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

Now 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 (KPIs), 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.



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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."