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August 2015 • Vol. 35 • No. 8

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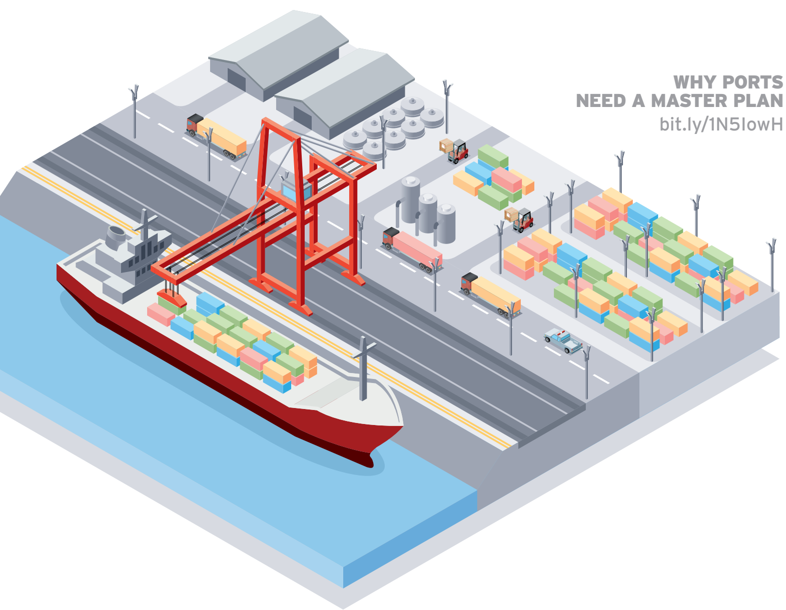

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ONLINE EXCLUSIVES

Why Ports Need a Master Plan bit.ly/1N5IowH

Natacha J. Yacinthe, Ph.D., AICP, Principal Seaport Planner, Port Everglades

A port with a master plan in place is more attractive to prospective partners and makes operations more efficient. Find out why ports with a master plan can be more marketable to shipping lines and logistics operators.

How to Wirelessly Enable Your Supply Chain bit.ly/1KZP10q

Thomas McKay, Director of Marketing and Communications, Numerex Corp.

Companies are increasingly using machine-to-machine (M2M) technology to maximize operational efficiency, minimize loss and theft, and better serve their customers. Discover how M2M technology can directly benefit your company's bottom line and competitive position.

What Customers Expect in the E-Commerce Age bit.ly/1NIk4Uw

Tom Caporaso, CEO, Clarus Marketing Group

Online shopping has vastly changed the competitive nature of today's retail market. This article illustrates how successful retailers continually optimize their sales and marketing channels to meet and exceed customers' expectations.

LOGISTICS PLANNER RESOURCES

Planner Profiles bit.ly/1s6ETge

The Logistics Planner Profiles let you explore, in depth, the 3PLs, warehousing, technology, and transportation providers that can help you cut transportation and logistics costs, boost efficiency, and improve supply chain operations.

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Use this Logistics Planner RFP to ask the market leaders for free, no-obligation advice, solutions, and information specific to your supply chain challenges and needs.

CHECKING IN

Felecia Stratton

by Felecia Stratton | **Editor**

Just Another Brick in the Mall

Travel around the world, and you see up-and-coming economies sporting many shiny new buildings, airports, ports, and factories, while more mature economies display aging legacy infrastructure. It's the nature of progress. You see the same parallel in retail operations, where newer e-commerce models seem to overcome legacy brick-and-mortar models. But not entirely.

Yes, e-commerce is rewriting the rules for retail. The virtual marketplace has unleashed a wave of consumerism. If you have a good product, a web presence, and a PayPal account, you can use FedEx and UPS to reach the world. Or you can tap into Amazon's ecosystem and do much the same.

Online retailing is crossing boundaries in other ways, too. Mobile devices enable e-commerce companies to reach into the consumer's pocket at any time, anywhere, and make a sale. Shopping is more instinctive and educated. Whether it's automatically triggering an online order for laundry detergent with the push of an Amazon Dash button or "showrooming" the latest fashion item on your smartphone in search of a better price, the sky's the limit. If drone delivery ever gets off the ground that may, literally, be the case.

But smaller and newer retailers with fairly developed online retail operations are still attracted to the allure of a physical presence. On-demand e-tailers such as Google, Bonobos Guideshops, Birchbox, and Warby Parker are taking a more modern, scalable demand-driven e-commerce approach to brick and mortar. Some are even content to hitchhike on the legacy bricks of established retailers. E-commerce jewelry retailer BaubleBar, for example, tried small brick-and-mortar pop-up shops before deciding to partner with Nordstrom to put its jewelry in 35 locations. New bricks in the mall?

A physical presence adds to the customer experience in a way that e-commerce simply cannot replicate. For example, as more online retailers confront returns–and consumers make shopping decisions based on the ease of returns–the store becomes a reverse logistics hub. Similarly, the race for the last-mile is compelling retailers to become channel agnostic. To drive down logistics costs, they have to source inventory closer to demand. Product might come from a distribution center, a store, the manufacturer, or a truck passing by in the night.

Eventually retailers will feature omni-pricing across channels, click-and-collect and click-and-return convenience, and same-day delivery from local stores. There's already a reverse showrooming effect. Consumers are researching products online, then going to the store to buy.

Smart retailers are doing what they can–drawing from new and legacy models–to continue growing their customer base. Despite the rumors, brick-and-mortar is back in business. ■

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THE MAGAZINE FOR DEMAND-DRIVEN LOGISTICS

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DIALOG

THE ONGOING CONVERSATION

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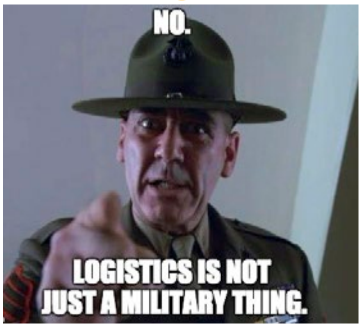
I have been reading *Inbound Logistics* for quite some time, and have benefited enormously from doing so. One salient thing I have taken away from reading the magazine is that issues such as compliance with regulatory standards and embracing the philosophy of corporate citizenship have greatly contributed to the reputational and financial success of companies, rather than creating setbacks for them. Also, I have been working in the compliance department for my company for almost a decade and have written a few short articles on trade issues with a strong emphasis on compliance, and want information on contributing whitepapers.

Sheik M. Ayube, Compliance Specialist, Walt Disney Company

Editor's note: We appreciate your feedback and welcome contributions from industry experts. Please email editorial@inboundlogistics.com for more information on how to submit whitepapers and other opinion articles.



I am trying to identify any industries or companies that deliver goods to retail through a distribution center that is owned by one manufacturer, but where that company agrees to deliver goods for other manufacturers for a fee or via a partnership deal. Have you come across examples of this type of distribution model within grocery retail (or broader retail as a proxy), or heard of any other examples?

James Gebhard, Senior Research Analyst, ORC International

Editor's note: Yes, the shared-space trend is happening—particularly among smaller manufacturers that have extra space and lease it out. It makes sense from an asset utilization perspective. For larger companies, increased risk and liability come into play, but there are notable examples of brands sharing warehousing and transportation to reduce costs. For instance, Amazon set up fulfillment operations in some manufacturing facilities for big customers. Also, Kane Is Able facilitates this for smaller companies, notably in the confectionary space. But they are using 3PLs to manage the engagement. In fact, this proposition is how a manufacturer evolves into a 3PL.

Inbound Logistics
9 August 2015
Six Secrets to Controlling #SupplyChain Costs Without Sacrificing Service
bit.ly/1uPBRi2

Irina Rosca @ir_rosca
@ILMagazine Thanks for sharing this strategy of combining customer service and lean. #SupplyChain operations are key to leading organizations.

Inbound Logistics
11 August 2015
Going Beyond the Call of Duty - bit.ly/1HE4XRg #HireAVet #Veterans

Cinram Group Inc. @CinramGroup
Wow, inspiring story. #veterans #HireaVet #3PL #logisticsjobs

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The average U.S. cargo theft is $233,000.*
What's more surprising?
You're probably not protected.
Most companies assume it won't happen to them. But in the U.S., more than 800 of them are proved wrong every year. And they'll need a lot of new sales to cover just one bottom-line loss. Bad guys are plotting, but so are we. UPS Capital Insurance Agency, Inc. will customize a policy for your business and even cover losses to the full retail value. Better yet, with more than 100 years of supply chain expertise, we can help prevent them in the first place. Protect yourself. upscapital.com
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*FreightWatch International, Supply Chain Intelligence Center: Annual Cargo Theft Report 2014.

10TIPS
STEP-BY-STEP SOLUTIONS

Safeguarding Your Loading Dock

No matter how thoroughly you follow OSHA's safety training requirements, or how diligently you supplement safety requirements with in-house training and programs, there are still likely to be gaps in your company's loading dock safety efforts. Andy Brousseau, manager of warehouse safety for third-party logistics services provider APL Logistics, offers the following recommendations for efficiently shaping safety training plans.

1 **Offer additional forklift safety training.** Consider making full forklift operator safety training an annual tradition. In addition, review forklift safety topics during shorter training sessions held throughout the year.

2 **Require seatbelts.** Insist drivers wear seatbelts every time they get behind the forklift wheel. Just as important, make the penalties for not complying with this requirement so stringent that drivers will think twice before ignoring it.

3 **Address forklift safety issues.** Monitor as many aspects of operators' equipment driving records as you can. This helps determine which operators need additional coaching or stronger supervision to address potentially risky habits or issues before they turn into serious accidents.

4 **Prepare for spills.** Small spills or leaks can lead to major slips. If something spills or leaks on your loading dock or trailers, get it cleaned and dried immediately – even if you have to interrupt loading activities. If you're unable to address the spill immediately, mark off the area and put up warning cones or signs.

5 **Keep truck drivers contained.** Creating an official waiting area where drivers can relax and stay out of the way while their trailers are being loaded or unloaded can go a long way toward minimizing risk, especially if that waiting area is the only place drivers are allowed to be.

6 **Hold on to drivers' keys.** Request drivers hand over their keys while they're at your facility so they can't operate their vehicles until your dock and yard personnel give them the all-clear. This removes the possibility of drivers unlocking a dock door while it's still in use.

7 **Provide non-operators with safety training.** Make sure all employees are educated on forklift safety, especially as it pertains to how heavy the vehicles are and which factors affect their load stability. Also, ensure pedestrian loading dock employees understand that they need to be vigilant.

8 **Avoid ergonomic injuries.** Activities such as unloading trucks with non-palletized cargo can create strain on the neck, shoulder, or back and can cause serious pain. Consider adding an ergonomic awareness component, such as safe lifting training and stressing the importance of task rotation, to your company's loading dock safety program.

9 **Create awareness of falling freight.** Freight securement methods occasionally fail and when they do, frequently the person unloading a tractor-trailer takes the hit. In fact, falling freight is one reason to require that your loading dock personnel wear protective clothing such as hard hats and steel-toed boots any time they're on the job. Consider implementing policies such as having employees open just one truck door at a time when trucks arrive, and to stand behind it when they do.

10 **Ensure safety in the yard.** Pedestrians who work in your truck yard should wear high-visibility colors, avoid trucks' blind spots, and refrain from using cellphones or headphones while they're working outside. Other useful practices include yard cleaning only during daylight hours and working in two-person teams during busy periods. ■

NOTED

THE SUPPLY CHAIN IN BRIEF

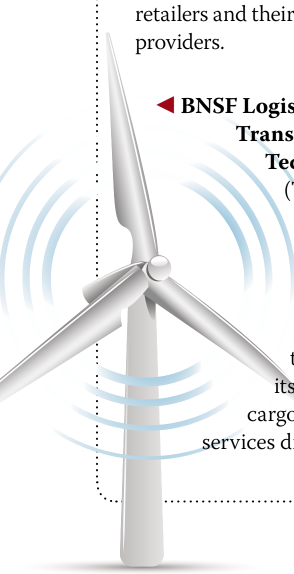
m&a

UPS bought transportation and shipping services provider **Coyote Logistics** for $1.8 billion, a deal that boosts the parcel delivery company's full-truckload capacity and ability to adapt quickly to shipping demand spikes.

MainOcean, a port solutions service provider and dry warehousing company, acquired **Charleston Freight Station**. As a result, MainOcean expands services and square footage at the Port of Charleston, S.C.

Descartes Systems Group, a supply chain technology company, acquired **MK Data Services**, a provider of denied-party-screening trade data and solutions, and **BearWare**, a provider of mobile solutions designed to improve collaboration between retailers and their logistics service providers.

◀ **BNSF Logistics** acquired **Transportation Technology Services** (TTS), a Texas-based business that transports wind turbine components. BNSF plans to transform TTS into its own rail, project cargo, and engineering services division.



SEALED DEALS

Noble Foods, which supplies fresh eggs to major retailers in the United Kingdom, selected **Paragon Software Systems'** *Integrated Fleets* planning solution as its strategic modeling tool. The Paragon software helps Noble Foods efficiently deliver 72 million eggs every week.

Aaron's, a lease-to-own specialty retailer, partnered with **Azuga**, a rewards-driven GPS fleet tracking and driver behavior solution, to improve fleet safety and increase ROI. The partnership allows Aaron's to offer GPS functionality combined with driver rewards, vehicle health, and plug-and-play installation to its more than 7,000 fleet drivers.

▼ **FL Technics**, a global provider of aircraft maintenance, repair, and overhaul services, partnered with **B&H Worldwide**, an aviation parts logistics specialist. Under the deal, FL Technics expands its London-based aircraft spare parts stock and reduces delivery time.

Maersk Line appointed **GAC** to provide husbandry services for its vessels calling at Hong Kong. Under the two-year contract, GAC handles more than 1,000 calls by Maersk Line and partner MCC Transport vessels per year at all ports and terminals in Hong Kong.

UP THE CHAIN

◀ **Sandra MacQuillan**, senior vice president and chief supply chain officer for Kimberly-Clark, joined the Executive Advisory Board of **SCM World**, a supply chain talent development partner. The invite-only group of 12 C-level supply chain executives works to educate, advise, and influence the future of the supply chain management profession.

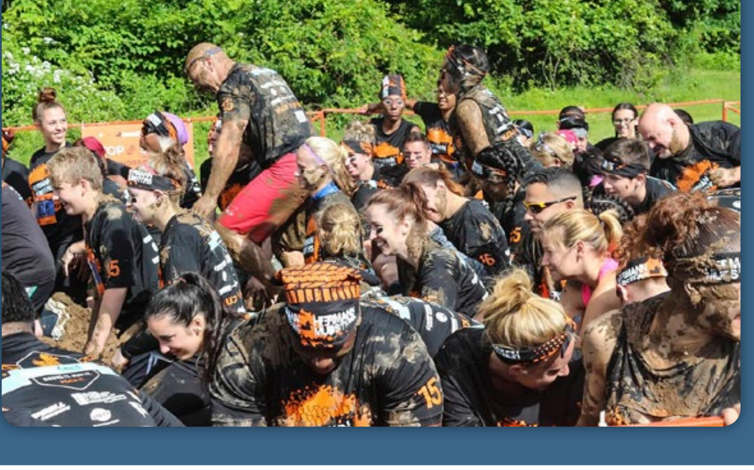
Lowe's Canada appointed **Gregor Stuart** as vice president, supply chain. In this newly created position, Stuart oversees the supply chain function and new distribution center in Milton, Ontario.

Pharma Tech Industries, a pharmaceutical contract manufacturer and packager of powder products, promoted **Matthew Milner** to director of supply chain operations. Milner oversees the company's strategic approach to supply chain management and customer service.

GOOD WORKS

▼ More than 250 **Hermann Services** employees, customers, and vendors ran "amuck" through mountains of mud at MuckFest MS in New Jersey's South Mountain Reservation to support the National Multiple Sclerosis Society. The Hermann Mudsters raised more than $40,000, earning a place in the Muckety Muck Club.

a2b Fulfillment, a third-party provider of business support services, opened an art studio in the Pete Nance Boys & Girls Club in Greensboro, Ga. Ayal Latz, president and founder of a2b, and his wife Kara donated the art studio while Sarah Latz, a2b's human resources director and an artist as well, helped design the brightly colored space.



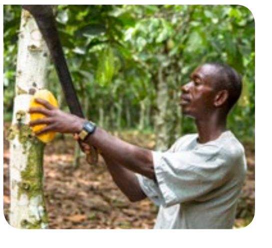
recognition

Alliance Shippers, a provider of global logistics services, received a **Carrier of the Year Award** from Gorton's for the fourth time since 2010. Gorton's, which produces frozen seafood for the retail market, recognizes outstanding performance in several vendor categories.

The Intermodal Association of North America (IANA) chose **Clarence Gooden**, executive vice president and chief commercial officer of CSX Corporation, as the recipient of its **2015 Silver Kingpin Award**, which recognizes long-term contributions to intermodalism.

The Frost & Sullivan Manufacturing Leadership Council presented **Raymond Corporation** with the **Manufacturing Leadership Award** in the operational excellence leadership category. This recognition honors North American companies shaping the future of global manufacturing, embracing innovation, and responding nimbly to marketplace demands.

GREEN SEEDS



▶ **The Hershey Company** created a new program with Barry Callebaut, a long-term cocoa sourcing partner, to train 8,000 farmers in Côte d'Ivoire in sustainable, modern cocoa farming practices.

FedEx committed to buying three million gallons of biofuel per year to help power its air cargo fleet beginning in 2017. Currently, the company burns 90 million gallons of jet fuel each month. FedEx aims to procure 30 percent of its jet fuel from alternative sources by 2030.


ICE

[INFOCUS]

TRENDS

SHAPING THE FUTURE OF LOGISTICS

Warehouse Performance: It's a Whole New Game

by Joseph O'Reilly

One new way to save money on warehouse labor costs is to turn work into a game. No, we don't mean a chucking-things-across-the-warehouse-floor kind of game, but creating competition through gamification. It's a way to drive down warehouse labor costs by increasing employee performance and morale. The process displays performance data on the warehouse floor to create incentives for employees to perform better, while also making them feel part of a company team.

"For a long time, warehouses have been looking for different ways to produce better performance within the labor force," says Peter Schnorbach, senior director of product management at Atlanta-based supply chain software provider Manhattan Associates. "It's a natural extension for them to jump on the gamification bandwagon."

In one obvious way, warehouses have been gamified since they posted "*x* hours lost to injuries" signs on their walls. "Safety is the oldest measured performance in the book," Schnorbach says. "Why do you think they posted it? Because it incentivized people."

For companies that measure employee performance, that information can turn work into a competition that incentivizes whatever needs improvement, whether it's productivity, accuracy, or still, safety.

In addition, gamification can help employees feel less isolated, especially in large warehouses where they aren't likely to interact with each other, Schnorbach says. It can make employees more satisfied with their work, which reduces turnover – another cost saver – and maintains a happy and productive warehouse workforce.

"Exposing performance in the form of a game engages employees," he adds. "It lets them know they are important, that how they perform is important, and that they're contributing to the operation."

The concept is still new to warehouses. "If you said 'gamification' five years ago, nobody would have known what you were talking about," Schnorbach says. "Today you get fewer blank stares. Most people understand the concept."

Companies are starting to incorporate the use of flat-screen TVs in the warehouse to post performance information. More sophisticated gamfication programs give employees concrete rewards; for example, employees in the top 10 receive a medallion, and then, after collecting a set amount of medallions, they receive a reward.

Gamification will become more popular in the future, Schnorbach expects, and vendors will come up with a framework to make it more standard.

–Jen A. Miller

Disrupting the Supply Chain

Disruptive technologies have the potential to rapidly redefine supply chain rules of engagement. But they're not always a sure thing. Since 2005, radio-frequency identification (RFID) has been identified as the next major step change in logistics, but its application has been evolutionary, not revolutionary. That may yet change.

As industry continues to ride the wave of

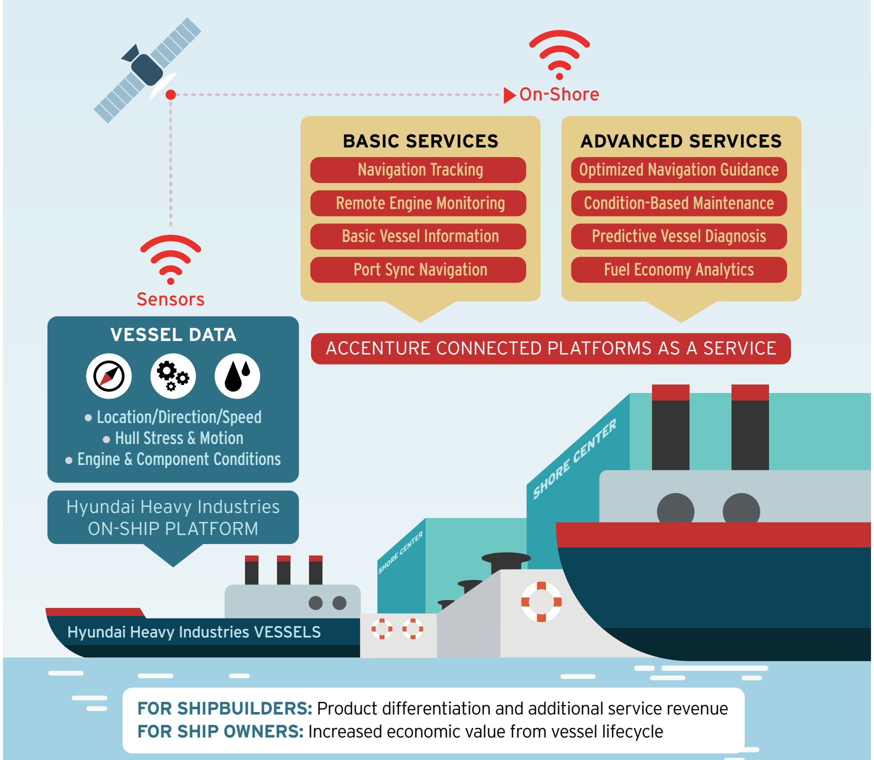
Big Data and Big Blue Converge

Marine transport is arguably the smartest modal option when it comes to economy and environmental impact. Now, in an unlikely tandem, South Korean shipbuilder Hyundai Heavy Industries and Dublin-based consultant Accenture intend to raise that superlative even higher by integrating digital technology and data analytics into new ship designs. These "connected smart ships" will help steamship lines use digital technologies to better manage fleets and reduce costs.

Using a network of sensors that will be built into new vessels, ship owners will be able to capture a range of information including location, weather, and ocean currents, as well as on-board equipment and cargo status alerts. By applying real-time analytics to new and historical fleet data, and using data visualization technology to present these insights, users will be able to monitor a vessel's status and condition in real time so they can make data-driven decisions that support more efficient operations.

"Businesses can gain a competitive advantage by embracing the connectivity wave underpinning the Internet of Things and integrating digital services into their products to keep pace with the next wave of innovation," says Eric Schaeffer, senior managing director, Accenture.

With real-time data collection and exchange across vessels, ports, cargo, and land logistics, Hyundai Heavy Industries will be able to create additional services and revenue streams for customers throughout the lifecycle of ships and journeys, removing barriers between different elements of a ship's operation.



Source: Accenture


TODAY'S SPECIALS
LT
sandwich

disruptive influences such as cloud computing and containerization—indeed, half a century removed, Malcom McLean's "box" is still shaping global trade—innovators and investors are looking to identify the next big thing. From delivery drones to virtual reality, many advances are poised to create new pathways for supply chain practitioners.

To help separate fact from fancy, *Inbound Logistics*' July 2015 3PL Perspectives market research report asked more than 250 third-party logistics (3PL) providers to share their opinion on the disruptive innovations that will have the greatest impact on logistics and supply chain management in the future (*see chart, right*).

3PL providers overwhelmingly cite the Internet of Things (IoT) (42 percent) and driverless vehicles (41 percent) as the two innovations most likely to impact the supply chain. U.S. driver shortages and capacity constraints are top-of-mind concerns for shippers. Recent news that Daimler will begin testing self-driving trucks on European roads adds further credibility to survey responses. With regard to IoT progressions, semiconductor manufacturers and suppliers are already looking to lock up key precious metal resources in advance of growth expectations.

Top Disruptive Innovations

3PLs cite these innovations as the most likely to impact logistics and supply chain management in the future.

Internet of Things	42%	Embedded Sensors	23%
Driverless Vehicles	41%	Artificial Intelligence	21%
Drones	25%	Wearable Technology	20%
3D Printing	24%	Virtual Reality	7%
RFID	24%		

Source: *Inbound Logistics* 3PL Perspectives report

Industrial Distributors Adapt Sourcing Tactics

New research indicates that changing market conditions are challenging conventional thinking among industrial distributors. The *UPS Industrial Buying Dynamics* study, conducted by research firm TNS, reveals that buyers are increasingly willing to purchase outside their existing supply base, especially via online channels.

The study polled 1,500 purchasing professionals to better understand factors that influence the purchase of industrial products.

Thirty-eight percent of online industrial product buyers report they are sourcing products from a new supplier (compared to 34 percent in 2013) and 72 percent say they would shift spending to a distributor with a more user-friendly website.

"Customer loyalty today is built on a different foundation than the one distributors have built over generations," says Brian Littlefield, UPS director of industrial manufacturing and distribution marketing.

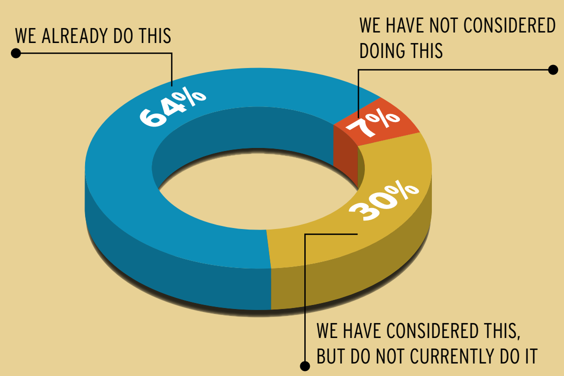
"Once price and quality standards are met, buyers are willing to explore vendors that better fit their needs, whether for a more convenient website, a better price, or simply someone who quickly answers product questions," Littlefield adds.

The UPS report reveals four market forces impacting how distributors source product:

1. Increasing buyer expectations that require a more integrated and user-friendly purchase process.
2. Growth of direct-from-manufacturer purchasing and online marketplaces.
3. The universal acceptance of, and demand for, B2B e-commerce.
4. The purchasing habits of millennials as they become the next generation of purchasing leaders.

PURCHASE DIRECT–FROM–MANUFACTURER

When it comes to buying direct-from-manufacturers, which of the following best describes your company?



Source: *UPS Industrial Buying Dynamics*

While Amazon continues to generate buzz about its drone delivery program, only 25 percent of 3PL respondents identify this as a major disruptive force in the supply chain. More surprising, 24 percent of respondents cite 3D printing as having a similar impact—equal to RFID.

New Web Platform Supports CSR

Mandates to drive corporate social responsibility (CSR) compliance are becoming increasingly common as industry recognizes the importance of aligning capitalism with conscience. A new venture spearheaded by the International Institute for Sustainable Development (IISD) aims to spark further change.

The non-profit research organization, based in Winnipeg, Canada, has launched a new web platform (www.iisd.org/ssi) to support its State of Sustainability Initiatives (SSI)—a research effort that provides a bird's eye view of sustainability standards and trends across different markets.

IISD's long-term goal is to develop the website into an information hub for supply chain sustainability stakeholders, including procurement agents, investment advisors, CEOs, policy-makers, and NGOs.

"The SSI website will enhance global learning and understanding about the role and potential of market-based voluntary sustainability initiatives such as eco-labels, sustainability standards, and roundtables," explains Jason Potts, associate at the IISD and author of the *SSI Review*.

Sustainability is yet another supply chain platform where shippers can remove silos and start integrating disparate functions, value chain partners, and industries. With regards to sustainable sourcing initiatives, many companies are looking at how to assess social, environmental, and economic impacts as they target new markets. The SSI website presents a comprehensive look not only at market trends but also the degree to which standards meet these requirements.

For example, it tracks sustainable sourcing commitments and best practices of companies, including Dole, Coca-Cola Company, Tetley, Unilever, Hershey, Home Depot, Lowe's, Starbucks, Nestlé, IKEA, and Adidas, among many others.

"We recognize the value in using a web-based platform to reach an international community of stakeholders with business-critical information on a $31.6-billion industry," Potts adds. ■

GLOBAL

THE WORLD AT A GLANCE

by Joseph O'Reilly

UPS Peddles Electric Cargo Bikes in Europe

E-commerce growth and last-mile expectations place a greater burden on shippers and carriers to find more efficient means to deliver parcels–especially in congested urban areas.

That's why UPS is currently testing the feasibility of using electric cargo bikes to pick up and drop off packages in downtown Basel, Switzerland. The company is already piloting a similar program in Hamburg, Germany. The battery-supported tricycle can carry loads weighing up to 330 pounds.

"By using cargo bikes in a targeted manner, UPS aims to reduce inner-city congestion, noise, and emissions," explains Philip Healey, marketing manager at UPS Switzerland. "This form of urban delivery also offers a distinct advantage to UPS, as it reduces the time spent searching for a suitable parking position."

The Basel pilot is part of a global UPS strategy to eliminate greenhouse gas emissions from its operations. In 2013, the global expediter reduced absolute CO_2 emissions by 1.5 percent compared to the previous year, even as global transport volume increased by nearly four percent during the same period.

GLP Shifts Investment Focus From China to United States

As further evidence of shifting global dynamics, Singapore-based facility landlord Global Logistic Properties (GLP) has been hedging investments against prevailing trade winds.

A slowdown in China's economy has given investors pause. GLP, the largest owner of logistics facilities in the country, has acknowledged it will draw down development projects as the economy continues to experience growing pains. China's transition from traditional export-focused manufacturing to newer, consumption-oriented industries is ongoing.

GLP says it plans to cut annual targets for new starts to $1.7 billion from $2.2 billion, and lower completions by 20 percent to $1.1 billion. It isn't a complete withdrawal. The company knows that China's booming middle class and e-commerce growth potential will eventually turn the tide.

But for the time being, it has its sights set on another emerging growth market—the United States.

As GLP slows China activity, it's ramping up U.S. investment with the announcement that it will buy more than 200 warehouses appraised at $4.55 billion from Industrial Income Trust—a deal that will make it the second-largest industrial real estate owner in the United States after Prologis. The acquisition features 58 million square feet of industrial capacity in 20 major markets, including Los Angeles, Washington, and Pennsylvania. It expands GLP's existing U.S. footprint by 50 percent to 173 million square feet.

The move is also indicative of the current land grab as real estate investors look to lock up distribution capacity to match growing e-commerce demand.

U.S. Manufacturing Holds Its Own

The inflation of U.S. currency against the rest of the world in 2015 puts domestic production at a disadvantage—especially as talk of a manufacturing renaissance and renewed reshoring resonate. In spite of this challenge, U.S. manufacturers continue to hold an edge over leading economies such as Germany, France, Japan, Australia, and Brazil, according to a Boston Consulting Group (BCG) report.

The think tank's *Global Manufacturing Cost-Competitiveness Index* tracks changes in production costs among the world's 25 largest export economies. It covers four primary drivers of manufacturing competitiveness: wages, productivity growth, energy costs, and currency exchange rates.

Manufacturing cost advantages of South Korea, India, Mexico, and China have narrowed considerably—especially compared to Europe and Japan—because their currencies remain relatively stable against the U.S. dollar, according to BCG's report. Switzerland and South Korea, notably, have lost ground against other export markets because of currency fluctuations.

By contrast, the devaluation of the euro had a positive effect in the Czech Republic and Poland, where average manufacturing costs are now lower than in the United States.

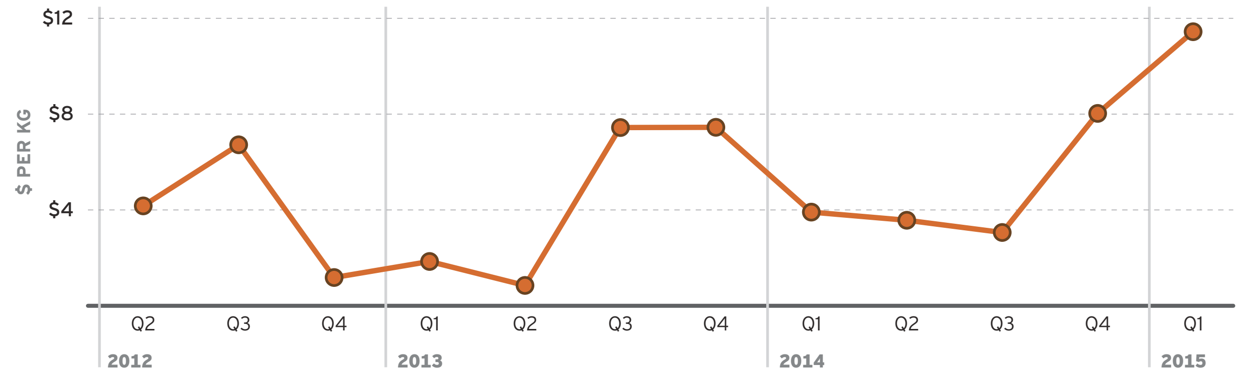
"While the major drop in the euro has reduced costs for European exporters, they're still about 10 percent more expensive on average than U.S.-based manufacturers," says Harold Sirkin, a BCG senior partner and co-author of the analysis. "The United States remains one of the lowest-cost locations for manufacturing in the developed world."

This trend has been emerging over the past few years. Several economies traditionally regarded as "high cost," including the United States, have become more competitive. By contrast, emerging markets known for low costs—notably China—have become far more expensive.

How so? U.S. labor productivity continues to offset increases in wages, and the drop in energy prices as a result of natural gas development further enhances total landed cost competitiveness.

U.S. Almond Import Prices Go Nuts

The continuing drought in California is depriving the world of almonds, and prices are rising. The average price per kilogram of imported almonds has exploded in the past year. In the first quarter of 2014, U.S. almond imports were $3.91 per kilogram. In the first quarter of 2015, the average price per kilogram reached $11.44, nearly triple the cost.



Source: Zepol Corporation, www.zepol.com

Great Lakes Partnership Sets Sail

The Saint Lawrence Seaway and Great Lakes network is North America's hidden transportation corridor—a marine highway that moves freight in and out of the heartland using the most environmentally friendly means possible. Still, it remains an underutilized asset. A new partnership between the American Great Lakes Ports Association, Lake Carriers' Association, Montreal-based dry-bulk shipping company Fednav, and Saint Lawrence Seaway Development Corporation aims to change that.

The bi-national Great Lakes Seaway Partnership is mandated to help publicize the benefits of commercial shipping in the Great Lakes Seaway region through education-focused communication and research. The organization will serve as a platform to discuss the economic, environmental, and safety benefits of leveraging the shared waterway for national, bi-national, and international trade.

"While the program does not have an advocacy agenda, we anticipate it will engage stakeholders by providing industry news, reports and studies, and opportunities for them to understand the impact Great Lakes Seaway shipping has on the economies of both the United States and Canada," says Mark W. Barker, president of the Interlake Steamship Company and chairman of the new program.

Freight Rail Picks Up Speed in China

Rail transportation in China has traditionally focused on passenger movement, which isn't surprising given the inherent challenge of mobility in a population 1.3-billion strong. But new research from the World Bank suggests freight rail is fast gaining traction.

The growth potential for container-by-rail is considerable, especially as the

Mercedes-Benz Revs Up Global Supply Chain

Mercedes-Benz intends to reduce logistics costs per vehicle by 20 percent, a remarkable goal by any measure. While the automaker has expanded production beyond Germany over the past decade to serve new markets, many of its parts suppliers are still located in Europe, which contributes to high logistics costs—even exceeding manufacturing spend in some scenarios.

"With more than 30 vehicle derivatives, each built from several thousand parts, the complexity is immense," says Markus Schäfer, head of production planning for Germany at Mercedes-Benz U.S. International.

To help address this issue, the company recently opened a $98-million consolidation center in Speyer, Germany, to specifically bundle and package components from European suppliers and send these pre-sorted parts to plants around the world. Mercedes plans to establish similar facilities in strong growth markets. It is also looking at using automation on the assembly line to help stage pre-sorted components on demand.

With the goal of becoming the world's largest luxury carmaker by 2020, Schäfer is also restructuring governance within the company's global network—eliminating the role of plant director in favor of global, architecture-based clusters that boost flexibility. For example, one global manager is in charge of all compact cars manufactured in Germany, Hungary, and China. This will help Mercedes manage 11 production ramp-ups on six sites in 2015 alone, while ensuring quality control at its own factories and those of its 1,500 suppliers.

Mercedes-Benz is taking the next step in its strategic realignment process by investing heavily in its global logistics organization.

country continues to develop transportation and logistics infrastructure, and adopt industry best practices, according to the report, *Customer-Driven Rail Intermodal Logistics: Unlocking a New Source of Value for China*.

As its economy combats inflation, and less-expensive manufacturing pushes into the hinterland, China will place greater emphasis on keeping transportation and logistics costs in check. Rail transportation is favorable, given the sheer volume of trade moving long distances within the country.

"A more intense use of rail as part of the country's containerized freight delivery logistics system could be a game-changer for Chinese manufacturers and consumers, as we have seen in North America," says Luis Blancas, a World Bank senior transport specialist and lead author of the paper.

"That's because more and more manufacturing has moved to China's western provinces, which increases the distance of international and domestic shipments," Blancas explains. "At the same time, China's highways are becoming more congested, making it difficult to deliver goods and get value-for-money in trucking services."

Since 1998, freight container traffic in China has grown faster than the rate of economic growth. While volume on trucks and ships has similarly increased, however, the use of rail intermodal has dropped during the same period. Remarkably, less than two percent of container traffic through China's ports features rail.

Depending on trucks so much raises obvious congestion and environmental concerns. World Bank suggests China is primed for further regulatory reforms that empower rail operators to invest in services and make freight rail a more competitive option. To that end, the report cites North America's own rail renaissance following the Staggers Rail Act of 1980 and deregulation. China shares similar geographic constraints, and it's the origin for many of the supply chains served by rail intermodal in the United States.

As China's economy evolves, and low-cost labor is no longer the magnet it once was, transportation and logistics efficiency becomes more important. The freight railroad is an important cog in this maturing network. In fact, China Railway Corporation, the country's national rail operator, initiated reforms in 2013 to improve operational efficiency and customer service, with more flexibility in setting rates and offering services based on supply and demand.

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Be a Logistics Superhero

In recent months, there has been a steady stream of articles bemoaning the increasing costs and challenges within the logistics industry. You hear about driver shortages, rising labor costs, lack of available real estate, oversize package regulations, increased shipping rates, and additional governmental regulations. CSCMP's annual logistics study charted a 3.1 percent increase in 2014 U.S. business logistics over the previous year, at approximately $1.45 trillion, or 8.3 percent of gross domestic product (GDP). All of these costs are very real and affect your bottom line.

However, you seldom hear about what you can do to reduce the effects of these cost pressures. Rather than simply rolling over and accepting increased costs, you can become a logistics superhero to your company by proactively addressing these cost pressures. The following are a few examples of specific steps your organization can take to reduce logistics costs.

Inventory Control/Demand Management–According to the U.S. Department of Commerce, business inventories are at all-time highs of almost $2.5 trillion. By shortening your lead times through reliance on manufacturers closer to home, postponing assembly of your final product, and using big data to model demand, you may be able to significantly reduce inventory levels.

Packaging–Is your product packaging costing you money? By reconfiguring your product and packaging, you may be able to save significant logistics costs. The CEO of Ikea is fond of saying, "We hate air." Ikea considers the logistics costs of their products as part of their redesign/design process. This has resulted in as much as a 50-percent reduction in product package size. Smaller packages generally mean lower logistics costs because you can transport and store more product using less space.

Extended Ship Times–If you offer free shipping, you may want to take a cue from Amazon, which offers a "no-rush shipping" option for their Prime customers. In return for the customer agreeing to a slower shipping method, Amazon issues a nominal credit toward a future purchase. Given the significant savings that can be derived from extending small-parcel ship times, it is a great way to reduce costs without sacrificing customer goodwill.

Become a Shipper of Choice–Everyone is aware of the effects that the new hours-of-service rules have had on driver productivity. Add to this a nearly 100-percent annual driver turnover rate, and it is amazing that freight moves at all! As a shipper, there are many things that you can do to help the situation. When a driver arrives at your facility, is the yard clearly marked so he or she knows where to go? Do you issue appointment times and adhere to them? Is freight pre-staged, or better yet, do you have a drop-and-hook program in place? Is all the paperwork in order when the driver arrives? Do you have clean restrooms available for the drivers, and ideally, a lounge with fully stocked vending machines? (This doesn't mean week-old sandwiches.) These proactive measures allow a driver to spend more time on the road, while creating a preference to pick up from your site.

Outsource to a 3PL–One word–specialize. If you aren't in the logistics business, consider outsourcing these functions to a third party. A 2015 Capgemini study found that companies that outsource their logistics functions experience an average 9-percent reduction in logistics costs, 5-percent reduction in inventory costs, and an overall 15-percent reduction in fixed logistics costs. This does not take into account the improvements in order accuracy and fill rate that generally come with a switch to a 3PL. 92 percent of shippers report that they are satisfied with their 3PL, which is not a bad record for outsourcing a key operational component.

Automation–The robots are coming! The rising cost of employees, as well as a tight labor market, makes automation a necessity in many areas. It has been estimated that since industry began widespread adoption of robots in 1993, the annual productivity gains experienced have been the equivalent of those realized from the introduction of the steam engine. Automated Guided Vehicles (AGVs) have moved from the factory floor to increasing adoption in the warehouse environment.

By taking a page from the playbook of industry-leading companies like Amazon and Ikea, you may be able to reduce your own logistics costs and become a logistics superhero.

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CPG Market Demanding More Flexible Logistics Solutions

According to a new study released by Transport Intelligence (Ti), one of the world's leading providers of expert research and analysis dedicated to the global logistics industry, the consumer packaged goods (CPG) sector (also known as Fast Moving Consumer Goods or FMCG) is a giant with global sales exceeding $550bn (USD).

The Consumer Packaged Goods sector is one of the largest customers for contract logistics, according to author and Ti Senior Analyst Thomas Cullen.

"With estimated revenues of over half a billion, it is a global business that can make unique demands of logistics services. The Global CPG Logistics 2015 report looks at both the size of the logistics operations supporting CPG and the nature of what the CPG industry demands from logistics providers."

Ti's research shows that the CPG sector in North America spends 6.8 percent of revenue on logistics. In Europe, the logistics spend is up at 10.5 percent, largely because of Europe's stronger disposition towards e-commerce.

The markets that make up this global sector are diverse in character, so what are CPG manufacturers demanding of their logistics partners?

First of all, e-commerce and omni-channel retailing have a major impact on supply chain and logistics needs. In fact, e-commerce has the potential to take over from bricks and mortar operations so logistics providers have to be ready to manage inventory from production right through to the end customer and handle possible returns as required. Customers have to make sure their supply chain is equipped to offer maximum flexibility. They are demanding transport acceleration, transport postponement, and effective and sufficient inventory levels. They want final mile distribution (to the end-customer) and digital visibility along the entire integrated supply chain.

For logistics providers, the right balance between speed, costs, and inventory equilibrium levels is the key to success. They have to offer this integrated management by utilizing the entire service portfolio of extensive origin value-added services like quality control, labeling, reconditioning, packaging, and co-packaging; along with multi-vendor consolidation, and multi-country consolidation.

Providers must offer global transport solutions (across all transport modes and in accordance with specific needs), customs brokerage, distribution center operation, as well as final mile deliveries into retail outlets and even direct to end-users. North America remains the world's largest consumer market and logistics facilitators must be focused on providing this market with best-in-class supply chain solutions for the retail industry.

DB Schenker's upcoming dedicated Fashion and Luxury Fashion warehouse in New Jersey is a perfect example. The facility is dedicated to receiving airfreight shipments within a dedicated environment offering those benefits and standards which customers expect – standards with regards to equipment (e.g., garments on hangers) but also with regards to security and operational expertise. Fashion and Luxury Fashion clients demand a seamless, integrated service experience, from origin to final destination – worldwide.

Logistics providers with a global presence and reach certainly have an advantage. A young footwear manufacturer experiencing enormous global growth came to us in 2012 looking for solutions to its logistics challenges. They lacked oversight of their ocean freight and visibility of their shipments. They had too many different service providers to gain a global view of their products' movement and their freight. Logistics and transport costs were eating up their profits and restricting their growth.

The solution was to offer a flexible Distribution Center option that allowed for growth and scalability in the United States and Canada, reducing lead times and costs for end consumers. We also developed a global ocean platform to service their current and future needs with fixed costs at the piece level. Visibility was established at the purchase order and sales order levels by creating a dedicated system for tracking and tracing.

In another case, a French Luxury retailer needed a logistics partner to provide end-to-end control and visibility through each phase of each of their projects: project planning, organization, realization and finalization. They were managing multiple suppliers worldwide per project and had specialized material handling and customs management with specific delivery coordination requirements requiring both short and long term storage.

The solution was to create a dedicated team based in New York State with the expertise to manage the complexities of each project phase, providing accurate transport and customs cost estimates for budget planning and management. The team also committed to immediate advisement of any delivery time deviations and summarized monthly billing by project.

The end result in both cases is an informed customer that has more control over its logistics, increasing profits with enough room to grow well into the future. Being flexible was the only way to get it done.

How Non-Traditional Service Offerings Are Enhancing Supply Chains

Q: How do non-traditional supply chains differ from traditional supply chains?

A: Traditionally, 3PL providers offered a specialized set of services focused around warehousing, order fulfillment, transportation and supply chain logistics. Today, several factors have driven 3PLs to non-traditional services that spread their influence further into the supply chain.

Non-traditional supply chain services include various solutions, such as:

- Labeling and barcoding
- Product packaging and packaging postponement
- Point of purchase display kitting
- Reverse packaging
- Customer call centers
- Foreign Trade Zone (FTZ) services

Q: How does offering non-traditional services affect the supply chain?

A: Value-added services that fall outside the realm of traditional supply chain solutions can save millions of dollars and create mutually beneficial, collaborative relationships. By adapting to customers' needs and identifying solutions, 3PLs can cement their relationships in an extremely competitive marketplace while offering value in the following areas:

Flexibility — Many non-traditional supply chain services evolve from urgent market-driven projects that require immediate solutions. Because of their expertise in logistics and eye toward the bottom line, 3PL providers can integrate these projects into the existing supply chain and grow them into long-term, value-added services.

Scalability — Services are contingent on demands that can either fluctuate or be completely unpredictable, such as a manufacturer's promotions or recalls. 3PLs can scale and repurpose labor when developing individualized solutions to address the time-sensitive needs of an individual project.

Responsiveness — 3PLs provide a ready and available workforce that can be flexed and scaled to meet a customer's needs in a timely manner. Constant management oversight and collaboration streamlines these non-traditional services and keeps them responsive to changing needs.

Cost-effectiveness — Outsourcing to external vendors that specialize in non-traditional services or handling these projects in-house can result in high labor, equipment and transportation costs. 3PL providers have

JOHN SELL
Vice President of Retail
and Transportation Operations
MD Logistics

trained staffs that specialize in non-traditional services, thus mitigating mistakes and maximizing cost-effectiveness.

Trust — An existing partnership between a 3PL and its customer is a trusted relationship that can expand to include non-traditional services. Working with a trusted 3PL provider to solve problems and develop solutions is a reliable path, especially in times of urgency.

Resourcefulness — 3PL providers have a flexible infrastructure that allows them to manage labor and handle additional needs, such as specialized equipment or packaging.

Today, 3PLs must be able to handle many projects outside the scope of traditional services. From packaging postponement to customer call centers, these non-traditional services allow the 3PL provider to positively impact various steps in the supply chain. It is also a value-add for customers that are seeking an enriching relationship that can evolve over time.

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BY CHRIS SCOTT
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A Fresh Route for Latin American Produce

More than 21 million metric tons of fruits and vegetables were imported into the United States in 2013, according to the U.S. Department of Agriculture (USDA). Approximately 35 percent of that produce comes from Central and South America. While Latin American perishable exports have grown dramatically in recent years, some logistical shortcomings prevent maximum cold chain efficiency and profitability.

Currently, a USDA rule requires Latin American produce to enter the United States through colder, northern ports, particularly Philadelphia. The rule requires certain perishables from warm-weather countries to enter the United States at ports above the 39th parallel. This added safety measure kills stowaway fruit flies and prevents infestations from spreading to warmer states and potentially damaging their agriculture. Once the produce is stabilized and cleared for distribution, it is trucked to the southeast market.

For nearly half a century, Latin American growers exported their product by going north and trucking product to the southeastern United States. While this shipping route was designed as a safeguard, the flaw is that it creates a cold chain that adds time and cost, and causes profit losses for exporters and consumers.

South Florida is looking to break the traditional cold chain and become an attractive gateway destination.

A Key Link in the Cold Chain

Home to PortMiami and Port Everglades, the closest U.S. Eastern Seaboard cargo ports of call to the Panama Canal, South Florida is a convenient entry point for produce to quickly reach the southeastern states.

Produce coming directly into South Florida can be on supermarket shelves up to one week faster if it follows the south-to-north transportation channel, according to local port officials. It can also shave upwards of $3,500 per container from the extra truck haul for delivering produce back down to the Southeast.

Innovations in cold treatment techniques and technologies are also prompting a logistical redirection. Nearly $35 billion of perishable foods are wasted annually, with nearly half of those losses due to temperature changes experienced in-transit between the grower and the grocer, cite industry reports.

In October 2013, both South Florida seaports joined a pilot program to receive Peruvian and Uruguayan blueberries and grapes directly from refrigerated cargo containers. These containers allow for a 15-day cold-treatment process, which stores the produce at near-freezing temperatures that continue uninterrupted aboard the ship before being unloaded onto dock.

The volume of produce imports to the United States has been steadily growing at a rate of eight percent since 1999. And with U.S. consumer demand showing no signs of abating, slow and steady will not be enough to win the race to stake claim to the $24 billion of produce imported annually into the country.

If the shortest distance between two points is a straight line, everyone having a vested interest in Latin American produce, from grower to grocer to consumer, should understand the benefits of taking a direct route through South Florida. Doing so offers a competitive advantage that saves time and money, and offers consumers a fresher and more affordable product. ■


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VIEWPOINT

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Driver Shortage Threatens To Slow Intermodal Growth

The shortage of qualified drivers threatens the intermodal industry's continued growth. The challenge for intermodal is not only hiring enough professional drivers, but also retaining them. For many transportation companies, attracting and retaining drivers are the biggest challenges.

The extreme number of multi-hour delays along the intermodal chain, combined with the impersonal treatment drivers receive at some facilities, make intermodal undesirable for drivers. This problem occurs at ports, rails, and customer docks, and improving turn times will take a coordinated effort.

Delays also result from the sometimes poor quality of intermodal equipment tendered. The amount of time drivers spend roadside waiting for a chassis tire to be repaired is inexcusable. Most equipment providers agree the safest and least costly equipment to maintain has radial tires and LED lights. But the intermodal industry continues to run tube-type, bias-ply tires on the chassis, and the progress toward upgrading the fleet is unsatisfactory. In the interim, drivers are fleeing to other segments where they can count on the equipment.

To further complicate matters, the current Federal Motor Carrier Safety Administration's Hours-of-Service regulations restrict drivers to 11 hours of driving in a 14-consecutive-hour day. The time a driver spends waiting reduces the time available to move freight. For an immediate productivity gain, we need to work together to minimize driver delays.

Tough Competition

These unnecessary delays discourage drivers from choosing intermodal. The nation will need to add 100,000 drivers per year for the next 10 years, according to American Trucking Associations estimates. And only one-third of the demand for drivers stems from business growth; two-thirds of the need comes from retirements and exiting drivers.

There will continue to be strong competition from all segments of trucking for drivers. And unless we act, the intermodal industry will feel the driver shortage most.

Another barrier is the need to legislate a proper definition for independent contractors because the intermodal industry is primarily powered by independent contractors. Numerous states are threatening the model by reclassifying independent contractors as company drivers. The U.S. Department of Transportation (DOT) requires motor carriers to exercise a certain degree of control over its drivers, yet the DOT requirements conflict with the degree of control threshold states use to determine company driver vs. contractor. A set definition will help prevent a significant portion of the intermodal driver base from being eliminated.

The driver shortage is a key issue impacting the intermodal industry and will be a discussion topic at the 2015 Intermodal EXPO in Ft. Lauderdale, Fla. If every segment of our industry recognizes the value and importance of our professional drivers, and makes the adjustments needed to eliminate intermodal's negatives, we can increase the industry's attractiveness and successfully compete for drivers.

The intermodal industry is resilient and has overcome many challenges. The driver shortage is just one more hurdle to jump if intermodal is going to continue to grow. ■

Dave Manning is president of TCW and a board member of the Intermodal Association of North America, which will host Intermodal EXPO 2015, Sept. 20-22 in Ft. Lauderdale.

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THE LEAN SUPPLY CHAIN

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Procurement and Purchasing: Buying Into Lean

While supply chain costs, primarily procurement and transportation, can range from 50 to 70 percent of sales, some companies place too much emphasis on the traditional focus of reducing material costs in supply processes.

Applying Lean principles to procurement and purchasing processes can identify non-traditional sources of waste, in some cases creating a paradigm shift that results in additional benefits to the entire supply chain.

For the sake of clarity, we will define procurement (or sourcing) as the activities involved in establishing fundamental requirements, sourcing activities such as market research and vendor evaluation, and negotiating contracts. It can also include the purchasing activities required to order and receive goods.

Purchasing, on the other hand, is the process involved in ordering goods such as request, approval, and creation of purchase orders and the receipt of goods.

Using Lean thinking principles creates opportunities in internal procurement and purchasing processes and externally, upstream with suppliers.

Internally, there may be opportunities to improve and streamline procurement and supply management processes as well as to implement practices to improve efficiencies and performance, eliminate wasteful activities, and reduce total cost. Externally, Lean principles can involve better integration and collaboration with key suppliers to ensure they meet established product and service performance requirements.

You can zero in on these opportunities by focusing on the eight wastes (also known as TIM WOODS):

1. Transportation. Excess paperwork and transporting around a facility.

2. Inventory. Ordering inventory or services early or in excess.

3. Motion. Walking, bending, or searching.

4. Waiting. Waiting for supplier performance measurement results, or processing of purchase orders and contracts.

5. Overproduction. Paperwork in process and purchase order processing bottlenecks.

6. Overprocessing. Quotations, purchase order processing, order acknowledgements, invoicing.

7. Defects. Paperwork errors requiring rework, supplier errors.

8. Skills. Spending too much time on administrative tasks rather than on continuous improvement.

You can use various Lean tools to reduce or eliminate waste, such as:

Value Stream Mapping internal procurement and purchasing processes creates a future state that is both streamlined and improved.

Quality at the Source allows early supplier integration and problem-solving competence by expanding the viewpoint to the total cost of quality.

One-piece-flow can be created by establishing local suppliers to assist with flexible manufacturing and supply chain strategies for shorter inbound transportation distances and consistent deliveries to help smooth demand fluctuations.

Ultimately, companies expect their procurement and purchasing organizations to provide materials and assemblies on time, and to meet their demands. By applying these Lean principles to procurement and purchasing processes, businesses will experience multiple benefits throughout the supply chain. ■

Parts of this column are adapted from *Lean Supply Chain & Logistics Management* (McGraw-Hill; 2012), *Lean Retail and Wholesale* (McGraw-Hill; 2014) and *Supply Chain and Logistics Management Made Easy* (Pearson, 2015) by Paul A. Myerson with permission from McGraw-Hill and Pearson, respectively.


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Channeling the Brick and Click Dilemma

As e-commerce continues to transform consumer behavior, retailers explore hybrid omni-channel supply chain models that deliver the best that online and in-store have to offer.

By Joseph O'Reilly

On July 15, 2015, New York City's Fifth Avenue lost one of its venerable landmarks when FAO Schwarz closed its doors. It's a temporary move. Toys "R" Us, which owns the brand, is looking for a more affordable lease elsewhere in Manhattan. The ubiquitous toy retailer is also closing its 110,000-square-foot flagship store in Times Square, which features a 60-foot indoor Ferris wheel—also in search of cheaper real estate.

For their respective e-commerce sites, however, it's business as usual.

It's a sign of the times as retailers confront a new paradigm. E-commerce is radically changing how consumers buy product. In turn, the supply chain is trying to keep pace with heightened expectations for on-demand availability and expedited delivery.

Online retail is the bell cow that captures consumers' attention-deficit demand. But it's not all gloom and doom for brick and mortar. E-commerce is merely recasting traditional perceptions of retailing.

"Retailers are trying to make in-store shopping more of an experience—so it's not just a place to pick up your goods," explains Leslie Ajlouny, vice president of business development for Melvindale, Mich.-based third-party logistics (3PL) provider Evans Distribution Systems.

Make no mistake, the Toys "R" Us 60-foot Ferris wheel will find a new location in Manhattan. So will FAO Schwarz's flagship store—and it will be more interactive than ever before. Retailers recognize that the convenience of buying products online forces them to adapt in unique ways.

Destination retail is growing more popular. Whether it's the Mall of America, IKEA's vast interior showrooms, Walmart's supercenters, Apple's service by appointment, or Cabela's indoor mountains, today's in-store shopping experience is bridging a new divide.

More changes are coming down the pipeline as e-commerce and brick-and-mortar supply chains continue to converge.

Facing Retail Headwinds

Retailers today face a number of challenges as they try to stay ahead of the e-commerce curve. For starters, consumers can buy anything, anytime, anywhere. But perhaps the greatest hurdle is simply keeping pace with change.

"Retailers must be agile and able to react to new methods of consumption, including the increasing rate of e-commerce purchases that leads to more transactions with fewer items per order," says Curt Bimschleger, managing director, retail logistics for GENCO, a Pittsburgh-based 3PL.

That means a lot more capital is tied up in inventory.

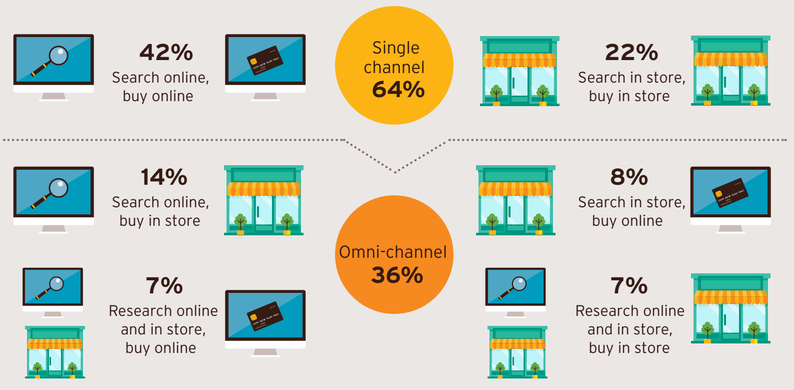
"Retailers carry a lot of safety stock and still don't have goods where they need to be," adds Marc Aument, senior vice president of ProShip, a multi-carrier shipping software developer located in Brookfield, Wis. "They have a difficult time putting every color and every size of a button-down shirt in every location."

Beyond inventory carrying costs, retailers also have to consider transportation. Shipping has become a competitive differentiator for larger retailers. That creates new expectations.

"When a consumer orders an item online, they expect free delivery—and that it will arrive in two days. Amazon created that reality," says Sean Mueller, special projects manager for Evans Distribution Systems.

CHANGING THE CHANNEL

Consumers continue to cross channels when researching and purchasing items.



Source: *2015 UPS Pulse of the Online Shopper*

The Toys "R" Us outlet in New York City's Times Square is a prime example of "destination retail." The store features a 20-foot T-Rex dinosaur that roars, a life-size Barbie dollhouse, and a 60-foot Ferris wheel.

To point, Amazon Prime's two-day shipment guarantee and Walmart's competitive three-day option called ShippingPass offer expedited shipping for a nominal yearly fee: $99 and $50, respectively. As transportation costs erode margins, retailers have to account for that additional spend. This poses a big challenge for small companies that can't shift shipping costs to the product price.

ProShip's value proposition specifically addresses this problem. Omni-channel is bringing ship-from origins closer to ship-to destinations, creating greater incentive to explore the market for competitive transportation pricing. Rate shopping allows shippers to consider different calculations that impact costs. This way they can find the best price at the last possible moment among different carriers.

"Five years ago, if retailers shipped a product via the U.S. Postal Service, they probably wouldn't know when or if that product would arrive," says Aument. "Today, retailers have access to much cheaper methods because they ship from so many more places."

Still, expedited delivery scenarios pose challenges beyond simply cost.

It remains to be seen whether consumers adapt to, or are willing to pay for, more robust same-day delivery options. Walmart's latest gambit will test the consumer's preference for speed over cost by pushing the delivery guarantee to three days.

"Same-day delivery forces retailers to modify their shipping offering to better match the needs of their customers in order to maintain a competitive advantage," says Bimschleger. "Ultimately, this puts a bigger constraint on the supply chain because fulfillment can potentially have a much shorter timeline."

It's not just about speed. The last mile has become a veritable rat race as companies try to figure out how to deliver products and services to consumers who are increasingly on the move. Flexibility is equally important. Consumers are considerably less siloed today because of mobile technology and social media. They will shop online and in the store — at home, while working, and in transit.

The UPS 2015 *Pulse of the Online Shopper* report documents this reality.

Walmart extended its commitment to delivering U.S. customer orders quickly and inexpensively by opening two new distribution centers dedicated to filling online orders.

When it comes to channel preference, 42 percent of consumers search and shop online, compared to 22 percent who favor in-store shopping. Importantly, 36 percent invariably cross channels when they shop. That slice of the pie is likely to grow.

"It will not be one or the other; it's the integration between the two," says Ajlouny. "Online sales drive people to the stores; and brick and mortar brings people online to look for special items or returns. The two channels have to support and feed one another."

The Omni-Channel Proposition

The evolution of omni-channel management is a natural reaction to increasing transportation and logistics costs. The expense of shipping direct to home from a fixed network of distribution nodes increases as e-commerce demand and volumes grow. Delivering product from a Pennsylvania distribution center to New Jersey is reasonable — but to California, it becomes costly. So supply chains have to adjust.

"A successful omni-channel strategy is defined by a seamless customer experience that leverages the DC and in-store capabilities," explains Bimschleger. "In order to execute that seamless strategy, retailers should start with one view of their inventory to allow multiple options to fulfill the order at the lowest possible cost, including pickup at the store."

Today, retailers tend to fall into one of two categories.

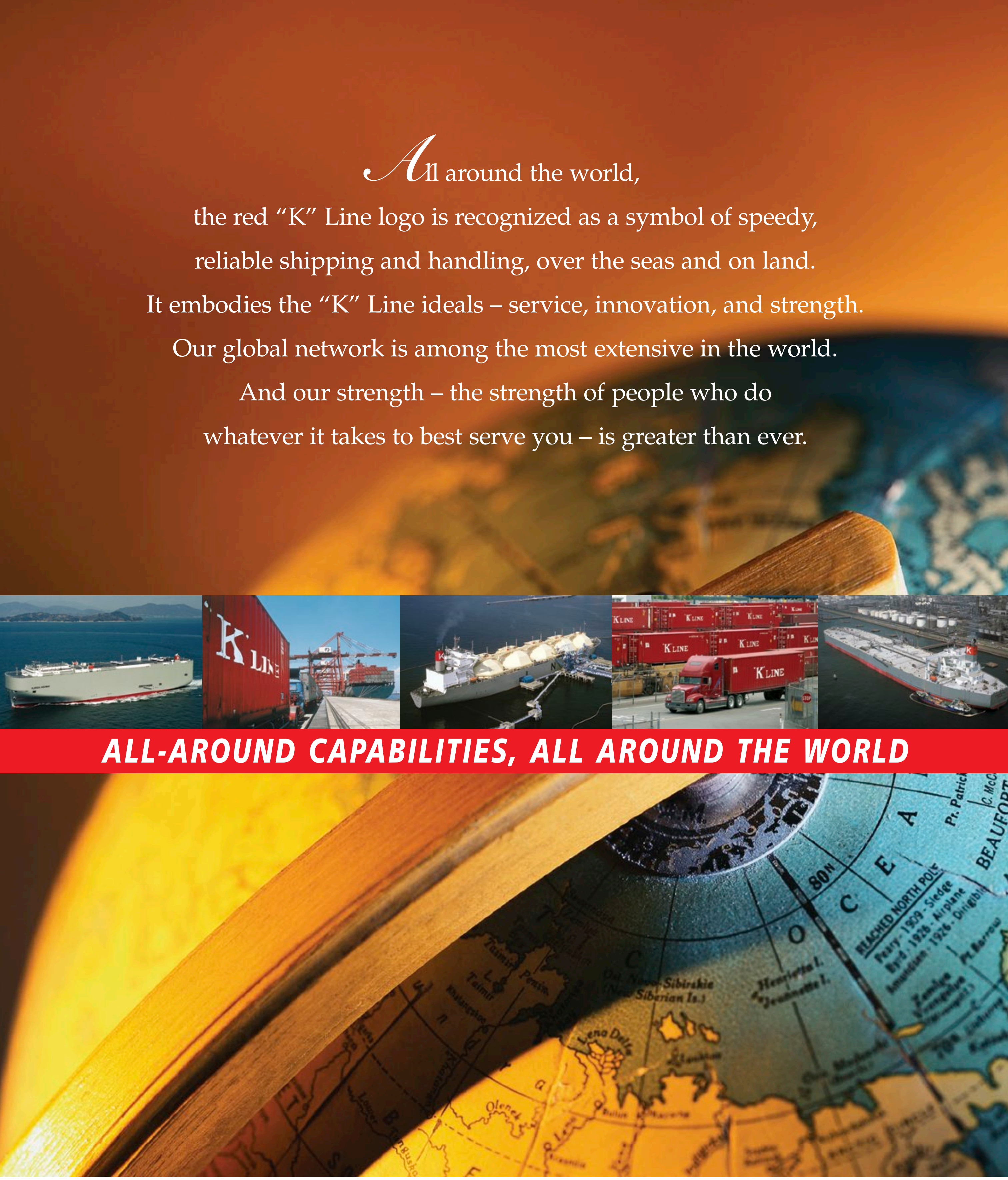
"One category is small companies new to e-commerce, with a product they're trying to deliver to market," says Ajlouny. "They want a simplified solution. They don't want to understand it all — they simply need a partner that can help manage the logistics while they develop and sell product.

"Second are more evolved e-commerce customers looking to turn the ship from a traditional supply chain model to fit the new world — they want to develop a hybrid solution where they still distribute to DCs and brick-and-mortar stores while also supporting e-commerce demand," she adds.

For these evolved companies, inventory location becomes increasingly less relevant as they merge online and in-store channels. That's why brick and mortar still has play.

"We see more pressure on retailers and distribution centers to deliver quick, inexpensive shipping options that align with customer expectations," notes Bimschleger. "Many times this means leveraging a 'ship from store' option.

"Within this option, inventory has to be in the right place to meet delivery expectations," he adds. "Retailers are looking at brick-and-mortar stores as 'mini'



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Walmart and other retailers are leveraging their physical footprints to get closer to the customer, which Amazon and other e-commerce channels still can't do. The brick-and-mortar backroom is transforming into a quasi DC; its loading dock a nexus for both inbound and outbound moves.

But this approach creates risks. Big-box retailers face the uneasy reality that providing same- or next-day delivery — regardless of channel — cannibalizes existing business they might otherwise capture in store. Consumers who visit a retail location are likely to spend more money than they originally intended.

In fact, 45 percent of consumers make an additional purchase when they use in-store pickup for online orders, according to the UPS report. Beyond that, 38 percent of shoppers are likely to choose ship to store or in-store pickup to qualify for free shipping, up from 35 percent in 2014; and 41 percent who currently use ship to store plan to use it more often in the future.

The convenience of having a central location where shoppers can pick up products at their leisure grows more popular. It's a win for retailers because they don't have to absorb that final-mile cost. Rather, they can shift inventory between stores and DCs.

"Back in the day, retailers shipped from a central DC to a store, and customers came to the store," explains Aument. "Now they ship from 1,000 locations. It's too costly to ship to every individual and do last-mile delivery, so retailers want to ship to fewer places."

The growth of e-commerce has precipitated contraction among brick-and-mortar retailers. But it doesn't mean that retail stores are disappearing. They're merely shrinking.

Small brick-and-mortar retailers benefit from the many delivery options now offered by companies such as UPS.

"The retail store has a strong future and will continue to evolve and be used by customers in different ways," says Bimschleger. "While the overall footprint of brick-and-mortar stores may shrink due to the increased rates of mobile or online purchases resulting in decreased foot traffic at the store, they will still act as an anchor for activity — whether in the traditional sense, or as a shipping point or liaison for in-store pickup."

For example, big-box retailers may be inclined to open smaller-footprint locations in rural or urban areas where it doesn't make sense to invest in space. These stores will become more dynamic — where customers have visibility to all products in the retailer's pipeline and can dictate pickup or delivery options accordingly.

It's getting to the point where consumers no longer expect to get packages delivered to the porch or front door. They want flexibility. This is where the resurgence of brick and mortar comes into play. In some ways, it's a return to the past — where general stores were a commercial and social nexus for local communities.

ProShip and parent company NeoPost are already experimenting with a program in the United States that puts parcel depots outside stores. It's an effort that has been successful in other parts of the world. The project is vertical centric, focusing on places where there is demand density — universities and corporate campuses, for example.

"Putting smart lockers outside a retail location gives customers 24/7 access to orders," Aument adds. "They're also at the store, which still drives traffic that encourages impulse buys."

Europeans are ahead of the curve in this regard. Population density and space constraints have forced retailers to create more innovative last-mile solutions that take advantage of local distribution centers and parcel depots to deliver product to consumers.

A Matter of Choice

Ultimately, it comes down to providing customers with different options.

"Consumers can determine the value of paying an annual fee, or paying more for shipping to get products sooner, or waiting a few extra days for free shipping, or even picking up in a retail store same day," says Bimschleger. "Customers can pick the option they want for each transaction."

Integrated shopping models that include both online and in-store options are the new norm. That won't change. In turn, companies will have to rely on their supply chains to transform the fulfillment process to match these demands.

This carries over to returns as well. "The next big wave is reverse logistics," says Aument. "As shippers get closer to customers, there should be more options and cost savings. The supply and demand chain is starting to drive a difference in the consumer's opinion of where and what to pick." ■

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Getting Packaging Costs Down to Size

Shippers find nested savings by eliminating packaging waste.

By Jen A. Miller

It's a wrap for bulky, wasteful packaging. Shippers today have to satisfy consumers who not only demand that fewer materials be used in packaging, but also prefer those materials to have a low environmental impact.

In addition to eliminating packaging waste to satisfy consumers, shippers also need to consider cost. Cutting back on packaging can reduce both material spend and shipping costs. Making packages smaller and lighter helps companies streamline the supply chain for additional time and money savings.

Sustainable Packaging

Forty-two percent of Americans are willing to pay more for sustainable paper products and packaging, and 56 percent want to see more sustainability labeling on products, according to a study by Asia Pulp & Paper.

This trend is especially pronounced among millennials, who "take the time to do homework into company supply chains, and understand products that are sustainable," says Ian Lifshitz, North American director of sustainability and stakeholder relations for Asia Pulp & Paper. "They're applying that knowledge to packing material and packaging choices." In response, companies are rummaging through their supply chains to understand where their materials come from.

In the past, companies that wanted to be sustainable considered recycled materials for their boxes and packaging, says Lifshitz. Since 2010, though, they have shifted that focus toward buying wood for paper and pulp from sustainable forests that can be planted and re-grown within five to six years. The Sustainable Forestry Initiative (SFI), a non-profit organization dedicated to promoting sustainable forest management, now works with more than 1,000 companies. Additionally, more than 25 million acres of land in the United States and Canada are certified to the SFI Forest Management Standard.

"Ultimately, brands can take advantage of a whiter and brighter sheet of virgin paper and still feel comfortable because it's produced from a managed sustainable forest," Lifshitz says.

"For the past several years, both shippers and consumers have focused on sustainability," says Jorge Izquierdo, vice president of market development for the Association for Packaging and Processing Technologies (PMMI). "Part of that interest is in being environmentally friendly, but it's also the need to keep an eye on profits." New packaging tries to accomplish both goals.

"Determining how products lay on top of each other has taken every possible cubic inch of dead space out of the package."

Jeff Lau, Chief Operating Officer, TPS Logistics

Many companies now purchase paper-based packaging and raw materials from known, reliable sources that promote sustainable forest management.

Shippers are also getting more creative with packaging, says Jeff Lau, chief operating officer of TPS Logistics, a logistics management company based in Troy, Mich. Since 2014, his company has seen the use of a variety of filler material, including recycled paper and newspapers. High-end retailers and cosmetics companies are turning to bamboo and wheat straw. "These are the companies that are conscientious of their footprint," he says.

One innovator in alternative packaging is global technology firm Dell. In 2009, the company replaced its plastic packing materials with bamboo. In 2013, Dell started using wheat straw in cardboard boxes to ship notebook computers originating in China. The country traditionally treated wheat straw as a byproduct of wheat harvesting and burned it. Dell estimates that it currently uses 200 tons of wheat straw annually, preventing 180 tons of CO_2 emissions from being released into the atmosphere. In addition, Dell has been experimenting with mushroom-based server cushioning since 2013. It expects to re-introduce the material in 2016.

In 2014, FedEx and UPS switched to dimensional weight pricing, which determines shipping costs based on both package weight and size instead of just weight. This initiative further drove companies to cut down on packaging sizes and waste, and has led to innovative processes to do both.

Some companies are addressing this by customizing packaging per product or order. One company providing that service is Battle Creek, Mich.-based Box On Demand, which ships material directly to the manufacturer and lets users either input desired dimensions or scan the item to be shipped to determine a box size using a machine that makes one of 400 types of boxes. The system reduces packing material inside the box, cuts down the materials used to make the box, and saves on shipping because the box is smaller and lighter than if it were packed with filler to make the item fit the space.

Filling the Void

Charlotte, N.C.-based packaging company Sealed Air also offers customized packaging. Its I-Pack Automated Void Reduction System folds down the height of a box if it's too high for the products packaged inside. This process not only reduces overall volume to cut shipping costs, but it also decreases the need for packing material inside the box.

Customizing boxes isn't necessarily the fastest packing process, but its benefits offset the additional time, says Izquierdo. This approach not only saves on packaging material that would need to fill the void in a box that's too big, but it also makes shipping the item less expensive because it's in a smaller container.

Flexible packaging cuts down on wasted space, not only in boxes, but also in other packaging options, such as pouches and plastic bags, especially for food and personal care products. "That's also putting less packaging into the environment," Izquierdo notes.

Making packaging smaller can also help cut down on supply chain inefficiencies, says Dr. Patricia Kimball, an advisory team member for UL Environment, which works to advance global sustainability by supporting the growth and development of environmentally preferable products, services, and organizations. "If the box is small, it will cube out better when it's transported long distances," she says.

Since 2010, the main driver of engineering in the packing industry has been "designing the inlays that maximized all the space within the container," Lau says. "Determining how the products lay on top of each other has taken out every possible cubic inch of dead space." He has also seen more direct-to-store shipments, which eliminates a segment of the supply chain. This has led to fewer damage claims from shippers, another significant cost savings.

Still, striking the balance between too much and too little packaging has not yet been achieved. Some companies have added back some packaging so that the product can "withstand the supply chain," Izquierdo says. "We're now going back to using more corrugated cardboard because our primary packaging material is more flexible.

"For that reason, we need to reinforce the secondary packaging. The industry is trying to reach a balance between thinning the primary packaging and thinning the secondary packaging," he adds.

Solutions such as Box On Demand's system quickly and cost-effectively produce custom corrugated packaging, allowing shippers to keep packaging costs consistent across any configuration, quantity, or design.

What's Next

In some ways, shippers have gotten packaging down to its smallest parts, at least from a logistical standpoint. The next step involves getting creative with new materials to be more sustainable.

"Beyond companies making things smaller and lighter, now they're trying to tackle increasing the content that reduces pressure on natural resources," Kimball says. In other words, they're looking toward renewable, non-petroleum-based materials.

Consumers are driving the demand for bioplastic packaging, according to *An Economic Impact Analysis of the U.S. Biobased Products Industry*, a June 2015 joint publication of the Duke Center for Sustainability & Commerce and the Supply Chain Resource Cooperative at North Carolina State University. The negative impact of creating petroleum-based plastics, combined with high carbon emissions associated with production and the fact that they don't degrade quickly, has forecasters expecting industry revenue for bioplastics to increase by 3.6 percent per year.

In June 2015, the Coca-Cola Company unveiled a 100-percent polyethylene terephthalate (PET) bottle that is both fully recyclable and made entirely from plant-based materials.

Things aren't perfect just yet. "We all have those experiences when we can't open a clam shell package," says Kimball, and we still receive shipments of a box within a box within a box. "We're not there yet in terms of lighter and smaller," he adds.

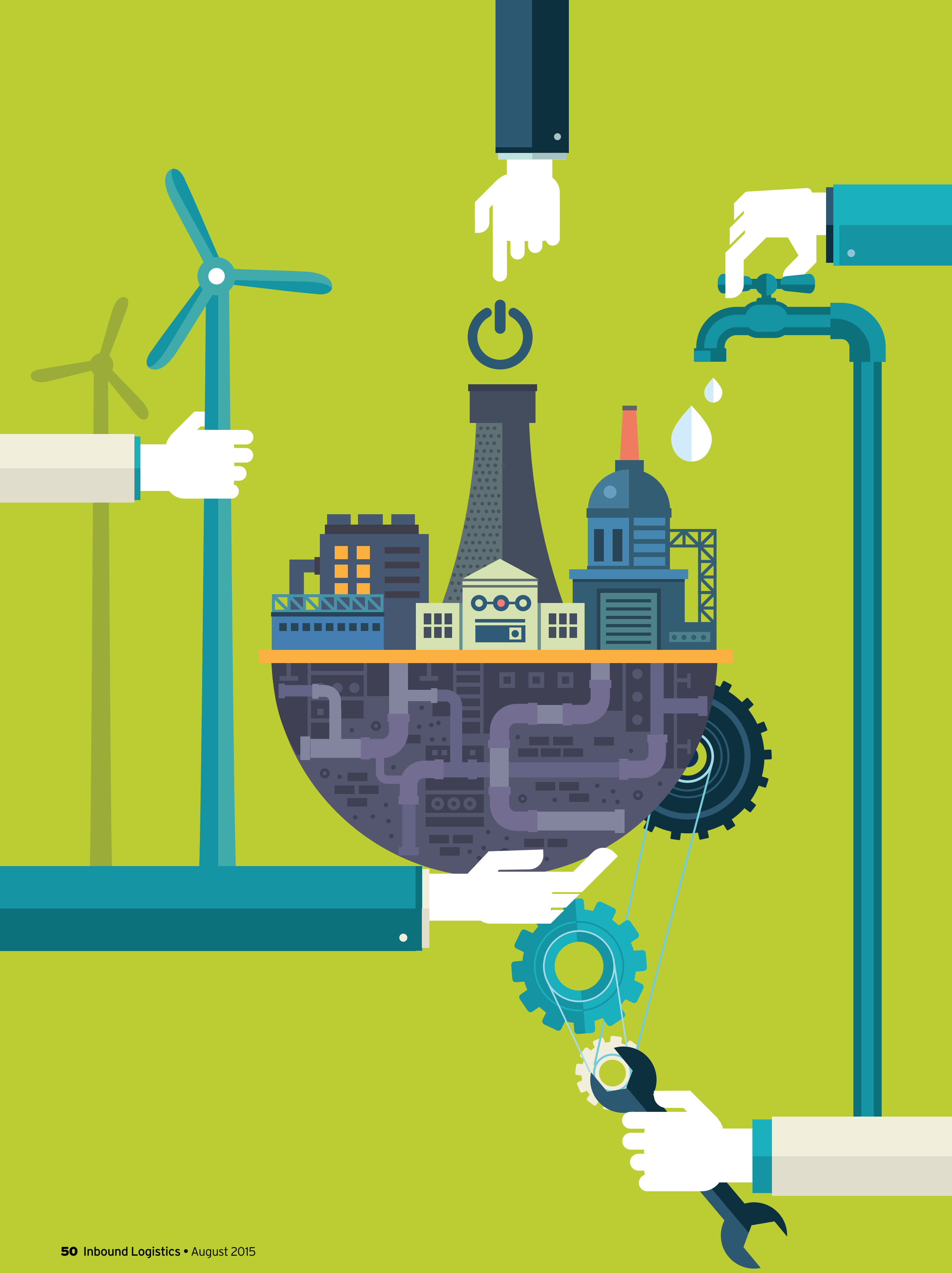
One sector that's still catching up in trying to match small, sustainable packaging with increasingly smaller consumer products is electronics. "There's a paradox between the consumer conscience and technology," Lau says. "Products get smaller, yet packaging hasn't gotten more creative."

He provides the example of a box for an iPad. It's a thin machine, yet the box still feels substantial. "The question is, how do you break the paradox of customers wanting to put their hands on a meaty product because they're spending a lot of money on it, but technology drives it to be smaller?"

But momentum is in sustainability's favor. Large companies will continue to lead the initiative, Kimball says. Unilever, for example, created a Sustainable Living Plan that includes halving its environmental footprint by 2020. Walmart set a goal of achieving zero waste. Dell plans to divert 90 percent of all waste by 2020. More than 200 companies, including 3M, Amcor, Disney Consumer Products, Dow Chemical Company, Microsoft, Nike, Procter & Gamble, and Verizon Wireless have joined the Sustainable Packaging Coalition, so the push to make packaging more sustainable isn't going away anytime soon.

"Design for sustainability is the ultimate goal," says Kimball. "Not just in products, but in packaging. What's the entire impact of that package—the selection of the raw materials all the way through the potential end of life of the product?"

"Manufacturers can only do so much in terms of lighter and smaller packages because they also have to protect the integrity of the product," Kimball explains. "Companies now have to get a little more creative to try to achieve their packaging goals." ■



THE POWER OF POWER

Companies searching for just the right spot to locate their manufacturing plants, warehouses, and other facilities rank energy high on their list of priorities.

Logistics professionals manage the flow of products between the point of origin and the point of consumption. The journey from Point A to Point Z involves challenges and opportunities all along the way. Coping with all of that requires — quite literally — a lot of energy.

As energy resources evolve and grow, so do the costs associated with them. Accordingly, savvy logistics professionals understand that an effective logistics plan begins where the product begins. And that means identifying the ideal environment for low-cost, effective utilities.

After analyzing all the ramifications, several sites light up the list: Joplin, Mo.; central and southern Indiana and southeastern Illinois; and North Carolina.

Joplin: Plugging Into Reliability and Cost

The availability of low-cost and reliable utilities figured prominently in Ohio-based Owens Corning's decision to open a new manufacturing facility in Joplin, Mo., according to Rob O'Brian, president of the Joplin Area Chamber of Commerce. The building and remodeling company's nearly $90-million project is expected to create more than 100 jobs.

"Owens Corning found Joplin to be the ideal site for favorable utility and transportation costs, and workforce and facility quality," O'Brian says, adding that energy reliability is a key factor in the region's strengths. "We have a number of power plants, and they all work hard to stay compliant with energy guidelines and regulations so they are viable for the long haul."

Owens Corning's move also speaks to Missouri's overall vitality, according to Missouri Governor Jay Nixon. "Owens Corning's decision is a testament to our strong manufacturing sector, which has seen tremendous growth over the past few years," Nixon said when making the announcement. "While some states are losing manufacturers to other countries, we are attracting new companies and selling more Missouri-made products around the globe."

Another key factor is the strength of the partnerships that exist among Joplin-area government and business organizations, including its utility suppliers. "Three local governments, the regional planning organization, Empire District Electric, the Carl Junction schools, the State of Missouri, the owner of the facility, and other property owners in the area, and many others, worked diligently with Owens Corning to make this move happen," O'Brian says.

The region's economic development efforts are promoted through the Joplin Regional Partnership, which provides site-selection assistance, incentive and business tax information, key contacts in business and local governments, demographic and economic data, and other services.

The organization works closely with site selectors to determine the precise location that is most advantageous for new facilities. "If site selectors provide their estimated energy use—or better yet, an existing bill—we can do an in-depth analysis of what their utility costs would be in Joplin," O'Brian says.

"Every operation is different," he adds. "Electricity is a key component, but the company might be a heavy gas or water user, too. As a regional economic development group, we have the opportunity to look at utility costs across different communities. One particular site might work better than another, depending on the balance of electric, gas, and water use."

The Joplin region features a mix of investor-owned, city-owned, and rural electric cooperatives. Empire District Electric Company, based in Joplin, is an investor-owned utility serving about 10,000 square miles of territory in southwestern Missouri, southeastern Kansas, northeastern Oklahoma, and northwestern Arkansas.

Empire has worked to steadily increase its generation capacity and broaden its array of energy sources. In addition to wind-energy capabilities, Empire also added gas-fired power plants to provide supplementary capacity during peak demand periods, and collaborated with several other utilities to construct clean coal plants. Those investments have boosted capacity and increased service reliability in Empire's territory.

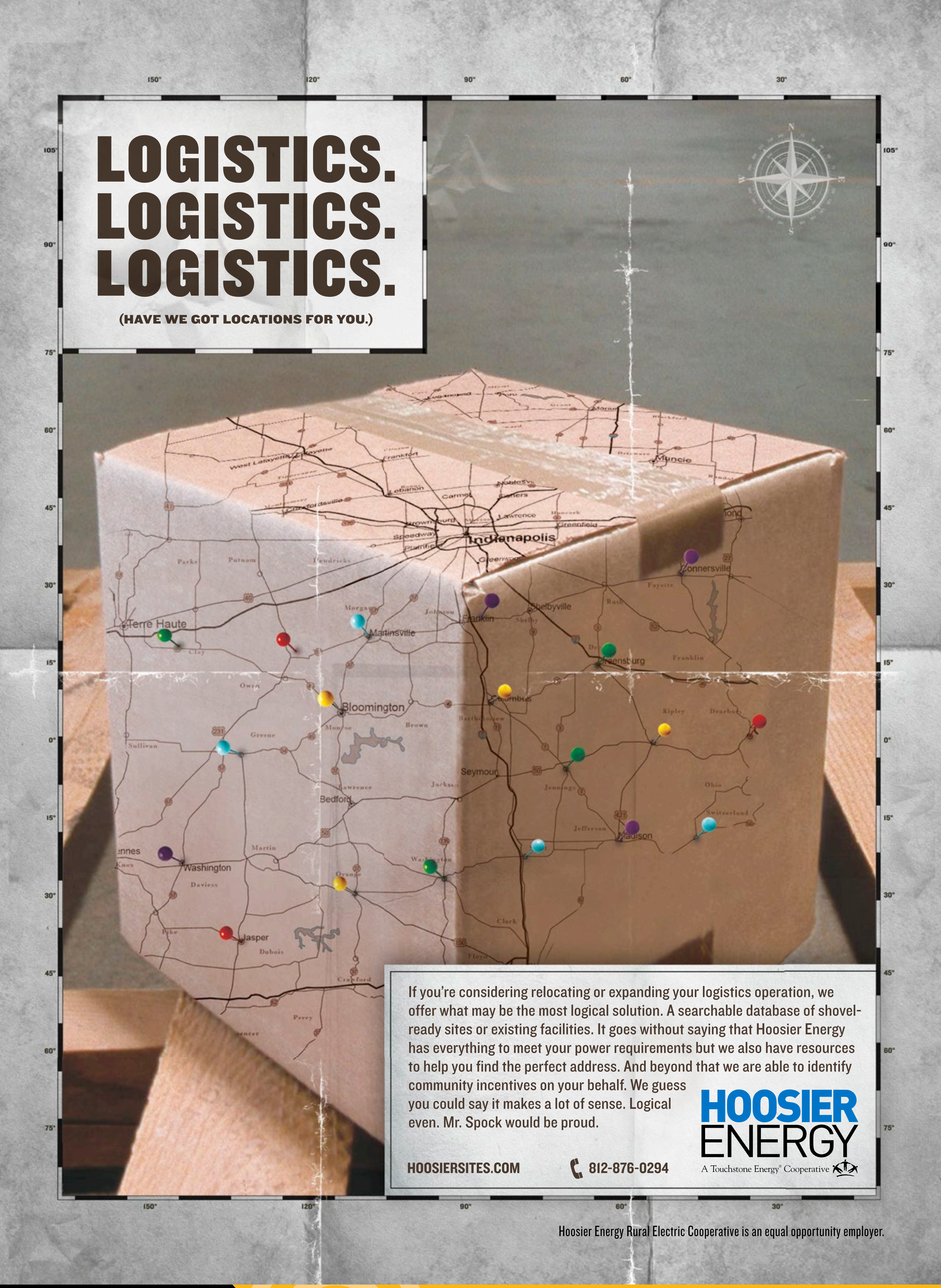
Missouri Gas Energy, the natural gas utility that serves Joplin, has also increased its capacity. The company has provided natural gas service to the Kansas City metropolitan area and western Missouri for nearly 150 years.

The region's energy advantage is especially strong. "Joplin is located at the edge of many natural gas fields, so we have plenty of capacity," O'Brian says. "And the major industrial parks have a large electric and gas capacity in general."

The region's utilities work closely with facilities to help keep costs down. "For many utilities, it is more cost effective to work with companies to improve energy efficiency than it is to build a new power plant," he notes.

Indiana, Illinois: Supplying the Whole Package

A new financial incentive contributes to the numerous reasons the region served by the Hoosier Energy Power Network—central and southern Indiana and southeastern Illinois—is on the "must-see" list for site selectors looking for the most advantageous utility rates and services.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"We find that promoting our region works best by selling the whole package," says Harold Gutzwiller, Hoosier Energy's manager of key accounts and economic development. That "whole package" includes Hoosier Energy itself, which recently introduced an Economic Development Rider (EDR) providing a five-year discount on electricity costs for qualified new or expanding businesses.

"Hoosier Energy has now fully engaged the use of our EDR, and started applying it to the benefit of clients," Gutzwiller says. "This EDR offers a 20-percent discount on the first-year electricity bill, and phases out over five years, allowing new businesses and expansions to enjoy one of the best incentives that produces results in the bottom line."

Hoosier Energy constructed its new 80,000-square-foot headquarters, a LEED Gold building, in Bloomington, Ind., in 2014.

Businesses benefiting from the EDR program cover a wide area. The Hoosier Energy Power Network, a generation and transmission cooperative, provides wholesale electric power and services to 18 member distribution cooperatives in the region. Based in Bloomington, Ind., Hoosier Energy operates coal, natural gas, and renewable energy plants and delivers power through a 1,500-mile transmission network.

The location of the Hoosier Energy region gives it a powerful logistics edge. Interstate 65 runs through the heart of the service area. Interstates 75 and 57 run on the region's respective eastern and western borders, all offering a variety of routes that connect with U.S. southern states.

The cooperative's eastern boundary allows one-day delivery to most of the East Coast. Its western boundary is a short drive from St. Louis. Many parts of the region feature easy access to southeastern and south-central markets such as Nashville and Memphis.

Hoosier Energy's new EDR is part of a toolkit of benefits the region is marketing to energy-conscious businesses across the country. "We now work with local communities to meet site selectors and business prospects in markets throughout the United States," Gutzwiller says. "That enables clients to directly hear and question the communities regarding sites and incentives."

He cites other key elements in the region's package of advantages, including Indiana's strong pro-business environment—which he calls "best in the Midwest"—and Hoosier Energy's partnerships with communities throughout the service area, which have their own programs tailored to encourage business growth.

The combination of benefits drives impressive results.

"We observed a strong period of growth in our region, as documented by 2014's huge jump in new business investment and jobs, among the best years we've seen since the 1980s," Gutzwiller says.

Hoosier Energy is helping to power that growth through its own initiatives and investment. "Hoosier Energy and its member systems invested in a sound transmission and distribution system with a high number of redundant substations and transmission facilities to give industrial and commercial customers the reliability they want," Gutzwiller says. "And our high creditworthiness enables us to finance our capital investment at the lowest cost achievable."

The power network also works to keep costs in check. "Hoosier Energy works closely with state and local officials to understand and meet the energy needs of any form of economic growth our local distribution cooperatives serve," Gutzwiller says. "We recognize that each project is unique, so we communicate early in the search process—before the site selection is even finalized—to make sure that our facilities are adequate to serve, and to determine what new investment we may need to provide for the project.

"We discuss the different rate options, and how we can tailor-fit the client's operations with our rates to provide the lowest-cost power," he adds. "We also try to anticipate how to add local infrastructure and incentive opportunities to keep facility costs low for the client, and how to apply our EDR to maximize savings."

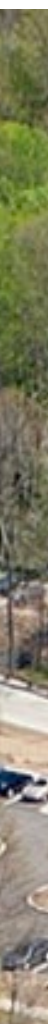
North Carolina: Electric With Clout

A local perspective is vital when determining which power package works best. "Public power communities have the advantage of local decision-making, so they can design a customized approach for operations that need additional security measures, such as on-site backup generators," says Brenda Daniels, manager of economic development for ElectriCities of North Carolina.

"Additionally, local officials can use on-site generation and other tools to lower power costs for industrial customers," she adds.

ElectriCities serves NC Public Power communities through a wide range of services, including customer service and safety training, emergency and technical assistance, communications, government affairs, and legal services. 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. Most member cities have been in the electric business for one century or longer.

This long experience has translated into an impressive record of reliability. "We're fortunate that the reliability of NC Public Power communities is superior to other providers in the region, as measured by key reliability indices," Daniels says. "Our communities not only have fewer outages annually, but the duration of the



outage is also shorter. We find superior reliability to be an important consideration for site selectors.”

The region served by ElectriCities has the advantage of two Prime Power Parks, one in Gastonia and one in Albemarle, offering redundant power for sensitive operations.

“The Prime Power Parks are ideal for manufacturers with a critical need for continuous power supply,” Daniels says. “The park in Albemarle is located adjacent to the Stanly County Airport, making it an ideal location for military suppliers. The Gaston Technology Park has enjoyed great success over the past few years, and is home to the U.S. operations of German, Italian, and French manufacturing companies.”

The region offers a range of options for manufacturers, including a megasite near Rocky Mount, which numerous global manufacturers are investigating for expansion into North Carolina.

It is little wonder that North Carolina has become a magnet for manufacturers. Conditions in the region make it a logistics leader.

“North Carolina has an abundance of quality highways, rail access, and convenient access by air,” Daniels says. “Among our communities, workforce development is a key priority. Most of our members have close partnerships with regional economic developers and the community college system to ensure the proper training is available to attract industries in new and emerging sectors.”

These advantages have drawn U.S. companies to “come home” to North Carolina after forays overseas.

“We have seen industries return to North Carolina, but not necessarily due to energy costs only,” Daniels says. “With the rising costs of doing business overseas, we see more companies show interest in returning to North Carolina because it’s more cost effective for their operation across the board, including real estate, transportation, and utilities costs.

“We also see interest in our state’s quality workforce,” she adds. “North Carolina has a strong tradition of furniture manufacturing, with many skilled workers available for all phases of production. Several companies in this industry have returned to North Carolina.”

ElectriCities works closely with companies seeking to locate or relocate to the region. “North Carolina takes an integrated approach to working with site selectors,” Daniels says. “We work with the North Carolina Department of Commerce, including the newly formed public-private partnership, regional economic development organization, and county economic developers to offer the most competitive package possible.

“ElectriCities works with the municipal utility to offer a rate proposal customized to a company’s specific needs,” she adds. “We find this front-end work to understand the customer’s individual needs helps them manage energy costs for years to come.”

In 2015, ElectriCities launched Smart Sites (S^2), a new shovel-ready site qualification program designed to support economic development opportunities in member communities. A final review is being completed, and marketing selected sites will begin soon.

Putting energy into considering utilities as a key factor in site selection helps logistics professionals shine. ■

Ways to File Effective Freight Claims

BY LISA TERRY

No matter how much you try to prevent cargo loss and damage, well...stuff happens. Follow these eight steps to help recoup your losses.

The carrier's representative verified that the packaging approach met shipping standards. The shipment, an 11-foot by 18-inch LED sign, was fully cushioned, crated, and secured to a skid. The driver whisked it away. Then the customer called the vendor to complain that the sign arrived heavily damaged, with no indication there was ever a crate. The customer questioned the vendor's packaging practices. Months later, the freight claim was still unresolved.

That was the experience of Erie, Pa.-based LED sign maker Signal Technologies when its previously reliable carrier suddenly stopped being so careful. Damage rates increased, and some claims were denied for its products, which are heavy but contain delicate electronic components. But this story has a happy ending. Signal sought help from Logistics Plus, a third-party logistics provider also headquartered in Erie. Despite using the same carrier, damages stopped, rates came down, and Signal received more flexible pickup times. For Signal Technologies, the lesson was clear: clout and volume are valuable tools in moving goods damage free.

The good news is that damage rates have declined as packaging processes improve, and more shippers use pallets and shrink wrap. Improved shipment visibility has also helped minimize loss.

Despite such improvements, damage, loss, and theft continue to occur. Planning for them is key to preventing claims and settling them quickly when they do occur.

"The industry tends to be reactive rather than proactive, focusing on a specific claim and then preventing that cause from reoccurring," according to Austin, Texas-based logistics security services provider FreightWatch International's Supply Chain Intelligence Center. "A more proactive approach is to understand the potential risks that exist, and put a process in place that will prevent problems before they happen. When you put a process in place to proactively mitigate risks, you usually take care of the 'reactive' side as well by having an auditable record for every shipment."

Through every stage of the shipping process, companies can take the following eight steps to avoid loss and damage, and to position themselves to recoup losses if they occur.

1 Select carriers with care. Carriers vary widely in service quality, and it can be tough to get data on carrier-specific or industry-wide loss, damage, and theft rates. These rates also vary by commodity, and how manufacturers measure damage, says James Hicks, president of claims management firm Progeny Claims Services, based in Crown Point, Ind.

Knowing how individual carriers handle claims is one benefit of working with a broker or third-party logistics (3PL) provider. "Third parties have more leverage and influence with carriers, so they usually can get an appropriate and quick response," says Bruce Kennedy, executive vice president of strategic initiatives for Logistics Plus. He urges shippers to ask about claims assistance services when selecting a 3PL.

To minimize shipment damage and loss, Kennedy recommends using regional carriers whenever possible, which avoids intermediaries and the extra handling that can occur.

The risk of damage is even greater when shippers make spot buys outside their carrier contracts. Without a contract, the terms listed on the bill of lading become the default terms, which can lead to a gray area if damage occurs. "Carriers are supposed to prepare the bill of lading, but shippers often do it," notes Raymond Selvaggio, general counsel for Huntington, N.Y.-based industry group Transport Logistics Council. It becomes unclear if the carrier's rules tariff then applies. Shippers creating their own bills of lading should seek counsel to make sure damage claims filing deadlines and other terms are correctly spelled out, Selvaggio recommends.

Eliminating vulnerabilities at the loading dock can help prevent freight damage, loss, and theft claims.

Carriers also vary in their ability to track cargo as it moves through their network. Many now offer detailed shipment visibility systems that can help prevent loss, and track down missing cargo. That's particularly valuable in the case of trailer drops, notes Hicks, because the shipper isn't present to inspect or sign for the shipment.

Some shippers turn to technology to protect their freight. For example, fleet tracking software developer Omnitracs, based in Dallas, uses GPS and cellular technology to create geofences that help fleets track their trailers. "Shipments are most vulnerable for theft or damage when a trailer is disconnected from a tractor," says Jim Sassen, senior manager of product marketing for Omnitracs. "Shippers using software such as Omnitracs' can tell if someone has reconnected the trailer, if it has moved or been opened, and if cargo has been removed, which trips a door sensor."

Tractor-trailer operators increasingly integrate shipment visibility data with information about the driver's identity, creating a chain of custody that is invaluable in the claims process, as well as for locating lost cargo. Omnitracs' sister companies offer technology that equips drivers with mobile computers to scan barcodes, capture signatures, and photograph damages, further enhancing accuracy as well as fueling the claims process.

2 Know your risks. Watching for freight movement patterns and trends can help shippers prevent damage and loss incidents. For example, the rate of fictitious pickups and driver theft is rising in the United States, with 70 percent of incidents occurring on weekends or holidays, according to FreightWatch. The company recommends that shippers and carriers pursue background investigations, security awareness training, and quantifiable in-transit security programs that include tracking technology and real-time monitoring.

"Freight transportation policies should acknowledge high-threat areas and no-stop zones, actions required by the shipper and the carrier throughout the duration of the shipment, actions to take or countermeasures to employ during a suspected or actual threat event, and contingency plans to respond to mechanical difficulty or required route deviations," the firm advises. "Careful analysis must be applied to the enterprise's logistics footprint to determine the most feasible and applicable in-transit security policy."

Shippers can also track their own damage and loss patterns to identify and address recurring trends.

3 Forge solid contracts. Freight liability is covered by a large body of law, and varies by mode and country. These regulations are important to understand. But shippers should also make sure they are adequately protected and insured through the documents that define their relationships with their carriers.

Most important are the carrier's rules tariff and/or the contract between the carrier and shipper. The bill of lading may also spell out these terms. This language states the carrier's level of liability, typically by dollars per pound up to a maximum, as well as the exceptions to those terms.

Liability and terms differ by mode; a parcel limit may be $100, an LTL shipment might be $1 per pound, and a truckload would be regarded as a single shipment and have a higher liability limit. Most carriers offer insurance for shipments exceeding these limits, or they can be added as a rider to the shipper's own insurance.

Shippers sometimes make assumptions about carrier liability. During the sales process, for instance, carriers often point to the amount of liability coverage they maintain. "But it may be lost on shippers that the insurance is to protect the carrier, and may not cover the claim," warns Selvaggio. So while a shipment may be worth $300,000, it only qualifies for a limit of 50 cents per pound up to $10,000 because of the terms. Shippers must know the value of their goods and how well they align with the carrier's liability limits.

While shippers have some wiggle room to negotiate liability terms in an individual carrier contract, "carriers have become much more strident in maintaining the maximum levels of liability and the exceptions," compared to the unlimited liability they once offered, says Kennedy. Carrier insurance is costly, and many carriers are self-insured.

Shippers should also be careful not to negotiate away their rights, such as those granted under the Carmack Amendment, adds Hicks, and make sure they're comfortable with the terms, such as how quickly the carrier will address any claims.

Another important consideration to address in a contract is what happens to damaged product. The law states that in the absence of specific contract terms, the shipper and the consignee have the primary duty to salvage the product, says Selvaggio. If they decide the product has no value, they can dispose of it or allow the carrier to salvage it. But typically, the right to salvage or dispose of product is written into contracts. The nature of the product is key here—food products, for example, are extremely delicate. A broken seal is often grounds to destroy the product because a brand doesn't want to risk compromised food entering the commerce stream. Even non-foods can be a risk; imagine damaged building materials ending up being used during construction.

Package with care. The best way to prevent damage and loss is to ensure freight is fully secure and protected. Poor packaging and labeling is the most common error when preparing a shipment, says Vickie L. Visser, a claims prevention director for Holland, an LTL carrier based in Holland, Mich. "When using an LTL carrier, a shipment could end up being handled or loaded on multiple trailers between pickup, transit, and delivery, depending on the destination," she notes.

All ground shipments should be protected with proper packaging in compliance with the National Motor Freight Classification, Visser advises. Shipments of high value or prone to potential theft should be transported on a shrink-wrapped skid with high security tape around the skid noting: "Do Not Break Wrap." Every piece of a shipment should be labeled with shipper and consignee names and addresses to ensure the entire shipment arrives

Filing Successful Claims

Follow these key packaging and receiving steps to file successful freight claims.

■ **Inspect.** The process starts with a thorough external inspection of the shipment. This can be tough for time-pressed drivers and dock workers, but noting damage and missing cartons on the receipt makes the claims process a lot smoother than finding it later. Inspection should include all sides of the pallet and every carton on the pallet.

Claims get more difficult if damage is not evident on delivery, but is found when the cartons are opened. Taking an image of the damaged contents may help recoup a portion of the claim.

Don't assume shrink wrap means all cartons have stayed securely on the pallet; you can remove cases without disturbing the elasticity.

■ **Note any external signs of damage.** At pickup, it's important that the driver perform an inspection and count rather than writing "said to contain" on the paperwork. "'Said to contain' means the driver did not physically check the number of items tendered for shipment. If by chance there is a shortage, and a claim results, the chances of declination are good," says James Hicks, president of Progeny Claims Services.

At receiving, the consignee—not the driver—should note damages on the delivery receipt or bill of lading and be as specific as possible. Don't write "pending inspection"—instead, describe the damage in detail. Do it immediately; early notations are more complete and accurate than those made through recall.

■ **Take pictures.** Images of the damage are invaluable for the claims process. Be sure some photos include the identifying labels.

■ **Collect critical documents.** Depending on mode, carrier, commodity, and type of move, documents to support the claim may include the delivery receipt, invoice to establish value, bill of lading, debit memo, photos, labels, packing slip to correlate the shipment with the carrier PRO number, quality assurance report if the shipment was infested or tampered with, and something documenting the disposition of the product, whether it was donated, reconditioned, or the carrier is authorized to dispose of it.

■ **Never refuse a damaged shipment, unless there is a safety issue.** The product has to be delivered somewhere, and if you refuse shipment, within the rules tariff the carrier can charge for storage. Also, you can't file a claim without the delivery notation on the paperwork. Typically, the contract covers terms on what to do with damaged product.

■ **Avoid moving the damaged shipment until an inspection is complete.** Companies understandably want to satisfy the customer, and may seek to get the product repaired and shipped quickly, but the liability becomes questionable because damage could have occurred after receipt.

together. The information on the freight must match the bill of lading. It's also important to understand the shipping mode you are using. Packaging demands for truckload or rail shipments are different than for LTL shipments.

> "The best way to prevent damage and loss is to ensure freight is fully secure and protected. Poor packaging and labeling is a common error."
>
> Vickie L. Visser, Claims Prevention Director, Holland

Carriers may refuse to handle shipments that don't meet packaging standards because this increases the likelihood of loss or damage—and a claim. A third-party packaging expert can help ensure packaging materials and practices meet carrier standards, and balance cost vs. protection.

Establish strong shipping and receiving practices. What happens at shipping and receiving has a major impact on how quickly and smoothly claims are resolved (*see sidebar, page* 59). Establishing solid processes is key. "Small companies typically have small shipping and receiving departments," says Sara Schweda, manager of client solutions for Hudson, Ohio-based 3PL GTS. "As a result, shipping and receiving practices may not be consistent, so when damage is discovered, they realize they lack the right notations or paperwork."

File promptly. Missing filing deadlines is a leading reason shippers cannot recoup their losses. Freight terms determine which party files a claim—generally it's the owner of the goods, whether that's the shipper or the consignee. Deadlines differ by mode and carrier. For example, the carrier may want initial notification of damage within 15 days, a claims filing within nine months, and a lawsuit within two months and one day.

Filing typically entails filling out a claim form with data including the specific nature of the loss or damage, the value of the goods, the cost of the goods, and receiving documents such as the bill of lading, delivery receipt, packing list, and photos. Complete documentation speeds the claims filing process.

Shippers sometimes get tripped up by mistaking informal communication with the carrier about the claim as formal notification, adds Selvaggio.

Some shippers decide it is worthwhile to outsource claims management to a third party, especially when they file 500 or more claims annually. Outsourcing saves money through more efficient processes, and claims tend to get resolved more quickly, Selvaggio adds. "And shippers handling claims in-house should centralize the process, and make sure they hire skilled individuals who know the manufacturing network and inventory processes," advises Hicks.

Some 3PLs also offer claims assistance, while others provide advice and education. "We don't process claims, but we educate customers by offering feedback and knowledge," says GTS's Schweda. "We make sure shippers are informed on how to file freight claims and what to expect from carriers."

Prepare for inspection. Carriers may choose to inspect a damaged shipment, usually within one week of delivery, though they may have up to 120 days to do so. The value of the shipment and extent of damage determine whether the carrier will want to inspect. "If the damage was noted on delivery, the product is low value, and the customer has taken good photos, we will likely waive an inspection," says Holland's Visser.

Carriers are reducing their use of inspections. "Skill sets are eroding as the carrier workforce starts to reach retirement age," notes Hicks. New inspectors have fewer chances to get out in the field to gain a real-world perspective on freight handling and damages. "Claims is about networking to find different ways and means to resolve them," he says. "Today's market is far less confrontational on claims than it was 25 years ago."

Carriers use data about damages to improve processes. For example, "claims investigators at Holland handle specific accounts by shipper, not by claimant," says Visser. "The investigators are then familiar with how the freight is packaged, and if damages are normally mitigated. They watch for trends by reviewing the frequency of claims. It is also a win for the claimants as they get to work with the same claims investigator."

Await carrier feedback. Carriers usually have about 30 days to initially acknowledge a claim, but the entire claims process may take anywhere from weeks to months, with some carriers responding faster than others. Claims involving shipments that are lost and never found tend to get resolved quickly, while those damaged due to poor packaging can take some time. If carriers decline some or all of the claim, they must explain why.

It may be tempting to simply reduce payment to the carrier by the amount of a pending claim, or even a settled one. But typically carriers prohibit that, says Selvaggio, although shippers can negotiate into their contract the ability to take a set-off for claims in which the carrier has admitted liability.

Shippers occasionally need to dispute the carrier's findings. Many rules tariffs include a requirement for arbitration: UPS Freight's rules tariff, for example, requires one for disputes concerning freight valued at less than $15,000. Larger disputes may end up in court. Given the cost of that route, Hicks recommends negotiating on claims up to $100,000.

Reducing Costs Through Claims

While preparation and prevention can go a long way, freight damage, loss, and theft will never disappear. While claims management is not the sexiest area of supply chain operations, shippers that create solid carrier contracts and implement shipping and receiving processes with claims in mind can reap dividends in lower costs and happier customers.

The content in this article is provided for informational purposes only and does not constitute legal advice. ■

If You Purchased Freight Forwarding Services

Providing domestic and international shipping,

You Could Get Benefits from a $197.6 Million Settlement

If you or your company used the services of certain freight forwarders, you may be entitled to a potentially significant cash payment from class action Settlements. This is the second notice in this case. Settlements have now been reached with 19 additional Defendants. Settlements were previously reached with 10 Defendants.

The Settlements involve a lawsuit claiming that certain freight forwarding companies secretly agreed to prices for their freight forwarding services worldwide, including on routes in the U.S. and between the U.S. and China, Hong Kong, Japan, Taiwan, India, Germany, the U.K. and other parts of Europe. Some of the companies ("Settling Defendants") that were sued have agreed to Settlements (see list below). The Settling Defendants deny that they did anything wrong. The lawsuit continues against the Non-Settling Defendants.

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

Who is Included

You may be included in one or more of the Settlements (as a Class Member) if you: 1) Directly purchased Freight Forwarding Services; 2) from any of the Settling or Non-Settling Defendants, their subsidiaries, or affiliates; 3) from January 1, 2001 through January 4, 2011; 4) in the U.S., or outside the U.S. for shipments within, to, or from the U.S. All you need to know is in the full Notice, located at the settlement website: www.FreightForwardCase.com, including information on who is or is not a Class Member.

What Do the Settlements Provide?

The Settling Defendants will establish a Settlement Fund with a minimum of $197.6 million. The amount of your benefits will be determined by the Plan of Allocation, which is posted on the settlement website at www.FreightForwardCase.com.

How to Get Benefits?

You need to submit a Claim Form, online or by mail, by **March 31, 2016** to get a payment from the Settlements. You can obtain a Claim Form by calling one of the numbers below or by visiting the website. If you already submitted a Claim Form for the first round of Settlements, you do not need to file a new claim. You will automatically be paid from this second round of Settlements.

Your Other Rights

Even if you do nothing you will be bound by the Court's decisions. If you want to keep your right to sue a Settling Defendant yourself, you must exclude yourself by **September 18, 2015** from that Settlement. If you stay in a particular Settlement, you may object to it by **September 18, 2015**. The Detailed Notice, available at the website, explains how to exclude yourself and object.

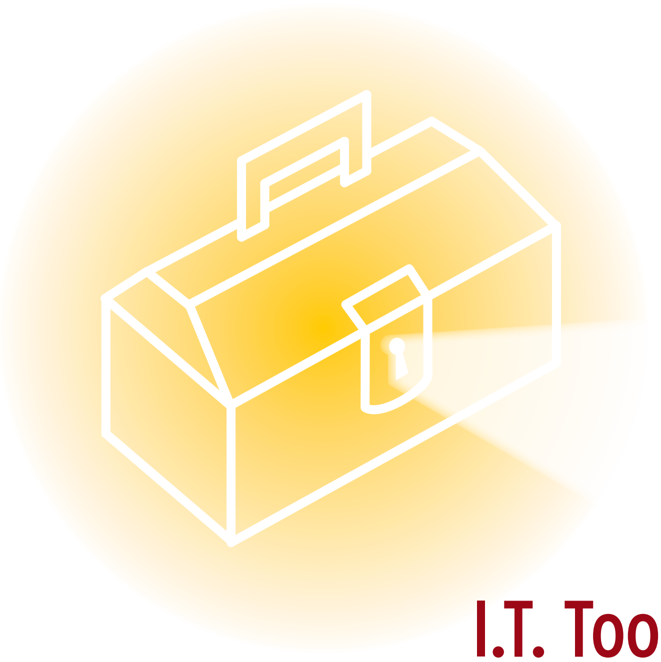
The Court has appointed lawyers to represent you at no charge to you. You may hire your own lawyer at your own cost. The Court will hold a hearing on **November 2, 2015** to consider whether to approve: (1) the Settlements, (2) a request for attorneys' fees up to 33% of the Settlement Fund, plus interest, and reimbursement for litigation expenses. You or your own lawyer may appear and speak at the hearing. At the end of this litigation Class Counsel may ask the Court to award each Class Representative an amount not to exceed $75,000 in recognition of each Class Representative's service in recovering funds for the Class. Notice of any such request will be provided at the website, www.FreightForwardCase.com.

This notice is only a summary. For detailed information:

Call U.S. & CANADA: 1-877-276-7340 (Toll-Free) INTERNATIONAL: 1-503-520-4400 (Toll)

or Visit www.FreightForwardCase.com

The "Settling Defendants" are SDV Logistique Internationale ("SDV"); Panalpina World Transport (Holding) Ltd. and Panalpina, Inc. ("Panalpina"); Geodis S.A. and Geodis Wilson USA, Inc. ("Geodis"); DSV A/S, DSV Solutions Holding A/S, and DSV Air & Sea Ltd. ("DSV"); Jet Speed Logistics, Ltd., Jet-Speed Air Cargo Forwarders Inc. (USA), and Jet Speed Logistics (USA), LLC ("Jet Speed"); Toll Global Forwarding (USA), Inc., Baltrans Logistics, Inc., and Toll Holdings, Ltd. ("Toll"); Agility Holdings, Inc., Agility Logistics Corp., Geologistics Corp., and Geologistics International Management (Bermuda) Limited ("Agility"); United Parcel Service, Inc. and UPS Supply Chain Solutions, Inc. ("UPS"); Dachser GmbH & Co., KG, doing business as Dachser Intelligent Logistics, and Dachser Transport of America, Inc. ("Dachser"); Deutsche Post AG, Danzas Corporation, DHL Express (USA) Inc., DHL Global Forwarding Japan K.K., DHL Japan Inc., Exel Global Logistics, Inc., and Air Express International USA, Inc. ("DHL") for the severed, Japanese claims only; Hankyu Hanshin Express Holding Corporation f/n/a Hankyu Express International Co., Ltd. and its subsidiary, Hankyu Hanshin Express Co., Ltd., and its U.S. subsidiary, Hanshin Air Cargo USA, Inc. ("Hankyu Hanshin"); Japan Aircargo Forwarders Association ("JAFA"); Kintetsu World Express, Inc. and its U.S. subsidiary, Kintetsu World Express (U.S.A), Inc. ("Kintetsu"); "K" Line Logistics, Ltd., and its U.S. subsidiary "K" Line Logistics (U.S.A.), Inc. (""K" Line"); MOL Logistics (Japan) Co., Ltd., and its U.S. subsidiary MOL Logistics (USA) Inc. ("MOL Logistics"); Nippon Express Co., Ltd. and its U.S. subsidiary, Nippon Express USA, Inc. ("Nippon Express"); Nissin Corporation and its U.S. subsidiary, Nissin International Transport U.S.A., Inc. ("Nissin"); Yamato Global Logistics Japan Co., Ltd., and its U.S. affiliate, Yamato Transport U.S.A. Inc. ("Yamato"); Yusen Air & Sea Service Co., Ltd. and its U.S. subsidiary, Yusen Air & Sea Service (U.S.A.), Inc. ("Yusen").



I.T. Toolkit | by Jason McDowell

Growing Efficiency and Weeding Out Waste

With millions of dollars in annual waste bogging it down, Bell Nursery struggled to grow. But today, a new inventory management system helps business blossom.

For many companies, it may not be a big deal when some inventory ships to the wrong place, or forecasts fail and too much product ends up in one place. Most retailers just store the extra inventory and sell it as space becomes available on the shelf.

But for Bell Nursery, one of the largest wholesale plant nurseries and growers in the mid-Atlantic region and 11th largest in the nation, those sorts of push inventory management practices added up to quick losses. When your product has a short lifespan and you eat the cost of waste, the range of options narrows considerably.

Bell Nursery is the primary supplier of plant products to Home Depot, providing household and garden plants to 178 stores in seven states and the District of Columbia. The plant wholesaler and its grower network deliver more than 100 million plants to be sold exclusively to Home Depot customers annually. That's a large number to rely on guesswork.

"The biggest problem was the amount of scrap we had in stores," says Joe Perret, vice president of systems and technology for Bell Nursery. "In 2012, we had $20 million in scrap at the store level. We have nearly 200 inventory locations. Tractor-trailers came in full of product that we broke down and sent out again in smaller box trucks.

"We just loaded product and said, 'take it to this store or to that store.' We weren't paying attention to what product was going where," he adds.

"Bell Nursery is responsible for inventory from the grower all the way through to the checkout. Home Depot doesn't buy it until the transaction happens at checkout," says Peter Price, founder and CEO of Webalo, a software company that helps enterprises develop apps to compile and track data. "Bell's need to track inventory is critical."

"Before we got involved, Bell Nursery was primarily using paper-based data collection, and warehouse or terminal-based systems, where people had to return at specific moments to gather or enter data," says Price. "A core Microsoft Dynamics platform stored the data on the back end, but gathering and collecting information was previously a manual process."

One of the largest problems with having perishable inventory is that you need real-time data constantly available. If you gather data only once each day, inventory could be dead before anyone even notices. "If you gather the data only at end of day, or overnight, and you have products with a shelf life, that can make a huge difference in terms of sales and wastage," say Price.

With 178 inventory locations to track, gathering and compiling that data manually was no small feat. "We had to get the dead product off the books," says Perret. "Small amounts of theft and other foul-ups require us to true up inventory, and our initial systems to deal with that weren't effective."

Originally, the company was doing a full physical inventory every month. "But that ties up people for hours, because they had to record information on pieces of paper, then fax them in," Perret adds. The company started using computers in the store to track inventory, but even that became time consuming.

As Bell Nursery began to realize how much money it was losing in waste, the company started exploring other options for tracking inventory more closely. But all inventory solutions are not created equal. "When we first started, we got an $80,000 price quote from a local company for some basic, limited functionality," says Perret. "Then we looked at Webalo, which could help us develop mini-applications for much less money—and quickly and easily."

Webalo committed to helping Bell find a solution that would save time, reduce waste, and get products to the correct destination. Webalo's existing software platform provides this type of functionality, and the core portion of its software program was able to speak to Bell's data sources automatically.

"Webalo is a software platform that does three things," says Price. "First, it connects to data. Second, it orchestrates data connections between multiple sources. And third, it delivers the data to any device that the user might be working with. We facilitate access for employees who need to gather, view, or manipulate data.

"In effect, we gave Bell Nursey a platform that's pointed at the data," Price adds. "Bell uploaded some store procedures and requirements, and we generated the enterprise's connection and interaction on the devices. Webalo speaks the different languages of these back-end applications, so once connected it becomes a smooth and automatic process."

Instead of documenting inventory using paper-based methods, Bell Nursery employees enter product data by scanning a barcode. This efficiency improvement has drastically reduced the amount of time it takes Bell employees to complete the monthly inventory.

From Seed to Shelf

The solution also required new hardware for each location to help improve efficiency. "Bell Nursery's goal was to track the plants via barcode from a seed to the Home Depot shelf—from its birth to its maturity and sale. They needed a simple way to do that," says Mark Miceli, mobility sales representative for Infinite Peripherals (IPC), a provider of iOS-based mobile hardware solutions.

IPC provided iPhones and its Linea Pro line of barcode scanner sleds, and Webalo set to work integrating its solution into that hardware. "We gave Webalo access to our software development kit, and some testing units," says Miceli. "They had an application integrated in just a few weeks."

IPC's solution also enables Bell Nursery to handle different types of lighting situations across its inventory network where daylight and shading are unique to each location. "We're able to scan barcodes in any lighting, and that has been a big part of the productivity improvement," says Perret. "Employees no longer have to record information on paper; they just scan the barcode and they're done."

The new solution streamlined Bell Nursery's inventory management practices, and the reduction in wasted product cut the company's annual wastage cost from approximately $20 million to $13 million.

"We developed a replenishment system, and at the core we established inventory targets for every item, at every store, for every week of the year,” says Perret. “Then we compared existing inventory to those targets. When we are short we can ship product, and when we are long we can hold it. We are now able to get the right products to the right stores in the proportions that they are actually selling,” says Perret.

Moving toward automation had a direct impact on employee efficiency as well. “With nothing to write down, there were no longer any duplicates, handwriting errors, or transposition errors. That all went away,” says Perret. “Another bonus is that the iPhones we use in the stores are intuitive. Our employees on the ground don’t require a lot of technical know-how to operate them well.”

“We were thrilled to help Bell Nursery overhaul its systems, and provide the company with real-time, holistic intelligence on its entire supply chain,” Price adds. “This also benefits Home Depot customers who now have better access to the exact products they want at their local stores.”

The nature of Webalo’s software has also allowed Bell Nursery to extend its usage of the software into other areas of the company. For example, the company is currently expanding the technology into its distribution centers. “We currently use a manual process,” Perret says. “We take the paperwork from the truck driver, go into the office, and do the receiving. So we’re developing a Webalo application that will enable our dock workers to receive product right at the dock.”

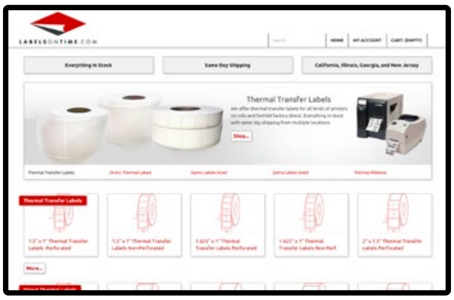
The company is also using the solution outside of supply chain applications. “We use the same platform for time off and leave requests, termination forms, and inventory quality assessments. We’ve developed about 30 different mini-applications that are available to the people managing inventory at the stores,” notes Perret.

“Bell Nursery manages and adapts to users’ needs by rapidly introducing new apps,” notes Price. “The company applied the apps from the supply chain area to human resources and other functions to help employees in the store do their jobs.

“We develop our software in an environment that is designed to enable quick response,” adds Price. “In the future, Bell Nursery will also look to gather employee efficiency measurements that result from the way they are using the platform. That’s the kind of idea that becomes possible with the environment we’ve created.”

Gone are the days of the spreadsheet and fax machine. Throughout manufacturing, distribution, healthcare, retail, and other industries, the trends all lean toward real-time mobility. With the Webalo and IPC solution fully implemented and growing, Bell Nursery now finds sales and inventory efficiency in full bloom. ■

BARCODE/RFID



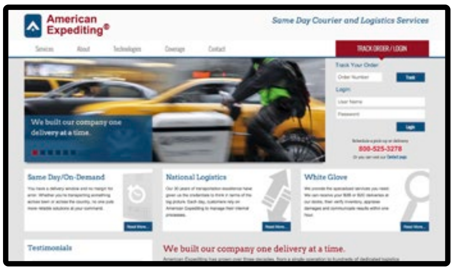
Labels Ontime Inc. • www.labelsontime.com

Manufacturer and stockist of barcode thermal transfer and direct thermal labels in all sizes, materials and adhesives. Barcode labels are available on both rolls and fanfold. We stock labels in four locations nationwide, and ship same day, which ensures rapid delivery. Our thermal labels are compatible with all types of barcode printers including Zebra, SATO, Datamax, and more. We have capabilities for long- and short-run custom barcode label manufacturing.

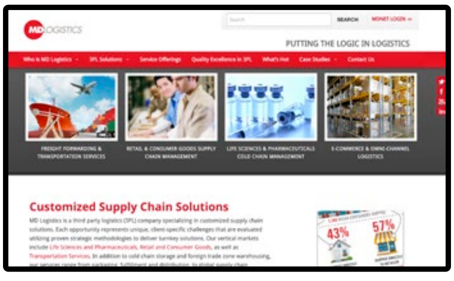
EXPEDITED GROUND

American Expediting • www.amexpediting.com

American Expediting has grown over three decades–from a single operation to hundreds of dedicated logistics professionals nationwide. But its mission remains the same: to deliver on time, every time. Couriers are equipped with two-way communications devices and GPS, and the on-time performance metric is more than 99 percent. From messengers, couriers with cars, vans and trucks, to next-flight-out and direct drive shipments, to warehousing, distribution, fulfillment, and more, American Expediting's solutions are custom-tailored to your exact requirements, schedule, and budget.



GLOBAL LOGISTICS



MD Logistics • www.mdlogistics.com

MD Logistics is a third-party logistics (3PL) company specializing in customized supply chain solutions. Our vertical markets include life sciences and pharmaceuticals, retail and consumer goods, as well as transportation services. In addition to cold chain storage and foreign trade zone warehousing, our services range from packaging, omni-channel fulfillment and distribution, to global supply chain solutions, freight forwarding and freight management.

PALLETS

PECO Pallet • www.pecopallet.com

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

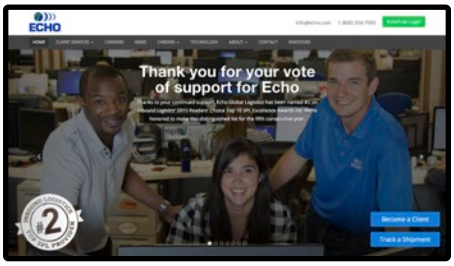
RETAIL LOGISTICS

DSC Logistics • www.dsclogistics.com

With experience, knowledge, and IT–as well as supply chain capabilities that are adaptable, versatile, and focused on changing customer needs–DSC Logistics helps companies reach their business goals. DSC provides supply chain analysis and design, strategic solutions-based consulting, systems integration, process improvement, and management of logistics operations such as warehousing, transportation, packaging, and fulfillment. In today's business environment, filled with rapid and unpredictable change, DSC manages change and information in the supply chain by using a strategy called sense-and-respond and by being ready for anything!

Echo Global Logistics, Inc. • 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.

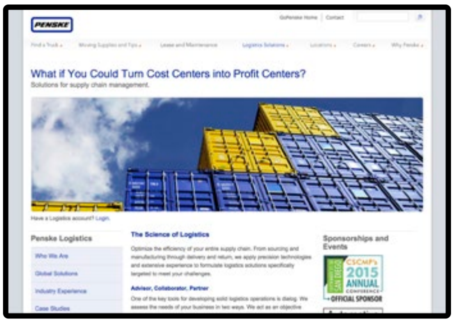


Lynden • www.lynden.com

Over land, on the water, in the air–or in any combination–Lynden has been helping customers solve transportation problems for almost a century. Operating in such challenging areas as Alaska, Western Canada and Russia, as well as other areas around the globe, Lynden has built a reputation of superior service to diverse industries.

Penske Logistics • www.penskelogistics.com

Penske Logistics is an award-winning logistics services provider with operations in North America, South America, Europe and Asia. Our innovative solutions, engineering, and advanced technology help leading companies drive down supply chain and logistics costs, and boost operational efficiency. Penske Logistics offers dedicated contract carriage, distribution center management, transportation management, lead logistics, supply chain consulting, freight brokerage, and fully customizable solutions. Call Penske Logistics at 1-800-529-6531 to learn more.



RETAIL LOGISTICS

RR Donnelley Logistics • 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.

Unyson Logistics • www.unysonlogistics.com

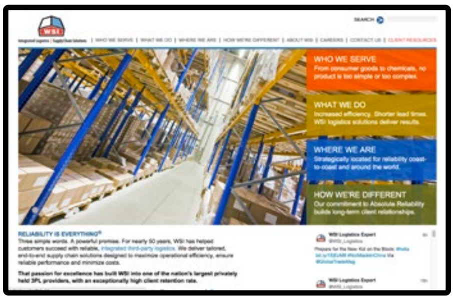
Unyson Logistics provides the technology and resources to help businesses drive costs out of their supply chains. We do this by creating logistics solutions where our customers own and drive the process jointly, with us, in unison. Combining the stability and resources of our $1-billion-plus parent company, Hub Group Inc., with this uniquely collaborative approach, Unyson surrounds customers with 360 degrees of measurable, strategic value—what we call The Y Factors: unity, opportunity, visibility, velocity, technology, delivery, capability, flexibility, stability, and integrity.

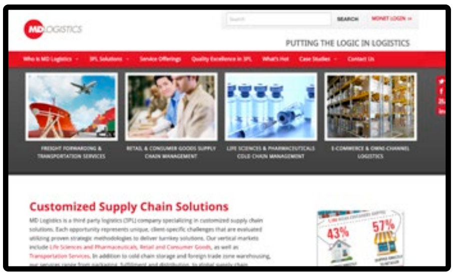
Wen-Parker Logistics • www.wen-parker.com

As a world-class freight forwarding company with offices located throughout the United States and Asia, Wen-Parker Logistics understands your need for reliable, flexible, expedient delivery and prides itself on providing 100-percent customer satisfaction with every transaction. Its extensive international air, sea, and ground transportation services are strategically headquartered in New York, within close proximity to John F. Kennedy International Airport. If Wen-Parker Logistics is handling your freight, you can be confident of accurate, on-time performance and a job well done.

WSI (Warehouse Specialists Inc.) • 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.





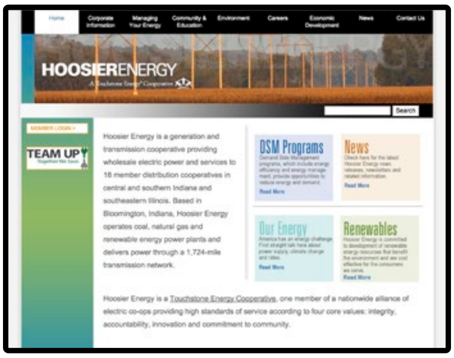
MD Logistics • www.mdlogistics.com

MD Logistics is a third-party logistics (3PL) company specializing in customized supply chain solutions. Our vertical markets include life sciences and pharmaceuticals, retail and consumer goods, as well as transportation services. In addition to cold chain storage and foreign trade zone warehousing, our services range from packaging, omni-channel fulfillment and distribution, to global supply chain solutions, freight forwarding and freight management.

SITE SELECTION

ElectriCities • 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.



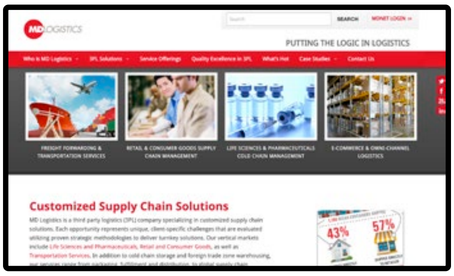
Hoosier Energy • www.hepn.com

Hoosier Energy is a generation and transmission cooperative providing electric power to 17 member electric distribution cooperatives in central and southern Indiana and one member cooperative in Illinois. Based in Bloomington, Ind., Hoosier Energy operates coal, natural gas, and renewable energy power plants and delivers power through a 1,450-mile transmission network. Hoosier Energy is a Touchstone Energy Cooperative, one member of a nationwide alliance of electric co-ops providing high standards of service according to four core values: integrity, accountability, innovation, and commitment to community.

WAREHOUSING

MD Logistics • www.mdlogistics.com

MD Logistics is a third-party logistics (3PL) company specializing in customized supply chain solutions. Our vertical markets include life sciences and pharmaceuticals, retail and consumer goods, as well as transportation services. In addition to cold chain storage and foreign trade zone warehousing, our services range from packaging, omni-channel fulfillment and distribution, to global supply chain solutions, freight forwarding and freight management.



White Paper Digest

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

Weber Logistics

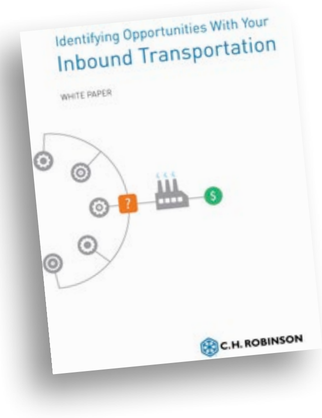
TITLE: ***Chemical Warehousing 101***
DOWNLOAD: *bit.ly/1h2SFfT*
SUMMARY: Not all chemicals are hazardous, but those that are must adhere to specific storage requirements. If you are responsible for the storage and distribution of commercial chemicals, this paper serves as a primer on safe, compliant storage. This guide shares the factors that determine classification, the requirements of hazardous materials, and steps to assess the capabilities of a commercial warehousing partner.

4SIGHT Logistics Solution

TITLE: ***Doing More With Less: Yard and Dock Management Software ROI***
DOWNLOAD: *bit.ly/1PIf4Rj*
SUMMARY: This whitepaper provides an important analysis for anyone faced with logistics problems in the yard or at the dock, including high operational and labor costs, inefficient processes, security, and other serious issues. It features an overview of several yard management and dock management software solutions and approaches that not only solve the problems facing on-site logistics operations, but ensure timely ROI using a proven and automated "less is more" approach.

3PL Central

TITLE: ***The Five "New Rules" of 3PL e-Commerce Fulfillment***
DOWNLOAD: *bit.ly/1h2SH7G*
SUMMARY: Is your 3PL keeping up with the challenges of today's fast-paced e-commerce marketplace? To ensure it is, download 3PL Central's latest free whitepaper. Written by industry experts, this whitepaper was created to help you satisfy your customers, increase your sales, and master the process of e-fulfillment.



C.H. Robinson

TITLE: ***Identifying Opportunities With Your Inbound Transportation***
DOWNLOAD: *bit.ly/1J4vtZr*
SUMMARY: With the right business processes and visibility, companies of any size can improve the inbound segment of the supply chain, and boost savings and service. Download this whitepaper to learn how an efficient inbound transportation program can reduce costs, improve service, diminish delays, minimize confusion, and raise performance, and where you can find savings and eliminate gaps in your company's inbound program.

AT&T

TITLE: ***Visibility, Speed and Agility: How M2M is Redefining The Supply Chain and Transportation***
DOWNLOAD: *soc.att.com/1h2SHVa*
SUMMARY: Transportation and supply chain management are critical pillars of global commerce and are facing unprecedented challenges and change. The new and original information in this study sheds light on how executives at transportation and supply chain management companies use, or plan to use, technology to address these issues and more. Key findings in the survey data reveal that "operational visibility" – knowing where a shipment is and monitoring the environmental conditions in near real-time of cargo in-transit – is becoming a critical tool for the supply chain and transportation industries.

CarrierDirect

TITLE: ***The Case for Lowering LTL Limits of Liability***
DOWNLOAD: *bit.ly/1PIf6bG*
SUMMARY: This publication illustrates why it is in the best interest of third-party logistics providers to work with carriers and reduce limits of liability to $1 per pound in the LTL arena. It also describes the key points that cast 3PLs in a favorable light to ultimately forge stronger, more strategic partnerships with LTL carriers. Delivering an analysis of effective procedures for partnership, this whitepaper outlines specific strategies 3PLs can use to better serve carriers by identifying and working to solve the issues that complicate the existing liability landscape.

C3 Solutions

TITLE: ***Common Myths About Dock Scheduling***
DOWNLOAD: *bit.ly/1h2T1mW*
SUMMARY: The purpose of this whitepaper is to address some of the myths related to dock scheduling. Company visionaries, be they CEOs, warehouse supervisors, IT project managers, or continuous improvement team leaders, often face the challenge, among others, of breaking down myths. The articles included in this whitepaper have been assembled to help these leaders break down the myths related to dock scheduling.

Share your whitepaper with *IL* 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**

//Technology//

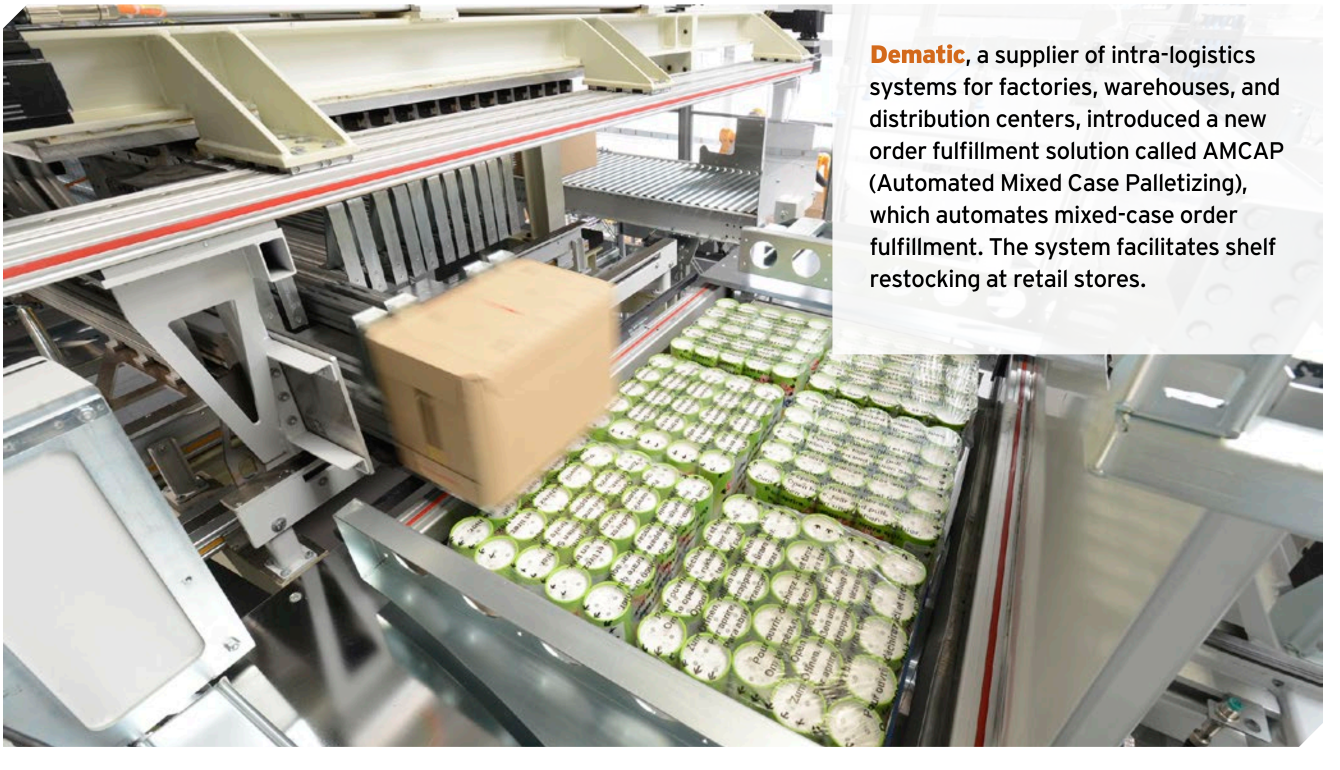
Software provider **ClearTrack's** *Transportation Sourcing Management-Ocean Freight (TSM-O)* is a cloud-based tool to help shippers source import freight services. *TSM-O* enables users to configure import lanes, invite and collect carrier bids, qualify service requirements, perform comparison analysis, and award selected steamship lines by lane, equipment size, and service.

Fleet, a technology company, launched an online freight forwarder discovery, rating, and review platform. Small and mid-sized businesses use the system to find international freight forwarders based on factors such as location, size, experience, and customer ratings. Users can also share experiences, write reviews, and rate freight forwarders on multiple criteria.

Software developer **Dynamic Systems** launched *SIMBA Seafood Labeling and Traceability Software* for tracking shellfish. Aside from handling palletizing, and recording inventory moves and shipping information, the *SIMBA* system includes automated data collection points that report product details.

CargoSmart, a global shipment management software solutions provider, launched a sailing schedule search engine (www.bigschedules.com) that helps users visualize their ocean routes. This new platform lets shippers search sailing schedules and view live vessels in transit.

Queen City Software, a provider of warehouse control software solutions, integrated its software with **Honeywell** Vocollect voice-picking systems and pick-to-light hardware systems from **ATOP Technologies** and **Innovative Picking Technologies**. The integration



Dematic, a supplier of intra-logistics systems for factories, warehouses, and distribution centers, introduced a new order fulfillment solution called AMCAP (Automated Mixed Case Palletizing), which automates mixed-case order fulfillment. The system facilitates shelf restocking at retail stores.

is designed to increase productivity gains from voice-picking and pick-to-light technology.

TIACA, an air cargo trade association, launched a website with added benefits for members including an industry scorecard to help with the drive toward e-freight. The new site includes improved networking opportunities, while the industry scorecard highlights key benefits and challenges of various e-commerce initiatives.

Shipping reseller **Unishippers Global Logistics** updated its website unishippers.com, which features the company's proprietary transportation management systems, *Express Manager* and *Freight Manager*, as well as tools to facilitate the shipping process.

//Products//

SATO, a global provider of auto-ID solutions, launched the CL4/6NX-J series, an Internet of Things label printer service compatible with SATO Online Services, a cloud-based maintenance solution that identifies problems before they occur and provides support to ensure stable operations.

Toyota Industrial Equipment's three-wheel electric forklift offers improved run times and increased travel and lift speeds over previous models. The new model comes equipped with a turn speed control system and wet disc brakes to boost overall uptime.

Raymond Corporation introduced the Model 8210 walkie pallet truck featuring AC technology, which enables the truck to adapt to extreme environments. When working in tight areas, such as trailers or lift gates, the Model 8210's maneuverability and speed control optimize operator handling.

Mitsubishi Caterpillar Forklift America released a new line of Jungheinrich Lift Trucks with increased reach heights, greater lifting and towing capacities, and improved operator control and energy efficiency. The updates boost operator security and comfort, and provide a range of options to increase productivity.

Akro-Mils, a storage products manufacturer, expanded its louvered and rail-hanging systems by adding steel bracket accessories to hang plastic storage cabinets. Available in two sizes, the accessory attaches to the back of Akro-Mils' 10-Series plastic storage cabinets.

MP Global Products' insulated foam-free mailers and box liners are engineered for eco-friendly temperature control and to protect mail order shipments. The enhanced insulating materials are made from a blend of recycled cotton fibers for foam-free cushioning thermal protection.

//Transportation//

UPS expanded its Worldwide Express Freight service—for the second time in 2015—adding five countries in Latin America and three in Europe. The guaranteed service is designed for urgent, time-sensitive, and high-value international heavyweight shipments to 58 origin and 56 destination countries and territories.

DHL Global Forwarding launched Trans Border Connect, a new LTL cross-border transportation bundled service. With one invoice, one provider, and one quote, users can ship to and from any location in the United States and Mexico.

The **CMA CGM Group**, a global shipping company, launched a direct weekly service joining West Africa and the Mediterranean. Along with adding two vessels, CMA CGM upgrades its West African coverage by including ports of call in Italy, France, Malta, and Spain.

To increase the reach of their respective networks, **IAG Cargo** and **Finnair Cargo** entered into a block space agreement to share freighter capacity flying between London Luton and Helsinki. With the start of the twice-a-week service—operated by an A300-600 cargo freighter—London becomes Finnair's third cargo hub in Europe, in addition to Helsinki and Brussels.

TNT launched a flight between its main European air hub in Liege and Tunis, Tunisia. The service operates five times weekly via Marseilles, with flights arriving in Tunis every weekday, allowing for late departures for exports to Europe, early arrival times for imports, high weight limits, and short transit times.

The **G6 Alliance** (APL, Hapag-Lloyd, Hyundai Merchant Marine, Mitsui O.S.K. Lines, Nippon Yusen Kaisha, and Orient Overseas Container Line) is set to upgrade the AZX (Asia Suez Express) service to include an additional Halifax call. The move is expected to improve transit times from Canada to Asian and Mediterranean ports, as well as from Asian and Mediterranean ports to New York.

MOL (Mitsui O.S.K. Lines) relaunched its service in Guatemala, which is handled by MOL's agent, Navieras Internacionales, S.A. (Navinter). In Guatemala, MOL now offers weekly service in and out of Puerto Quetzal with connections to and from Asia and Mexico.

//Services//

American Airlines Cargo opened a 12,000-square-foot facility at Hartsfield-Jackson Atlanta International Airport. The move reduces loading and unloading processing times for airfreight shippers.

Transportation and logistics company **Dicom Transportation Group** partnered with **DDC FPO**, a freight business processes specialist, to implement a new business process management model, which includes customized, multilingual programs for bill-of-lading and parcel invoice processing.

Kenco, a provider of integrated logistics solutions, established Kenco Innovation Labs—a department focused on researching and developing innovative approaches to supply chain management challenges. Its team of innovation specialists collaborates with shippers to identify, research, and prototype new ideas and processes.

Penske Truck Leasing opened an 8,480-square-foot facility in the Interstate Commerce Park in the Birmingham suburb of Alabaster, Ala. The facility provides full-service truck leasing, commercial truck rental, and contract truck fleet maintenance services.

Canadian cross-border carrier **Polaris Transportation** launched an overnight LTL service between Boston and Toronto. This lane improves cross-border transit times for shippers in the high-tech, tourism, medical, printing, and government defense industries.

Estes Express Lines, a freight transportation provider, opened a new terminal in Norristown, Pa., to accommodate increased demand in the greater Philadelphia region. Located near I-476, I-276, the Pennsylvania Turnpike, and U.S. 202, the Norristown terminal provides 44 dock doors.

Flagler Global Logistics broke ground on the 246,240-square-foot Titusville Logistics Center, Port Canaveral, Fla.'s first multimodal inland port facility, which will support expanding cargo and container terminals. Having inked a build-to-suit lease agreement in 2014, the Canaveral Port Authority is the first major tenant of the new facility, which is scheduled for completion in early 2016.

CALENDAR YOUR LOGISTICS DATEBOOK

OCT 5

American Production and Inventory Control Society

APICS 2015

www.apics.org | Las Vegas, Nev. | OCT 5-7

AUDIENCE: Supply chain and logistics professionals
FOCUS: Best practices in sustainable supply chains, solutions exhibition, the future of supply chain and operations management

CONFERENCES

SEPT 11, 2015 Los Angeles, Calif.
USC Marshall Center for Global Supply Chain Management

3rd Annual Global Supply Chain Excellence Summit

globalsummit.uscsupplychain.com

AUDIENCE: Supply chain and logistics professionals
FOCUS: Vertical markets breakout sessions; competency sessions on supply chain risk, procurement, manufacturing, logistics, and distribution; supply chain outlook; emerging market supply chains

SEPT 20–22, 2015 Ft. Lauderdale, Fla.
Intermodal Association of North America

Intermodal EXPO

www.intermodal.org

AUDIENCE: Supply chain and transportation professionals, intermodal shippers and stakeholders
FOCUS: The future of intermodal in 2015 and beyond, effects of maritime labor uncertainties, chassis provisioning, intermodal conversion, managing drayage relationships, intermodal legislative update, intermodal solutions exhibition

SEPT 27–30, 2015 San Diego, Calif.
Council of Supply Chain Management Professionals

CSCMP's 2015 Annual Conference

www.cscmp.org

AUDIENCE: Supply chain, logistics, and transportation professionals
FOCUS: Supply chain innovations, cultivating an environment that fosters leadership, manufacturing performance from a supply chain perspective, supply chain best practices, supply chain infrastructure

SEPT 28–30, 2015 Princeton, N.J.
Worldwide Business Research

LogiPharma 2015

www.logipharma.com

AUDIENCE: Pharmaceutical supply chain stakeholders
FOCUS: Supply chain integrity, visibility, and risk management; customer-driven supply chains; supply chain segmentation; emerging markets; working capital management and optimizing inventory; supply chain planning and forecasting

OCT 5–9, 2015 Boston, Mass.
International Quality and Productivity Center

GDP & Temperature Management Logistics Global Forum

www.coldchainglobalforum.com

AUDIENCE: Cold chain stakeholders
FOCUS: Evolution of the supply chain, FDA's risk-based supply chain strategies, applying data analytics to the temperature-controlled supply chain, new challenges in the European Union GMP Guide, supply chain distribution practices

OCT 19–21, 2015 Chicago, Ill.
Customized Logistics and Delivery Association

PARCEL Forum '15

www.parcelforum.com

AUDIENCE: Distribution, logistics, supply chain, and warehouse managers; small-package supply chain stakeholders
FOCUS: Parcel industry educational tracks and case studies; dimensional weight pricing; home delivery strategies; distribution center tours; regional carrier, warehousing, and materials handling exhibition

OCT 27–29, 2015 Miami, Fla.
WTG Events

13th Annual Supply Chain & Logistics Summit

www.supplychain.us.com

AUDIENCE: Logistics and supply chain professionals
FOCUS: Leaders in the supply chain renaissance, economic forecasts for the supply chain, talent management, risk management, visibility and transparency in the supply chain, supply chain optimization

NOV 16–19, 2015 New Orleans, La.
National Industrial Transportation League

2015 NITL Annual Conference & Freight Exhibition

www.nitl.org

AUDIENCE: Supply chain, logistics, and transportation professionals
FOCUS: Transportation-focused educational sessions and roundtables, transportation equipment and technology exhibition

DEC 1–3, 2015 Arlington, Va.
Worldwide Business Research

Defense Logistics

www.defenselog.com

AUDIENCE: Defense logistics and supply chain stakeholders
FOCUS: Best practices and trends in defense logistics, sustaining and supporting a widely dispersed troop base, collecting and analyzing data, filling the global talent gap

SEMINARS & WORKSHOPS

SEPT 18 & 25, 2015 Bethlehem, Pa.
Lehigh University Center for Supply Chain Research

APICS Certified Supply Chain Professional Certification

cvcr.lehigh.edu

AUDIENCE: Logistics and supply chain professionals
FOCUS: Supply chain management best practices, concepts, metrics, techniques, and methodologies; impact of sales and operations planning on the supply chain; implementing change in supply chain management

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Events

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The Language of Logistics

We're all logistics managers in everyday life. We don't pick up the kids from summer camp; we utilize assets to move critical cargo. Here are some other examples of supply chain speak.

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