company introduced Pampers Pants in a flexible film bundle with a new pallet stacking design. "This significantly reduces the amount of corrugate

material needed," the report states. The bundle and pallet design is being rolled out to other regions.

- Larger rolls of Bounty paper towels and Charmin toilet paper meant consumers changed their rolls less frequently and P&G used less material to pack and ship the rolls.

"We expect the same challenging headwinds to persist in fiscal year 2017 such that future progress against our goal may become more challenging,"

the report states. "Going forward, we will maintain a strong focus on optimizing packaging design and evaluating opportunities to not only source-reduce, but also increase our use of recycled resin and increase recyclability."

Sustainable packaging efforts aren't fully where shippers want them to be. But they are taking steps through corporate programs to track their progress toward reduction, recyclability, and less waste. ■

## Sustainable Brand Building

Many shippers find sustainable packaging—and a well-communicated push toward sustainability in general—improves their image. But certain caveats apply.

"Brands face a big challenge," says Marc Bevilacqua, OIA Global's senior vice president of global packaging. "A company can't just say it is environmentally safe, because consumers call that green washing," or talking about green goals without strong programs in place to meet those goals.

"Particularly when social media can bring green issues into the spotlight, companies have to report on their environmental programs to show they have met their environmental compliance goals," Bevilacqua adds.

Though consumers may hesitate to find their favorite brands packaged in new ways, they often come around; particularly if they discover the packaging also improves the product, says Chad Donicht, senior scientist for packaging, research, and development at Hormel Foods.

Take this example: The food producer had originally packaged its Real Bacon Bits in glass jars. In an effort to reduce weight, the company's packaging scientists redesigned those jars.

Then, about three years ago, Hormel went one better, Donicht says. The food maker moved from glass to coated barrier-plastic. The product now comes in a resealable, moldable plastic envelope similar to how single-serve tuna is packaged.

"That new packaging allows us to reduce a lot of the weight compared to the jar, and we were able to keep the shelf life the same," Donicht says.

"But we also improved the customer experience because we added shaker tops for easier dispensing. And the product fits more easily in the pantry," he adds. "We couldn't do that with our glass jar and its metal cap."

Walmart has built awareness for its environmental programs by implementing a product label that shows consumers how to recycle private-brand packaging. The retailer encourages national brands to also adopt the label.

"When we think about sustainability and our customers, we want them to know they don't have to choose between what's sustainable and what's affordable," says Ashley Hall, Walmart's senior manager, sustainability. "Customers appreciate that. It's good for the customer, it's good for the environment, and it's good for business."



# Reverse Logistics:

## EARNING A HIGH RATE OF RETURN

Are you ready to pay attention to the benefits a reverse logistics program can bring to your enterprise? Here are two expert perspectives on the opportunities that will make a difference in reverse logistics programs and how to establish goals to optimize those benefits.



# New Directions in Reverse Logistics

By Dr. Ron Lembke, University of Nevada, Reverse Logistics Association

**M**any excellent articles have been written about reverse logistics best practices over the past two decades. To summarize a few of these well-known best practices:

- “It didn’t work” is the customer’s most common complaint.
- On the other hand, “No Defect Found” (NDF) is the most common result of testing.
- The corollary here is that if you help people really understand the product they’re buying, and make it easy to understand how to use it, they’re less likely to return it.
- If you make the returns process easier and faster, customers will likely buy more.
- Whatever you’re going to do with the product, figure it out quickly, and move it along.

These ideas are not surprising, because they are not new. A number of new opportunities, however, can actually make a difference in your reverse logistics. These include:

**1. Omnichannel.** Much has also been written about the omnichannel in the past few years, because there really has never been anything like this before.

You can buy something in person, or from a screen, which might be on your computer, your TV, your phone, your tablet, or the front of your refrigerator. You can literally shop anywhere that you have an internet connection. Buying things has never been easier. No matter where your screen is, the website knows you—and your address and credit card number.

As far as physically getting your product, you can go to a store to buy in person, or use Buy Online Pickup in Store (BOPS), or

use Ship to Store, or to a locker at 7-Eleven or the grocery store, or have it sent to your house via UPS, USPS, or FedEx, or more recently, Uber or Lyft.

When exploring a new channel, keep in mind that:

- Customers will expect it to work as seamlessly as your other channels, on day one.
- They will probably find ways to use—and maybe abuse—it that you never anticipated.

One of the first things the big box stores were faced with when implementing Ship to Store is figuring out what to do with the items that they didn’t carry in their stores after customers returned them.

When is it worth sending an oddball item back to a returns center in order to capture more value? When does it make more sense to just mark it down, sell it, and be done with it? The answers will be different for every company, and perhaps for each location, depending on demand.

Customers realized that if special order items were returned, the items were often deeply discounted and sold as-is, on site. More than a few unscrupulous customers realized that they could order such an item, return it, and then come back and re-buy it (or have a friend buy it) at a substantial discount, and companies had to adjust.

**2. Amazon/Whole Foods.** Amazon’s pending purchase of Whole Foods has been written about significantly, with respect to its potential impact on the forward side of groceries and ready-to-eat foods.

On the forward side, the Whole Foods acquisition offers Amazon the possibility of entering the Buy Online Pickup in Store market, perhaps only for food, or potentially also for other Amazon products. In either case, a voice in my head wants to call this the “nom-ni-channel.”

From a reverse logistics perspective, however, Amazon could potentially allow customers to Buy Online, Return to Store. This would not only increase foot traffic in stores, it could benefit consumers by allowing them to avoid paying the freight costs on returned items.

Amazon would save significant amounts of money on items where it pays the freight cost for returns because the items are delivered to the store by the customers, and sent to Amazon returns centers via truckload, as opposed to small parcel.

**3. Augmented reality (AR) help desk.** Most people are familiar with virtual reality, where the user wears a headset such as an Oculus Rift, or puts their phone into a similar visual headset. Pokemon Go is an example of augmented reality, where your device shows you the view from your camera, along with additional items.

One interesting possibility is the use of this technology for customer service. Some companies are already releasing apps that let users use augmented reality to look at the engine of their car, and see text and images superimposed over the engine, showing them where to open a cap and add oil or washer fluid.

One company, Help Lightning, is using AR to help customers diagnose and fix problems in real time. Customers point their phone’s camera at the back of their TV, or inside their printer, and a live customer service agent points at the back of the



## Reverse Logistics:

# EARNING A HIGH RATE OF RETURN

TV and shows the customer which cable needs to be moved from one connection to another. Customers look on their phone screen, and see the agent's hand overlaid on the image of their TV, showing what needs to be changed. It's as if the agent was standing right there in their living room.

Because so many returned items come back from testing as NDF, anything a company can do to help customers successfully use their products can reduce reverse logistics costs. For some products, AR may be a cost-efficient solution.

**4. Counterfeiting.** Many companies use eBay or Amazon to disposition or sell off returned or overstock product. But because there are so many sellers on these marketplaces, consumers are concerned about the possibility of buying counterfeit goods.

Globally, counterfeiting is a significant problem. In 2013, counterfeit goods represented 2.5 percent of global commerce, and 5 percent of sales in the European Union, according to the Organization for Economic Co-operation and Development.

The reason liberal returns policies and simple returns processes are attractive to customers is that they lower the risk of buying from a company. Reducing the risk of buying a fake product makes customers more comfortable buying from a supplier.

To deal with the situation, both eBay and Amazon have announced different approaches. eBay will allow customers to request the item be sent to eBay Authenticate before being shipped to them. If the item is fake, the customer will be refunded double the purchase price.

**5. Blockchain.** The broader press has written a lot about blockchain, the technology best known for powering Bitcoin virtual currency. The shorthand summary is: Every time a transaction happens, both the information about the buyer and the seller is saved in a ledger, known as a blockchain, which is stored across countless servers around the world.

When is it worth sending an oddball item back to a returns center in order to capture more value? When does it make more sense to just mark it down, sell it, and be done with it? The answers will be different for every company, and perhaps for each location, depending on demand.

The result is that it is possible to see a record of every single time an item changed hands. Various efforts are underway to leverage this technology for the supply chain, to provide visibility and authentication of products and their origins.

**6. Amazon transparency.** Amazon is trying another approach to both provide upstream visibility and prevent counterfeiting.

In late 2016, it announced Transparency, which is currently only available with Amazon Elements products. The products come with a 2D barcode on the packaging. When customers scan the 2D barcode with the Amazon Transparency app, they can learn where the product was made, where the source materials came from, and any expiration dates associated with the product. Every individual package receives a different code.

For manufacturers to participate in the program, they have to pay for each code. Prices start at 4 cents to 5 cents apiece for companies buying fewer than 1 million codes, and go down to one cent for companies buying more than 10 million. If a SKU is in the Transparency program, companies agree to put the Transparency codes on every single unit of the SKU they ship, regardless of the channel they will sell it through.

The 2D barcode contains a 26 character alphanumeric string that the app then looks up in the Amazon database, where it finds the product information to display on the app.

**7. Smart QR Labels (SQRL).** Since 2013, the Reverse Logistics Association (RLA) has been developing a similar, but open, system, known as Smart QR Labels, or SQRL codes. These labels allow companies to store any information they want to share with customers or supply chain partners.

This is an open standard, and was approved by ANSI in September 2016. There is no cost to create or read the codes.

Unlike standard QR codes, which typically only contain one web address, the SQRL protocol allows companies to store as many pieces of information as they want in one code. Unlike the Amazon system, in which all of the information is stored on a server, SQRL codes can store any and all information directly, and therefore can be read even when there is no internet access. This might be information such as a part number, net weight, country of origin, date of production, expiration date, etc. If companies discover the need to include information not already included in the standard, the RLA can quickly expand the standard.

In addition, web links can easily also be included. One SQRL code could include multiple links to provide customers easy access to a number of websites to register their product, buy an extended warranty, download a manual, contact customer support, or learn where and how to dispose of a product at the end of its life. Codes can also be used to show where a product was refurbished, by whom, and what was done.





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## Reverse Logistics:

# EARNING A HIGH RATE OF RETURN

## Putting Your Engine in Reverse

**By Ross Elliot, Executive Vice President and Chief Strategy Officer, HighJump**

**F**or most companies, the thought of taking a product back has historically been negative—almost something to be ignored in the hopes that “it will go away.”

Moving boxes in for stock and out for shipments has been a way of life for as long as I can remember (and I’ve been in the business for more than 40 years). Being efficient and effective at that was what determined the long-term profitability of companies selling and shipping goods to customers.

But a few years ago, while walking through a customer’s warehouse, I asked the owner what “that cage in the corner” was. He told me it was his “annual profit”—all of the returns that that his team had stacked up for months in hopes that someday they’d have time to properly catalog and deal with them. The fact that months’ worth of returned goods was wasting away in the corner put the company at risk.

I recently asked Victoria Brown of IDC about the industry’s perception of returns. Her answer was revealing. The focus is still on getting the outbound delivery right. Companies find it daunting enough that Amazon has set customer expectations to one-day, two-day, or same-day delivery. Returns don’t even make their top 10 issues list.

However, statistics show that with the onset of “free” returns, 30 percent of all online orders bounce back within the first 30 days after shipment (PostalVision 2020). Think of that in terms of running a warehouse operation. You have to staff for 130 percent of your typical capacity to handle the volume of goods you’re shipping *and* the shipments coming back to you.

Furthermore, many come back without

proper labeling, packaging, or returns authorization to assist your team in knowing what to do with them. Hence the “cage in the corner”.

Your gearshift has both a D and R. It’s time to get serious about how your logistics machine can work more effectively in reverse. Some might think the same processes used to receive shipments from suppliers should work for returns. Not so much. Inbound receipts have a level of discipline in their packaging that assures proper handling when they hit the dock. This is not so with most returns.

So, what constitutes an effective reverse logistics process? The first step is to establish your goals for returns:

- How many returns do you have the ability to simply redirect back to the supplier? If significant, what process to effectively crossdock those goods exists or can exist within your operation?
- What facility do you have to refurbish, repackage, and restock goods for resale within your standard selling activities?
- For goods that can’t be “returned to vendor,” what facility do you have to redistribute or auction the goods off to the public or to flash sale sites?
- What is an acceptable write-off rate for goods that can’t be RTVed, restocked, or redistributed?

Once you have a definition of “success”, you can craft a set of processes and procedures that eliminate the “cage in the corner” and close the profitability hole an ineffective reverse logistics process causes. Remember, handling returns poorly not only affects customer satisfaction, it also leaves unrecoverable costs, excess inventory, and wasted space utilization of physical assets.

Considering the answers to the above questions, an effective reverse logistics program should consist of these steps:

1. Authorize returns. Advance knowledge of an inbound shipment will allow better labor management and more effective dealing with the disposition of the return.
2. Receive goods. An Advanced Ship Notice gives you a head start on properly receiving goods from your supplier. A Return Merchandise Authorization ( does the same for returns.
3. Grade merchandise. Unlike standard receiving, you need an effective process to grade inbound returns to determine disposition.
4. Track goods. No more “cage in the corner.” Store returns by disposition to provide global visibility into the returned inventory.
5. Refurbishment. Whether you refurbish yourself or send goods out to be refurbished, have a process and a tracking mechanism. Otherwise, you’ve simply established another “cage in the corner.”
6. Sales/auction. Establish a mechanism, internally or through third parties, to sell off goods you can’t restock as new.
7. Redistribute. Recognize that in many cases, you can’t intermingle returned goods with new merchandise in your warehouse or 3PL. Establish the process and tools to manage redistribution effectively.

Putting your business in reverse doesn’t mean taking a step backwards. It affirms the growing reality that effectively managing returns spells new revenue opportunities, improved profitability and better customer service—all necessary in today’s emerging, customer-driven commerce world.





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# Florida

An aerial photograph of a busy container port. A large cargo ship is docked at a pier, with several blue gantry cranes loading and unloading colorful shipping containers. The containers are stacked in neat rows on the pier. The water is dark blue, and a small boat is visible in the distance.

## Logistics & Distribution: The Future is Here


**Florida's state-of-the-art seaports and airports, and strong highway and rail networks, have helped establish a strong and growing logistics sector.**

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Blount Island Marine Terminal is JAXPORT's largest marine facility and one of the largest vehicle import/export centers in the United States.



## Florida often calls to mind sandy beaches, lush orange groves, and one cheerful mouse with big ears. But for supply chain professionals, Florida's robust logistics infrastructure is the main attraction.

The state is home to 19 commercial service airports, 15 deep seaports, more than 2,700 miles of railroad, and 12,000-plus miles of state highways, according to *Florida: Made for Trade*, a Florida Chamber Foundation, the Florida Department of Transportation, and Bank of America Merrill Lynch report.

Shippers are putting the infrastructure to good use. More than \$142 billion in merchandise trade flowed through Florida's airports and seaports in 2016, making the state one of the world's leaders in international trade, according to Enterprise Florida, the state's primary economic development group. Florida is home to about 60,000 exporting businesses, or one-fifth of all U.S. exporters, says Tim

Vanderhoof, senior vice president of business with Enterprise Florida.

"The state's proximity and cultural ties to Latin America provide an added advantage, making Florida a natural hub for companies moving goods to or from the region," says Chris Mangos, director of marketing with Miami-Dade Aviation Department, which owns and operates Miami International Airport.

About one-quarter of Floridians are Hispanic or Latino, according to 2016 U.S. Census Bureau estimates. Approximately 40 percent of all U.S. exports to Latin and South America pass through Florida, Mangos says.

Florida's infrastructure strength builds on its overall business climate. "Florida often is known as a retirement and tourist area," Vanderhoof

says. "What surprises many is the strong business climate." As of 2014, Florida was one of 13 states to hold a Triple A credit rating—the highest available—from Standard & Poors, according to the Council of State Governments.

### Serious About Business

Many business leaders appreciate the 5.5-percent corporate income tax rate, says Doug Wheeler, president and chief executive officer with Florida Ports Council. Of the 44 states that levy corporate income taxes, Florida's is among the lowest, according to the Tax Foundation. Moreover, Floridians pay no individual state income tax.

"Our dollars stretch much further in Florida, as compared to other states, thanks to the competitive tax structure and overall business-friendly environment," says Pat O'Malley, vice president, chief commercial and marketing officer with Landstar System, Inc., an asset-light provider of integrated transportation management solutions. He notes that Landstar could locate its headquarters anywhere, yet chose the




Miami International Airport handled 2.1 million tons of cargo in 2016, making it the top airport in the United States for international cargo, and 11th worldwide.





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**TOTE Maritime Puerto Rico is currently the only carrier with two vessels providing service between the U.S. mainland and Puerto Rico.**

Sunshine State. “It’s pro-business and has great weather,” he says.

Some of the nation’s top educational institutions call Florida home. The University of Florida in Gainesville ranked 10th on *Time* magazine’s list of the 50 best public universities. Companies looking for up-and-coming logistics professionals can turn to the logistics program at the University of North Florida in Jacksonville. “It provides the community with professionally trained, motivated logistics students,” O’Malley says.

State leaders have identified eight industries on which to focus their development efforts, Vanderhoof says. These include aviation, defense and homeland security, financial, manufacturing, life sciences, and logistics and distribution. The goal is to ensure a diverse commercial base and reduce dependence on any one industry sector.

Given the state’s many assets, it’s not surprising that more people, in addition to businesses, find Florida appealing. It’s now the third-largest state in the

United States by population, and annually hosts 100 million visitors from out of state, says Bradley Hall, senior vice president and chief commercial officer with Florida East Coast Railway.

### Logistics Infrastructure

Over the past several years, state and local leaders in Florida have invested heavily in its infrastructure, including seaports, airports, and highways. “Florida is a pro-transportation state,” says Tim Nolan, president of TOTE Maritime Puerto Rico.

A case in point is a \$6.4-billion capital improvement program at Miami International Airport, which has added more than 4 million square feet of terminal space, among other improvements.

Another is PortMiami’s “Deep Dredge Project,” which increased channel depth to about 50 feet, allowing it to accommodate super-sized vessels.

“The state legislature and governor (Rick Scott) have been tremendous champions of infrastructure investments

that will prepare Florida for the opportunities in cargo growth resulting from the Panama Canal expansion,” Wheeler says.

The expanded Panama Canal, which opened in 2016, increases the waterway’s capacity to accommodate larger vessels. The canal links the Atlantic and Pacific oceans, allowing ships to avoid sailing around the southern tip of South America, which can add about 5,000 miles to their voyages.

Because of these investments, even cargo that starts in Miami, at the southern tip of the state, can reach about 60 percent of the U.S. population in no more than four days. “With the PortMiami Tunnel, for instance, which provides direct access between the seaport and interstate highways 395 and 95, containers can move from the port to the highway and all the way to New Jersey without stopping,” Wheeler says.

Transit times can be even shorter for cargo that begins its journey at any of the state’s ports farther north.

Conventional wisdom used to hold





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**Port Canaveral encompasses a free-trade zone and handles a diverse array of cargo, including containers, automobiles, and petroleum.**

that Florida is a peninsula state at the end of the United States, and thus of little use from a logistics perspective, Wheeler says. These infrastructure improvements render that perception invalid.

Indeed, in 2014, the U.S. Chamber of Commerce ranked Florida's infrastructure second best in the country, Vanderhoof says.

### **Public-Private Partnerships**

Both businesses that already operate within Florida and those considering expanding to the state can turn to Enterprise Florida (EFI), a public-private partnership between Florida's business and government leaders, for assistance. "We help everyone from small businesses to Fortune 100 companies," Vanderhoof says.

The assistance is tailored to each company, he says. EFI has worked with organizations to identify sites that fit their location criteria, whether they require a certain square footage, building type, or distance from a port or rail network. The EFI team also can analyze labor statistics, helping to ensure a company can access the employee base

it will need to start, maintain, and grow its operations. It also can help businesses navigate state and local permitting and licensing processes. "We help them hit the ground running," Vanderhoof says.

While economic development traditionally has focused on retaining businesses already within a state or region—and this remains a critical goal—many state governments, including Florida's, have realized "that like anything else, they have to sell their states," Vanderhoof says. More industry leads to a larger tax base and typically to a more diversified industrial base. That benefits both businesses and the residents who work for them.

Another nonprofit, the Florida Ports Council (FPC), acts as a collective voice for the 15 public seaports within the state. It advocates for them at the state and federal levels on issues including transportation, trade, and economic development, Wheeler says.

Florida's 15 public seaports moved more than \$50 billion of containerized cargo between 2015 and 2016, along with 15.5 million cruise passengers, the Florida Ports Council reports. The ports handle trade coming from or

heading to more than 200 countries.

What's more, the ports are planning to invest \$2.8 billion in improvements over the next five years, Wheeler says. This will allow them to leverage the opportunities resulting from realigning global trade routes. Among other shifts, the Panama Canal expansion is expected to increase the volume of trade heading from Asia directly to U.S. East Coast markets, according to the *Florida: Made for Trade* report.

These investments come on top of more than \$1 billion already put to work over the past six to seven years. Along with the work at PortMiami, a federal project to deepen the channel at the Port of Jacksonville is set to begin construction by early 2018. Similarly, at Port Everglades, work to deepen the main navigational channels, the entrance channel, and parts of the Intracoastal Waterway is forecast to be completed between 2021 and 2024.


The ports also are adding larger cranes that can more efficiently load and unload the larger ships. In 2013, PortMiami added four Super Post-Panamax cranes that can handle megaships with cargo capacities of



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**With more than 230,000 square feet of warehouse and distribution space, Port Canaveral's logistics center meets the needs of businesses operating at the port.**

more than 10,000 twenty-foot equivalents, or TEUs.

"We're making many investments to ensure we capture the new opportunities heading our way, and continue to efficiently and cost-effectively work with the ships already using our ports," Wheeler says.

Florida's ports have undertaken numerous initiatives to ensure they operate sustainably and minimize their impact on the environment, Wheeler says. For instance, the sand and dirt dredged up to deepen PortMiami has been repurposed for use at area beaches and to create island bird sanctuaries. "We work to find ways to have a positive, secondary result," Wheeler says.

Since 2014, total cargo tonnage coming through Florida's ports has increased. "We've made the investments and we're seeing results," Wheeler says.

Along with the capital investments they're making, Florida's ports continue to enhance their operations. Earlier in 2017, Port Canaveral in Cape Canaveral became an official participant in the Southeast United States In-transit Cold Treatment Pilot Program, which

is run by the U.S. Department of Agriculture, Animal and Plant Health Inspection Service.

Historically, some fruit products coming from warmer regions of the world could only be shipped to northern ports in the United States. The colder weather would kill any fruit flies or other pests accompanying the shipment. This route was used even for products ultimately headed for Florida or other southeastern states. This process was expensive and extended transit times.

### **Handling a Diverse Array of Cargo**

Products arriving under the Cold Treatment Pilot Program must follow the protocol outlined by the USDA, which requires the containers' temperature to be controlled and tracked, among other steps. In return, many agricultural products that originate in warmer climates can travel directly to southern ports. The new program means "the produce gets to market sooner and at less cost," Wheeler says.

Port Canaveral, while often known as the second-largest cruise port in the world, also encompasses a free-trade

zone and handles a diverse array of cargo, including containers, automobiles, bulk commodities, and petroleum.

"We're uniquely positioned in Central Florida," says chief executive officer Captain John Murray. The port houses two deepwater container and multi-purpose cargo berths, two ship-to-shore cranes, and a 40-metric-ton mobile harbor crane.

To date, central Florida hasn't been a large cargo market, Murray notes. That's changing. Location plays a role: any part of the state is accessible by highway within four hours, he notes. More than 18 million people are within about a three-hour drive.

Central Florida also is one of the largest auto rental markets in the country, and many of the cars come in new from overseas manufacturers. Automobiles coming through Port Canaveral can be consigned and delivered to dealers in record time, due to the processing facility's location right on the port, which allows processing to be completed before the cars are distributed. In fact, many auto manufacturers can move two or three loads of cars from





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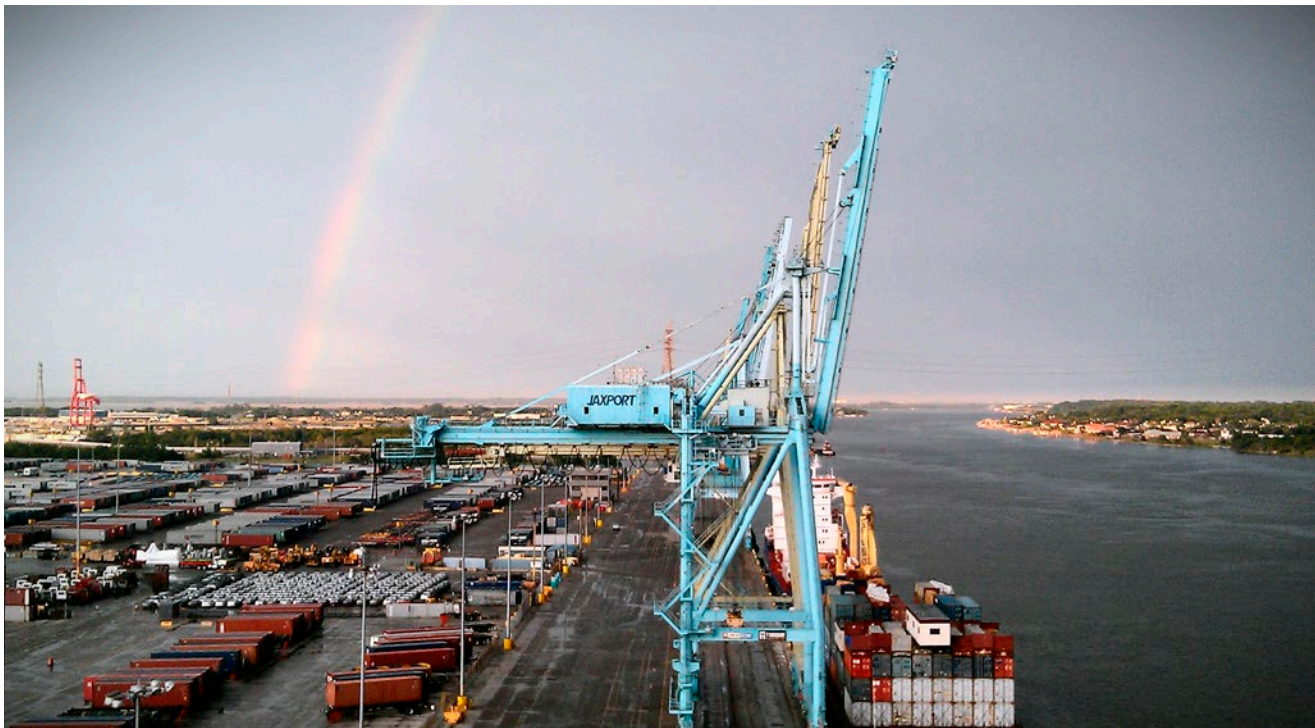
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**JAXPORT terminals are serviced by three U.S. interstates (I-10, I-95 and I-75), and Jacksonville offers shippers 36 daily trains via CSX, Norfolk Southern, and Florida East Coast Railway.**

their ships in one day. “At other ports, they’re sometimes lucky to get one load off,” Murray says.

Not surprisingly, this business is growing, Murray notes. Port Canaveral has begun working with one major auto original equipment manufacturer located in Mexico, and will begin bringing in cars from a plant located in Asia later in 2017.

Port Canaveral also is working with companies in the space exploration field. In July 2017, the port hosted the official opening of a 24,000-square-foot manufacturing facility for RUAG Space USA, a Swiss firm specializing in aerospace components. The facility is located within the new Orlando-Port Canaveral Logistics Park.

The port also leases land to SpaceX, the commercial rocket company, for a rocket refurbishment center. The Logistics Park offers more than 230,000 square feet of warehouse and distribution space to meet the current and future logistics needs of the businesses operating at Port Canaveral.

Port Canaveral will focus on being

a strong niche operator for small container vessels. “In a hub-and-spoke model, we’re ideal for feeder operations,” Murray says.

### **Location, Location, Location**

About 160 miles up the Florida coast from Port Canaveral, JAXPORT in Jacksonville is the largest container port in Florida, says Roy Schleicher, executive vice president and chief commercial officer. In the year ending September 2016, more than 968,000 TEUs moved through JAXPORT, up about 3.3 percent from the previous year. When containers moving through the harbor’s private users are added, Jacksonville’s total jumps to more than 1.2 million TEUs.

The Asian container trade continues to drive growth, Schleicher says, noting that it jumped about 19 percent in 2016. The volume of non-containerized cargo grew 22 percent over the previous year.

Several attributes attract shippers to JAXPORT, Schleicher says. One is location. The port is located near interstate

highways 95, 10, and 75. “There’s easy access and little congestion. Customers can quickly get their cargo in and out of the port,” he says.

JAXPORT is the only port on the East Coast at which vessels can refuel with liquid natural gas, or LNG. “We’re pioneers in the use of LNG as a maritime fuel,” Schleicher says.

In addition to its highway connections, JAXPORT is connected to several rail networks. “Anything that heads to south Florida by rail comes through JAXPORT,” Schleicher says.

Port management continues to invest in improvements that currently total about \$600 million. One major undertaking is the deepening of the river from 40 to 47 feet so that it can accommodate large ships. The leadership also is investing in new cranes, including larger ones that can handle Post-Panamax vessels, as well as new docks.

About one year ago, JAXPORT opened an intermodal container transfer facility, or ICTF. Directly transferring cargo between vessels and trains speeds cargo transport, Schleicher says.



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These features have helped attract to the port the three major shipping alliances going to and from Asia. “All three call our port home,” Schleicher says.

The port’s trade is almost evenly balanced between imports and exports, Schleicher says. That means ocean carriers that bring in, say, 50 full containers often can ship out with 50 full containers, minimizing the number of voyages in which they’re not carrying cargo.

JAXPORT’s award-winning customer service also sets it apart. “We help you come and help you stay successful,” Schleicher says.

The Grimes Companies, a full-service third-party logistics provider, has worked with JAXPORT for decades, says Ike Sherlock, executive vice president. “JAXPORT’s huge investment in infrastructure allows Grimes to help its customers capitalize on the growth in the Asian container business,” he says.

In addition to the Panama Canal expansion, the growth has been driven by shippers’ growing preference to move goods headed for the East Coast

entirely by ship. Previously, many shipments would stop at the West Coast and then travel via truck across the country. “JAXPORT is a great strike zone for these shipments,” Sherlock says.

“Jacksonville is a logistics place,” he adds. In addition to the work at the port, the Florida Department of Transportation has been preparing the roads for the additional traffic, and the rail networks have been building inter-modal container yards. “Everyone is working hard toward the same goal,” he says.

### Handling Greater Cargo Volumes

Some 30 years ago, TOTE Maritime Puerto Rico started as a tug and barge operator, says Nolan. Today, the Jacksonville-based firm focuses on providing service from the mainland United States to Puerto Rico. Its ships are designed to efficiently accommodate the 53-foot containers used on the island.

TOTE Maritime Puerto Rico is currently the only provider with two vessels providing service between the U.S.

mainland and Puerto Rico. Each can make the trip in fewer than three days and is powered by dual-fuel engines, utilizing liquid natural gas as the fuel source.

“They’re a first of their kind,” Nolan says. TOTE Maritime engaged the Coast Guard and local fire departments to enact the most efficient and safe LNG fueling operation. The company’s fleet is one of the youngest in the business, he adds.

In 2018, TOTE Maritime plans to introduce an LNG bunker barge. This will enable its ships to re-fuel as traditionally done by a bunker barge, leaving the land side free for ship operations.

Based on its strategic plan, in 2014 TOTE Maritime started investing in terminal operations, infrastructure, assets, and systems, in order to deliver the safest, most efficient, and optimal service within the trade. As part of the ongoing execution of TOTE Maritime’s strategic plan, additional upgrades are underway in San Juan, Nolan says.



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With the new systems in place, TOTE Maritime is handling greater cargo volumes more efficiently while delivering high-quality service. “Various key performance indicators and safety measurements have significantly improved gate transaction times, terminal turn times, invoicing accuracy, automated bookings, and call hold times. “Most importantly, from a safety perspective, they’ve reduced lost time and recordable incidents,” Nolan notes.

“We pride ourselves on delivering an unparalleled customer experience,” Nolan says, noting that TOTE Maritime employees proactively communicate with customers and work tirelessly to meet their needs.

Aqua Gulf Transport, a TOTE Maritime client, is the largest third-party logistics provider to Puerto Rico and other islands in the Caribbean. “Jacksonville is the gateway to Puerto Rico,” says President Sergio Sandrin.

Sandrin notes that 50 years ago, most large manufacturing and production was concentrated in the northeastern United States. Much of it has since moved south. “Everyone is sailing

from Jacksonville,” he says. Aqua Gulf operates from a 62,000-square-foot warehouse near JAXPORT. Its customers cross industries, although many are from the food, supermarket, and distribution sectors

While the state’s proximity is an advantage for those moving goods between the U.S. mainland and the Caribbean, the infrastructure within Florida also plays a big role. “It’s an easy state in which to do business,” Sandrin says.

To be sure, severe storms and hurricanes can present challenges, especially on Florida’s east coast. Weather can delay ships and create supply chain bottlenecks. Because many companies in Puerto Rico operate on just-in-time schedules, delays can mean empty store shelves.

As soon as severe weather hits, Aqua Gulf management can switch operations to its locations in Puerto Rico or New Jersey. And as a non-vessel operator, Aqua Gulf is carrier-neutral. “We can shift cargo to a carrier that’s not as impacted by the weather,” Sandrin says.

Aqua Gulf also works closely with TOTE. “Our teams work together to

solve problems and provide efficient and fast transportation to customers,” Sandrin says.

## Vision for Growth

Located on Florida’s west coast, Port Tampa Bay (PTB) is the state’s largest. More than 37 million tons of cargo flow through the port each year, or about one-third of all cargo moving in and out of the state.

The port’s leadership isn’t sitting still, however. “We have a vision for growth,” says Raul Alfonso, executive vice president and chief commercial officer. For many years, the port focused on bulk cargo, including fuel, petroleum, fertilizer, and other commodities. “We’ve been an energy hub for Central Florida,” Alfonso says.

PTB will continue to grow its bulk business. At the same time, management “is focused on becoming a highly efficient logistics and supply chain alternative for consumer and food products for the state, while also expanding our export cargo base,” Alfonso says.

He points out that central Florida is home to about 9 million people and 65 million visitors each year. Moreover, the Florida Department of Transportation expects the region’s population to jump by more than 1 million by 2020.

“With e-commerce, everyone wants to be closer to consumers,” Alfonso notes. “That’s what we offer.” Both Amazon and Walmart have distribution centers within about 30 miles of Port Tampa Bay. Shippers with cargo headed to Central Florida can save about \$670 per container load by using Port Tampa Bay, rather than ports located several hundred miles away, according to PTB research. “It’s a significant savings,” Alfonso says.

To attract this business, the port is building a 135,000-square-foot on-dock cold storage facility that’s scheduled to open later in 2017. It invested in two Post-Panamax cranes that can handle 9,000-TEU container ships. It’s developing railway infrastructure to handle

## CARGO TONNAGE SHINES IN 2016

■ Florida’s waterborne international and domestic cargo in fiscal 2015/2016 increased 4.2 percent, from 103 million to 107.4 million tons.

■ Container cargo tonnage grew 4 percent and 20-foot equivalent units grew by 0.9 percent. Dry bulk grew by 1.8 percent, and liquid bulk by 5.8 percent.

■ Eight of 11 of the state’s cargo ports increased tonnage.

■ Domestic cargo tonnage jumped 16.1 percent to 50.6 million tons, representing 47.1 percent of all cargo moving through Florida seaports.

■ The multi-year trend shows rising waterborne imports and falling exports. Domestic cargo, which is typically stable, increased dramatically in 2016 after several years of relative stability.

Source: Florida Ports Council



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on-dock and near-dock services. The sheer size of the port—it spans about 5,000 acres—also provides excellent long-term expansion capabilities, Alfonso notes.

In addition, Port Tampa Bay is working closely with its terminal operators, 3PLs, rail, and other partners to continue to enhance port operations, trucking and rail capabilities, and warehouse and distribution services, Alfonso notes. In 2016, for instance, Tampa Tank and Florida Structural Steel broke ground on an \$18-million expansion plan at Port Redwing, a part of PTB. This will become home to manufacturing and distribution businesses.

PTB crane operators can move about 40 containers per hour, well above the industry average of 30, Alfonso notes. Because of the easy highway access and on-dock rail facilities, many truck drivers working at PTB can fit in three to four turnarounds per day; at other ports, they might complete one.

These initiatives are part of the Port Tampa Bay Master Plan, “Vision 2030”, unveiled in December 2016. “We are passionate about this master plan and its ability to deliver the port’s mission for growing economic impact and sustainable jobs through

international trade,” says Alfonso. “We know we are a better alternative for many cargo commodities and we are building toward that potential for the future. That is why our new branding for the port contains the tagline ‘Re-Route Your Thinking.’ We need cargo owners and carriers to think about our capabilities in an entirely new way.”

## Air Cargo City

To be sure, not all cargo arrives in Florida via water. Miami International Airport (MIA) is the top airport in the United States for international cargo, and 11th worldwide. In 2016, it handled 2.1 million tons of cargo; of that, nearly 80 percent was international.

“MIA is the leading gateway to the Latin American and Caribbean region, both in terms of cargo and passengers,” Mangos says. The airport handles 83 percent of all air imports and 79 percent of air exports between the United States and Latin America and the Caribbean.

In 2016, 44.6 million passengers, nearly half of them international, came through the airport. It’s the third-largest airport in the United States for international passengers.

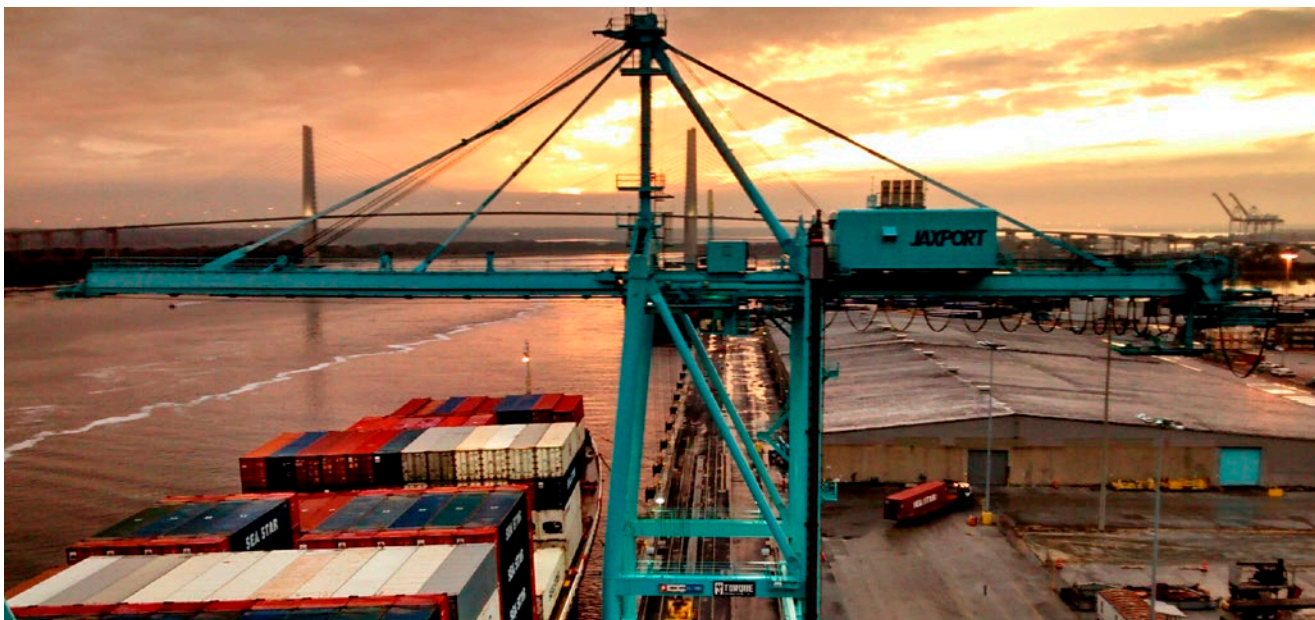
While the overall air cargo market had been stagnant for several years, it

grew 4.8 percent at MIA during the first half of 2017, Mangos says. He attributes this to significant growth for both Asian and Latin American carriers. For instance, volume at Korean Air jumped more than 13 percent, and 14.3 percent at Asiana. Volumes from Latin America carriers rose even more dramatically, jumping 62 percent at Atlas and 86 percent at KFCargo.

“Other carriers also showed strong, positive numbers after an extended flat growth period,” Mangos says.

Several factors drive this growth, including improving Latin American economies, increased production in Asia, and the growth of e-commerce domestically.

MIA continues to expand its cargo service offerings. It recently was designated a Pharma Hub by the International Air Transportation Association (IATA), making it the first airport in the United States to earn this designation. This recognizes MIA’s success in engaging the local cargo community in the IATA Center of Excellence for Independent Validators (CEIV) Pharma Certification Program, which prepares logistics companies to become experts at properly handling sensitive pharma products shipped by air.



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**Miami International Airport is a global freight hub and offers service to more than 160 cities on four continents with dedicated freighter service to 106 global destinations.**

Not surprisingly, the pharma trade at MIA jumped 140 percent between 2010 and 2016. It now represents \$4.4 billion in annual trade, according to MIA.

As a global airport, MIA is a city within a city, Mangos says. It spans more than 7 million square feet, and encompasses 18 cargo terminals that serve more than 100 airlines, or more than any other U.S. airport.

“All this requires continuous, round-the-clock orchestration for the smooth and efficient movement of people, goods, airplanes, and vehicles,” Mangos says. A thriving maintenance, repair, and overhaul (MRO) department, with more than 38,000 airport employees, care for the dozens of airlines that need everything from minor fixes to complete overhauls.

Also based in Miami is Freight Logistics, a forward-thinking, transportation and logistics solutions provider. Chief Executive Officer Gabriel de Godoy founded the company in 2001 in San Jose, California, and relocated it to Miami in 2007.

“I relocated it specifically because

Miami is a gateway into Latin America,” he says.

Many Freight Logistics customers—ranging from small businesses to multinational enterprises—turn to the company to help with integrated logistics and freight forwarding solutions into and out of Latin America. “We work globally but our focus is Latin America,” de Godoy says.

### **Latin American Gateway**

A large percentage of U.S. flights bound for Latin America depart from Miami, de Godoy says. When the company was based in California, it often ended up trucking products across the country before shipping them south. “Here, most major airlines have daily service to Latin America,” he says.

Because Freight Logistics started in Silicon Valley, its strength has been in handling sensitive, high-technology products, de Godoy says. Due to this specialization, the majority of shipments travel via air freight to Latin America. “We’ve developed proprietary software systems designed from the ground up to

service the unique demands of the high-tech market,” he says.

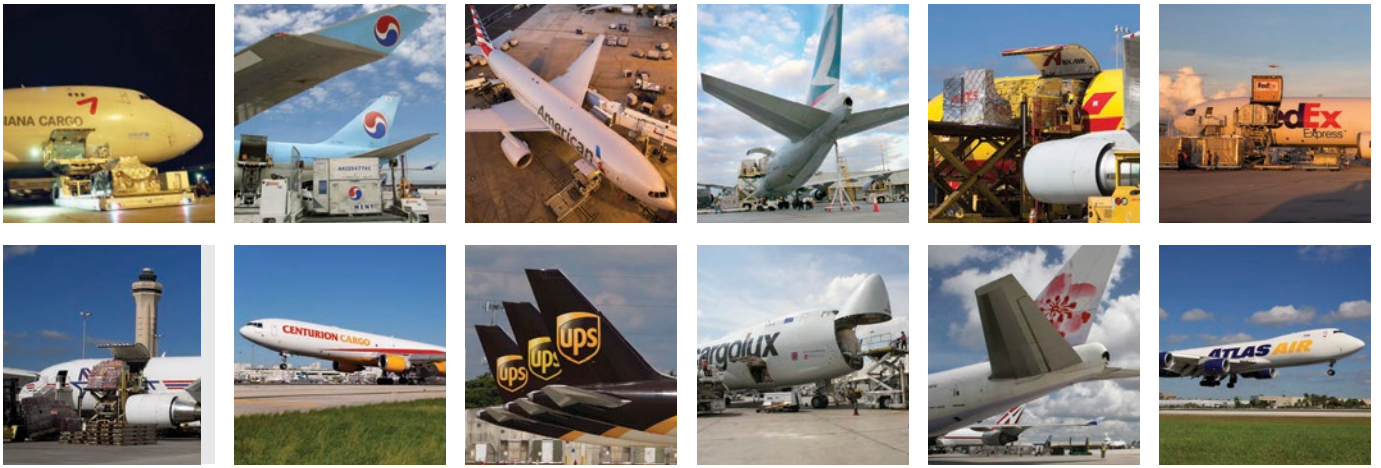
Freight Logistics also helps customers navigate the customs regulations and idiosyncrasies of many Latin American countries. For instance, different states within Brazil offer varying incentives to lure imports and to generate business.

“We often spend quite a bit of time with a prospective customer to understand their business in order to design and implement solutions we feel will best fit their needs and be the best model for them,” de Godoy says.

He notes that the firm can’t substitute for the advice and guidance of tax attorneys, but often can help guide customers based on the expertise it has gained over 20 years of doing business in Latin America.

Freight Logistics tailors each solution to the customer. “We don’t just offer standard options,” de Godoy says. “We listen to customers, their wants and needs, and try to customize a solution unique to them.” When a multinational distribution customer decided it no longer wanted to run its own warehouse in





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Miami, de Godoy asked about the pain points, the inefficiencies, and the tasks that took management away from more important responsibilities. It then provided ideas combined with technology that addressed these challenges.

INNOVIEW, Freight Logistics' proprietary integrated-technology platform, is the brain behind its operations and has been internally developed. "That provides a great deal of flexibility," de Godoy says, and allows his team to truly tailor the solutions they offer.

Freight Logistics also has made significant investments in business intelligence reporting, de Godoy says. Its solutions measure and report on key performance indicators, such as the time products have spent in inventory and the time required to fill orders, among other measures. Many reports are available in real time and can be accessed from anywhere.

"Customers dictate what's important to them and we build specific business intelligence reports to meet those requirements," he says.

Florida East Coast (FEC) Railway operates the 351 miles of track along the

east coast of Florida connecting Miami to Jacksonville. Its multiple train departures each day, with various cutoff and arrival times, give shippers fast, flexible access to markets within Florida and throughout the Southeastern United States.

### Strategic Partnerships Increase Efficiencies

FEC Railway's exclusive access to many of South Florida's ports, strategic multi-modal partnerships, and interchanges with Class I railroads in Jacksonville, allow it to seamlessly deliver goods and products to 70 percent of the U.S. population within one to four days.

"FEC Railway provides cost-effective, reliable, and sustainable end-to-end logistics solutions into and out of Florida," says Bradley Hall, senior vice president and chief commercial officer with the railway.

The trains move most carload commodities, including aggregates, automobiles, lumber, farm products, food and food products, machinery, pulp and paper, ethanol,

bulk chemicals, stone, clay, and glass. They also transport international and domestic containerized intermodal freight. FEC's Highway Services drayage operation and its regional trucking carrier, Raven Transport, provide over-the-road and dedicated haulage services beyond the rail.

FEC's Intermodal Container Transfer Facility (ICTF) provides near-dock rail access to Port Everglades. The facility spans 43 acres and has an annual intermodal capacity of 450,000 lifts.

"The ICTF provides a cost-feasible rail alternative to water-to-truck hinterland distribution to southeastern markets," Hall says.

### A Complete Florida Solution

Shippers can use a Port Everglades carrier to drop cargo in south Florida, move that cargo to an FEC train headed for Jacksonville, and then transfer to another rail network to land in Atlanta or Charlotte more quickly and less expensively than going directly into Savannah or Charleston.

Similarly, FEC's exclusive on-dock rail service at PortMiami allows it to



Florida East Coast Railway operates along the east coast of Florida with direct rail access to South Florida's ports.





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**Florida East Coast Railway interchanges with two Class 1 railroads in Jacksonville to allow goods to reach 70 percent of the U.S. population in fewer than four days.**

provide efficient service, minimizing moves and providing a more efficient connection to the national rail networks. “With on-dock intermodal rail service, FEC Railway allows ocean carriers to transition their international freight into fewer domestic containers, and quickly reach inland markets,” Hall says.

Because of its multiple daily train departures, FEC is able to provide scheduled and reliable flexible service options, whether customers are seeking domestic or international intermodal services, or ramp-to-ramp or door-to-door options, Hall notes. Shippers are able to use their own containers and trailers, or FEC-provided equipment.

Florida East Coast Railway has invested in infrastructure to support multi-modal shipping and global trade into and out of South Florida and is positioned to handle the growth expected throughout Latin American, Caribbean, and Asian markets from the Panama Canal expansion.

The railroad is working to double-track the majority of its track from Jacksonville to Miami, which will allow for even more scheduled train runs. In November 2015, FEC began converting its fleet so it can run on sustainable liquefied natural gas, a cleaner and more efficient fuel source than diesel.

Over the past several years, FEC has purchased two dozen new locomotives, 50 refrigerated trailers, and 500 53-foot containers. These provide more opportunities to transload import cargo from ocean containers to domestic containers for inland rail transport. “More domestic containers move north as loads, instead of empties,” Hall says.

“With infrastructure enhancements, added capacity, truck-like delivery speeds and our partnerships with the south Florida ports, we are well positioned for growth today and in the future,” Hall says.

### **Finding the Optimal Transport Mode**

When shippers need to move their products via truck, many turn to Landstar System, Inc. Landstar provides integrated transportation management solutions to customers across the globe, using its network of agents, third-party capacity owners, and employees, says O’Malley.

Landstar moves freight by all modes of transportation, although truckloads account for about 93 percent of its revenue. As an asset-light company, Landstar partners with more than 1,100 agents and 9,000 owner-operators who work as independent business owners. “We believe in the power of the small

business owner,” O’Malley says.

Because Landstar’s agents and owner-operators effectively run their own small businesses, they have every incentive to make decisions that benefit both their operations and the entire system. Landstar supports them with technology, access to shipments, and fuel discounts, among other benefits.

“Having such an extensive organization means we have the scale, systems and support to ensure shipments are delivered on time and safely,” O’Malley says. The company and its agents and owner-operators collaborate with clients to evaluate different transportation modes and identify the optimal way to transport each shipment or series of shipments.

For instance, if a manufacturer produces more products than anticipated for its existing supply chain, Landstar can work with its network of agents and owner-operators to tailor a solution that will move the goods in question in a timely, cost-effective manner.

Among other products, Landstar trucks handle automotive and building products, metals, chemicals, foodstuffs, heavy machinery, retail, electronics, ammunition and explosives, and military equipment.

Some loads contain more unique and sensitive products, however. Michael Bauer, Landstar owner-operator, recently moved artifacts from World War II from the United States Air Force Airmen Memorial Museum in Suitland, Maryland to Lackland Air Force Base in Texas. The items will be stored while plans are completed for a new, expanded history museum slated for San Antonio.

“We never left the trailer with this load,” he says. “You don’t take chances with that kind of freight.”

Landstar agent Fred Otterbein coordinated the move of more than 13,000 Civil War artifacts and cannons from Savannah, Georgia to Texas A&M University, where they’ll be researched. The items had been unearthed by the U.S. Army Corps of Engineers when





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they were dredging the Savannah River. It was determined that they were from the CSS Georgia, an ironclad from the Civil War era.

“We do a lot of specialized project loads,” says Otterbein. “Our agency had to coordinate all the moves with the U.S. Coast Guard. Things were literally being pulled out of the water and put directly onto trucks for transport.”

## One-Stop Solution

From its start in 1924 in Houma, Louisiana, when Louis Saia Sr. decided to remove the rear seats from the family car and use it to deliver produce, Saia, Inc. now provides mostly LTL services to 38 states as well as Canada, Puerto Rico, and Mexico. The company operates from 152 terminals and its 9,000 employees move about 25,000 shipments every day, with an average haul length of slightly less than 800 miles.

Saia handles just about all types of manufactured, grocery, and retail products, other than refrigerated goods, says Corey Thompson, vice president, Eastern operations. It also offers guaranteed and expedited services.

Through its operating service groups, Saia LTL Freight, Saia Logistics Services, and LinkEx, Saia customers can engage a single entity to manage their freight brokerage, pickup, warehousing, and delivery needs, and other transportation functions, down to the final mile.

“We’re a premium service provider, and that’s driven by the quality of people we hire,” Thompson says. He notes that everyone at Saia, from drivers to dock employees to office staff, work hard to meet the needs of the company’s customers. Saia implemented a “Quality Matters More” campaign to ensure its employees are providing superior service. Over the past several years, Saia has invested \$400 million in tractors, trailers, and other new equipment.

One example where Saia employees go above and beyond is with a client that ships stacks of school books within Florida. Not surprisingly, summer is this client’s busiest time of year. However, during the summer months, few schools are staffed with employees who can receive and store the books.

“Our drivers take great pride in making sure that we move the books to where the school wants them, without having to rely on their own staff,” Thompson explains. Drivers often load the books by hand onto a dolly, move them into the school, and place them in a storage area or classroom where they are safe until they’re used for the school year—all without having to involve office or maintenance personnel.

Earlier in 2017, Saia opened four terminals in the Northeast – three are in Pennsylvania and one in New Jersey. Additionally, the company partnered with TST Overland Express, the first Canadian carrier to provide cross-border LTL service, which it started in 1952. Together, the two companies offer shippers extensive LTL experience.

Later in 2017, Saia will open a terminal in Laurel, Maryland, which will service Delaware, Maryland, and northern Virginia. Shippers with cargo heading from Florida to the northeastern United States or Canada now have even more options.



Saia provides mostly LTL services to 38 states as well as Canada, Puerto Rico, and Mexico.



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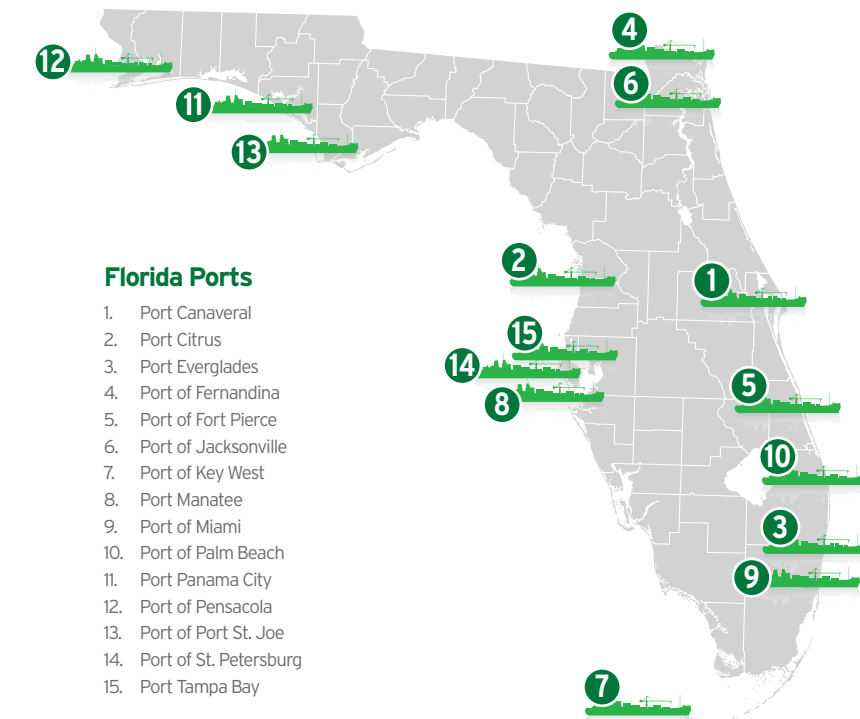
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Seaboard Marine, a regional ocean carrier, offers some of the shortest and most frequent transit to and from destinations in the Caribbean Basin, and Central and South America. “Seaboard Marine’s trademark is the personalized approach and strong business relations with the trade and logistics community forged over 35 years of providing consistent, high-quality service to the markets we serve,” says Chris Concepcion, marketing manager with the Miami-based company.

## Enhancing Services

The company works with a variety of companies and products in each market. “If it trades in the Western Hemisphere, we’re here to carry it,” Concepcion says.

For example, Seaboard Marine serves Trinidad with two southbound weekly sailings from PortMiami. The island imports electronics, automobiles, food-stuffs, and construction materials, among other products from the United States. Back in the United States, Seaboard Marine works with anyone from brick-and-mortar retailers



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to perishable product importers.

Seaboard Marine continues to enhance the services it has been

providing for several decades. In July 2017, management announced new direct, weekly service between

## WEATHER REPORT

For all companies operating in the southeastern United States, weather extremes can be a concern. “We work hard to balance taking care of our customers while also ensuring a safe environment for our employees,” says Corey Thompson of Saia. “What is most important is making sure you stay close to customers, communicate your plans, and provide follow-up.”

The potential for severe weather, including hurricanes, tends to be top of mind for many businesses considering Florida as a base for operations. To be sure, it’s a serious concern. At the same time, it’s usually possible to prepare for these events. “We can get a good idea of when and where a storm will hit,” Vanderhoof of Enterprise Florida notes.

Moreover, many of Florida’s companies and government agencies have taken proactive steps to safeguard their people, operations, and assets from

severe weather, Vanderhoof says. Florida has miles of underground fiber, which helps to keep communication open. The state’s emergency management experts are among the best in the country, he adds.

Landstar has a second service center in Rockford, Illinois. It’s fully staffed and can manage all calls and operations if the main office must close. “The company’s customers, agents, and owner-operators never miss a beat,” says Pat O’Malley, vice president, chief commercial and marketing officer.

Because the state is home to more than one dozen ports, it’s often possible to move a vessel or operation from one to another when a particular region is targeted. In addition, it’s rare that ports will close completely, Wheeler says. When they must, most work hard to quickly reopen—usually within hours; in rare circumstances, within a few days.



PortMiami, Peru, and Ecuador. “This is important because Seaboard Marine is now the fastest carrier to and from Ecuador, Peru, and South Florida,” Concepcion says. “This direct, weekly service is ideal for time-sensitive refrigerated cargo imported to the United States from those markets.”

In August 2017, Seaboard Marine began offering two weekly sailings to Costa Rica. The company will now have the fastest transit times in the region, with the most frequent sailings.

In March 2017, Seaboard Marine completed construction on a new perishable cargo handling facility to help manage delicate refrigerated cargo. If not administered properly, inspections can expose temperature-controlled cargo to potential temperature changes.

“Seaboard Marine’s new cold chamber facility eliminates this threat, and provides customers with temperature-controlled transfer capabilities when required,” Concepcion says. The company has 432 permanent reefer plugs at its 85-acre terminal at PortMiami to support both import and export refrigerated containers.

Also in 2017, management added more than 1,000 new energy-efficient refrigerated units to its fleet. MCI, the manufacturer of the containers, uses construction processes that minimize the amount of material consumed while also optimizing structural strength. This makes the units both energy efficient and repair friendly.

### Strong and Growing Logistics Sector

In late 2016 and early 2017, Seaboard Marine’s terminals at Miami and Houston were certified by U.S. Customs and Border Protection (CBP) as part of its new Marine Port Terminal Operator (MPTO) designation, known as the AQUA Lane program. This program allows Seaboard Marine to apply for Advanced Qualified Unlading Approval, so its vessels and cargo can be pre-cleared by CBP before the ships arrive.

Under AQUA Lane authority, the PortMiami terminal and Jacintoport terminal in Houston can begin discharging and loading containers the moment the vessel reaches the terminal.

“We have focused on offering personalized service since we began in 1983,” Concepcion says. For instance, Seaboard Marine works closely with importers and customs brokers before a vessel’s arrival to expedite the clearance process. “Our operations and customer service are unmatched,” he adds.

Florida’s many state-of-the-art transportation networks have helped establish a strong and growing logistics sector. “Many people who don’t live in Florida think it’s all vacation spots in Miami or Orlando,” O’Malley says. “One of the little known facts is the amount of commerce done here.” ■

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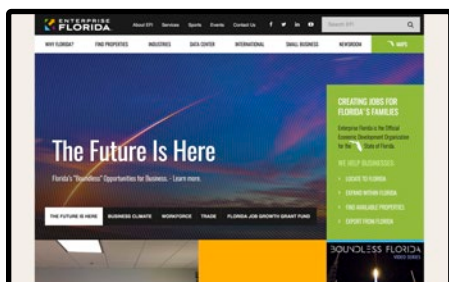
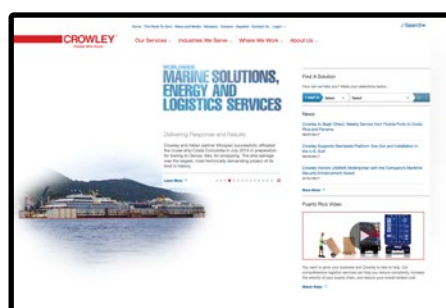


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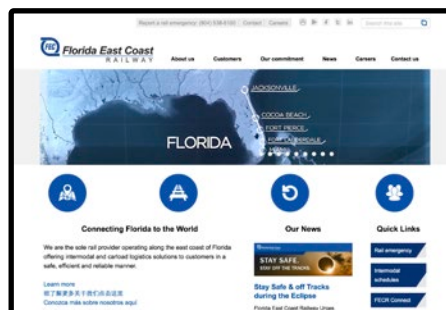


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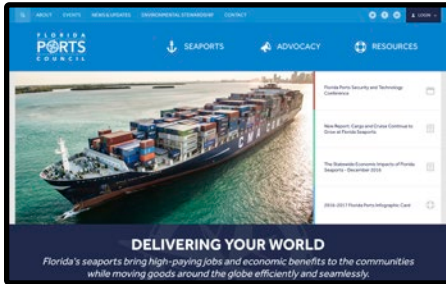
Enterprise Florida, Inc. (EFI) is a public-private partnership between Florida's business and government leaders and is the principal economic development organization for Florida. EFI's mission is to expand and diversify the state's economy through job creation. EFI's activities have championed Florida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

## Florida East Coast Railway • [www.fecrwy.com](http://www.fecrwy.com)

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





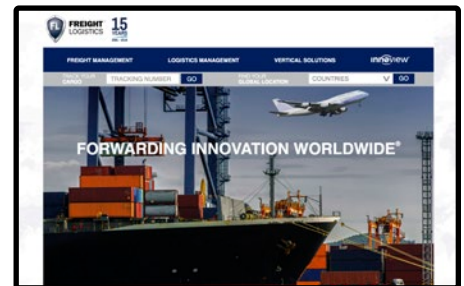


**Florida Ports Council • [www.flaports.org](http://www.flaports.org)**

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

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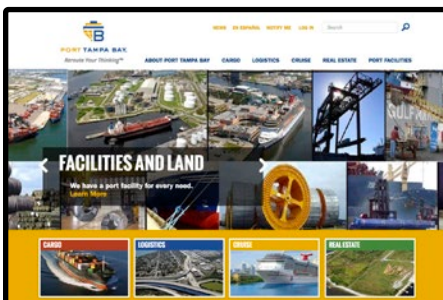


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The top U.S. airport for international freight, Miami International Airport (MIA), located on 3,230 acres of land near downtown Miami, is operated by the Miami-Dade Aviation Department and is the property of Miami-Dade County government. MIA is also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

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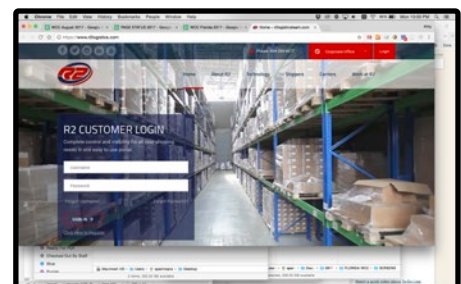


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In collaboration with its terminal operator and steamship line partners, Port Tampa Bay is enhancing its longtime status as Florida's largest cargo tonnage port with expanded terminal facilities for handling containerized and bulk goods, as well as additional ocean carrier service offerings. Expansion of Port Tampa Bay Container Terminal, refurbishment of the Richard E. Knight (REK) petroleum terminal complex, development of Port Redwing bulk-handling facilities, renovation of cruise terminals, and significant enhancement to rail and roadway links are furthering the port's ability to connect Central Florida with worldwide markets.

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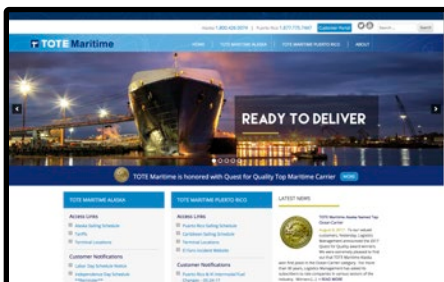
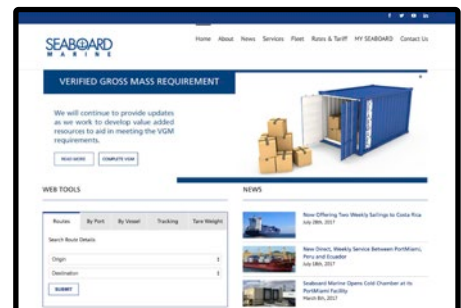


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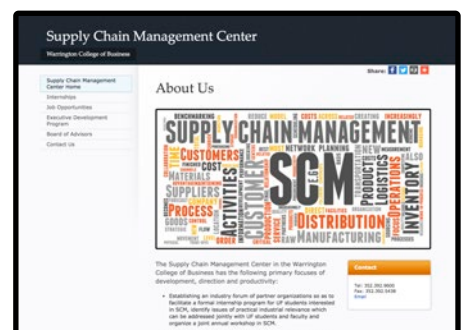


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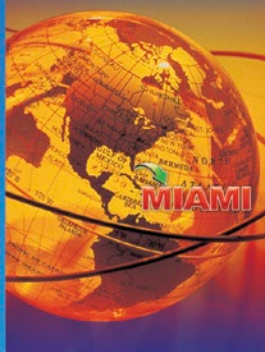


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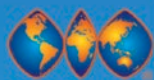
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## e-Tales | by Deborah Abrams Kaplan

### Warehouse Upgrade: Of Boxes and Briefs

MeUndies used to get its knickers in a knot during the holiday rush. But a new WMS has it in better shape.

**B**uying underwear is rarely a fun experience, something MeUndies founder Jonathan Shokrian wanted to change. He launched the e-commerce underwear enterprise in 2011, attracting customers with sustainable and comfortable fabrics and colorful designs, including his-and-hers matching briefs. The company has since added an optional monthly subscription service and a small selection of casual clothing.

While the e-tailer emphasizes playful and quirky designs, its warehouse operations needed to emphasize efficiency. Warehouse employees manually pick and pack orders from a paper-based system lacking electronic inventory control.

With up to 10,000 daily orders and the busy holiday season approaching, MeUndies realized it had to adopt a more automated, efficient system to provide better tracking, stricter quality control, and more efficient labor usage.

Its challenge is to “support growth in a start-up environment,” says Jason Bang, head of fulfillment operations,

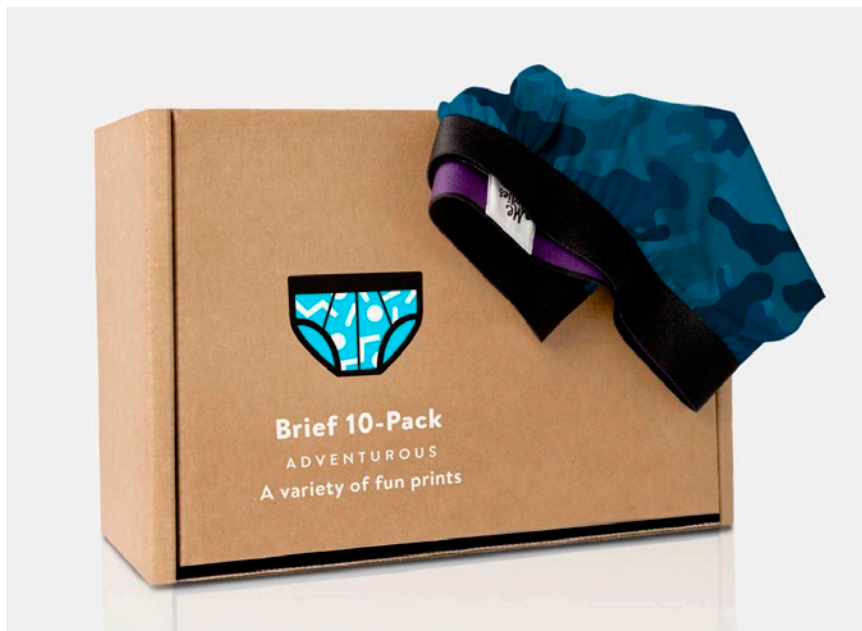
MeUndies. In early 2017, the company began a quest to find the best digital solutions to do that.

#### Searching for Support

The Los Angeles-area company anticipates sales will reach 5 million units by the end of 2017, including individual \$16 pairs of underwear, underwear multi-packs, and even a customized \$4,000 set of daily underwear for one year (the 365 pack).

As part of this growth, MeUndies is heavily investing in infrastructure and operations.

It recently expanded into a 50,000-square-foot California



**Receiving up to 10,000 daily orders and with the busy holiday season approaching, e-tailer MeUndies is replacing a manual process with a WMS to provide better tracking, stricter quality control, and more efficient labor usage in its new warehouse.**

distribution center, implemented an enterprise resource planning (ERP) system, and is now revving up for its warehouse management system (WMS) launch.

The underlying reason for the upgrades? MeUndies had reached a tipping point where manual operation costs were too high. “We spend between \$7,000 and \$8,000 every month on paper to print 160,000 to 200,000 monthly orders,” Bang says. “Every transaction involves a piece of paper.”

### New Warehouse, New System

While the increased warehouse space is efficient for holding products, it doesn’t provide extra room for hiring more pickers and packers. The expanded warehouse can easily handle more products by stacking them, but it can’t stack people. Adding more workers to the space would diminish return on investment and increase errors, says Bang.

When the operation was smaller, it was easy for a clerk or a few administrators to validate orders. But at the current volume, it’s difficult to

ensure workers tag every order correctly and ship on time.

“There’s no visibility into our operations, except at a high level,” says Bang. By implementing a WMS, MeUndies aims to get more granular data and better focus on quality control.

### Searching for Solutions

The e-commerce company initially considered ERP systems with warehouse management as part of the solution. After realizing the best option was using a third-party platform for the warehouse management portion, it chose NetSuite’s ERP product. It then added a handful of third-party WMS vendors to the RFP process.

MeUndies found a solution to grow with the company in Snapfulfil, a cloud-based, Software-as-a-Service (SaaS) WMS developed by Synergy Logistics Ltd., headquartered in Loughborough, United Kingdom, with U.S. offices in Chicago and Charleston, South Carolina.

The e-tailer liked that the Snapfulfil WMS did not require a capital outlay, and its SaaS subscription is all inclusive.

“We have access to and will utilize everything the system is capable of,” Bang says.

Another advantage of the SaaS model is the subscription cost is tied to units. In the November and December peak season, with almost twice the sales volume, Bang will hire temporary workers. The Snapfulfil SaaS model is flexible, allowing MeUndies to add users during the crunch.

### Countdown to Launch Date

After running numerous time and efficiency tests at the warehouse and discussing its efficiency needs with Synergy, the e-tailer greenlighted the Snapfulfil implementation in late spring 2017.

As part of the implementation process, the Snapfulfil team visited the MeUndies site in summer 2017 to assess the warehouse for workflow, and to discuss integrating with its other platforms, such as NetSuite. The administrative staff received training a few weeks before the go-live date, scheduled for September 2017.

Preparation is key to successful implementation, Bang says.

He anticipates training the pickers and packers will require only one hour, the Monday after the system’s weekend launch. The system is simple to use, and pickers follow a directed workflow.

“I don’t anticipate a difficult transition,” he says. “The system is easy enough that we’ll see immediate gains, without a transition period where we’re less efficient ramping up.”

Before the launch, the inventory manager will perform a full physical inventory, auditing every carton and ensuring proper labeling. Workers will scan every carton in every location. “We warehouse 1.2 million units of product, but our inventory is fairly simple,” Bang says. The company holds 6,000 to 8,000 cartons at any given time, so it can scan each carton and bay location in one weekend.

From Bang’s analysis, the new



WMS will increase efficiency and save receiving, quality control, picking, packing, and inventory management costs.

By the end of 2017, using the Snapfulfil WMS will increase warehouse efficiency by 25 to 30 percent, without eliminating current jobs, Bang says.

### Calculating Big Gains

Bang bases his projections for time and cost savings on anticipated big wins.

Here's one example of how the WMS will help. If MeUndies gets 300 individual orders for one SKU, the clerk currently prints a paper order and manually dispatches them to multiple pickers who grab the individual items. With Snapfulfil, "rather than 300 picks, it's one pick," Bang says.

One person grabs a carton or several cartons at once, with all 300 orders. "We don't have the capability to do that with our current packing process," Bang says. The WMS, on the other hand, will dispatch picking paths, optimizing where it sends warehouse workers. "There are huge efficiency gains to be made there," Bang says.

Packing also provides efficiency opportunities. Packing is currently manual, and the team cross-checks the product against the order sheet before packing. That's the quality control check workers perform before sticking on the label.

With the WMS, the packer will scan the code, quickly confirming the order at the packing station. Bang did time studies on packing at the MeUndies warehouse and when visiting other Snapfulfil customer warehouses. "We'll see 30- to 50-percent gains in packing efficiency," he says.

The company is banking on indirect labor savings as well. The clerk who currently prints out orders all day will be redeployed, most likely to the picking or inventory team.

Bang anticipates gains in inventory management and quality control as

well. The company has quantified its error costs, and because the Snapfulfil WMS will increase accuracy, more cost savings will ensue.

While the company normally warehouses approximately 1.2 million inventory units, that rises to 1.7 million during peak season. It currently has no electronic inventory management system, making it difficult to manage cycle counts or maintain accurate inventory numbers. "Managing that much inventory will improve dramatically with a WMS solution compared to a manual system," Bang says.

### Ramped Up for Savings

While vetting WMS offerings, including Snapfulfil, Bang spent a lot of time calculating the potential ROI for each solution, looking three years ahead.

"Snapfulfil is not the least expensive

solution," he notes, but using conservative models for savings using the Snapfulfil WMS, he estimates 25- to 30-percent gains initially, even after the SaaS costs.

Between efficiency and cost gains, including labor, quality control, and order accuracy, Bang anticipates MeUndies will save \$200,000 to \$250,000 in the next 12 months. With no anticipated ramp-up time when launching the system, he expects the savings to begin the first month and increase over time.

Snapfulfil won't solve all the company's supply chain needs, Bang admits. It is still looking to implement other tools, such as demand planning. But with this WMS and other capital investments in equipment, fixtures, and the ERP system, Bang anticipates MeUndies will double its efficiency. And that's a good way to grow in a start-up environment. ■

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## 3PL

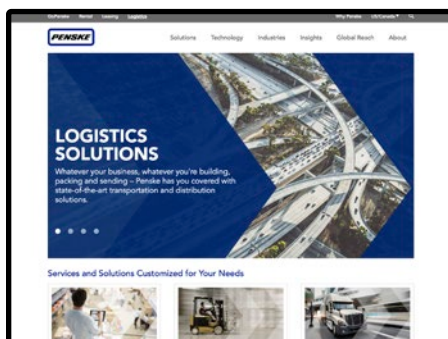


### Casestack • [www.casestack.com](http://www.casestack.com)

Founded in 1999, CaseStack is the industry's leading outsourced logistics provider, offering complete supply chain solutions to companies selling products to retailers, distributors, and other manufacturers. Thousands of suppliers turn to CaseStack for innovative consolidation programs, efficient warehousing systems, and streamlined transportation management, all of which are centered on proprietary real-time inventory and order technology. Our customers reap the cost savings and achieve the performance levels of their larger competitors without the investment costs.

### Echo Global Logistics • [www.echo.com](http://www.echo.com)

Echo Global Logistics, Inc. (Nasdaq: ECHO) is a provider of technology-enabled transportation and supply chain management services. Echo maintains a proprietary, Web-based technology platform that compiles and analyzes data from its network of more than 30,000 transportation providers to serve its clients' needs. Offering freight brokerage and managed transportation services across all major modes, Echo works to simplify the critical tasks involved in transportation management.

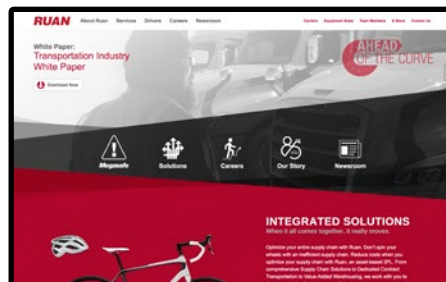


### Penske Logistics • [www.penskelogistics.com](http://www.penskelogistics.com)

Penske Logistics is an award-winning logistics services provider with operations in North America, South America, Europe, and Asia. Our products and services range from dedicated contract carriage and distribution center management to transportation management and fully customized solutions. No matter what your needs or industry, Penske Logistics engineers supply chain solutions that deliver business results like boosting productivity, improving service, and shrinking carbon footprints. Call us today at 1-800-529-6531 to learn more.

### Ruan • [www.ruan.com](http://www.ruan.com)

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





## IN THIS SECTION:

### 3PL - Associations



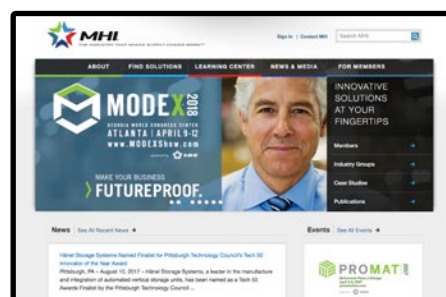
#### Sunset Transportation • [www.sunsettrans.com](http://www.sunsettrans.com)

Through our diversity of services and technology to our transparent and customer-focused culture, Sunset Transportation is positioned as a dominant logistics management partner for mid-market and large businesses. Sunset's flexibility and entrepreneurial spirit makes us The Right Size 3PL for your growing business—large enough to provide professional, multi-modal solutions while remaining agile and committed to our roots with personalized service.

## ASSOCIATIONS

#### Material Handling Industry (MHI) • [www.mhi.org](http://www.mhi.org)

Material Handling Industry (MHI) is an international trade association that has represented the industry since 1945. MHI members include material handling equipment and systems manufacturers, integrators, third-party logistics providers, consultants, and publishers. The association also sponsors trade events such as ProMat and MODEX to showcase the products and services of its member companies and to educate industry professionals on the industrial productivity solutions provided through material handling logistics. Much of the technical work of the industry is done within its product-specific sections, councils, and affiliates.

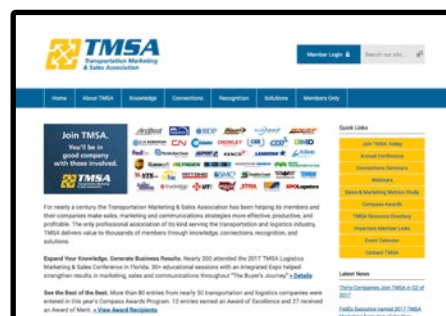


#### NASSTRAC • [nasstrac.org](http://nasstrac.org)

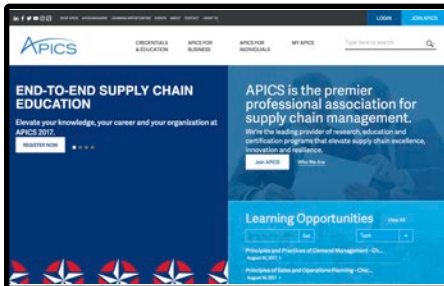
If you're seeking solutions, best practices, information, or industry connections, NASSTRAC is your premiere resource. This industry association promotes transportation advocacy and offers members education on the hottest topics, fosters provider relationships through tools such as an online member directory, job finder, career advice, and a freight resource directory. To learn more about the benefits of becoming a NASSTRAC member, visit the website.

#### Transportation Marketing & Sales Association (TMSA) • [www.TMSAtoday.org](http://www.TMSAtoday.org)

The Transportation Marketing & Sales Association provides knowledge, connections, recognition, and solutions to marketing, sales, and communications professionals in North American freight transportation and logistics. TMSA members from all market segments are involved, including motor carriers, 3PLs, railroads, air carriers, ocean lines, port authorities, OEMs, media, and suppliers.



## EDUCATION

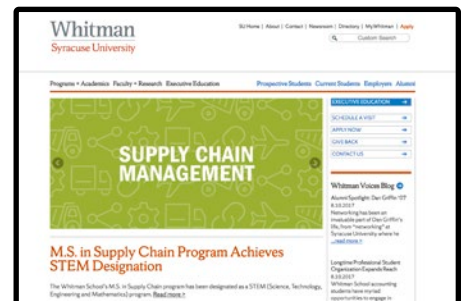


### APICS • [www.apics.org](http://www.apics.org)

Supply chain management never stops advancing—and neither should supply chain professionals or their organizations. APICS helps develop supply chain talent and elevate end-to-end supply chain performance. From education and certification to benchmarking and best practices, APICS sets the industry standard. Together with its members, partners and customers, APICS is united in its commitment to global supply chain excellence, innovation and resilience—achieved one person and one supply chain at a time.

### Syracuse University, Whitman School of Management • [whitman.syr.edu](http://whitman.syr.edu)

The Whitman School of Management at Syracuse University, a nationally recognized leader in logistics and supply chain education and research since 1920, offers the oldest such program in the country. Whitman supply chain graduates gain professional experience as students and enjoy a strong alumni network. For practitioners, we offer a talented intern/employee pool, and events to renew and update your skills. We also offer BS, MBA, MS, PhD, and executive programs in supply chain, as well as electives in Whitman's highly regarded distance-learning MBA option.



### Transportation Intermediaries Association (TIA) • [www.tianet.org](http://www.tianet.org)

The Transportation Intermediaries Association (TIA) is the professional organization of the third-party logistics industry. TIA is the only organization exclusively representing transportation intermediaries of all disciplines doing business in domestic and international commerce. TIA is the voice of transportation intermediaries to shippers, carriers, government officials, and international organizations.

### University of Arkansas/Walton College • [gsb.uark.edu](http://gsb.uark.edu)

The Sam M. Walton College of Business offers a top-ranked MBA with a supply chain concentration, as well as an undergraduate major and doctoral program. Our faculty are world-class experts in global logistics. Leveraging the resources of our Supply Chain Management Research Center, our students have access to the best minds working in the field today. For more information on the University of Arkansas' programs, visit our site today.

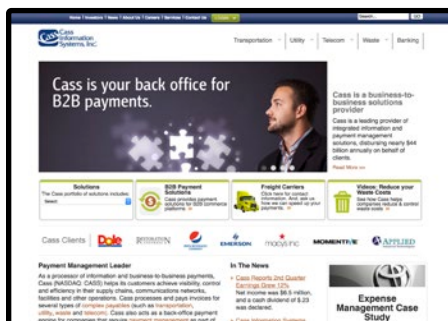




## IN THIS SECTION:

## Freight Payment/Audit Services - Global Trade

### FREIGHT PAYMENT/AUDIT SERVICES



#### Cass Information Systems • [www.cassinfo.com](http://www.cassinfo.com)

Cass is the nation's oldest and largest provider of freight bill payment, audit, and rating services. We offer a wide array of services for processing and paying freight bills, as well as our industry-leading Internet reporting service, CassPort. In business since 1906, and providing freight payment services since 1956, Cass continues to offer stability, security, and expertise in the freight audit, payment, and information market.

#### CT Logistics • [www.ctlogistics.com](http://www.ctlogistics.com)

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



#### nVision Global • [www.nvisionglobal.com](http://www.nvisionglobal.com)

nVision Global is a leading international freight audit, payment, and logistics management solutions provider. With locations in North America, Europe, and Asia, our staff is fluent in more than 25 languages, and processes and pays freight invoices from more than 190 countries worldwide. Over the years, our customers have come to rely on our prompt, accurate Sarbanes-Oxley-compliant freight payment services, as well as our leading-edge information management analytical tools including global mapping, graphing, benchmarking, modeling, and network optimization analysis to help them manage their overall supply chain costs.

### GLOBAL TRADE

#### Pharr Bridge • [www.pharrbridge.com](http://www.pharrbridge.com)

The Pharr-Reynosa International Bridge serves as one of the most important ports of entry for the U.S.-Mexico border. It handles both commercial and passenger-operated vehicles and crosses about 175,000 vehicles monthly. The Pharr International Bridge is also the only commercial bridge crossing in Hidalgo County, and is the number two bridge in the country for crossing of fruits and vegetables. The Pharr International Bridge connects US Hwy. 281/I-69W to the City of Reynosa, Tamaulipas, the fastest growing city in Mexico.



## LOGISTICS IT



### MagicLogic Optimization Inc. • [www.magiclogic.com](http://www.magiclogic.com)

MagicLogic's Cube-IQ software represents the state-of-the-art in load planning software. It is built around the best loading engine on the market and will give you optimal volume/weight utilization. Cube-IQ comes with its own database, data import/ export, 3D load diagrams, and reporting. MagicLogic also offers BlackBox for integration into other software and websites. All versions have built-in modes of operation for container, truck, rail car, and ULD loading, palletization, and cartoning.

## OCEAN

### COSCO Container Lines Co. • [www.coscon.com](http://www.coscon.com)

China Ocean Shipping (Group) Company (COSCO), the national flag carrier of the People's Republic of China, is one of the world's premier full-service intermodal carriers. The company utilizes a vast network of ocean vessels, barges, railroads, and motor carriers to link the international shipper with the consignee. COSCON's 20 main-line services connect over 100 ports worldwide to reach more direct ports of call than any other carrier in the world, with weekly, fixed-day service to many destinations. The AUM-Pendulum Service's direct ports of call include Tokyo, Qingdao, Shanghai, Yantian, Hong Kong, Charleston, Norfolk, New York, Boston, Valencia, Naples, Genoa, and Barcelona.



## PALLETS



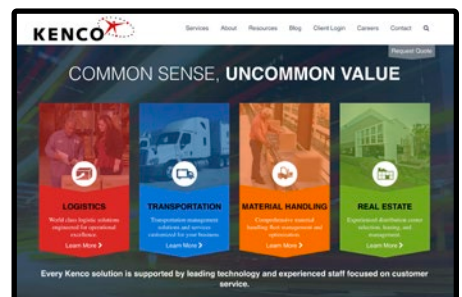
### PECO Pallet • [www.pecopallet.com](http://www.pecopallet.com)

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

## RETAIL LOGISTICS

### Kenco Logistics • [www.kencologistics.com](http://www.kencologistics.com)

Adding value to your bottom line? That's the mission of Kenco Logistics. For more than 50 years, Kenco has guided some of the most demanding supply chains in the world. Kenco's convergence approach can help you streamline your supply chain and bring a greater return on assets and investments. Kenco invites you to visit this website so that you might get to know its services. Then, contact Kenco so that you might truly understand its unique strategic advantages.





## IN THIS SECTION:

### Retail Logistics

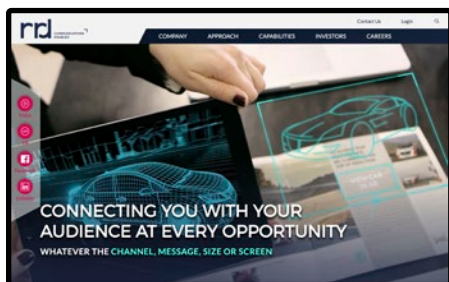


#### LEGACY Supply Chain Services • [www.legacyscs.com](http://www.legacyscs.com)

For nearly 40 years, LEGACY Supply Chain Services has been a dedicated logistics partner to our clients across the U.S. and Canada. LEGACY's 3PL solutions include warehousing and distribution, international and domestic transportation, customs and compliance, and pool distribution services. Our high-touch customer service and operational expertise deliver results for clients in many industries including retail, consumer packaged goods, industrial manufacturing, technology, food & beverage, life sciences, aftermarket automotive, aerospace, and healthcare.

#### Lynden • [www.lynden.com](http://www.lynden.com)

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

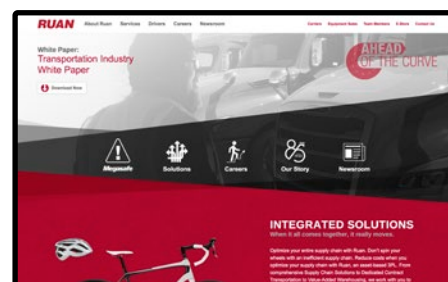


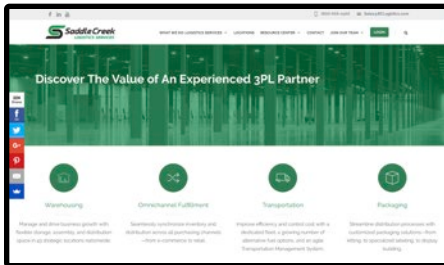
#### RR Donnelley's DLS Worldwide • [www.rrd.com](http://www.rrd.com)

Experience the benefits that only come from working with a major, global shipper that is also a top-ranked 3PL. We offer multiple transportation modes, an established multi-carrier network, volume-leveraged rates and service levels, along with technology-enabled systems and processes. Visit our website and contact us today to see why customers have relied on us for nearly 150 years.

#### Ruan • [www.ruan.com](http://www.ruan.com)

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



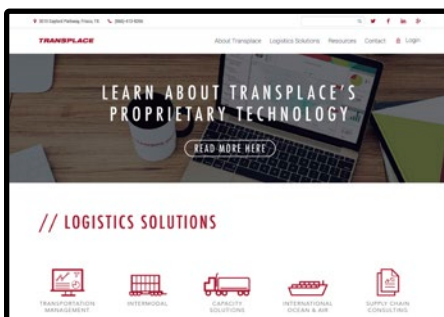


### Saddle Creek Logistics Services • [www.sclogistics.com](http://www.sclogistics.com)

Saddle Creek is an omnichannel supply chain solutions company providing a variety of integrated services, including warehousing, omnichannel fulfillment, transportation and packaging. We leverage these capabilities, advanced technology and our nationwide network to customize scalable solutions that help retailers, manufacturers and ecommerce companies support their business goals. For more information, visit [www.sclogistics.com](http://www.sclogistics.com).

### SEKO Logistics • [www.sekologistics.com](http://www.sekologistics.com)

SEKO prides itself on a commitment to customer service, whether it's a 2 a.m. pickup for a critical industrial part for a plant that is 4,000 miles away, or the cost savings achieved from proactive communication with your vendors overseas. SEKO offices have the knowledge and expertise to expedite or to consolidate, depending on your need. From Hong Kong to Amsterdam, SEKO knows how to serve its clients. As a non-asset-based third-party logistics provider, SEKO has the flexibility to meet your supply chain needs using a variety of modes and carriers.



### Transplace • [www.transplace.com](http://www.transplace.com)

Transplace is a North American non-asset based logistics services provider offering manufacturers, retailers, chemical and consumer packaged goods companies the optimal blend of logistics technology and transportation management services. The company is the premier provider of managed transportation, consulting & TMS solutions; and intermodal, truck brokerage, and cross-border trade services. With operations centers located throughout North America, Transplace delivers integrated solutions tailored to meet in-county and cross-border supply chain needs.

### Unyson • [www.unyson.com](http://www.unyson.com)

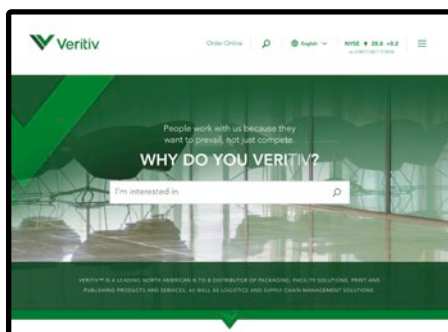
As a division of Hub Group, Unyson specializes in elevating supply chain performance by using industry-leading practices, experienced professionals and state-of-the-art technology. We provide management solutions that support your strategic initiatives and deliver the results you need while guaranteeing supply chain savings and service levels.





## IN THIS SECTION:

## Retail Logistics - Site Selection

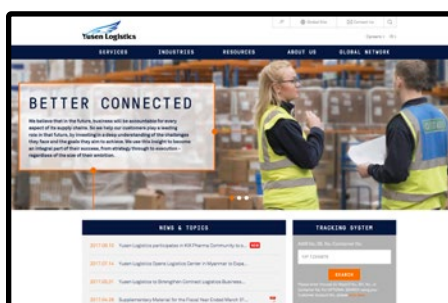


### Veritiv • [www.veritivcorp.com](http://www.veritivcorp.com)

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

### WSI (Warehouse Specialists, LLC) • [www.wsinc.com](http://www.wsinc.com)

Reliability is everything. At WSI, that has been our approach to integrated logistics and supply chain solutions for more than 40 years. Our promise of Condition, Count & Time ensures accurate, timely, and sound performance—every time. Recognized as one of the top 3PL companies in North America, WSI delivers custom solutions for warehousing/distribution, fulfillment, transportation, import/export, information technology, and customer support services. Depend on WSI for increased efficiency, reduced costs, and absolute reliability.



### Yusen Logistics • [www.yusen-logistics.com](http://www.yusen-logistics.com)

Yusen Logistics offers a complete transport and logistics portfolio of services to some of the world's largest companies. We offer full end-to-end service coverage including origin cargo management, ocean freight forwarding, airfreight forwarding, warehousing, reverse logistics, surface transportation, and integrated supply chain solutions. We are committed to contributing to the sustainable development of our society through safe, environmentally friendly options.

## SITE SELECTION

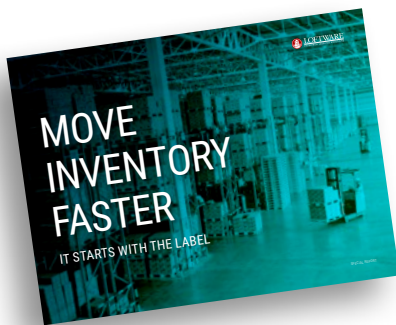
### ElectriCities of North Carolina • [www.electricities.com](http://www.electricities.com)

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



# WhitePaperDigest

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



## Software

**TITLE:** *Move Inventory Faster: It Starts With the Label*

**DOWNLOAD:** [bit.ly/LogilityLabel](http://bit.ly/LogilityLabel)

**SUMMARY:** Think about it—the label connects the supplier’s intent to your ERP and, equally important, to the inventory itself. What if you could control the labeling outside your four walls so that shipments from suppliers and other trading partners were labeled with the information you required? By using data directly from your ERP and merging it with supplier actions, you ensure that inbound materials are labeled and formatted the right way—your way, securely. Download this report to discover how enterprise labeling significantly improves your supplier transactions.



## E2open

**TITLE:** *Order Promising in a Competitive World*

**DOWNLOAD:** [bit.ly/E2OpenOrderPromising](http://bit.ly/E2OpenOrderPromising)

**SUMMARY:** Changes in customer expectations mean that companies can no longer rely on product attributes alone to keep customers coming back. All aspects of customers’ interactions with the brand are important to create meaningful and relevant customer journeys—for business-to-business sales as well as for companies selling to end consumers. Order fulfillment is the foundational building block of customer service. Promising orders with greater reliability through a holistic and automated approach enables companies to reduce expedites, improve on-time delivery, and increase customer satisfaction. Read this whitepaper to explore what it takes to promise and serve customer orders reliably.



## Logility

**TITLE:** *Eight Methods That Improve Forecasting Accuracy*

**DOWNLOAD:** [bit.ly/LogilityDemandAccuracy](http://bit.ly/LogilityDemandAccuracy)

**SUMMARY:** Typically, a variety of forecasting methods apply to any particular supply chain scenario. Smart supply chain planners use multiple forecasting methods tuned to perform well at different phases of the product lifecycle, chosen to best exploit the available historical data and degree of market knowledge. The key is to pick the most effective and flexible forecasting models, blend their best features, and shift between them as needed to keep forecast accuracy at its peak. This whitepaper from Logility shares best methods on how to forecast demand accuracy.





## 3PL Central

**TITLE:** *How Your 3PL Warehouse Can Prepare for the Holiday Rush*

**DOWNLOAD:** [bit.ly/3PLCentralCloudWMS](http://bit.ly/3PLCentralCloudWMS)

**SUMMARY:** The holiday season can be your most challenging—and most profitable time of the year. And with more than \$1 trillion on the line, it is also the time when your customers expect you to come through without a hitch. To ensure your 3PL is ready for anything, download this new e-book today.



## enVista

**TITLE:** *Improving Transportation in the Real World*

**DOWNLOAD:** [bit.ly/enVistaImprovingTransportation](http://bit.ly/enVistaImprovingTransportation)

**SUMMARY:** Talking about improving transportation operations is one thing, but successfully planning and executing is another. In this whitepaper, you will learn six steps that shippers and 3PLs can take to significantly improve transportation operations in the real world.



## ClearMetal

**TITLE:** *Toppling 2 Major Misconceptions in Predictive Logistics*

**DOWNLOAD:** [bit.ly/ClearMetalTopplingMisconceptions](http://bit.ly/ClearMetalTopplingMisconceptions)

**SUMMARY:** The race is on to digitally transform global supply chains. But there are more questions than answers today, especially when it comes to AI, machine learning, and data analytics. What's the formula for data-centric success in the global supply chain? Before you begin your journey, check out this new whitepaper uncovering the barriers to predictive logistics, and find out the four building blocks to overcome these barriers.

## Purolator International

**TITLE:** *Customs Compliance: Has Your Business Taken the Necessary Steps?*

**DOWNLOAD:** [bit.ly/PurolatorCustoms](http://bit.ly/PurolatorCustoms)

**SUMMARY:** Who pays for customs compliance violations? It could be you. All businesses engaged in international trade have a critical need to understand their compliance responsibilities, and to ensure they have internal processes in place to meet those obligations. Download this whitepaper for an in-depth overview of the compliance process—including areas of particular vulnerability and recommendations for improving your internal compliance management.

## Share your whitepaper with /L readers!

*WhitePaper Digest* is designed to bring readers up-to-date information on all aspects of supply chain management. We're building a database of SCM whitepapers, and you can help. E-mail us with whitepaper recommendations: [editorial@inboundlogistics.com](mailto:editorial@inboundlogistics.com)



*Inbound Logistics* selects the best logistics and supply chain videos available anywhere and serves them up on [www.YouTube.com/InboundLogistics](http://www.YouTube.com/InboundLogistics)

## It's About Time

[bit.ly/LandstarWorkZone](http://bit.ly/LandstarWorkZone)

### Landstar System

This time-lapse video from a Work Zone cam captures the construction of Landstar System's new logistics center in Laredo, Texas. Landstar, a provider of specialized transportation logistics services, broke ground on the 31,000-square-foot logistics facility located on a 50-acre site in April 2016. When construction is complete, the facility will enable Landstar to continue growing its Mexico service offerings, which include truck, rail, LTL, transload, customs brokerage, and freight forwarding services.



WORK ZONE CAM



### Sunshine and Speed

[bit.ly/PortEverglades](http://bit.ly/PortEverglades)

#### Port Everglades

Most people associate South Florida with sunshine, but shippers identify it with speed. This video illustrates why Port Everglades has rapidly established itself as Florida's leading seaport for containerized cargo, located at the epicenter of a region that thrives on trade. See why it's the perfect hub and point of entry for companies that conduct business in Central America and South America, the Caribbean, Europe and the Far East.





## Fighting for Freight

[bit.ly/SomaliPirateFight](http://bit.ly/SomaliPirateFight)

### Somali Pirates vs. Ship's Private Security Guards

A member of private security firm Trident Group shot this footage during an attack on the MV Avocet, a bulk freighter operated by New York-based Eagle Bulk Shipping Inc., in March 2011, according to a 2012 Bloomberg report. The three-minute helmet-cam footage was first screened during a shipping conference in December 2011.

## Stand Out in the Cloud

[bit.ly/KuebixVideo](http://bit.ly/KuebixVideo)

### Kuebix

Every business that ships freight should have a transportation management system (TMS), according to Kuebix CEO Ray DeSabato in this video. Recent innovations in web service technology make it possible for Kuebix to provide direct carrier rates, proof of delivery and bill of lading images, online shipment scheduling, and real-time status updates from all carriers on one platform. See how you can benefit from Kuebix's cloud-based technology.



## Master Your Career

[bit.ly/MIT\\_MicroMasters](http://bit.ly/MIT_MicroMasters)

### Massachusetts Institute of Technology

Gain supply chain management expertise through an innovative online program consisting of five courses and a final capstone exam, outlined in this video. The MicroMasters Program in Supply Chain from MITx is an advanced, professional, graduate-level foundation in supply chain management. The MicroMasters credential showcases your understanding of supply chain analytics, design, technology, dynamics, and end-to-end supply chain management.

## Chain Reaction

[bit.ly/IBMThinkAcademy](http://bit.ly/IBMThinkAcademy)

### IBM Think Academy

Got three minutes? That's all it takes for the experts at IBM to explain how blockchain technology secures and simplifies the supply chain. Get a better handle on the role blockchain technology plays in the global supply chain, and sneak a peek into the future of secure, compliant global trade.



## Elevating Excellence

[bit.ly/APICS\\_SC](http://bit.ly/APICS_SC)

### APICS

Supply chain professionals have the power to change the world, and APICS helps make that happen. Check out this video to see how the premier professional association for supply chain management continues to develop talent and elevate end-to-end supply chain performance. From education and certification to benchmarking and best practices, see how APICS sets the industry standard.



**DHL Global Forwarding**, the air and ocean freight arm of Deutsche Post DHL Group, launched its Americas Supply Chain Security Consultancy service. Led by former customs and law enforcement professionals, and with more than 250 security personnel, the new consultancy service helps companies achieve a more secure supply chain and become Customs-Trade Partnership Against Terrorism (C-TPAT) members.

### //Services//

**Averitt**, a provider of freight transportation and supply chain management solutions, now offers a simplified multimodal service. Shippers can choose from a range of full load and customized shipping services based on pricing, transit time, and specific needs. Offering one point of contact and end-to-end shipment visibility, the solution aims to streamline the process for shippers, from identifying modes to booking and tracking.

**UPS** revealed plans for a new \$260-million package processing facility in Plainfield, Indiana, on 91 acres west of Indianapolis. Together with improvements to existing buildings on 81st Street, 16th Street, and in Castleton, UPS expects to add more than 575 new full-time equivalent positions over the next five years in addition to gaining flexibility for routing through its network. A portion of the 893,000-square-foot hub opens in fall 2017 for trailer processing with a delivery operation to dispatch UPS trucks in time for the holiday season.

**American Airlines Cargo** opened a Controlled Room Temperature (CRT) facility at its London Heathrow (LHR) cargo center. The new CRT can accommodate up to 16 times more standard euro skid pallets at one time than the previous room, providing shippers with greater capacity to move temperature-sensitive healthcare freight to and from LHR. It is a fully monitored and alarmed facility, where the standard operating temperature will be set to maintain passive products at 59°F to 77°F.





**Delta Cargo** opened its Cargo Control Center (CCC), which will support daily cargo operations across the globe. The new Atlanta facility covers all aspects of cargo transportation and management, with the ability to track air shipments, trucks, mail, and freight, domestically and internationally. The CCC team is able to view the individual elements of the shipment lifecycle and identify issues before they take place, as well as provide proactive communication and support if a flight is cancelled or delayed.

**TPS Logistics**, a third-party logistics management company, launched **Beauty Logistics**, a subsidiary company created to provide logistics expertise and operations to the niche luxury health and beauty industry. Beauty Logistics specializes in supply chain optimization for this vertical industry. The subsidiary company provides full platform management of transportation modes, providing shippers with supply chain data.

Supply chain solutions provider **Ingram Micro Commerce & Fulfillment** launched a Prime fulfillment solution. The new offering provides a fulfillment solution for its customers leveraging Amazon Prime sales for business growth. The service allows vendors to comply with Prime fulfillment while still maintaining control over their inventory and logistics.

## //Transportation//

**IAG Cargo** expanded its wide-body service into Latin America and North America by adding LEVEL, IAG's new long-haul low-cost airline brand, to its cargo operations starting in June 2017. LEVEL opens up a new long-haul, wide-body cargo gateway in Barcelona, offering three new routes into the Americas. The service flies to Los Angeles, Punta Cana in the Dominican Republic, and Buenos Aires in Argentina, and is serviced by A330-200 aircraft.

**King Ocean Services Limited** and **Crowley Caribbean Services** expanded their reach into Central America from Broward County, Florida's Port Everglades by entering into a vessel sharing agreement (VSA). The new agreement saves shippers at least one full day by offering direct service from Costa Rica and Panama instead of stopping in Miami first. King Ocean sails its own ship from Port Everglades to Costa Rica for the first time as the VSA calls for alternating ships weekly with Crowley on this route.

## //Technology//

TMS provider **Pierbridge** released the latest version of *Transtream*, its multi-carrier management software, which includes support for same-day delivery services from crowd-sourced, last mile logistics company Deliv. Deliv services provide Transtream users with more last-mile delivery choices. *Transtream* lets e-commerce businesses automate rating and delivery times in shopping carts, streamlines shipping processes in stores and warehouses, and provides shipment visibility.



PortMiami's largest cargo terminal and carrier, **Seaboard Marine**, added a direct service between Miami; Guayaquil, Ecuador; Callao, Peru; and Paita, Peru. The weekly service started in early August 2017 and is supported by three dedicated vessels transiting via the Panama Canal to and from Ecuador and Peru, transporting both dry and refrigerated cargoes.



◀ TMS provider **Kuebix** and international freight marketplace **SimpliShip** have partnered to integrate the SimpliShip International Freight Rate API with Kuebix TMS. The partnership with SimpliShip connects Kuebix users to a large network of freight forwarders and NVOCCs for instant and spot market air and ocean freight pricing. Kuebix enables companies to manage all freight modes and providers on one cloud-based platform.

**FourKites**, a provider of multimodal supply chain visibility solutions, launched a real-time temperature and location tracking solution for shippers. The offering allows FourKites customers to monitor shipment temperatures and ensure compliance across their supply chains. FourKites' real-time temperature tracking makes it easier for shippers to comply with the Food Safety Modernization Act, which requires temperature-sensitive foods remain within specified temperature ranges during transit.

**Amber Road**, a provider of global trade management solutions, added 89 trade agreements to its Free Trade Agreement (FTA) Management solution, bringing the total to more than 120. Amber Road now supports new agreements in North America, Asia, Europe, and South America. Amber Road's FTA Management solution simplifies the compliance and

qualification processes for companies looking to open up new markets.

Online platform **WeFixFreight.com** (WFF) expedites freight remediation for manufacturers, retailers, and 3PLs that incur losses as a result of goods damaged during transport. The new platform offers a national network of WFF service agents who are on standby and prepared to remediate the load. Its software lets users configure, estimate, and order freight remediation services in minutes from a computer or mobile device.

## //Products//

Protective packaging company **Storopack** unveiled AIRplus Wrap film—a space-saving alternative to traditional bubble wrapping. With its flexible, diamond-shaped structure, the AIRplus Wrap film protects fragile and delicate products

of varying sizes from scratches, rubbing, shifting, and damage during transit. In addition, the film can be produced on demand: The packer creates air cushions when needed at the packing station.

Cold chain solutions provider **Cryopak** expanded its CryoCube line of reusable temperature-controlled shipping systems for cold chain packaging. Cryopak now offers the CryoCube in molded expanded polystyrene (EPS) as well as polyurethane (PUR) varieties, in addition to the existing fabricated EPS and vacuum insulated panel (VIP) solutions. Shippers can choose from the economical fabricated EPS for shorter durations (starting at 36 hours), a higher thermal performance option with VIP for extended durations (up to 120 hours), and anywhere in-between with the new molded EPS and PUR models.

▶ Order picking solutions provider **UNEX Manufacturing** now includes five infeed “shark fin” guides for each level of UNEX Shelf Track wheel bed purchased through Sept. 30, 2017. The guides snap in place on the wheel bed and keep inventory organized in its designated lane, smoothing carton flow and speeding fulfillment. The UNEX Shelf Track solution fits into existing racks and shelves within manufacturing plants, warehouses, and distribution centers.







**Railserve**, a locomotive maker and provider of in-plant rail switching services, placed its first Tier 4 DUAL LEAF Gen-Set Locomotive in service with a customer. Railserve developed the DUAL LEAF for shippers, industrial railroads, and short-line railroads that operate at speeds up to 30 mph. As compared with conventional units, the new DUAL LEAF Tier 4-compliant locomotives cut particulate emissions by 99 percent and NO<sub>x</sub> emissions by 92 percent. Tier 4 units operate at lower RPMs in low-notch and idle phases, improving fuel economy.

"Alexa, play the Inbound Logistics Podcast on Tunein."

The advertisement features a stack of books on the left, a set of keys in the foreground, and an Amazon Echo device on the right. A speech bubble from the Echo contains the text: "EPISODE 24: Is your supply chain business moving at the speed of technology or are you one of the companies getting left behind? inbound logistics SPECIAL GUEST: MIKE ZAYONG, DIRECTOR, PLUG AND PLAY SUPPLY CHAIN &amp; LOGISTICS". At the bottom left, it says "NOW AVAILABLE VIA" followed by the Tunein logo.

# CALENDAR

YOUR LOGISTICS  
DATEBOOK

OCT  
15

American Production and Inventory Control Society

## APICS 2017

[apics.org/annual-conference](http://apics.org/annual-conference) | San Antonio, Texas | OCT 15-17

**AUDIENCE:** Supply chain, operations, and logistics management professionals

**FOCUS:** Strategies to create more sustainable and value-driven supply chains; simulation and optimization in complex manufacturing operations; reverse logistics trends

**OCT 17-19, 2017** Houston, Texas

Breakbulk Events & Media

## Breakbulk Americas

[breakbulk.com](http://breakbulk.com)

**AUDIENCE:** Project cargo and breakbulk transportation professionals

**FOCUS:** Project freight management from the shipper's perspective; maximizing cargo safety and vessel efficiency; steel challenges in 2017 and beyond; improving Incoterms rules for project cargo shippers; overcoming barriers in moving oversize/overweight cargo throughout North America

**NOV 1-3, 2017** Miami, Fla.

World Trade Center Miami

## Air & Sea Cargo Americas

[seacargoamericas.com](http://seacargoamericas.com)

**AUDIENCE:** Executives from the aviation, maritime, and logistics sectors

**FOCUS:** Enhancing the growth of the cargo industry; the latest security and safety regulations to secure cargo; manufacturer and shipper needs in high-growth cargo

**JAN 29-31, 2018** Dallas, Texas

National Industrial Transportation League (NITL)

## 2018 Transportation Summit

[nitl.org/events/annual-conference/2018-summit](http://nitl.org/events/annual-conference/2018-summit)

**AUDIENCE:** Logistics professionals

**FOCUS:** Navigating the intergenerational workforce; rail, ocean, and highway freight transportation issues; trends in rail and ocean transportation; highway transportation update; energy outlook

### CONFERENCES

**SEPT 18-20, 2017** Nashville, Tenn.

Event Evolution

## PARCEL Forum '17

[parcelforum.com](http://parcelforum.com)

**AUDIENCE:** Distribution, logistics, supply chain, and warehouse managers; small-package supply chain stakeholders

**FOCUS:** Optimizing the international supply chain; evaluating DC efficiencies; analytics for controlling your spend; the labor market and its impact on DC site selection; choosing between conveyor-based or cart-based picking

**SEPT 24-27, 2017** Atlanta, Ga.

Council of Supply Chain Management Professionals (CSCMP)

## CSCMP EDGE Supply Chain Conference & Exhibition

[cscmpconference.org](http://cscmpconference.org)

**AUDIENCE:** Supply chain management professionals

**FOCUS:** End-to-end supply chain solutions; global supply chain best practices; increasing visibility; how the best companies manage the unexpected; integrated business planning

**SEPT 25-29, 2017** Chicago, Ill.

International Quality & Productivity Center (IQPC)

## Global Forum 15th Annual Temperature Controlled Life Science Supply Chains

[coldchainglobalforum.com](http://coldchainglobalforum.com)

**AUDIENCE:** Cold chain stakeholders

**FOCUS:** Addressing the medical needs of patients globally through industry collaboration and supply chain innovation; eliminating supply chain blind spots to increase safety and improve quality

**OCT 2-4, 2017** Boca Raton, Fla.

MHI

## MHI Annual Conference

[www.mhi.org/conference](http://www.mhi.org/conference)

**AUDIENCE:** Supply chain stakeholders in manufacturing and distribution companies

**FOCUS:** From the Internet of Things to smart factories, implementing Industry 4.0; innovating swiftly and systematically; building the future supply chain workforce; current and future state of distribution center technology; trends shaping the materials handling sector

**OCT 3-5, 2017** Nashville, Tenn.

Worldwide Business Research

## Consumer Returns Management 2017

[consumerreturns.wbresearch.com](http://consumerreturns.wbresearch.com)

**AUDIENCE:** Executive-level supply chain professionals

**FOCUS:** Overcoming the omnichannel returns challenge; integrating expectations within the reverse supply chain; reducing returns through a customer-value partnership; data-driven insights on preventing returns, optimizing policies, and forecasting

**OCT 4-6, 2017** West Philadelphia, Pa.

Worldwide Business Research

## LogiPharma 2017

[logipharmaus.wbresearch.com](http://logipharmaus.wbresearch.com)

**AUDIENCE:** Pharmaceutical supply chain stakeholders

**FOCUS:** Optimizing the supply chain to contain costs in an ever-changing healthcare environment; activating the digital supply chain to increase efficiencies and better meet patient needs; building the supply chain of the future and partnering for end-to-end visibility



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www.utxl.com 800-351-2821

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## Air Cargo

**Miami International Airport** pg. 83  
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## Career Development/Education

**APICS 2017** Cover 3  
www.apicsconference.org/2017 800-444-2742

## Events

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www.cscmpconference.org 630-574-0985

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www.seacargoamericas.com 305-871-7910

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www.parcelforum.com 866-378-4991

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**UPS Capital** Cover 2  
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**Freight Logistics** pg. 73  
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**Florida East Coast Railway** pg. 87  
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www.flaports.org 850-222-8028

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TOTAL U.S. APPLE PRODUCTION  
FOR 2016 IS ESTIMATED AT



# 11.3

BILLION  
POUNDS

# UP 12%

FROM 2015. THE AVERAGE  
PRICE FOR THE 2016 CROP, AT  
32 CENTS PER POUND, WAS  
DOWN 1.6 CENTS PER POUND  
FROM THE PREVIOUS SEASON.

U.S. TOTAL VALUE FOR THE  
2016 SEASON WAS  
\$3.46 BILLION, UP 3 PERCENT  
FROM THE PREVIOUS SEASON.

U.S. SWEET CHERRY  
PRODUCTION  
IS FORECAST AT

# 432,760 TONS

IN 2017, UP 36 PERCENT FROM  
2016. IN CALIFORNIA, GROWERS  
EXPECT THE BEST CROP IN  
RECENT YEARS FOLLOWING  
SEVERAL SEASONS OF  
DROUGHTS AND LOW YIELDS.



# 88 PERCENT

OF THE 2016 U.S.  
UTILIZED GRAPE  
PRODUCTION WAS  
FROM CALIFORNIA  
CROP.

# 47%

INCREASE IN TOTAL  
CONTAINER VOLUME IN PORT  
MANATEE FOR THE FIRST  
10 MONTHS OF FISCAL 2017  
COMPARED WITH FIRST 10  
MONTHS OF FISCAL 2016.

### REASON FOR VOLUME GOING BANANAS?

IMPORTS OF CENTRAL  
AMERICAN BANANAS AND  
PINEAPPLES BY DEL MONTE  
FRESH PRODUCE N.A. ARE  
TRANSITIONING FROM  
BREAKBULK TO CONTAINERS.

## \$6.3 BILLION

TOTAL U.S. FRUIT AND  
VEGETABLE EXPORTS  
IN 2015

FLORIDA PRODUCERS GROW



# 25,000 ACRES

OF GRAPEFRUIT,  
70 PERCENT OF WHICH  
SHIPS TO THE EU MARKET.

*Sources: The New York Times, Port Manatee, U.S. Department of  
Agriculture, Congressional Research Service*





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Dan Lewis | Convoy

Monday October 16 | 8:15am-9:30am

### **Ecommerce Supply Chain Challenges in 2017: Navigating the Paradox of Going Both Local and Global**

Craig Morris | DHL eCommerce

Tuesday, October 17 | 8:15am-9:30am

## RETURN Track

### **Evolving Trends in Reverse Logistics**

Mark Hardison, CFPIM, CSCP, CLTD, Mallinckrodt Pharmaceuticals

Sunday, October 15 | 8:15am-9:30am

### **Returns in Today's Retail—How to Mitigate the Negative Impact to Manufacturers and Retailers**

Chuck Johnston | The Home Depot

Sunday, October 15 | 1pm-2:15pm

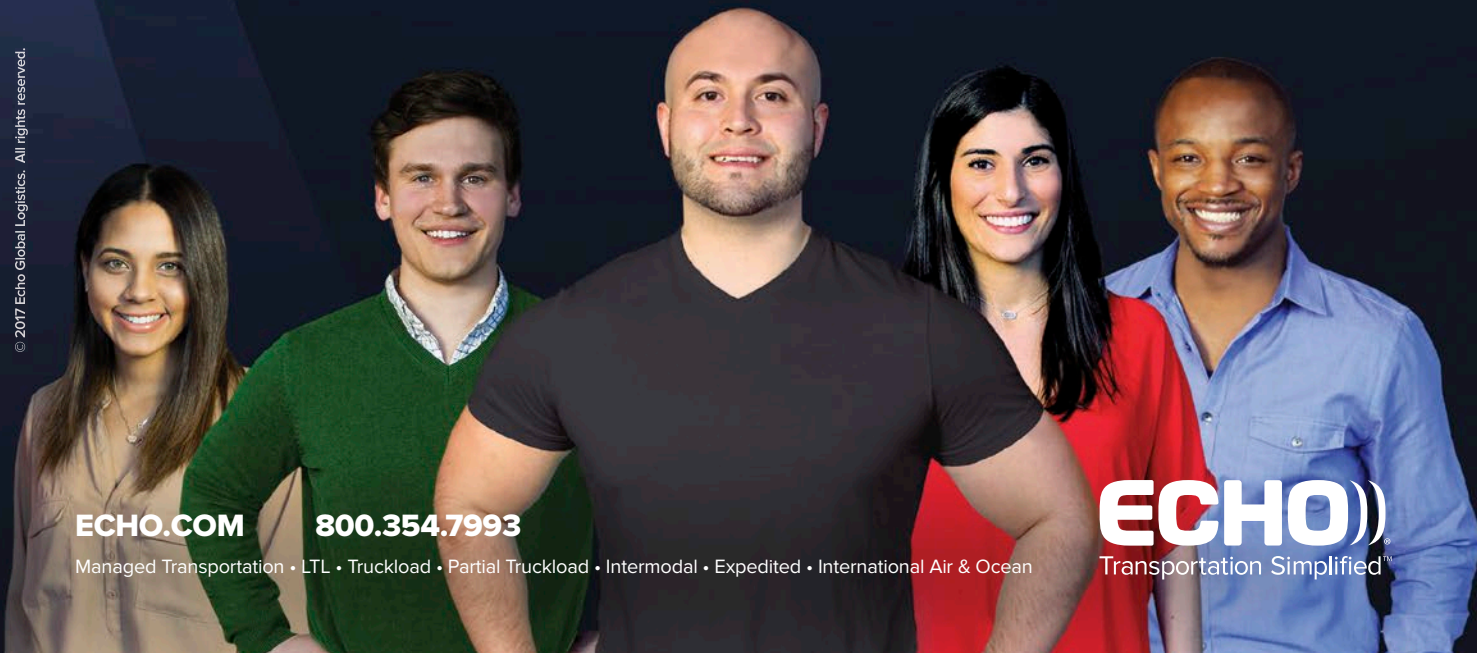
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