

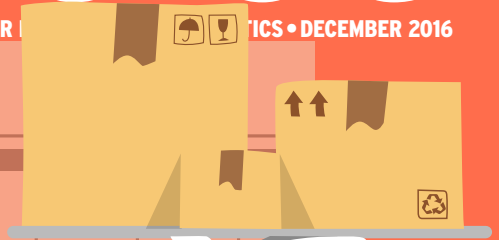
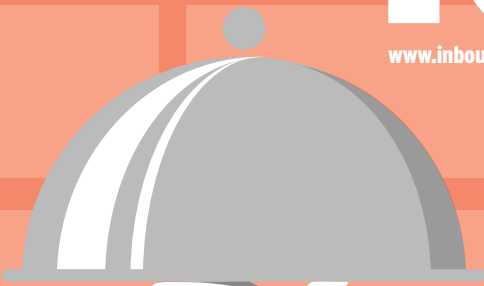
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**MEASURING 3PL
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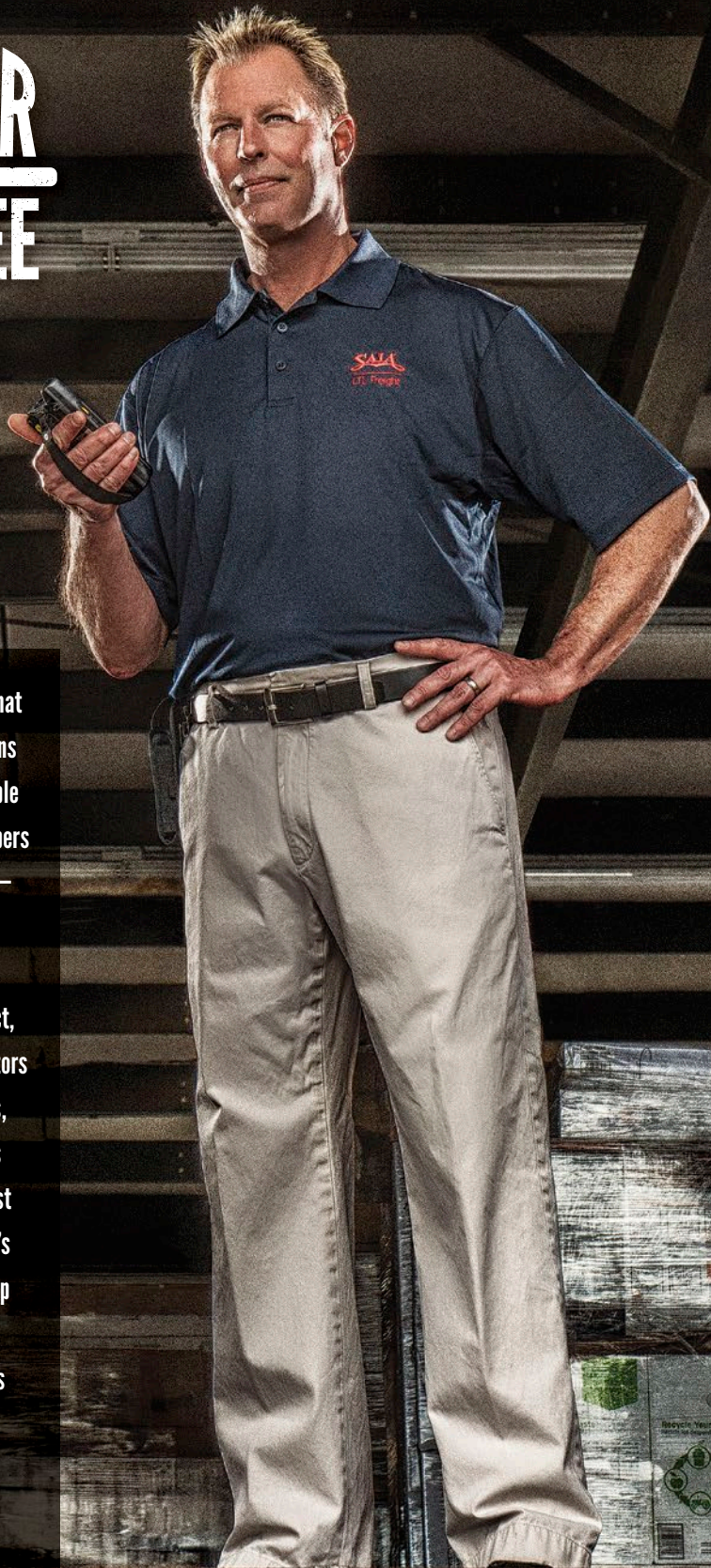
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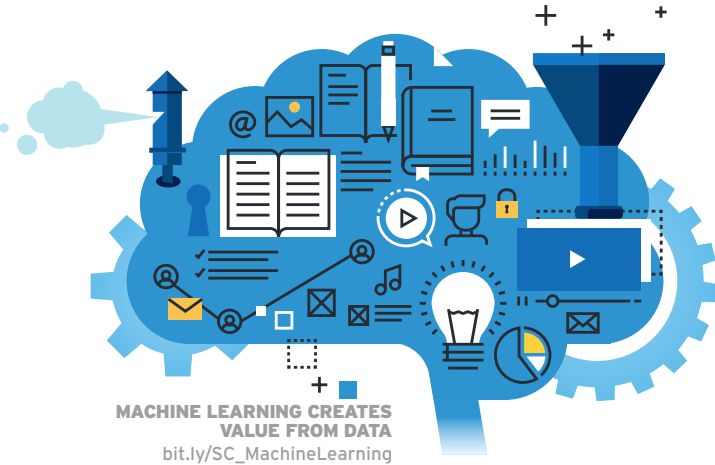
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ONLINE EXCLUSIVES



Four Technologies Set to Change the Future of Logistics

bit.ly/FourTechnologies

Heather Vacca, Marketing Coordinator, Key Software Systems

Get ready for a supply chain paradigm shift. These technologies will cause shippers to rethink cost-cutting measures and rewrite logistics strategies.



Trump Presidency Is Reality. Let's Talk Supply Chain Implications

bit.ly/SC_Implications

Matt Tillman, CEO, Haven

Supply chain professionals are concerned: Will the new president implement the protectionist measures he campaigned on? Here are four supply chain predictions.



Supply Chain Analytics: Creating Value from Data with Machine Learning

bit.ly/SC_MachineLearning

David Rimmer, Principal Engineer, Sensing Systems Group, Cambridge Consultants

From item-level inventory data and GPS to condition monitoring and signals from social media, new data sources are augmenting available supply chain data. Find out how to extract value from this influx of information.

LOGISTICS PLANNER RESOURCES

Planner Profiles

bit.ly/LogisticsPlannerProfiles

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

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CHECKING IN



by Keith Biondo | **Publisher**



Times They Are A-changin’

Let’s say you are a manufacturer in the Midwest. You’ve got an excellent product line, a well-tuned supply chain, dedicated workers, and a great brand. Let’s say your company’s name is Harrier, because you have a long history of being a tough global competitor.

The problem is, your competitors moved offshore, reaping competitive advantages such as lower labor costs by a factor of 5, non-disruptive regulations, and a lack of frivolous lawsuits. You also have a bevy of foreign competitors enjoying the support of business-friendly governments seeking worker wealth by recognizing that the path to prosperity is production. Those governments subsidize companies and even become part owners with your competitors. In other cases, they favorably adjust currency values, or use taxes, regulations, and selective enforcement as support.

You, on the other hand, operate in an environment where it seems your own government is an impediment to enterprise success. Who pays one of the highest income, real estate, and other tax rates in the industrialized world? You do! You are also favored with a basket of deplorable regulations—53 new ones at your site in the past 6 years, for example—many of which have little impact on safety or sustainability. But regulators do what regulators do, occasionally without regard to the impact on the worker they seek to help.

One little-known regulatory tool you must contend with these days is “sue and settle.” It’s a quick and easy way to get new rules and regulations passed. The government wants more regs, but can’t get it done. Solution? Invite a progressive group or org to sue the United States, and then quickly settle the lawsuit. Presto: New rules and regs without the political fallout and hassle of the legislative process!

So what choice does an industrialist have? Abandon that business line and focus on another one. Sell. Cross your fingers, hope for the best, drip, drip, drip of firings, and manage your company’s decline. Or join the movement.

In time, you’ve got a new modern plant built over there, your supply chain partners are already in place as they supply your competitors. In just a few months, you’ll be well positioned to do battle in the realpolitik world of global trade, combating currency manipulation and lack of trade reciprocity. Winning!

Then what happens? Bam! Someone sees a cellphone video on a non-MSM news source and makes you a metaphor for manufacturing decline over the past 3 decades. Your world changes in an instant. Trade patterns are changing, too. You—and most everyone else—have no idea what the future holds.

I don’t know what the future holds either, except this: Supply chains will soon be a-changin’ too, big league. ■

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READER EMAIL

Inbound Logistics' Annual Top 100 Truckers Directory Provides In-Depth Index of Carriers that Match Readers' Diverse Needs

bit.ly/2016top100truckers

I was looking at your top 100 truckers for 2016 and noticed a few that surprised me. They were far smaller than I expected. Your article briefly noted the methodology used: starting with a pool of 200+ truckers and narrowing it down to the top 100. I wondered how you pick the initial 200? I think you should also take a look at intermodal truckers. It may be worth a whole different review.

Bruce Louthan, General Manager,
International Logistics, Inc.

Editor's Note: Thanks for your feedback. IL editors reach out to a database of approximately 400 carriers, asking them to submit a questionnaire outlining their credentials for consideration for the top 100. Usually, about 200 reply. From those 200, the editors choose the final top 100. Intermodal truckers indeed might be a different review, and we will consider it for our 2017 edition.

We welcome your feedback.
Email editorial@inboundlogistics.com

HASH IT OUT

H Mahmassani @b_rational

What's to prevent tampering with a small robot making deliveries on street level? Get the drones out. @ILMagazine

@ILMagazine

Humans are not obsolete yet. People are needed to mind robot deliveries.

@ILMagazine

Real-time load tracking can improve productivity and customer service, as well as reduce costs. bit.ly/load-tracking

Kyle Baer @2Much2Baer

The supply chain is more visible than ever before, easing concerns over international sourcing.

EXCHANGE

Filling a New Prescription for Supply Chain Improvement

Healthcare organizations are transforming how they source supplies and connect with manufacturers and service providers.

bit.ly/healthcareSC

Gavin Brown

A really good article on the future opportunities for healthcare product supply chains. We need to focus on technology enablers, data analysis, and standardization. I would also add value stream analysis. The success of this is hinged on the acceptance of integrated supply chains from both a corporate and public governance point of view.

WE START 'EM YOUNG HERE AT IL

Say hello to Henry Biondo, son of sales rep Joseph and grandson of publisher Keith. With those genes, we expect we'll be adding his name to our masthead in a few years.

HOT TOPICS | IL articles getting the most impressions on LinkedIn: Supercharging Your Supply Chain and Logistics Career: bit.ly/superchargingSC • Whiskey, Bartender—and Make it Quick! bit.ly/BuffaloTracecasestudy • Seven Common Shipping Mistakes and How to Avoid Them: bit.ly/avoid7missteps • IoT in the Supply Chain: bit.ly/IoTInSC • Healthcare Logistics: Filling a New Prescription for Supply Chain Improvement: bit.ly/healthcareSC



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Good Question...

READERS WEIGH IN

What logistics concerns keep you up at night?

To meet the needs of last-mile delivery, large e-commerce players are searching for prime real estate near population centers. With fewer good sites and skyrocketing warehouse/DC costs, 3PL storage margins are shrinking, and clients are unaware of pending rate increases.

Richard Murphy, Jr., FASLA
President & CEO
Murphy Warehouse Company

Retail is all about coordinating the delivery of many products from many countries to arrive at stores as one assortment. A jacket that is missing the matching pants can be a sales disaster. So many small details can go wrong.

Sue Welch
Chief Executive Officer, Bamboo Rose

What port issue will I wake up to in the morning that's going to affect business? India's three-week delays at Visak? Indonesia congestion? Yangon delays? LA/LGB? Does it end? I'm going to use technology to have better visibility, re-route as necessary, understand my landed cost, and react faster.

Renee DiResta
Co-founder & CMO, Haven

As a freight forwarder, assuming the responsibility of transporting high-value items that are not physically in my possession can be worrisome, especially with the very real carrier shortage in our industry. Selecting the right carriers is the best way to ensure a good night's sleep.

Angela Eliacostas
President/Founder, AGT Global Logistics



The risk exposure and uncertainty surrounding the proliferation of government regulations in the transportation industry. No one is sure of the scope of the economic impact from, say, the ELD mandate and the Food Safety Modernization Act.

Marty Graham
Vice President, Logistics Services
ArrowStream

Global political and economic uncertainties are growing concerns. Brexit and the recent U.S. election could usher in a period of protectionism that will redefine supply chains. Monitoring markets will be important, along with supply chain partners' collaboration.

John Haber
Founder & CEO
Spend Management Experts

Being kept up at night keeps supply chain leaders on their game! The demands of reduced supply chain cost and greater visibility have never been higher, and while many logistics providers

execute well, the great ones develop strategic initiatives and build a culture that drives value.

Mark McEntire
Senior Vice President, Operations
Transplace

Complexity or problems with no clear answer: the exploding number of SKUs; omni-channel demands that force quick reactions from companies without the right tools to contain supply chain costs; how global risks can impact a business anywhere.

Chuck Fuerst
Vice President of Marketing, 3Gtms

HAVE A GREAT ANSWER TO A GOOD QUESTION?

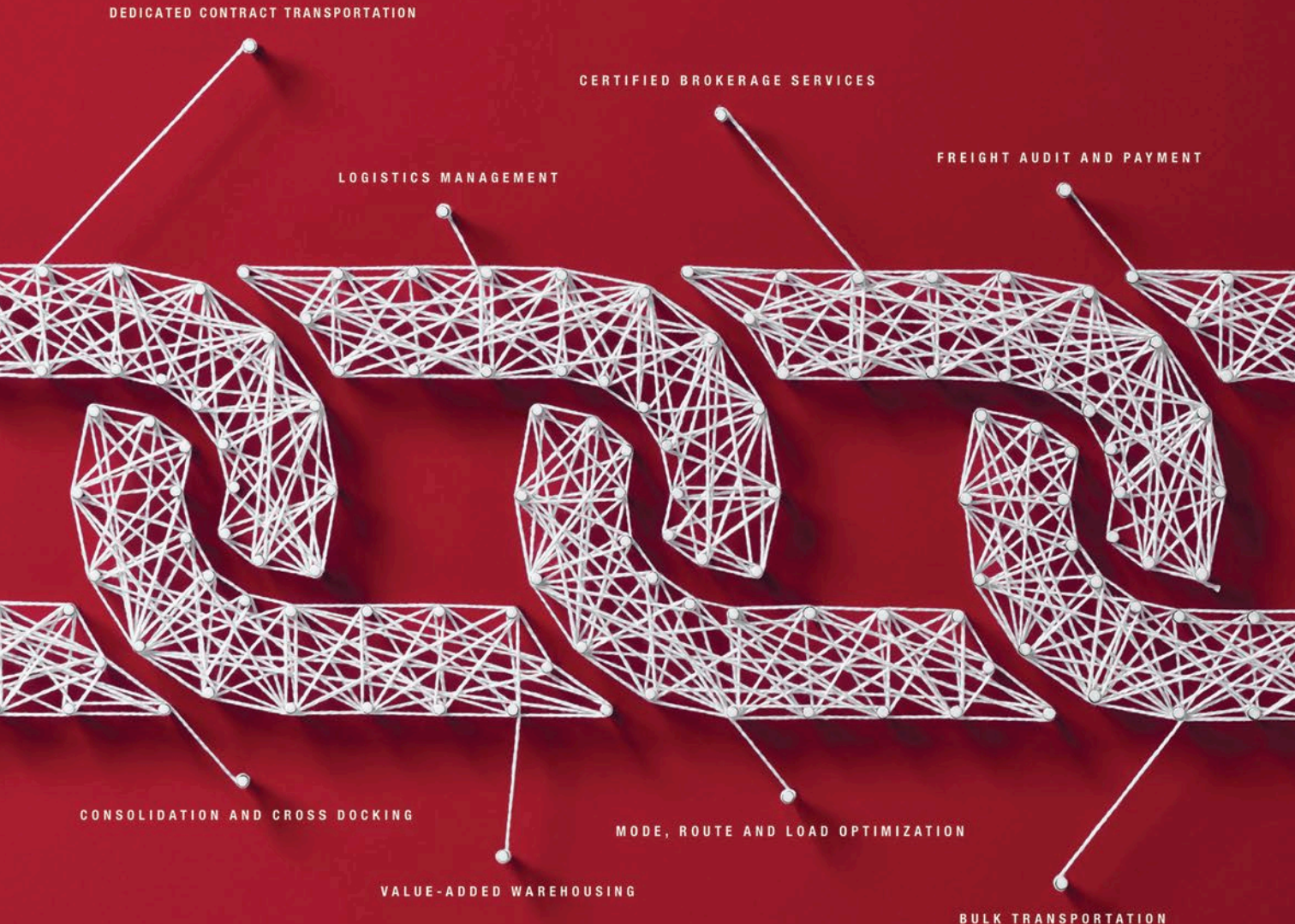
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We want to know:

What's your supply chain resolution for 2017?

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10 TIPS

STEP-BY-STEP SOLUTIONS



Protecting the Food Supply Chain

Food producers, distributors, and retailers need to ensure safe procedures are in place to protect the food they handle. These supply chain partners need to implement inventory best practices to guarantee SKUs are in the right store or facility at the right time to better meet customer service requirements.

Inventory positioning is not guesswork. Instead, producers, distributors, and retailers should use data-driven analysis to ensure inventory is available and correctly positioned for orders to be fulfilled properly and to eliminate out-of-stocks.

Brian C. Neuwirth, vice president, marketing and sales, UNEX Manufacturing, provides these tips for properly handling and storing food products in the supply chain.

1 Implement First-in, First-out (FIFO) storage. FIFO stock rotation guarantees food freshness because the first product loaded into storage is also the first product picked for an order.

2 Use inventory positioning. Food and beverage retailers typically fill orders in cartons, cases, or partial cases from warehouses or distribution centers.

To save space, they can hold inventory in multi-level storage racks designed to handle a variety of products.

3 Speed fulfillment. Shippers should identify where they waste time during fulfillment, and implement products and processes to increase its speed.

4 Monitor critical control points. Controlling access to areas and facilities eliminates potential food adulteration. Prevent unauthorized access to critical control points, and monitor movement through these areas.

5 Develop an IIoT strategy. Implement Industrial Internet of Things (IIoT) processes and technology—including sensors on pallets and storage units—to track inventory so you know where products are at all times.

6 Utilize goods-to-person processes. These processes bring products to warehouse workers, reducing the travel time and searching that adds unnecessary time to fulfillment. Fewer footsteps make for dramatic productivity increases and higher efficiencies.

7 Monitor temperature. Extensive control ensures food is kept at proper temperatures, both in the warehouse and during transportation.

8 Satisfy safety regulations. Focus on meeting Food Safety Modernization Act and other requirements by performing a hazard analysis at your food facilities. A hazard analysis, along with a critical control points plan, identifies food supply chain strengths and vulnerabilities. Utilize standard processes to increase compliance.

9 Have track and trace in place. Keep a trackable history of ingredients and end products throughout the supply chain in case of a recall.

10 Pick the right storage medium. Use carton flow, pallet flow, and tilted shelving to improve picking times and increase storage density. Separate slow-moving products from fast-moving items to help improve pick efficiencies. Because most food products have a definite shelf life, moving items from storage to store shelves as quickly as possible deters spoilage. ■

HOW KENCO KEEPS PERSONAL CARE PRODUCTS HEALTHY



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LEADERSHIP

*Conversations With
The Captains of Industry*

By Merrill Douglas

Kirsten Hall
CEO, Logistics
Planning Services



Winning, With Integrity

WHILE BUILDING A CAREER AT 3M and its technology spinoff, Imation, Kirsten Hall never considered joining her family's business, Logistics Planning Services (LPS) in Woodbury, Minn. "But I realized in 2010, when Mom and Dad were getting ready to step back, that I had been groomed for LPS and had valuable skills that the company needed," she says.

Hall was director of operations at Imation when she made the transition. She joined LPS as chief operating officer, and not long after that she was named chief executive officer.

Hall talked with *Inbound Logistics* about her company's dynamic culture, her future goals, and what it takes to lead a logistics company whose mantra is Grow or Die.

IL: How did your work at 3M and Imation prepare you to become head of a third-party logistics (3PL) services firm?

I started in customer service at 3M and then moved to Imation, which was a \$2-billion-plus company when we started. I worked my way up through various supply chain roles and had the opportunity to get trained in black belt Six Sigma as well as Lean principles. Over the years, my responsibilities included customer service, inventory planning, distribution, and transportation. That

gave me a strong supply chain background. When I joined LPS, I realized that I needed to supplement my mile-wide knowledge of global supply chain with a mile-deep understanding of transportation. I'm still working on that today.

IL: When you became CEO in 2012, what items were at the top of your agenda?

In 2012, my focus was on how to achieve our three-year vision for 2015. Two of our key focus areas were expanding our truckload brokerage and diversifying our customer base. This has been a niche business, focused on the North American utilities industry. We still concentrate heavily on some niche areas with our enterprise offering, but we have the ability to handle anybody's freight, and we serve almost every industry today. I'm proud to say we succeeded in hitting all our key milestones and deliverables by 2015, thanks to the efforts of our team.

IL: What kinds of logistics issues matter most to your customers these days, and how does LPS help with those?

Our clients want to know the status of their freight at all times. We work with carriers who we know will give us accurate updates, whether through direct communications or technology, to ensure that our clients have the visibility they expect. We're also investing in predictive analytics to help our customers be proactive instead of reactive. Getting visibility as early as possible into a customer's ordering process helps us offer the best price and service options.

IL: What's your leadership style? What strategies do you find most effective for motivating your people and promoting your objectives?

Within the Six Domains leadership model developed by Sim Sitkin and Allan Lind, I would describe my style as relational and responsible. Relational leadership starts with a foundation of trust, and showing the team that I truly respect and care about their interests. The responsible leadership qualities are honesty and integrity, ensuring ethical behavior and decision making.

I'm also very competitive, and LPS is competitive as a team, with high expectations. We use what's known as the traction operating model, which applies a highly disciplined structure to running the business, with weekly milestones and a great deal of accountability. Our core value is Grow or Die. It's not really about growth, but about continuous improvement.

IL: What is the corporate culture at LPS, and how do you nurture those values?

Along with Grow or Die, our other core values are Positive Attitude, Do the Right Thing, and Loyalty. We are passionate, and we want to win, but we do it with integrity. We spend a lot of time in the community, packing meals at Feed My Starving Children, volunteering at the children's hospital, holding a bubble soccer game to send a "container of hope" to an orphanage in Jamaica, to give just a few examples. Our largest cause is giving back to veterans. Over the past 14 years, we have used our LPS for Vets golf tournament to help fund efforts to solve and treat PTSD at the University of Minnesota Brain Sciences Research Center, located at the Minneapolis VA Medical Center.

You may think this is all soft stuff. But the soft stuff is really the hard stuff: You cannot make up culture. We are a family-based business with family-based values. Also, research shows that millennials are looking for workplaces where they feel tied to a greater cause. Millennials don't just give money, like the generations that preceded them. They want to give their time and have a greater social impact through the workplace. We think the culture we have fostered for 29 years will continue to allow us to attract and retain great employees.

IL: What other leaders inspire you, and why?

I had the privilege of attending the executive MBA program at one of the best schools in the country, the Fuqua School of Business at Duke University. After a rigorous 15-month program, I

recently graduated along with 25 of the brightest leaders I have ever met. I am inspired by those men and women, leaders from across the world working in sales, finance, insurance, law, medicine, and entrepreneurial ventures. There is no way an individual can get through that program alone as a working executive, but as a highly functioning small team we were able to succeed. I still rely on many of those leaders for business advice and feedback. All of them inspire me every day to continue to learn and do my best to lead in every area of my life.

IL: How do you spend your time when you're not working?

My husband and I have six children, ranging in age from 5 to 17. I love spending time with them and traveling whenever we can. My husband is the CEO of his own business, so we're both very busy. Just sitting down together to a family meal is a treat. ■

Empowering Women Through Engagement And Inspiration

On the list of causes that Kirsten Hall cares about most, one of the top items is the empowerment of women, both in her company and in the community.

"Following the example of a few great leaders in our space—Ann Drake of DSC Logistics and Robby Nathan of Load Delivered—I developed a group called Ladies of LPS in 2015," Hall says. Women who work at Logistics Planning Services lead this group, developing social and educational programs for its meetings. "We bring in speakers to engage and inspire us, and we have open dialogue about the challenges of working in an industry that is still lacking in female diversity, especially in leadership," she adds.

As a member of the Women's Leadership Council of United Way of Washington County-East, Hall is helping to lead an initiative to launch a program called Financial Independence Together (FIT), which helps low-income, single working mothers become more self-sufficient. "We plan to partner with the community to help single mothers achieve financial independence, an increased sense of community, and greater well-being through rewarding jobs and community connections," she says.



Joanne Wright is IBM's vice president of supply chain. She has held this position since 2013.

RESPONSIBILITIES

Strategy, execution, and business results for IBM's manufacturing, engineering, procurement, logistics, fulfillment, and client solutions across more than 170 countries. Leveraging big data, analytics, and social media to create a world-class supply network.

EXPERIENCE

Numerous senior leadership positions across supply chain in procurement, client fulfillment, manufacturing, and enterprise transformation within IBM.

EDUCATION

Bachelor of Arts in business and marketing, Glasgow Caledonian University, Scotland, 1991. Diploma, procurement management, Strathclyde University, Scotland, 1994.

Joanne Wright: Turning Data Into Insight

AS A SUPPLY CHAIN TEAM, WE'VE DECIDED TO TAKE the wonderful capabilities of Watson, IBM's cognitive technology, and the cloud platform to find how we can predict demand upsides and downsides faster and more accurately.

For instance, we linked The Weather Company with Watson's capabilities, turning data into insight—and into action.

IBM maintains sites throughout the world where we monitor supply chain movements. For instance, in 2015, Hurricane Patricia picked up steam so quickly it left the Mexican coastline unprepared. We used The Weather Company data, along with a Watson API, to predict where and when the storm would hit our Guadalajara facility. We then held products in Miami and delivered them the next day. We continued production and client shipments with minimal interruptions.

Another area we focus on is the

opportunity to use structured data, such as order backlog and client purchasing patterns, along with unstructured data from social media and news feeds to gain insights on other risk factors. Then, we can make faster decisions on the actions we need to take.

The biggest challenge? The volume of data exceeds the human capacity to analyze it and make quick decisions. We've seen a huge advantage in being able to utilize Watson to capture the incredible volume of information and come up with a few key recommendations to make more informed and speedy decisions.

My passion for supply chain came from my grandpa, who owned bakeries

The Big Questions

If you were going to learn a new language, which would it be?

Italian. I love opera and classical music, and it's a very passionate language. Maybe Watson [IBM's cognitive technology] could teach me.

Who are your mentors?

I have two: My grandpa, who set up one shop that grew to several shops and bakeries across the United Kingdom,

and my mom. She spent most of her career as a special needs teacher. She is insightful into how people can be different and how you can help them.

If you could have dinner with any people in the world, who would you choose?

My husband, my twins, and my mom. We don't get together as often as I would like, as my mom lives in Scotland.

and stores in Glasgow, Scotland, and local Ayrshire towns. I was intrigued by balancing demand and supply with transportation, getting everything where it needed to be in time, and not having too much of products that weren't going to sell.

When I graduated university, I was hired as a trainee buyer on the personal computing side of IBM's business. Our global operations had suppliers spread across five continents, and I quickly learned how we manage our business in a global way. It also introduced me to the fact that there's a lot

of detail in the world of supply chain. We were doing analyses on where to source, how to source, the right cost point, the right quality points, and where to locate.

I moved into manufacturing and took a leadership role running our x86 Intel business. I had the opportunity to grow my business skills leading the storage team in San Jose, Calif.

Today, IBM's supply chain extended family is about 3,000 to 4,000 people. It's great being engaged with all the teams in incredibly innovative and agile ways to

transform this wonderful business.

I reflect on how fast we change and how strong leadership is about being able to transform and make good—sometimes bold—decisions, and execute with certainty. It's also using the capabilities that the cognitive world will bring to us, and that will allow us to feel more certain.

In challenging times, you learn so much about yourself and your team's capabilities, endurance, and perseverance. When it's past, you realize what an incredible opportunity a challenge can be. ■

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NOTED

THE SUPPLY CHAIN IN BRIEF

m&a

UPS acquired **Marken**, a supply chain solutions provider for the life sciences industry. Adding Marken's time- and temperature-sensitive solutions and expertise helps UPS pursue its long-term growth goals for the biopharma segment.

Sunteck Transport Group merged with fellow third-party logistics provider **TTS, LLC**. The combined companies manage more than 700,000 intermodal, truckload, and less-than-truckload shipments annually, feature 2,000 trucks in their direct asset-light capacity divisions, and have a combined network of more than 30,000 carriers.

Logistics provider **Dunavant Global Logistics Group** acquired **John M. Brining**, an Alabama-based customs brokerage. The addition expands Dunavant's service portfolio, and increases the company's footprint in the southeastern United States.

UP THE CHAIN

Target Corp. hired **Shekar Natarajan** for the newly created role of senior vice president, network planning and operational design. Natarajan is responsible for designing the retailer's direct-to-customer and direct-to-store supply chain systems.

SEALED DEALS

Hooters of America, franchisor and operator of the Hooters restaurant chain, implemented supply chain technology provider **ArrowStream's OnDemand** software. The solution supports managing food spend, inventory, and limited-time offer tracking with suppliers across more than 420 locations.

Healthcare improvement company **Premier** implemented an end-to-end drug supply chain compliance solution from **The Forerunner Group**, a software company offering data transparency and analytics solutions. **RXTransparent Compliance** enables seamless tracking across real-world healthcare settings and scenarios, including

transfers, borrow and trade, repackaging, off-label use, and first responder resupply.

Bottled water distributor **Aquaservice** chose **XPO Logistics** to manage its logistics operations in Spain. Under the agreement, XPO loads and transports full water containers from five natural springs to Aquaservice's 14 branches throughout the country.

Anheuser Busch selected technology provider **10-4 Systems'** visibility solution to enhance supply chain processes. The solution provides real-time tracking of products and raw materials from the manufacturer to destination, and makes data available to all stakeholders, including breweries, wholesalers, and suppliers.

GREEN SEEDS

Maersk Line, the **Port of Los Angeles** (pictured), and the **Port of Long Beach** are joining forces on a 3-year project to reduce fuel consumption and diesel emissions. The ocean liner is spending \$125 million, and the ports are chipping in an additional \$1 million, to install equipment on 12 container vessels to track energy efficiency and emissions. Maersk and the ports will use the information gathered to develop ways to operate more efficiently and sustainably.



SHOVEL READY



▲ **Wallenius Wilhelmsen Logistics**, the logistics arm of RoRo carrier Wallenius Line, teamed up with European rail logistics provider **DB Cargo Logistics** to develop a multi-modal logistics hub at the Port of Monfalcone, Italy (pictured). Operations at the Mediterranean Hub Monfalcone Srl should begin in 2017, and will support the outbound

supply chain of European automotive manufacturers.

Thorne Research, a nutritional supplement manufacturer, will construct a new manufacturing facility and company headquarters in Summerville, S.C. The 240,000-square-foot plant will create 330 jobs in the area, and is expected to be operational in 2018.

GOOD WORKS

▼ Transportation management company **Hub Group** began the second year of its #CauseContainer charity campaign, which raised nearly \$70,000 in its first year. The company commissioned the custom painting of 53-foot intermodal containers to serve as "mobile billboards" for various non-profit organizations. When people see the containers out on the road or rail, they take a photo and upload it to Facebook, Instagram, or Twitter with the hashtag #CauseContainer, and Hub Group gives the charity on that particular

box \$100. Hub donates \$1 for each photo share, up to \$20,000 per organization.

Logistics provider **C.H. Robinson** raised \$590,000 for nearly 40 local, national, and global charities in 2016. In addition to monetary donations, employees collected food, donated blood, participated in charity walks and runs, helped the homeless, made and donated blankets, served dinner to cancer patients, and volunteered at animal shelters.



recognition



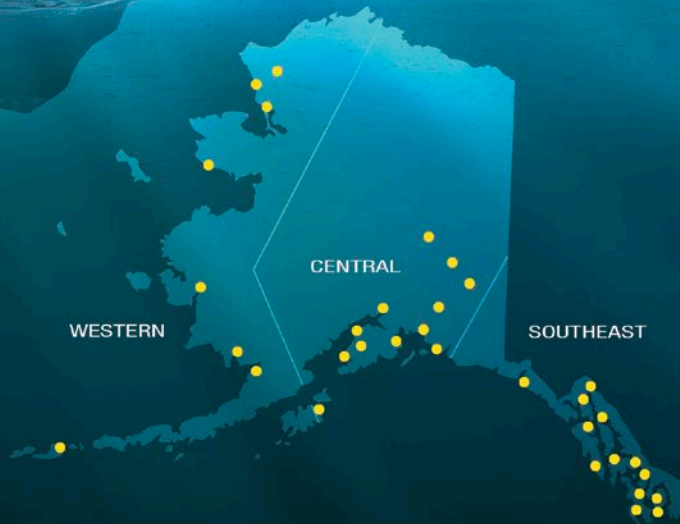
▲ Representatives from the Tennessee Trucking Association presented supply chain management services provider **Averitt Express** with the **2016 Clean Diesel Award** and the **2016 Fleet Safety Award**. The clean diesel award recognizes Averitt's fuel efficiency efforts and carbon emissions reduction, while the fleet safety award honors the company for its driving record.

LTL carrier **Southeastern Freight Lines** was named a **2015 Supplier Excellence Award** winner by industrial manufacturer Eaton. The annual award recognizes suppliers for quality, productivity, cost reduction, innovation, and technological advances.

The Wisconsin School of Business at the University of Wisconsin-Madison earned **Science, Technology, Engineering, and Math** designation from the Department of Homeland Security for its supply chain management, and operations and technology management programs. The university is the first school to earn the designation for an MBA program.

Three carriers were named in manufacturer Masonite International's first-ever Carrier of the Year awards. **National Carrier of the Year** went to **ReTrans**, **Regional Carrier of the Year** went to Joplin, Mo.-based **Frontier Leasing**, and third-party logistics company **Coyote Logistics** was honored as **Brokerage of the Year**.

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


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TRENDS

SHAPING THE FUTURE OF LOGISTICS



Happy New Year! Time for Your Annual Supply Chain Health Check

by Jason McDowell

Throughout the course of 2016, your supply chain was plugging away, receiving and handling new product lines, efficiently fulfilling e-commerce orders during slow times and peak periods, dealing with returns, and processing shipments to your stores and/or retail customers to ensure timely and accurate deliveries.

To prepare for even greater demands in the coming year, Eric Lamphier, senior director of product management, Manhattan Associates, recommends that you evaluate your supply chain's 2016 performance and do the following health check to ensure you're ready to hit the ground running in 2017.

Is your supply chain visibility 20/20?

Take a look at the past year. Was your organization able to handle and manage

inventory, ensuring optimization even during peak periods? Were deliveries successfully executed on time? If not, it's time to check your supply chain visibility.

To succeed in today's landscape, organizations need a single, unified end-to-end view of their global supply chains. With a granular understanding of global inventory through improved supply chain visibility, organizations can optimize their warehouses and better ensure fulfillment success, no matter where the demand originates.

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✔ **Is your operation fit to run a next-day delivery marathon, every day of the year?**

The convenience factor of next-day delivery has the e-commerce world on the hook. But with this delivery method comes increased pressure in the distribution center.

If your warehouse management system (WMS) is in tip-top shape, you'll be able to better manage labor, inventory, space, and compliance. This will increase distribution center functionality, allowing for quick order turnaround time, and will ultimately give your supply chain the stamina it needs to run the next-day delivery marathon year round.

✔ **Would your labor management approach pass a temperature check?**

Labor management and planning account for more than half of warehouse costs on average, so it's financially critical to keep these systems functioning smoothly. Low employee productivity, inaccurate picks, high turnover, safety issues, high overtime — these are all signs that your labor force isn't optimized.

If a temperature check of your labor management and planning reveals turmoil in the warehouse, it might be time to invest in this area. Incorporating mobility in your labor management strategy will greatly expedite processes by putting managers on the floor to resolve issues fast. Mobile training tools are also helpful, as they provide a familiar interface that employees can use to get up to speed quickly.

The health of your supply chain ultimately informs the health of your business. As we head into 2017, don't forget to do a supply chain health check to ensure you're implementing the right technology and driving optimization in the year to come.

Vets Help Battle Driver Shortage

Veterans still suffer from unemployment at a rate of 5.8 percent, nearly one full point higher than the national average. Meanwhile, the trucking industry continues to face record driver shortages that impact capacity and long-term growth. With nearly 250,000 personnel leaving the military each year, veterans could be the answer to that problem.

After all, veterans make for superior truck drivers, according to research performed by Omnitracs, a provider of fleet management software solutions. Veteran drivers had 42 percent fewer accidents than non-veteran drivers, and achieved 98 percent more miles driven, according to the study. Veteran drivers also had 59 percent fewer voluntary terminations and 68 percent fewer involuntary terminations, the study says — an important statistic in an industry suffering from a lack of new workers and an all-time high turnover rate.

Veterans come into the job with many skills and attitudes that translate directly to driving over the road. "The parallels between the trucking industry and the military life are right on point in that veterans are used to being away from home," says Rick Bucholtz, associate director of field and government recruiting for supply chain solutions provider Werner Enterprises. "Their families are used to them being away from home, so on the family side, they have everything in place to handle it when the service member is away, or the professional driver is away from home.

"Also, being out on the road, vets work under minimal supervision," he adds. "They have to be able to make decisions. They have to be able to assess and take action without being told exactly what to do. Veterans fit into that.

"Veterans also have all the soft skills and intangibles that the military service member brings to the table. They're flexible,

they're loyal, they're teachable, their coachable, they can take orders, they can give orders, they can make decisions. They show up on time, they have attention to detail. All those little things that have just



become part of their DNA as a service member translate well into the trucking industry," Bucholtz says.

Hiring veterans as drivers may save carriers time as well. The Federal Motor Carrier Safety Administration recently expanded its veteran transition program to give waivers on the skills portion of the CDL application for veterans who have experience driving similar equipment in the military. For companies struggling to combat the driver shortage, a veteran-hiring initiative might be one solution.

Can You Hack It?

No matter how secure a company's IT infrastructure may be, it's still possible that hackers could gain access to important data by breaching firewalls somewhere down the supply chain. More than 85 percent of businesses have digital capabilities in their supply chain, or will have them in the next year, according to *Chief Supply Chain Officers: Do You Know Where Your Weakest Link Is?*, a report from Accenture.

Cybersecurity isn't just within the

purview of the IT department, but 50 percent of companies surveyed by Accenture don't have supply chain risk management aligned with cyber security operations. Only 11 percent of companies have the chief supply chain officer in charge of cyber supply chain risk, the study shows.

With the amount of data at risk — such as sales and marketing information, product designs, and customer contact and billing information — supply chain cyber security should be escalated to a C-level concern at all companies with a digital supply chain presence.

The first step is admitting that no company is impervious to cyberattacks. To be prepared for the worst, all partners should be willing to subject to a security audit, and regularly verify their vigilance, according to Accenture. Just one company in the value chain with low security raises the risk level for everyone else along the chain. ■

Securing Your Physical and Cyber Assets

Today's supply chain has evolved beyond traditional manufacturing and distribution to include an array of ever-expanding organizations — all digitally connected and all with cybersecurity exposures. From external specialty manufacturers with access to your latest designs, to GPS data from your truck fleet, to a maintenance service provider with access to your vendor portal, your supply chain is vulnerable to attack by cyber criminals.

Here are just a few questions to consider:



Does your manufacturing partner have access to your formulas and designs?



Does your temporary staffing firm share accounts and passwords to your portal?



Who has access to your shipping manifests and delivery routes?



Has anyone checked how well any of these companies are protecting your data?



Do you know the background of your truck drivers?

SOURCE: Chief Supply Chain Officers: Do You Know Where Your Weakest Link Is? Accenture study

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GLOBAL

THE WORLD AT A GLANCE

by Jason McDowell



TPP is Dead. Is NAFTA Next?

A number of important policy issues are still up in the air for the United States, but President-elect Donald Trump has made one thing clear: The Trans-Pacific Partnership (TPP) is done.

The TPP—a proposed free trade agreement between the United States and 11 Pacific Rim countries—became a target during the election, with both major candidates promising it would never see the light of day. The deal garnered heavy criticism for its potential to ship American jobs overseas.

While Trump has backed off some campaign promises after winning the election, he seems to be sticking to his guns on this one. Putting the TPP on the chopping

block is on the shortlist of things Trump plans to accomplish in the first 100 days of his presidency.

TPP supporters say that with the United States out of the way, China will fill the void. The country could potentially negotiate new deals in the Pacific Rim, possibly folding parts of the trade deal into its One Belt, One Road initiative, which aims to rebuild the Silk Road between Europe and Asia. If this happens, America will be left out in the cold.

President-elect Trump promises that TPP will die by day 100 of his term, but it seems to have died even before his first day. With that out of the way, the new administration can set its sights on the North

America Free Trade Agreement (NAFTA). The President-elect wants Canada and Mexico to renegotiate the terms of the Clinton-era deal. Depending on the result of the negotiations, Trump says he is prepared to withdraw from it entirely before his first 200 days are through.

Canada is willing to come to the table over NAFTA, according to Canadian Ambassador David MacNaughton. And while Mexico is happy to sit down and explain the “strategic importance” of the trade deal with the next U.S. president, the country doesn’t want to renegotiate the terms of the agreement, says Ildelfonso Guajardo, Mexico’s economy secretary.

Korea Line Outbids HMM For Hanjin's Asia-to-U.S. Business

Hanjin Shipping, the Seoul, Korea-based ocean liner that filed for bankruptcy protection in August 2016, received approval from the Seoul Central District Court to sell its Asia-to-U.S. business to fellow bulk carrier Korea Line Corp.

Korean liner Hyundai Merchant Marine (HMM) was originally expected to take on most of Hanjin's container assets, but Korea Line made a better offer, according to a spokesman for the District Court, leaving a surprised HMM fresh out of luck. HMM had the backing of government officials and creditors, and many had considered the acquisition a done deal.

The judge presiding over the case said Korea Line not only made a better financial bid, but also agreed to take on all the workers involved with the trans-Pacific business, five containerships, and Hanjin's stake in Total Terminals International, which operates a terminal at the Port of Long Beach. Korean media reports that the deal will take place for about \$215 million.

Korea Line's shares plunged after the deal was announced, which is



A surprise decision awarded Korea Line the first right to purchase the assets of Hanjin's Asia-U.S. route, and its stake in a California terminal. HMM had been expected to win.

unsurprising considering the amount of competition on container shipping in Asia-U.S. lanes. Maersk Line and MSC hold more than one-third of the market share on those routes, and the four carriers forming the newly founded Ocean Alliance are expected to take up roughly another quarter of that business beginning early in 2017.

Thanks to Hanjin's bankruptcy, the container market did see a significant upturn in the third quarter of 2016, albeit a temporary one. "It was certainly a stand-out quarter," says Patrik Berglund, CEO of shipping market watch index Xeneta. "Short-term rates on the world's number one trade route—Far East Asia to North American main ports—sky-rocketed, largely due to Hanjin transforming oversupply to undersupply almost overnight.

"This enabled significant rate hikes, with the market average price for 40-foot containers climbing by 47 percent across Q3," he adds.

Even though Hanjin briefly tightened capacity, most of those contracts have now gone to other carriers. Hanjin's ships do give Korea Line enough capacity for a weekly service between Asia and the United States, but finding contracts to fill those ships won't be easy.

Setting Sale

Packaged in the sale of Hanjin's Asia-US and intra-Asia networks:

- Five 6,500-TEU containerships
- Seven subsidiaries and related staff
- Logistics systems
- Miscellaneous tangible and intangible assets

Hanjin's 54-percent stake in Total Terminals International (TTI), which runs a container terminal in Long Beach, could also be included in the sale if TTI's other shareholder, Mediterranean Shipping Company, decides not to take over the stake.

Heathrow's 3-Point Play

After an uphill battle that spans decades, Prime Minister Theresa May approved London's Heathrow Airport for a third runway. Heathrow's existing runways have operated at nearly 100-percent capacity for the better part of a decade; London's other airport, Gatwick, has begun to suffer from similar problems.

Heathrow currently handles 31 percent of the United Kingdom's non-European Union trade, and the new runway is expected to open up additional markets for the country's private sector.

"I am proud that after years of discussion and delay, this government is taking decisive action to secure the UK's place in the global aviation market – securing jobs and business opportunities for the next decade and beyond," said Chris Grayling, the UK's transport secretary, in a public statement.

"A new runway at Heathrow will improve connectivity in the UK itself and crucially boost our connections with the rest of the world, supporting exports, trade, and job opportunities," he adds.

The project became even more necessary following Britain's 2016 vote to exit the European Union. Additional flights are expected to significantly boost the country's economy, and as the UK negotiates new trade agreements with the rest of the world, additional flight capacity will help support connections with trading partners.



The UK government has approved a third runway at London's Heathrow Airport to expand airport capacity, support trade, and create jobs.

The third runway won't be opening any time soon, however. The project still requires Parliamentary approval, and won't be voted on until sometime in late 2017 or early 2018. The runway itself isn't expected to be complete until 2025 at the earliest.

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ANDREW WINSTON Sustainability Expert and author of *Green to Gold*

Tuesday, April 4 8:45 AM – 9:45 AM

Industry 4.0 – How intelligent machines are transforming supply chains

MARKUS LORENZ
Partner and Managing Director,
The Boston Consulting Group

Wednesday, April 5 8:45 AM – 9:45 AM

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GEORGE W. PREST
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SCOTT SOPHER
Principal, Deloitte Consulting LLP

Wednesday, April 5 1:00 PM – 2:00 PM

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THOUGHT LEADERS

Visibility is Key to Unlocking Supply Chain Savings by Connecting Inbound and Outbound Activities

Q: What are the benefits of managing inbound freight spend?

A: By managing inbound freight spend, shippers can decouple transportation costs from suppliers' product charges and gain visibility to the lanes, volumes and synergistic opportunities that exist within their outbound network. Leveraging a lead logistics provider (LLP) or transportation management system (TMS) expands visibility beyond shipment-level tracking and provides valuable business intelligence to plan, execute, service and ultimately lower your costs.

Research conducted by the Aberdeen Group suggests shippers who integrate inbound and outbound activity are approximately three times more likely to take advantage of continuous moves/optimization of inbound-outbound freight in one planning process. Furthermore, Gartner suggests that shippers who align objectives, define mutual success and look for strategic value can expect to realize 15% or more in freight savings. This is on average three times higher than a shipper who only tactically views its supply chain. Key value outcomes of managing inbound freight spend include:

- Improved supplier performance via data-led metrics
- Continuous improvement opportunities that arise from single source data collection
- Inventory safety stock reductions with purchase order visibility of key shipment milestones with the use of an inbound technology solution
- Reduction in premium transportation spend through increased visibility, optimization and established controls

Q: Can shippers afford to overlook inbound PO freight spend?

A: Many shippers believe that their freight spend isn't large enough or that their suppliers have the competency, leverage and ease of solution already at hand. With the majority of inbound shipments either freight paid or pre-paid and simply added to the invoice, there is a lack of awareness to the actual freight spend. As a result, the inbound freight spend is usually larger than originally

assumed and the execution is less efficient. More than 60% of companies that lack PO visibility have data in disparate systems or the hands of their suppliers.

In decentralized or highly segmented organizations, many times there are natural conflicts between Procurement and Logistics. When Procurement leads the inbound freight set-up, there is a natural tendency to focus on commodity price and associated lead-time as transportation is viewed as a stressful and complex secondary issue. As a result, the control gets passed to the supplier and opportunities become buried within the purchase price.



JIM

BLOHM

CSCP, Director of
Business Development
Schneider

Q: What are critical factors to consider in order to maximize continuous improvement?

A: Unbundling the supplier's cost is critical in unveiling true transportation cost. Best-in-class supply chains not only have access to data, but also house both inbound and outbound activity in one TMS system. Having visibility to lanes, volumes and PO terms is critical. Furthermore, best-in-class supply chains have a solid supplier management process with controls in place to measure routing compliance, planning notification lead-time, scheduled ship dates, fill rates and line item fill accuracies. A technology platform is the enabler – you also need solid processes that drive improvement in order to maximize the long-term value.

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Three Key Points to Communicate To Become Your Customers' Dream Provider

Communication and transparency are key to being a good partner to your clients. If your logistics organization is in the process of responding to RFP questions from a plum potential customer, positioning your logistics organization as the ideal fit for that customer depends on clear communication of three defining factors of your business: specialization, size, and scope.

Specialization

If your company is a warehousing provider that specializes in retail accounts, for example, your organization may be the best option for housing the product of a new body lotion client. Be sure to point out in your RFP response that you understand the natural cycle of order entries and closures, chargebacks, and the necessity of adjusting shipping schedules to meet Must Arrive By Dates (MABD). Additionally, be sure to communicate that your organization will be able to anticipate the volume of outbound shipments that may come with rush orders, promotions, and industry fluctuations.

Similarly, if your organization has extensive and specific experience in chemical and bulk logistics, be clear in your communications that your company excels at special handling of sensitive product. Mention any certification you have, such as ISO 9001 or Responsible Care. Emphasize that your company is a third-party logistics provider with employees who fluently understand the uses of different lift truck attachments to efficiently handle large products like paper rolls.

Size

When contacted by a potential client with an RFI or RFP, first ensure the size of your organization is a good fit with the potential client's product and volume. If you are a regional logistics provider with public warehousing options, your ideal client may be a raw materials supplier with just a few customers in your market, with a need for lots of flexibility in accessing its inbound and outbound product. If you are a multi-national logistics provider, your ideal client may need operations or fulfillment in dozens of countries. If you are a middle-market provider that focuses on a single country or continent, and are not limited to only regional activity, your ideal client likely will be more limited in geographic needs. Upfront communication during the RFP process helps the potential customer determine whether your organization's size matches their needs.

Space can be an issue, depending on the amount of product your potential client has and the square footage needed. CBRE recently reported that open industrial real estate – read: warehousing space – is at a 15-year low of 9.4 percent. Is your organization tight on square footage? If so, communicate to your client that locking in space, especially at your dedicated and contract facilities, is key.

Similarly, site visits are vital to ensure the best-fitting partnership between client and provider. Be sure to point out your well-maintained facility, with pest control measures in place, clean floors, and well-organized racking, location and barcode systems. Savvier procurement officers from potential clients will check to see that material-handling employees look motivated, that safety equipment is in place, and that the warehouse has no glaring, poorly maintained items, such as non-functioning dock levelers or overhead lights. Addressing these eyesores and concerns before potential clients walk through your facility is paramount to securing future business.

Scope

Generally, transportation is the single biggest logistics cost for clients. The retail industry's new emphasis on same-day and next-day delivery makes prioritizing affordable transportation even more important to clients. Should your client seek to expand into new regions, it will want a logistics provider that features dedicated warehouse space around the country, including locations close enough to their customers to meet their shorter delivery windows. Be sure to communicate your geographic scope. Also, consolidating logistics services with one 3PL provider can save a client significantly on transportation costs. In the right instances, advertise any transportation services your company offers, including carrier brokerage! When applicable, emphasize that your organization has strong Transportation Management System capabilities, whether those capabilities include providing cloud-based software or interfacing with your potential client's existing TMS.

If your client regularly faces shipment challenges, order entry difficulties, or problems with invoice reconciliation, make sure it knows of your company's additional logistics services, particularly if you have strong Warehouse Management System and Electronic Data Interchange capabilities.

Do you have more ideas to share for effectively communicating with customers in our industry? Send us an email: InquiryIL@wsinc.com.



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How Driverless Trucks Will Change Supply Chain Strategy

In the popular 1985 movie “Back to the Future”, it was predicted that by the year 2015, we would have the ability to fly our cars in the friendly skies. While that version of the future never became reality, we do have a major change to the state of transportation on the horizon with driverless technology.

So what does that mean for the \$700-billion trucking industry in the United States? A significant overhaul in the way transportation is managed. And what is the message for anyone working in the supply chain industry? Driverless trucks will change the future.

In the United States as of May 2016, according to Hybridcars.com, eight states allow self-driving vehicles. Nevada was the first state to authorize self-driving vehicles in 2011, and California, Michigan, Florida, North Dakota, Tennessee, and Utah followed. Arizona’s governor has issued an executive order allowing for testing self-driving cars as well.

Additionally, the driverless vehicle industry in April 2016 announced the formation of a lobbying group called the Self Driving Coalition for Safer Streets. Volvo, Ford, Google, and ride-sharing giants Uber and Lyft formed the coalition to advance the interests of self-driving cars. The group aims to push the development of self-driving vehicles among lawmakers, regulators, civic groups, businesses, and local governments. The group’s spokesman is David Strickland, chief of the National Highway Traffic Safety Administration from 2010 to 2014.

The two major benefits fueling driverless technology are safety and economics. On the safety side, the National Highway Traffic Safety Administration reports more than 90 percent of car crashes are caused by human error. How often have you seen another driver looking down at their phone instead of the road? Or, worse yet, how often have you caught yourself doing this? The reality is that driving is the distraction. As the driverless technology continues to evolve, the goal is to create the world’s safest driver.

The potential economic benefits of driverless trucks for the trucking industry are huge. Today, based on Hours of Service regulations, the typical Over-The-Road tractor-trailer combination with one driver has about a 40% utilization factor in a 24-hour period of time.

Additionally, according to the American Trucking Associations (ATA), the trucking industry was short 48,000 drivers in 2015, with trucking companies experiencing an average of 90% annual turnover in drivers. The driver workforce is aging, with the median age of truck drivers being 49 years old, compared to 42 years old

for all other U.S. workers, according to the ATA. With driverless trucks that can operate around the clock, the same amount of freight could get hauled with roughly 40% less trucks on the road. Start to think about what that could do to overburdened highway systems in terms of reducing congestion, increasing safety, as well as less wear and tear on roads because of less truck traffic. Additionally, carriers should get higher returns on their assets, while simultaneously shippers should enjoy lower rates.

The driverless truck technology will help alleviate the driver shortage, but it won’t eliminate the need for truck drivers. Many believe the driverless trucks will initially be deployed to the interstate systems only, with local drivers engaging with the driverless trucks to perform the first mile and final mile pickups and deliveries on the secondary road systems.

Future Supply Chain Strategy

The driverless truck phenomenon is closer to reality than you think, and that means it’s time to start strategizing how this could impact supply chains. Here are three areas to start considering:

- 1. Network Design:** Many organizations locate their distribution centers based on network models that use assumptions that the distance traveled by a truck is approximately 500 miles per day. Based on the customers’ market, this drives the size, number, and locations of distribution centers. If the new reality is closer to 1,000 miles per day, the number of distribution centers required and the location and size of those distribution centers will significantly shift. A typical model of 5 distribution centers strategically located across the United States as an example could shift to 2 larger distribution centers located in entirely different markets in the future.
- 2. Speed of Delivery:** With fewer trucks on the road, less congestion, and longer distances traveled in a 24-hour period, the speed of delivery will increase. This could have trickle down effects on ordering patterns, lead times, inventory levels and safety stocks.
- 3. Cost of Goods:** Since transportation costs are a significant portion of the cost of goods sold, we could experience lower prices for products in the marketplace, as well as shifts in sourcing strategies.

So how soon can we expect to see a driverless truck in our rear-view mirror on a daily basis? The answer to that question will likely be driven by the government regulators and legislators. It is hard to say for certain, but I know we won’t have to travel 30 years into the future for this new reality to become a way of life.



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How Specialized Transportation Can Improve Customer Service

As a shipper, what does it look like to deliver on stellar customer service? Your buyers are looking for undamaged, on-time, seamless orders. But you are only able to control a portion of this. Somewhere along the way, a truck driver, warehouse worker, or dispatcher is involved in delivering on your customer service promises.

Typically, transportation providers utilize trucks and equipment from whomever can provide, looking just at cost, margin, and profit. Unfortunately, what is good for the masses can be disastrous for the few. Each market segment has its own set of expectations. Many transportation managers must do more than just find a cheap truck. They must coordinate the right type of capacity and equipment, determine optimized scheduling, know proper handling regulations, and be knowledgeable of different retailer requirements and timelines.

Leveraging a transportation partner that specializes in your industry can alleviate this burden while still providing cost savings. They will know your buyers, their facilities, preferences, timelines, and requirements. This translates into direct customer service benefits for you.

QUALIFIED NETWORK – A specialized provider will have a network of approved carriers available. You won't have to worry about the use of a contaminated vehicle or a driver without clearance showing up at your customer's distribution center. A specialized 3PL will also have a curated network that is familiar with your product, how your timelines function, and that may be familiar with the locations you are delivering to. This is an underrated value that can help you consistently deliver on your customer expectations.

EXPERIENCE – A specialist will have likely worked with your customers or receivers before, so they can inform you of their preferences — such as operating hours or paperwork — helping you improve on customer service. Additionally, as a vendor or supplier you must work to fit into the existing processes of your customers. This fact is particularly true for retailers. Every big box chain has its own set of lead-time requirements, fulfillment demands, communication standards, reliability benchmarks, and vendor scorecards. Knowing and hitting these standards can be difficult for anyone who is also responsible for account management, pro-

duction, or sourcing. A specialized transportation provider can help manage these intricacies, educating your team and overseeing compliance.

HANDLING – Whether you ship cosmetics, furniture, ice cream, or chemicals, your product has unique handling requirements and its own list of transit concerns. Do you have to reroute for high altitude, prevent against shifting, worry about breakage or theft? A provider who specializes in your industry will not only be aware of these requirements but will know how to compensate for them and ensure your product arrives how it was intended to, keeping your customers happy.

INDUSTRY INTELLIGENCE – A specialized 3PL will have a pulse on the industry news and regulations that impact your business. They can keep you informed of new safety laws or driver restrictions that may impact your transit times and costs. Without an ear to the ground, a shipper could easily overlook a new transportation regulation and end up not meeting the delivery needs of a customer or incur extra charges and fees. A specialized partner can take that work off your plate, providing peace of mind.

OVERALL SERVICE – If you require high visibility and direct order updates it's likely that others who ship similar products do too. A specialist will have protocols, systems, and technology in place to meet these standards. They will be educated on your needs and will be able to communicate them to all stakeholders. The extra steps your product requires won't be out of the ordinary and all involved parties will be knowledgeable of how to handle them.

A generalist 3PL can certainly learn these intricacies, but there will likely be a period where you experience service failures or unhappy customers while they get up to speed. Or worse, a sales person can learn these intricacies and make promises that are not upheld by operations staff who work with a handful of different industries. Without full organizational alignment, you can expect some hurdles.

Working with a specialized transportation provider will save you time and headaches while keeping your customers happy and costs down. They will be knowledgeable of your product requirements as well as your customer preferences and can pass you valuable insights that benefit your overall business.



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Five Best Practices Before Beginning a Transportation RFP

Conducting a Transportation Request for Proposal (RFP) can turn into an overwhelming and time consuming task. However, an organized and well-prepared RFP can yield a variety of benefits for your company. Here are five tips to consider before starting an RFP:

1. Define Goals – This process will involve several different parties – and ensuring everyone is aligned on your objectives will help manage time, resources and expectations. Questions to ask your team include:

- How will success be measured?
- Is your business looking to add new carriers or reduce the number you currently have?
- What type of savings are you expecting?

2. Timing – Timing is everything and carrier rates fluctuate by season. Sending out an RFP during the summer months may result in higher rates as the market is generally tighter than normal. It may be better to conduct the bid process during the winter months, when everyone is searching for freight, resulting in more aggressive pricing. Another time factor to consider is a go-live date in the first quarter. That timing will allow carriers to establish themselves on the lane before the busy summer season, and could result in more consistent rates and better service for your customers.

3. Execution –

- **First, establish a baseline metric for your RFP that addresses your stated goals.** If the main goal is to reduce cost, what is your current cost and how is that calculated? Whether you use rate per mile, dollars per pound, freight as a % of sales or some other metric, you will need a valid way to quantify expected improvements as a result of your RFP.
- **Second, will your baseline enable you to look back six months or one year from your go-live date and verify the expected improvements? Your future volume will not be exactly the same as the historical data you used to**

build the RFP. Being able to control for those changes and have valid metrics that allow you to make meaningful comparisons year over year will be key to showing a return on investment.

- **Third, determine which lanes are truly up for bid.** Identify and separate the lanes that must be serviced by your asset partners from those that are open to brokers. If your brokers return attractive rates on lanes that require asset service, it may skew your results and distract your brokers from getting competitive on the lanes they can actually service.

4. Gather Necessary Data – The better your data, the more successful your RFP process will be. In addition to lane detail, expected volume and required equipment, there are other pieces of information that should be considered. Facility profiles that include the number of dock doors, shipping/receiving hours and delivery appointment requirements will help the service provider deliver an accurate evaluation of each lane.

5. The invite list – Selecting which carriers will participate in your RFP is one of the most important decisions to make. Do not take this step lightly as your reputation as a reliable vendor is at stake. Consider the following factors when choosing carriers:

- How well do the carriers understand your supply chain and your pain points?
- Is the carrier flexible and able to handle special requests?
- What is the carrier's safety record and how well do they maintain their equipment?
- Does the carrier have the technology to provide real-time updates on shipment status, and support EDI where necessary?

Following the above steps may initially increase the time it takes to successfully complete a Transportation RFP process, but in the end it will lead to more qualified responses and increase your chances of receiving the best proposals for the project.



IT MATTERS

BY JOHN LASH

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How Precise Forecasting Tames Item Proliferation

Accurate forecasts enable better planning, lower inventory and manufacturing costs, and improved service levels. By limiting line item proliferation, precise forecasting reduces errors significantly for new product launches.

New products lack the history required for traditional demand planning methods. In the same way that the financial industry uses algorithms to sort through masses of market data to determine what stocks to buy or sell, leading multinational manufacturers have turned to automated systems that can accurately sense what demand will be.

The difference is that demand-sensing algorithms sort through the masses of supply chain data available to manufacturers to find predictive patterns and create more accurate forecasts.

Increasing Complexity

Since 2010, the number of active items grew by 31 percent compared to only a 6-percent increase in sales, according to E2open's 2016 *Forecasting Benchmark Study*. As a result, average sales per item dropped 19 percent.

The study analyzed demand planning performance in consumer goods based on more than \$250 billion in annual sales from the global businesses of 17 multinational companies, with 9 billion

cases and more than 1 million SKUs. Findings reveal that growth through innovation strategies drives supply chain complexity instead of sales, with the rate of proliferation outpacing sales by more than five times. This additional complexity creates a challenging planning environment and increases workload.

Even more concerning is the rapid rate of product introductions and discontinuations. The number of total items offered for sale has more than tripled over the 5-year period, and many have since been discontinued—for every 100 items introduced, 86 were discontinued. Only one in 1,000 new items becomes a top seller within the first year, and more than 90 percent of new items fall to the bottom.

The introduction cycle's sheer scale and pace raises questions about the financial advantages of current innovation strategies. Each phase-in and phase-out is associated with various supply costs, including setup changes to manufacturing, inventory of raw materials, packaging, and finished goods, as

well as write-downs for obsolescence.

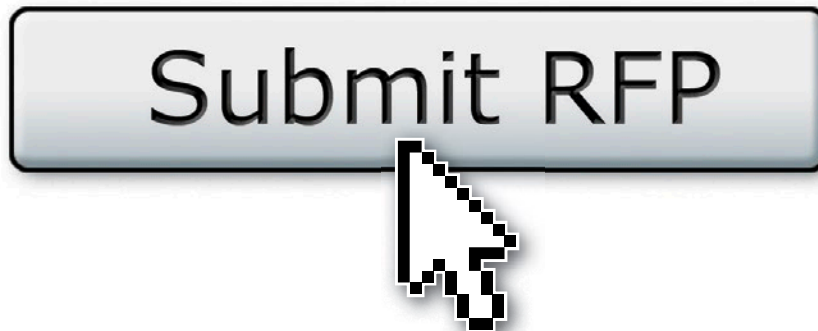
Not surprisingly, error and bias are much higher for new products than existing ones. Weekly error for items in the first year of sales was 66 percent, 1.4 times greater than for existing items. Bias for introductions is even more pronounced: 12 percent for new items, three times greater than for existing products.

The culture of high internal rates and competition for limited budgets likely contribute to a continued belief that new products will be winners, even when faced with contradictory sales evidence. The pervasive over-optimism is costly in that it commits limited corporate resources to underperforming items.

Predict Demand

Looking at your network and customers is crucial for supporting product launches. Sensing demand reduces forecast error for new items by 31 percent, according to data from the *Forecasting Benchmark Study*. Are new products moving faster than expected? Is pickup faster in one market than another? Analyzing this data daily for every product in every stocking location allows companies to better predict demand and serve customers at a lower cost. ■

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Whether you need to outsource your entire logistics operation, or just one segment of it, choosing the right third-party logistics partner can be a complex challenge. In response to reader requests, *Inbound Logistics* offers an online 3PL RFP tool to help simplify your selection process.

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[SMART MOVES]

BY TOM DERRY

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Pursuing a Certificate? Learn Before You Act

People who are successful in their profession consistently challenge themselves to learn more, regularly attend professional meetings to network with peers and mentors, and seek out opportunities to expand their education.

Are you thinking about pursuing a certificate or certification in the supply management profession to enhance your knowledge and improve your career possibilities? Here's a checklist to get you started thinking about the best course of action for you.

1. Know the difference between a certificate and professional certification. Certificate programs and certification programs are designed to meet different needs, according to the Institute for Credentialing Excellence.

An assessment-based certificate program is designed to acquire specific knowledge, skills, or other competencies, and awards a certificate to recognize mastery of the specific learning outcomes. A professional or personnel certification program is designed to validate participants' competency after verifying they have met predetermined, standardized criteria, and awards professional designations to recognize that achievement.

Certifications, which require you demonstrate not just that you've studied a topic, but also that you have the

knowledge and experience to back it up, typically lend more value to your career.

2. Research the organizations offering the certificates or certifications.

Credible, recognizable organizations with proven track records are usually the most reliable. Make sure you're able to answer the following questions:

- How long have the organizations been in business?
- Do they have a long history of awarding certificates or certifications?
- How widely recognized are their certificates or certifications?
- How many people hold their certificates or certifications?
- What type of study support do they offer and how flexible are the study sessions?

3. Talk with supply management professionals who are certified.

Do a LinkedIn search and ask around at professional networking events to find out what certificates or certifications are most popular among your peers in the supply management industry. Also, look at people who hold positions to which

you aspire. What certificates or certifications do they have?

Ask the people who hold those certificates or certifications:

- Why do you think this certification or certificate is worthwhile?
- What benefit did you get from attaining it?
- Does it build upon what you learned in college?
- Do you think this certificate or certification is necessary to work in this field?
- Were you able to coordinate the time requirement to earn this certificate or certification with your job responsibilities?
- What is the cost to get and stay certified?
- What are the requirements?

You can also check with your company's HR director to find out how valuable the certificate or certification is to your employer. Identify if it's a prerequisite for career advancement or if it will help you achieve salary increases.

You can't go wrong by enhancing your education, but you should always make sure you're getting the greatest benefit from your financial investment and valuable time. There are options, so make sure you do your homework and determine the career advancement option that's best for you. ■

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3PLs &
CARRIERS:

At Your Service

By Merrill Douglas

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Shippers don't always measure the 'softer' aspects of the service they receive from carriers and 3PLs. But those metrics can make all the difference for your supply chain and your company's brand.

“**H**ow do I make it easy for customers to give me their money?” That question practically defines customer service for Kevin Huntsman, senior vice president of sales at St. Joseph, Mo.-based research and consulting firm Mastio & Company. “You try to find a way to make it easy for companies to do business with you,” he explains.

We all recognize great customer service when it blesses us: a friendly human answers your call on the first ring; an order arrives sooner than promised; a troubleshooter promises to help with a problem and then calls back one hour later to report that it's solved.

We also recognize poor customer service: you spend 20 minutes in a phone queue, a bill comes laden with unexpected fees, a company passes your complaint from one office to another with no resolution in sight.

Strong customer service is vital to a successful logistics operation. The supply chain operates best when third-party logistics (3PL) companies, carriers, and other providers are responsive, courteous, and flexible; take a proactive approach to problem solving; and otherwise treat the shipper with utmost care.

In many cases, the partner's service performance affects not just the immediate customer—the shipper—but also that shipper's customers. Because the partner is responsible for getting product delivered on time and in good condition, that partner's performance could determine whether the end customer has a great experience or a bad one.

Given the importance of customer service in logistics, you might expect shippers to measure the quality of service their partners provide, and use that data in performance evaluations. Shippers do that to some extent. But not everyone scrutinizes those “softer” factors the same as easy-to-define performance measures.

Shippers say that customer service factors are important, says Huntsman, whose company publishes a series of Carrier Customer Value & Loyalty Studies. But shippers also say those elements aren't as critical as the metrics that tell them, for instance, how often a carrier delivers freight with no missing or damaged items.

Whether shippers realize it or not, though, customer service influences the way they perceive their partners. Pure performance factors are baseline requirements; a carrier that can't deliver on those measures won't win a shipper's business.

"But once shippers assess that the carrier is competent at those fundamentals, what areas do they want them to excel at on top of that?" Huntsman asks. "Those areas are the soft issues — people-related issues."

Mastio & Company focuses its transportation studies on four kinds of service partners: less-than-truckload (LTL) carriers in the United States, LTL carriers in Canada, truckload carriers, and global freight forwarders. For each study, researchers interview about 1,000 shippers for their opinions on prominent service providers.

For the U.S. LTL study, for instance, more than 2,000 shippers rate carriers on 29 attributes, including 11 in the customer service category: billing accuracy; carrier responsiveness; proactive communications; problem resolution; timely customer service personnel response; freight tracking/tracing capabilities; knowledgeable and helpful sales representatives; willing to be flexible with operations; courteous and professional drivers; easy-to-understand pricing terms; and useful website.

Keep Customers in the Know

Based on those surveys, it's clear that communication is one of the most significant customer service values for shippers. Communicating in advance about upcoming problems is especially important. "If a carrier is not going to make it for a pickup, let the customer know," Huntsman says.

Carriers are getting better at measuring the quality of their own customer service, because those factors have grown so important in relationships with customers. Chalk that evolution up to the influence of the top e-commerce companies. "If Amazon can tell customers when an order will ship or be delivered, or if it's not in inventory, then why can't my business-to-business suppliers do the same for me?" Huntsman asks.

One striking aspect of good customer service is its halo effect. "Doing exceptionally well at a handful of these soft issues

gives the impression to the shipper that you're doing exceptionally well on the others," Huntsman says.

It's About Time

While customer service is more subjective than, say, on-time delivery, some providers and shippers do find objective ways to measure it. For example, Zipline Logistics tracks how long it takes to respond to customer requests, says J.J. Rodeheffer, a partner and director of sales for the Columbus, Ohio-based 3PL.

"We also track the timeliness of not just providing rate quotes, but also how long it takes to get a customer order into our system and get the process moving," he says.

Zipline works with shippers to design

customer experience, Zipline tries not just to measure its performance, but also to measure its success at improving performance through proactive measures.

Say a retailer asks a vendor to deliver product to its distribution center in Florida. But the vendor — Zipline's customer — has run out of that product in its Florida warehouse, and has to fill the order from its New Jersey facility. Zipline can measure the cost of dealing with that out-of-stock situation.

"We also measure whether we can let the customer know far enough in advance to avoid that cost," Rodeheffer says. With visibility into its customer's entire supply chain, Zipline detects potential out-of-stocks and warns the customer to take corrective action before problems arise.



Canberra, a manufacturer of cleaning chemicals for the commercial, institutional, and industrial markets, tracks the performance metrics of its 3PL every day.

the key performance indicators (KPIs) that each customer considers most important, including traditional operational metrics and customer service metrics. Through Zipline's proprietary client dashboard, customers can view the 3PL's performance against those KPIs in real time. "It creates a level of accountability for us, so we can't hide from mistakes," Rodeheffer says.

Working to provide a better-than-average

Among the other customer service values embedded in Zipline's culture is a promise to stand by its word. "If we give you a quote, we'll stick to it, no matter what," the company says on its website. "This also means we'll never give back freight."

It's easy to measure that kind of fidelity. "At the end of the month, we get a note from accounts payable that says, 'Are we really taking a \$900 loss on this shipment?'"

Rodeheffer says. Whether Zipline makes an error in calculating a quote, or it loses a carrier at the last minute and then pays a premium to give the freight to a different trucker, it will never penalize the customer.

“If we give the customer a rate, we’re moving the shipment, and that’s that,” he says. “We can measure it—it’s tangible.”

Personal Best

Measuring customer service won’t take a company far unless it motivates employees to keep the number high. “We incentivize our operators around our service metrics,” Rodeheffer says. “It’s not about who does the most or who does it the fastest. We measure on who does it best.”

In this context, “best” could mean choosing a new partner that results in better service, even at a lower profit margin. “If a truck is a few hundred dollars cheaper, but pushes the limits of whether they will pick up or deliver on time, that’s not a gamble we’re willing to take,” Rodeheffer says.

Among the shippers on the receiving end of Zipline’s customer service is Canberra Corp., a manufacturer of cleaning chemicals based in Toledo, Ohio.

Zipline handles all Canberra’s collect, full truckload shipments on the inbound

“We incentivize our operators around our service metrics. It’s not about who does the most or who does it the fastest. We measure on who does it best.”

- J.J. Rodeheffer, Director of Sales,
Zipline Logistics

side, all its pre-paid outbound truckload freight, and an occasional outbound LTL shipment.

Mike Melms, Canberra’s logistics manager, tracks Zipline’s performance metrics daily and quarterly, looking at inventory turns, back orders, production cycle times, inventory accuracy, on-time shipments, and conformance to the first-in, first-out

(FIFO) principle. “Many of our products have lot codes and expiration dates, so turns and FIFO are musts,” he says.

Although he doesn’t apply hard metrics to customer service, Melms gives Zipline high marks on those values. “Zipline created my definition of customer service: Having the ability to almost read my mind, answer my questions before I even ask them, and react as I would react with my own business; having courteous and professional employees contact my customers for delivery or pickup appointments.”

Canberra routinely follows up with its customers after Zipline Logistics, through one of its carriers, drops a load, to see if the customer received the correct product and if it arrived without damage.

Along with the percentage of on-time deliveries and the company’s freight costs, Melms names another metric he thinks 3PLs should track on behalf of their customers, one that bears more directly on customer service: “The speed of recovering a load after an unfortunate situation arises.”

In retail — and especially in e-commerce — logistics partners play a major role in creating a good end customer experience. The partner that puts product into packages for shipping, or performs



Quiet Logistics provides customers with value-added details and high touch personalized orders, including specialty kitting, branded packaging design, personalized thank you cards, and customized inserts.

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last-mile delivery, touches the customer directly. That partner becomes the face of the merchant, and the quality of its service influences how customers perceive the brand.

Quiet Logistics, a multi-channel fulfillment company, has built a business around services that touch the end customer. “The brands we partner with are trying to differentiate themselves and mimic a positive experience that customers might have while shopping in a store,” says Brian Lemerise, president of Quiet Logistics, Devens, Mass. Quiet works to promote that objective.

For some e-commerce merchants, excellent service simply means delivering orders quickly. But Quiet tends to work with brands — mainly in the fashion and lifestyle categories — that want to give their customers something extra.

“They might want to write their customer’s name on the packing slip, or create custom packing slips, depending on the order profile,” Lemerise says. “They might ask for tissue paper and ribbons. Or they might want to include other branded collateral, such as marketing pieces or a customer satisfaction survey.” Quiet accommodates all those needs.

Beginning at the Back

Some of Quiet’s efforts to deliver a great customer experience occur at the back end, starting with accurate inventory management. “Out-of-stocks are inconvenient and can have a negative customer service impact on the transaction,” Lemerise says. Meeting merchants’ expectations about how quickly orders go out the door is important as well.

Quiet uses KPIs to measure its performance on functions that keep product moving through the fulfillment center and out to the customer. “That could be measuring dock-to-stock time in hours, not days,” Lemerise says. “It’s the same for outbound, when we measure a time-to-fill expectation and a service level agreement (SLA).”

Another step Quiet takes to give the end customer a good experience is a series of quality control inspections on incoming product. Quiet not only checks whether items and quantities match the purchase

order, but also examines the merchandise itself: Are the shirt buttons the right size? Are the pants legs hemmed correctly?

“The feedback we provide fuels the vendor compliance programs our brands are managing with their manufacturers,” Lemerise says. “This makes a better experience for our brands, but also for the end customers, because they will receive what they were trying to buy online.”

To make sure that each package shipped includes all the specified details and flourishes, Quiet hires associates who understand customer service. “We try to recruit people who have worked at a mall store or other retailer, because they tend to have a higher appreciation for product care and brand support,” Lemerise says.

Those associates rely on Quiet’s fulfillment management software to tell them, for example, that Package A needs a marketing insert, tissue paper, and a ribbon, while Package B also needs a handwritten thank-you note.

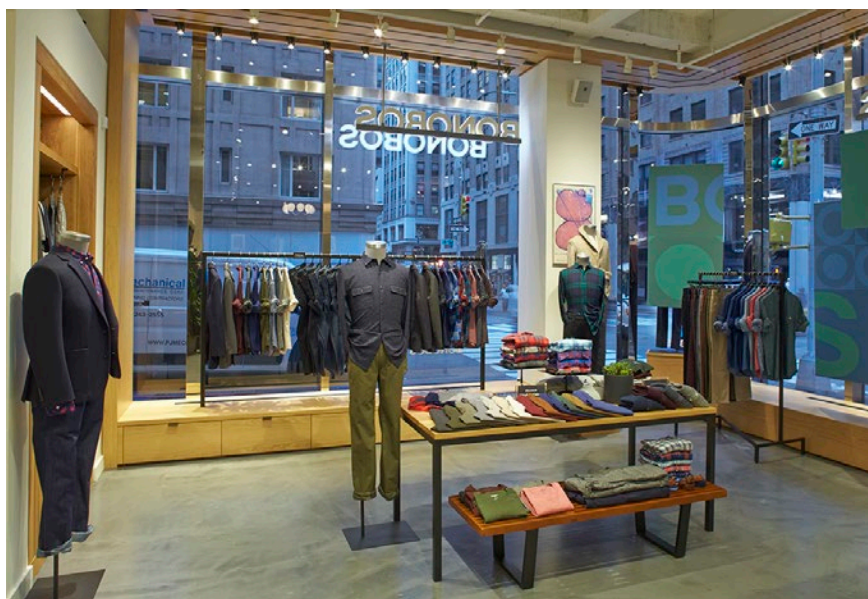
Bonobos, a New York-based vendor of men’s clothing and accessories, is one company that relies on Quiet to deliver brand-enhancing customer service. Bonobos sells through an e-commerce channel and at more than 20 “Guideshops” across the United States.

The relationship with Quiet Logistics is one key to Bonobos’ excellent customer service. “Quiet is consistent in meeting our same-day outbound shipping SLA,” says Angela Goldstein, director of operations. “It provides customized packaging services for us to make sure that the presentation to our customer aligns with what we’re trying to achieve with our brand experience.”

Quiet is also consistent in processing returns. “We don’t send refunds to customers until Quiet actually processes the units,” Goldstein adds. “That happens within one business day, so the returns experience is positive for our customers.”

To make sure Quiet maintains the expected service level, Bonobos monitors a collection of SLAs each day. Among the metrics that involve customer-facing activities, the most important are the time to process and fill orders, and the time to process returns. Bonobos also tracks how quickly Quiet processes inbound shipments.

Quiet receives those figures in a daily report, with questions attached to any items that seem to fall out of range. If Quiet misses an SLA because a last-minute promotion pushed sales way beyond the forecast, officials at Bonobos won’t blame the 3PL. “Our expectations are reasonable,” Goldstein says.



Men’s clothing and accessories retailer Bonobos partnered with Quiet Logistics, which helps keep customer service levels high through scrupulous use of performance metrics.

Bonobos doesn't measure how well Quiet meets its packaging standards. But the company has a reliable source of feedback on that score: its own employees, who are also loyal customers.

"Close to 200 employees work in our building, and we get many packages delivered here every day," Goldstein says. "If there's ever a one-off problem, and we see a box that may be inconsistent, we're quick to snap a picture and send it to our account reps. And they're quick to do some retraining if needed."

Customer Service Ninjas

Customers who are not Bonobos employees offer feedback via e-mail and in conversations with the company's customer service reps, known as Ninjas. At Bonobos' headquarters, the operations staff works just 10 feet from the Ninjas. "They pass us any anecdotal feedback related to fulfillment, positive or negative," Goldstein says. The Ninjas also aggregate the information they get from customers, by category — including service issues — and provide that to Goldstein's team monthly.

Regarding Bonobos' own role as a Quiet Logistics customer, company officials don't see a need to measure the softer aspects of the service they receive, such as how quickly Quiet returns calls and answers e-mails. "We look at our relationship with Quiet as a true partnership," Goldstein says.

Employees at Bonobos also take it for granted that their partners at Quiet will communicate quickly about problems, such as product that arrives at the fulfillment center in damaged boxes. Regular visits by Bonobos' staff to Quiet's facility help to cement the relationship. "We walk the floors, just to see what's going on," Goldstein says. "They know we care a lot, and it's obvious that they care as well."

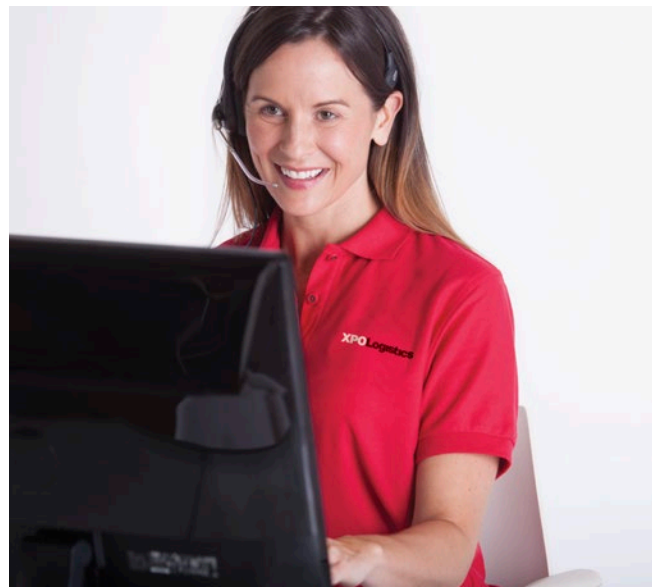
Like Quiet Logistics, XPO Logistics plays a big role in helping merchants make a good impression on their customers. XPO's last-mile service manages the delivery of heavy goods — such as furniture, appliances, and home electronics — to customers on behalf of retailers and consumer goods companies. XPO handles more than 12 million such deliveries per

year, and its job doesn't end at the doorstep.

"In many cases, we need to facilitate white-glove services inside the home, such as installation," says Will O'Shea, chief sales and marketing officer at XPO Logistics Last Mile, Greenwich, Conn. That puts XPO and its contracted carriers and installers into particularly close contact with end customers.

XPO works with more than 7,000 independent contractors to provide its services. "We conduct background checks on these contractors, because consumers trust them inside the home," O'Shea says. The company relies on customer feedback to make sure contractors continue to uphold the service standards set by XPO and the merchants.

The partner that puts product into packages for shipping, or performs last-mile delivery, touches the customer directly and becomes the face of the merchant. The quality of its service influences how customers perceive the brand.



XPO Logistics' white-glove service process includes followup phone calls to consumers so they can voice concerns or problems that can be resolved quickly.

The feedback process starts when the consumer signs a digital proof-of-delivery form. The form tells consumers that they will soon get a phone call; the consumer chooses whether the call should come from an automated system or a live representative. The phone rings within 12 minutes of the sign-off, giving the customer a chance to respond verbally to a series of survey questions while the delivery experience is still fresh.

"We immediately evaluate any voice feedback and get a concern into the right hands for resolution," O'Shea says. "For example, if it's a problem with the product, we route it to the retailer right away."

The customer service factors that XPO measures vary with the needs of individual merchants. "Delivery within a defined time window, exceptions, and satisfaction ratings are key industry metrics," O'Shea says. "Our technology platform is scalable and flexible, with apps that give customers constant visibility to data. Together, we evaluate that data and focus on ways to continuously improve."

That's a worthy goal for every shipper and its logistics partners — keep an eye on the measurements, and use them to make customers increasingly happy with the service they receive. ■

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The demand for Excel Industries' most popular zero-turn mowers had skyrocketed. While the increase in demand was great news, it meant the company needed a facilities review and a potential supply chain revision. They realized when they forecasted future demand they will need to expand while consolidating locations to increase their daily production.

Excel Industries sought Wagner's expertise in warehouse layout, daily warehouse management, and WMS capabilities.

Wagner Logistics brought extensive 3PL resources, its experienced team, and the latest technology (IT-in-a-Box) to Excel Industries with a plan to outsource and streamline distribution. The new warehouse near Kansas City was fully functional within a few months. IT-in-a-Box was deployed to accelerate the startup time, and runs on a secured private network to get connectivity throughout the warehouse without having to wait for permanent lines and wiring to be installed.

Moving the finished goods out of a rural location to a better transportation and warehouse market helped bring transportation rates down. Excel was able to use current staff for other manufacturing positions. Outsourcing eliminated the need for staging; finished goods were moved to an improved storage environment, reducing inventories and removing bottlenecks at the end of production lines.

Daily production increased throughout the

transition. The facility consolidation reduced duplicate inventory in multiple locations, resulting in fewer back orders. Some quality assurance checks were moved to the new facility, allowing Excel to handle rework offsite versus taking up manufacturing space at the plant.

Several of the components used in the production of the mowers are strategically being transferred to the Kansas City area to free up more space at the main production site. The production facility carries 1-3 days of components, which are delivered to the production facility during off-peak production times to optimize labor planning. Vendor shipments are less frequent and a higher quantity can be ordered with a better overview of overages and shortages. To keep onsite inventory level stocked, Wagner runs 25-30 shuttles a day from the Kansas City area to the production facility, delivering components and returning with finished goods.

Excel has recognized a 37-percent production growth during the transition, consolidated multiple DCs, and moved to a superior freight market using Wagner transportation. Excel has gained better visibility of raw materials and finished goods while still maintaining complete control through outsourcing.

Finding the right logistics partner when your company is experiencing growth, consolidation, or both is challenging. Wagner brings experience, technology, and dedicated people to finding the best solution that works for each company.

CAN EVERYONE
ON YOUR TEAM
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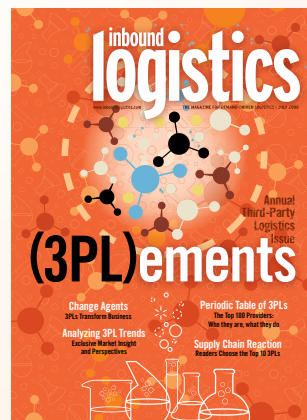
$$ICC = \frac{C + T + I + W + X + (S - R1) + (O - R2)}{\text{Annual \$ Material Cost}}$$

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ICC=inventory carrying costs C=capital T=taxes I=insurance W=warehouse costs X=shrinkage S=scrap O=obsolescence costs R=recovery

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SSORS

By Tamara Chapman

—2016 EDITION

Faculty members from some of the nation's leading logistics education programs share their thoughts on how higher education is preparing tomorrow's professionals for the challenges ahead.



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What are the latest trends in logistics education, and how does your program address them?

GERARD BURKE, Georgia Southern University: A continuing trend is the challenge to attract students to pursue a career often perceived as humdrum. At Georgia Southern, we dispel this by illustrating the dynamic nature and variety of daily activities a supply chain manager encounters. We make explicit that every day is different when managing modern logistics services and transportation operations.

Experiential learning is another trend seen as valuable to both hiring companies and students. Georgia Southern supports this trend in several ways. First, we help advertise and coordinate internship opportunities for credit that can help students gain valuable experience and contacts while completing degree requirements. A second way we foster experiential learning is via an active student club, which works with faculty to organize information sessions delivered by hiring companies.

The club also organizes a roundtable event each semester that brings students and companies together to explore opportunities for internships and jobs. Other ways we support experiential learning include hosting external student case competitions, touring logistics facilities, and attending industry conferences.

JIMMY CHEN, Bucknell University: One trend is emphasizing the endless possibility of creating new logistics models. Because market demand keeps changing, students' understanding of logistics should never be constrained by the common models they read in textbooks. For example, as online sales reach a record high, B2C service provider Jet.com uses some creative logistics concepts to bring value to customers.

At Bucknell, we typically have students conduct semester research projects on some common logistics models. They not only have to present the models to demonstrate their understanding, but they also have to relate the models to real companies.

DARREN PROKOP, University of Alaska Anchorage (UAA): As in the academic world in general, there is a trend to online course delivery. All of our logistics and supply chain management programs incorporate online education to some extent. Currently, our occupational endorsement certificate in logistics and supply chain operations is completely online.

Another trend is learning how to deal with the avalanche of data that supply chain managers have at their fingertips. Data from barcodes, RFID tags, GPS systems, and the Internet of Things (IoT) mean that managers not only have to be good analysts, but they also have to be good at understanding the supply chain system instinctually. They must know which data deserves priority for a given problem.

Finally, globalization requires that logistics education build in a feeling for how international trade works. Beyond just an understanding of the nuts and bolts of importing and exporting, it is important that students understand the different business practices and cultures represented along today's global supply chains.

Schools need to emphasize the sheer complexity of all these factors. At the same time, great opportunities exist for students who can master the practice of business logistics. We find that a skill set in another discipline gives students a competitive advantage because it can enhance how they practice logistics and supply chain management. A background in computer science, operations research, psychology, accounting, marketing, or engineering can give students an analytical edge.

PETER LUKSZYS, University of Wisconsin-Madison (UW-Madison): In terms of different logistics applications, we see a lot of interest in humanitarian aid logistics and the impact of logistics strategies on climate change. On the more traditional side, evaluating where and how to position inventory to serve both online and brick-and-mortar retail customers is a big logistics issue. We have different tools to incorporate these trends in our program. Between classroom lectures, cases, and "applied" learning events with industry, UW-Madison makes sure students are exposed to it all.



What do you hear from industry about its workforce needs, and how are you shaping curricula with these in mind?

VERDA BLYTHE, UW-Madison: Industry needs students who understand analytics, especially with the volume of data coming in as more IoT devices go online. We added analytics classes at both the undergraduate and graduate levels over the past two years. Logistics and supply chain also have a huge impact on the success of a new product launch, so we're adding that to our curriculum as well.

PROKOP: Our business advisors actively hire UAA graduates in logistics and supply chain management. These companies want employees who can think, use their imaginations, and take initiative.

To this end, we make sure that our majors enhance their degree with well-chosen electives and that they are well rounded when they graduate. This means that they learn good communication skills through ample opportunities to write and present their work, do group work to build the skills of trust and cooperation so vital in supply chain management, and to be numerate — understand how to model an activity, and measure and analyze results.

We also require our bachelor's students to take an internship of at least 225 hours of work in their senior year. Logistics supervisors evaluate students just as they would regular employees; and instructors evaluate students on how they apply logistics theory and practice discussed in the classroom.

Many businesses use Enterprise Resource Planning (ERP) software. To ensure students are proficient in ERP environments, we built SAP-provided software into our classes.

LUKSZYS: Employers seek students with experience in the practical application of concepts. In one logistics class, we turn the classroom into a distribution center for a period, and play a simulation game. Students learn cycle counting, slotting, and warehouse operations while getting immediate visual feedback on the consequences of their decisions.

CHEN: Many companies realize they can benefit from analytics-driven solutions. The ability to visualize data or identify demand patterns using data can be useful for making decisions. But hard skills must be coupled with soft skills. For example, understanding collaboration and communication is as important as understanding modeling and technology. That's why we design curricula from a management perspective rather than entirely from a business standpoint.

BURKE: A recurring theme is the need for graduates to persist in adding value — not just in entry-level positions but also in the next step up the corporate ladder. This often requires substantial interpersonal knowledge and skill. Therefore, we embed discussions on the importance of thinking long term in relationships. We also provide frameworks for effective interactions with others in courses such as purchasing, negotiation, professional selling, and team-based assignments.



Conventional wisdom maintains that educators are training today's students for jobs and challenges we haven't yet imagined. How do you address this in your curricula and classrooms?

PROKOP: While we can't know for sure what jobs will look like in the decades ahead because technology progresses so rapidly, some constants will always be a source of value to any employer. One is the ability to think, which means that students need to be challenged intellectually. Another, which universities are good at, is to give students a social experience.

MEET THE PROFESSORS



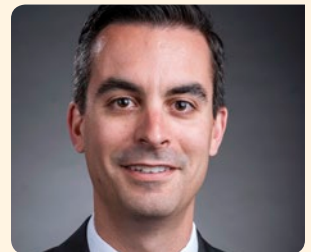
Jimmy Chen, assistant professor of business analytics and operations, School of Management, Bucknell University



Darren Prokop, professor of logistics and director of Master of Science in Global Supply Chain Management Program, College of Business & Public Policy, University of Alaska Anchorage



Gerard Burke, professor and chair, Department of Logistics and Supply Chain Management, Georgia Southern University



Jake Dean, director, Grainger Center for Supply Chain Management, Wisconsin School of Business, University of Wisconsin-Madison



Peter Lukszys, senior lecturer, marketing department, Grainger Center for Supply Chain Management, Wisconsin School of Business, University of Wisconsin-Madison



Verda Blythe, faculty associate in the marketing department and Grainger Center's director of undergraduate programs, Wisconsin School of Business, University of Wisconsin-Madison

We invite industry leaders as guest speakers in our classes and student club meetings. This gives students a chance to network. To offer students a glimpse into the future, we are also generous with field trips and job-shadowing opportunities.

BURKE: We provide well-organized topical content to “know” and instruction on ways or “skills” to analyze and approach challenges in managing supply chains. However, we also stress the uncertainty inherent in coupled supply and delivery systems. Broadly speaking, we admit there is much that managers cannot know, and at best we make educated guesses as to future challenges. In terms of preparing students in this light, we stress development of time management skills, generalized capabilities, and strategic thinking.

LUKSZYS: We are constantly in touch with our industry partners to ensure the education we deliver is relevant to their needs. My courses change from year to year based on industry events and trends. Same-day — or even same-hour — home delivery using technologies such as self-driving and unmanned aerial vehicles, or shared transportation, are trends we discuss in the classroom.



How do you prepare students for the demands of globalization?

CHEN: Our global management major is designed for this purpose. Logistics technologies and transportation have become increasingly efficient and inexpensive. More companies can afford to globalize operations such as sourcing or market expansion. The global management major curriculum aims to develop students’ managerial knowledge, financial acumen, and political savvy. And students have to be able to speak at least two languages before they can graduate.

PROKOP: UAA degrees are conferred in global logistics and supply chain management. To that end, we focus on international trade and activities that grow out of this, such as transportation, outsourcing, and foreign direct investment. Alaska is on the great circle trade route connecting Asia with the Lower 48. It’s a major air cargo hub, so our students are trained in air cargo logistics, including a solid understanding of the regulatory environment. This is important because Alaska enjoys the most liberal air cargo transfer operations allowed anywhere in the United States.

BURKE: We require courses in global supply chain management and international logistics. Our programs look at “global” in two complementary ways. First, we think about what is best for a focal firm and how that course of action may be a net loss when its impacts are felt throughout a network of the focal firm’s suppliers and customers. Second, we study the flow of goods and

services that are the ever-present relays of intermodalism. Students work individually and in teams, studying modern supply chain issues to identify problems, suggest practical steps for execution improvement, and communicate findings.

LUKSZYS: We take students to see globalization firsthand. Students recently visited the Panama Canal to see in practice what its recent expansion means to global trade.

BLYTHE: We partnered with two global universities — Dresden University of Technology in Germany and the University of Stavanger in Norway — to develop graduate and undergraduate exchange programs. In Germany, students study the automobile industry; in Norway, they study the oil and gas/energy industry. These experiences provide hands-on and classroom learning about the supply chains for those key industries and about globalization’s numerous impacts.



Students expect economic volatility, but what skills will they need to manage it within the SCM arena?

CHEN: I once read that managers tend to ignore potential problems if their companies are making lots of money. But the economic downturn forced companies to pinch pennies and reduce costs. Under such volatility, students need to be able to work effectively and efficiently with others to maximize productivity. Project management skills are essential for supply chain management during economic turmoil. Good project managers make sure they deliver results on time and within budget.

BLYTHE: Students need to see volatility to understand it. Our program extensively uses online simulations, allowing students to make decisions and see their results almost immediately. These simulations can demonstrate several years of activity over a short period, which gives students a perspective that would not be possible with only lecture-style lessons.

PROKOP: Volatility brings risk, and risk can be managed to a certain degree. Our students take courses in statistical analysis and business intelligence, where they learn the tools necessary to measure risk. What can be measured can be managed.

BURKE: Logistics systems are often volatile, so students need to fundamentally understand sources of uncertainty — where are the demand and supply linkages that can exacerbate or mitigate variability? Seasonality is also a big part of volatility in global supply chains. Ultimately, students need skills that allow them to be adaptable.



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What new skills do SCM students need?

BURKE: To succeed in managing supply chains, students need flexibility in their capabilities. They must at once be technical and relational. They must be strategic thinkers, effective planners, clear communicators, and always mindful of executing activities in ways that give the strategy its shape.

CHEN: Knowing how to make data-driven decisions is already a minimum requirement for SCM students. But in real life, data is rarely given. Decision makers must find or collect relevant data to analyze identified problems. Students need to be able to discern between useful and irrelevant information/data, especially in this big data era.

Another skill is networking. I suggest that SCM students stay connected with peers in or outside the field to stay up to date on the latest market trends.

PROKOP: Students need to have skills in emerging technologies, including computers to handle the latest modeling and business simulations software. They also need to learn about different business cultures, because much of the world does not share the U.S. concept of time management, negotiation, and trust building.

JAKE DEAN, UW-Madison: Students need to understand that there's a huge supply chain opportunity in digital products and services as well as traditional physical goods. There may be no inventory, but you still have to design the product, source it, deliver it, and license it in line with how the customer wants to consume it. That's supply chain.



Students today seem to be an interesting mix of pragmatism and idealism. How can/does an SCM program harness that?

BURKE: Engagement is still a popular buzzword in higher education. Knowing that our students are inclined toward economic gain, environmental stewardship, and social good is knowing that students want to be “sustainable” people. An SCM program can harness that by making clear that supply chains and those who manage them have amazing opportunities to improve this triple bottom line. A few years ago, Dave Guernsey, father of sustainability with UPS at the time, was a guest speaker. He said that conserving fuel makes a lot of sense for UPS on all

three dimensions of sustainability. It is a win-win-win. This really resonated with students.

LUKSZYS: It's important to demonstrate to students how much of an impact supply chain has on both the pragmatic and the idealistic. On the idealistic side, we are continuing to be successful with our Farm to School project, with the goal of getting more locally grown food into Wisconsin K-12 schools and institutions. Our students get to solve real, local supply chain problems, and Wisconsin farmers and producers get their products to a previously unavailable market.

PROKOP: Logistics and supply chain management both add a dose of pragmatism—or realism—to the idealism often taught in other disciplines. For example, economics and marketing talk of efficient market trades without a real sense of transportation across vast distances, various terrains, and international borders in order to complete the transaction. Accounting explicitly includes a logistics activity in the balance sheet—inventories—but gives little sense of other logistics activities in financial statements.

Logistics is the art and science of managing the constraints of time, physical space, and location. It is also an exercise in trade-offs. For example, should a firm hold a lot of inventory and accept a bulk discount on transport, or should it bring in products just-in-time and incur higher costs and more frequent transportation? Managing this trade-off in tandem with a host of other trade-offs—all in a world of uncertain costs and revenues—is the essence of pragmatism.

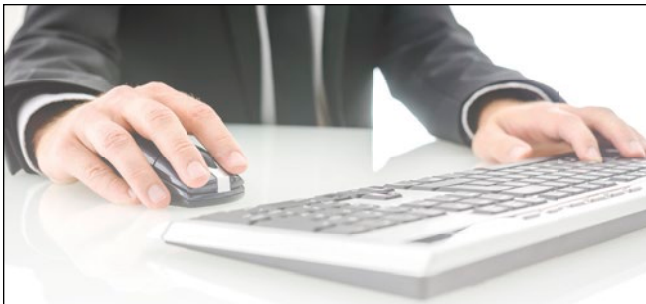
Now, consider supply chain management. Management and economics education often emphasize profit maximization. But, in a supply chain setting, why squeeze a vendor in order to maximize profits? Perhaps it's better to cultivate a relationship with the vendor so that supply is enhanced in terms of service quality.

The idea is to spread costs along a supply chain to partners better able to bear it. In this way, we look at the profit generated along the entire supply chain and not at any particular partner. Competition is often discussed in business classes. Does Walmart compete with Target? Does Boeing compete with Airbus? Yes, they do. However, it is more accurate to say that their supply chains compete with one another.

In other words, negotiations, vendor contracting, and relationship building are sources of competitive advantage just as much as competing over retail prices and expanding into other markets.

CHEN: In my view, supply chain management is about coming up with strategies and putting things to work. It requires not only creative ideas but also solid implementation and collaboration plans. I welcome students of all kinds to join the supply chain management realm because they all have their own strengths and can contribute in unique ways.

An SCM program should harness such great potential by showing students the need for their talents in practice, comprehensively developing their skill sets, and guiding them to the right career paths. ■



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Panama Canal Expansion: Locks and Load

The Panama Canal's recent expansion has widespread ramifications for global shipping.

By Tom Gresham

On June 26, 2016, more than 30,000 people gathered in Panama to celebrate a historic achievement that had stoked the country's pride. The crowd was on hand to witness the inauguration of the expanded Panama Canal, marking the official completion of a nine-year-long construction project and launching a new era for the canal.

The \$5.25-billion expansion is the canal's largest-ever enhancement project in its 102-year history. The heart of the ambitious undertaking is the construction of a new set of locks on both the Atlantic and Pacific sides of the waterway and the excavation of more than 150 million cubic meters of material. The resulting new lane of traffic doubles the cargo capacity of the canal. The new locks are 70 feet wider and 18 feet deeper than the original portion of the canal.

As part of the inauguration event, those in attendance watched the *COSCO Shipping Panama* vessel—formerly named *Andronikos* and renamed in honor of Panama and its canal—become the first Neopanamax ship to ever travel through the Panama Canal. First, the vessel journeyed through the Agua Clara Locks on the Atlantic side of Panama, and then it ventured through the Cocoli Locks on the Pacific side. Headed for Asia, the *COSCO Shipping Panama* had set sail from Greece with 9,472 TEUs (a standard 20-foot-equivalent container) worth of cargo.

Before the expansion, the most cargo the canal could accommodate on a single ship was 5,000 TEUs. Now, it can handle a ship with up to 14,000 TEUs. The ship's passage was a clear demonstration that shippers and carriers can now achieve much-improved economies of scale on their shipments through the storied canal.

Among the crowd that day were not only proud canal employees and Panamanian citizens but also a collection of state dignitaries, shipping and trade executives, and canal customers eager to see the critical next step in the canal's history.

Months later, in October, the Panama Canal Authority announced that it had recorded the third-highest annual tonnage in its history for the 2016 fiscal year, which ended Sept. 30. Canal authorities noted that 238 Neopanamax vessels had traveled through the expanded canal during the barely more than three months that it had been open. This accounted for 18.2 million of the 330.7 million Panama Canal tons that had passed through the canal during the fiscal year—a fraction of the overall tally, but a sign that even one quarter of a year after the launch, the new section was seeing encouraging activity.





A Maersk Line ship passes beneath the Bridge of the Americas at the Panama Canal.

At least nine Neopanamax liner services had been deployed through the new locks as of October, according to the Panama Canal Authority. Most of the services are dedicated to the trade route connecting the U.S. East Coast to Asia.

“Despite the international shipping downturn this past year, we recorded one of the highest annual tonnage figures since the opening of the original canal 102 years ago,” said Jorge L. Quijano, administrator of the Panama Canal, in a press release. “This latest success reinforces the continued strategic importance of the route and the growing value that recent investments in the canal will bring to the maritime industry.”

A Hint of an Impact

Even as the larger vessels make their way through the expanded section of the canal, the true influence of the project remains an open-ended question. The early months of activity in the new locks hint at the future, but they are only hints. Experts who have been studying the canal expansion and the shipping industry’s reaction to it see a wide range of forces surrounding the industry that could determine the expansion’s ultimate impact.

While the canal expansion has major value, it is important to maintain perspective on its supply chain impacts, according to Rich Thompson, international director of supply chain and logistics solutions at JLL, a global commercial real estate

services company, with U.S. headquarters in Chicago.

“The expanded Panama Canal is a significant improvement for supply chains today,” Thompson says. “But I don’t know that it is a huge game-changer. It’s like changing a one-lane highway to a four-lane highway. The first time you lay down the highway, it is a game-changer. When you expand it, it’s not quite to that level, even though it does improve efficiency.”

The Question of a Shift

A core question that will measure the canal expansion’s ultimate impact is whether it will lead to a significant shift of traffic from West Coast to East Coast ports. Specifically, will shippers opt to send more goods from East Asia through the Panama Canal expansion to reach the East Coast ports in order to access the Midwest and East Coast markets or will they continue to ship to West Coast ports and then send goods by rail across the country?

Trade between East Asia and the United States accounts for more than 40 percent of containers flowing into the country, according to *Wide Open: How the Panama Canal Expansion is Redrawing the Logistics Map*, a C.H. Robinson and Boston Consulting Group whitepaper.

“There is an opportunity with the larger canal and forthcoming new port infrastructure on the East Coast that more service will end up going through the canal and directly to the East Coast,” says Roberto

Rodrigues, managing director of Maersk Line Caribbean. Denmark-based Maersk Line is one of the largest container shipping companies in the world. “There is potential for that, for sure.”

The possibility of a significant shift seems likely, agrees Nerijus Poskus, director of global pricing and procurement at Flexport, a freight forwarding and customs brokerage company based in San Francisco. The C.H. Robinson/Boston Consulting whitepaper projects up to a 10-percent shift in market share along those lines. In particular, the West Coast ports’ traffic will continue to grow the rest of this decade, but their market share will fall as growth accelerates for the East Coast ports, the whitepaper analysis suggests.

Leveraging the Expansion

Anecdotally, Poskus has already seen shippers change their practices to take advantage of the expansion. For instance, one Flexport client, a shipper based in the Ohio Valley that ships approximately 1,000 containers annually from Asia, had previously imported everything from Asia through the ports in Los Angeles, Seattle and Vancouver, where the cargo was then moved on rail to Columbus, Cleveland, or Cincinnati. Since the canal expansion, the client has begun to import via the canal to the East Coast, and then move the shipments west on rail.

The move costs the shipper approximately 7 to 10 days in transit, Poskus says.

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A large Neopanamax vessel navigates the new Panama Canal expansion.

However, it also produces savings of “\$400-plus per container,” he adds. In ballpark figures, a shipper who saves \$400 in shipping costs per container — Poskus cites that number as a low estimate — might expect to pay about \$100 more in inventory costs because of the longer travel time. “If shipping a container costs \$3,000, then that means you save 10 percent,” he says. “That’s significant.”

Other shippers are eyeing similarly beneficial figures and testing it out. “It slowly is happening,” Poskus says. “No one wants to do it too fast, but it definitely is happening. Shippers are curious and they see the potential to save money.”

Poskus says part of the wait-and-see approach favored by many shippers is due to the newness of the renovation and the uncertainty about some key components. For instance, shippers continue to consider risks of accepting slower delivery times in exchange for lower costs.

Visibility Nets Cost Savings

Shippers that have strong visibility of their supply chain, particularly of goods that are en route, will be more likely to take advantage of the cost savings because they will have the confidence in their supply to accept longer time in transit, Poskus says. Those without that visibility will be more likely to look for the quickest route, avoiding the risk of inventory becoming depleted while reinforcements make their way.

Shippers also are well aware that many of the East Coast port infrastructure

preparations to accommodate the larger vessels that can pass through the canal are ongoing and incomplete, Poskus says.

Even with the level of uncertainty, changes are in motion.

“Ocean freight carriers are already offering services to new areas such as Memphis via the East Coast — even Kansas City via the East Coast — that they hadn’t offered before,” Poskus says. “And the price is already better than through the West Coast.”

The Role of Risk Mitigation

Examining any cargo shifts from the West Coast to East Coast ports must consider risk and shippers’ increasing interest in diversifying their trade routes.

“The fact is that we are seeing a shift to East Coast ports in terms of market share,” Thompson says. “The real question is why. Is it the Panama Canal? My sense is it has less to do with the canal expansion and more to do with risk mitigation. And that happens with or without the expanded canal.”

In fact, East Coast ports had already seen a growth in their share of trade from Asia from 32 percent in 2010 to 35 percent in 2014, according to the C.H. Robinson/Boston Consulting Group whitepaper. Shippers have placed growing importance on avoiding an over-reliance on the same trade routes.

“Shippers previously emphasized cost and service above all else, but more recently, labor strife and natural disasters created large-scale delivery problems and

raised awareness of risk,” Thompson says.

A key event was the West Coast port congestion that occurred between March 2014 and July 2015, according to Geraldine Knatz, a professor of the practice of policy and engineering at the University of Southern California, in a study to be published in the *Research in Transportation Business and Management* journal. In the wake of the disruption, some large retailers reported difficulty meeting first-quarter 2015 projections, Knatz says, creating a crucial motivation to seek opportunities on the East Coast.

Walmart also implemented its own port diversification strategy. The retailer’s mammoth size and influence led others to follow suit.

“Port diversification has become about cost and service balanced with risk rather than just cost and service,” Thompson says. “Shippers have to find an almost equal balance of the three.”

Port Preparedness

The lengthy planning and construction process the Panama Canal expansion required gave East Coast ports ample time to begin their own preparations to take advantage of the larger ships that would be passing through the canal for the first time. This meant large-scale infrastructure improvements. Funding came from federal, state, local and private sources, all with an eye on new canal traffic.

“Every port on the East Coast has various projects of some kind going on to get ready,” Thompson says.

“The shipping lines welcome this kind of investment because most of the time infrastructure is a bottleneck for us,” Rodrigues says. “This type of investment is good because it presents an opportunity to enhance trade in the region.”

Major projects included extensive tunneling, deepening and widening of ports, and rail connectivity improvements. One of the more high-profile, yet-to-be-completed projects is the raising of the Bayonne Bridge that connects New York and New Jersey. The bridge currently is too short for the larger vessels, presenting a major obstacle to building routes to New York.

Another prominent effort was PortMiami’s \$1-billion capital infrastructure project, which included dredging

and rail improvements that allowed it to become a deep port capable of accommodating large Neopanamax ships.

Because the infrastructure is not completed in many key ports, Rodrigues says it is difficult to project how shipping lines such as Maersk will adapt to the expanded canal over the long run.

“The reality is, there are still some different needs in different ports,” he says. “When these projects are concluded, we’ll be in a better position to look at our fleet and see how we can deploy larger and more efficient vessels to them.”

Help From the Government?

A driver of the extensive investments in U.S. East Coast ports has been the federal government, Knatz says.

“The government has been much more active and out in front on port issues,” says Knatz, who retired as executive director of the Port of Los Angeles in 2013. “And the federal government becoming more engaged in port issues has been a positive for the port industry. I attribute that to the specter of the canal expansion.”

The massive investment in East Coast



Photo courtesy of the Panama Canal Authority

A tugboat escorts a COSCO shipping vessel through the new Panama Canal locks.

ports invariably will have more value for some than others.

“Bigger vessels will stop at fewer ports,” Thompson explains. “There is no need for every single port to accept these post-Panamax vessels. Obviously, some ports will be more attractive than others to the ocean line carriers.”

Knatz agrees that the combination of lower trade volumes and major spending projects in port facilities will create some financial challenges as ports struggle to recoup their investment. In fact, “The expanded canal...does not create an East Coast port vs. West Coast port competition for market share as much

Navigating Canal Service, Rates, and Routes

Among the many variables that will determine the impact of the Panama Canal expansion is where carriers opt to provide service and how much they charge shippers.

Nerijus Poskus, director of global pricing and procurement at Flexport, says was surprised in the early going by the relatively limited service carriers are offering to the Port of Houston and Port of Mobile on the Gulf Coast. So far, he says, services from Asia via the Panama Canal expansion to those ports have been “extremely full,” and there have been no indications of adding capacity to adapt to the popularity.

“We have a lot of clients who would like to use those ports because they are financially beneficial,” he says. “They can’t do that currently because there’s not enough space.”

As an example of a specific way this can play out, Poskus says clients who currently ship containers from Shanghai to Dallas must continue to ship to Los Angeles or a similar West Coast port, and then transport the containers the rest of the way to Dallas on rail. If there was more space on the carriers to Houston, he says, his clients would simply target that port much closer to the Dallas area.

“More shippers would shift their cargo from the West

Coast to services via the Panama Canal if there was more space for it,” Poskus says. “Shippers are asking for it, but it’s hard to get right now.”

The major ocean carriers are organized in alliances so that they can share space on each other’s vessels. The alliances configure their service lines together, resulting in a consolidation of selected shipping routes. The newly formed Ocean Alliance, which includes French company CMA CGM, China’s COSCO Shipping, Hong Kong’s Orient Overseas Container Line and Taiwanese Evergreen, has signaled plans to increase service from Asia to the East Coast and Gulf Coast ports via the Panama Canal starting in April 2017—a sign of the expanded canal’s influence.

Setting rates and routes for lines through the canal expansion will be an ongoing challenge for carriers, says Roberto Rodrigues, managing director of Maersk Line Caribbean.

“We will need to offer competitive rates that are in line with the market situation,” he says. “Shipping has gone through a lot of challenges linked to global economic development. For us to make the Panama Canal attractive, we have to make sure we are aligned with the current market reality.”



Photo courtesy of Georgia Ports Authority/Stephen B. Morton

a more competitive option for customers who want to move cargo into the Midwest, Lynch says.

In addition, the port improvements have been made in tandem with investments from the state of Georgia to boost the free flow of cargo off terminal over the years, including a 10-year, \$10-billion freight mobility plan.

“Panama’s expansion is important for our state because it makes East Coast hub ports such as Savannah more competitive globally,” Lynch says. “And growing cargo through our terminals means more jobs for Georgians.”

The MOL *Benefactor* is the first vessel to call the Port of Savannah through the expanded Panama Canal’s new locks. At a capacity of 10,100 TEUs, the *Benefactor* became the largest ship ever to call on the port.

as it creates an East Coast port vs. East Coast port competition,” she writes in her *Research in Transportation Business and Management* study.

Ports on both coasts are already forming partnerships of some shape “to retain and grow market share” in acknowledgement of increasingly intense competition. She cites partnerships such as those between Los Angeles and Long Beach (San Pedro Bay Ports), between Seattle and Tacoma (the Northwest Seaport Alliance) and among the Florida ports (Florida Ports Council).

“The dust hasn’t settled yet, but my view of the future is that for the ports to survive, industry consolidation is needed,” Knatz says. “Not all those facilities will achieve the volume they would like. I think we will see greater integration among the ports.

“It’s going to be a survival mechanism,” she adds. “The ports are at a crossroads. Competition is intense. With increased competition, the big question becomes: What will you do to increase your market power?”

Savannah Takes Action

The Boston Consulting Group/C.H. Robinson whitepaper authors point to certain ports as being the most likely to benefit from the canal expansion. Among them is the Port of Savannah, which is located relatively close to the canal and offers good access to rail routes to major markets — particularly those in the Southeast.

Savannah is a critical partner with Panama, handling nearly one-third of all U.S. imports transiting the Panama Canal.

The effect of the expansion was evident almost immediately. Within 90 days of the opening of the canal’s new locks, the Port of Savannah saw a 43-percent increase in Neopanamax vessel calls.

“We are seeing a steady increase in cargo reaching our docks via Panama as shippers take advantage of these increased economies of scale,” says Griff Lynch, executive director of the Georgia Ports Authority. “With larger vessels transiting the Panama Canal, and more cargo moving on and off these vessels at major hub ports, U.S. importers have greater opportunity to deliver cargo closer to their East Coast customer base.”

To prepare for the expansion, the Georgia Ports Authority initiated the Savannah Harbor Expansion Project, which is deepening the outer harbor and the Savannah River channel to better accommodate the supersized vessels. The deeper water means large vessels will be able to enter and depart the port with heavier loads and without waiting for high tides. Dredging will be completed as early as 2019.

Other steps include the addition of eight of the largest ship-to-shore cranes on the East Coast, giving Savannah 30 of the machines — the most in the country — and the Georgia Ports Authority’s efforts to extend its rail network by adding port-operated rail hubs across Georgia.

Finally, plans are in motion for a major expansion of the Savannah port’s on-terminal rail yards to handle more trains as long as 10,000 feet and make Savannah

A Look Ahead

With the opening of the Panama Canal expansion still fresh, speculation about its influence will continue. The expansion does not catch the canal all the way up to the current market, Thompson notes. The new locks cannot accommodate the largest ocean carrier vessels, which can carry up to 19,000 TEUs — 5,000 more than the canal maximum. Overall, he says it makes sense to expect some early growing pains.

“Between the weak economy and overcapacity, the next one to two years will be rocky in the shipping industry,” Thompson says. “In the long term, though, the economy will turn up, the world will continue to grow, and the Panama Canal expansion will be good for everyone.”

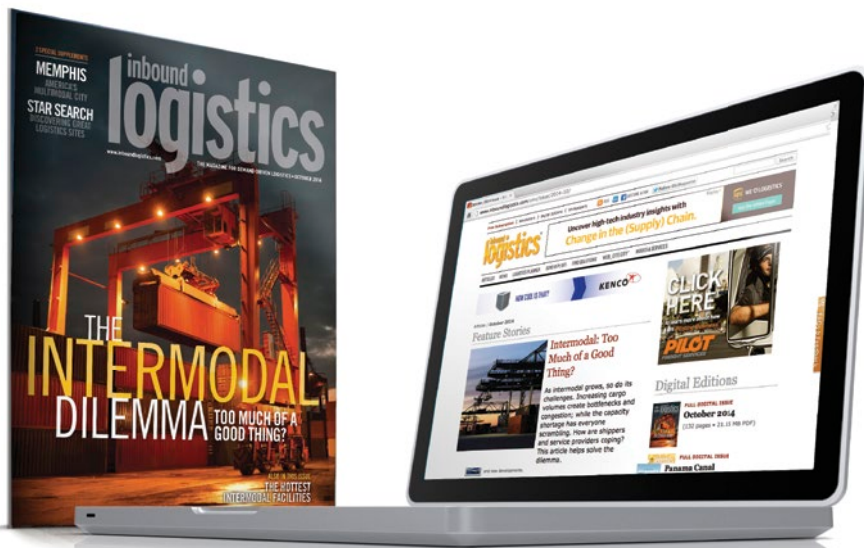
For carriers such as Maersk, the long-term advantages are evident. The use of larger vessels through the Panama Canal will provide new economies of scale to improve the efficiency of ocean freight travel.

In addition, the fewer vessels needed to deliver the same number of containers should help reduce fuel consumption and CO2 emissions. Maersk is in the midst of a drive to reduce CO2 emissions by 60 percent by 2020. “Those two benefits are very clear to us,” Rodrigues says.

Different interests will benefit from the expansion, but Poskus says shippers have the most to gain.

“Shippers will have more real options and that’s always good,” Poskus says. “They can choose to go fast or they can choose to save money. That’s not necessarily a choice they had before, and that’s important.” ■

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Cargo-Dedicated Airport Speeds Supply Chain Efficiency

Rickenbacker International Airport, one of the world's only cargo-focused airports, offers an uncongested option to move air cargo to, from, and within the United States.

A crew at Rickenbacker International Airport in Columbus, Ohio, recently unloaded a 777 in just 90 minutes, says Christopher Dale, president and chief executive officer, USA, with Hellmann Worldwide Logistics. Once the plane was unloaded, the goods were trucked a mere 50 yards to a warehouse. "A plane lands and it's immediately unloaded, versus waiting in queue," he says. That's not always the case at other airports, he adds.

That speed translates to more efficient and cost-effective supply chains.

Rickenbacker International Airport is a key element of Rickenbacker Inland Port, a multimodal logistics hub that offers efficient distribution through much of the U.S. and Canada. The inland port is home to providers of logistics, warehouse and

aviation services. It offers direct connections to major ocean ports by rail on both coasts, including Norfolk, Va., New York, Los Angeles, and Savannah, Ga.

With the 2009 opening of the Heartland Corridor, the rail routing between the Port of Virginia and Chicago through the Norfolk Southern Rickenbacker Intermodal Terminal became incredibly efficient and increased freight capacity by allowing double-stacked intermodal trains to travel through the tunnels of the Appalachian Mountains. It also removed countless trucks from congested highways and saved transit times for customers. "The whole area is accessible by major freeways and rail systems," Dale says.

On top of that, Dale notes that roughly half the U.S. population is within a day's drive of Rickenbacker. "It's really well-placed, geographically," says Dale.

"For decades, it's been a well-kept secret," Dale says. "We see Rickenbacker as a better alternative to Chicago or New York for cargo, based on ease of use, user-friendliness, and lack of congestion when off-loading or loading a plane." Hellmann has worked with Rickenbacker for about 25 years, he says.

Public-Private Collaboration

"One of the port's greatest advantages is the collaboration across so many different parties," says David Whitaker, vice president, business development with the Columbus Regional Airport Authority (CRAA), which operates Rickenbacker International Airport. "Our successes come from everybody rowing in the same direction." This includes the businesses within the port, the organizations that help to run it and elected officials at all levels of government, he says.

This year, Rickenbacker International Airport will handle about 100,000 metric tons of cargo, according to Whitaker. The majority of that will come from imports, although the export side is growing.

The airport is cargo-dedicated, and handles a dozen scheduled international flights each week. It also hosts a passenger charter terminal with up to 17 flights each week. The military has a strong presence at the airport as well, Whitaker adds.

Import and Export Expertise

Historically, the airport has been known for its ability to manage fashion imports. L Brands, the company behind Victoria's Secret, PINK, Bath & Body Works, La Senza, and Henri Bendel, among others, is headquartered in Columbus.

In addition to fashion, Rickenbacker International Airport has gained experience and expertise handling auto parts, electronics, and other products. Indeed, its auto parts operations are poised for growth, given Rickenbacker's proximity to Honda's manufacturing plant in Marysville, Ohio, as well as many other automobile manufacturing plants that dot the Midwest and Detroit. "We really like the auto parts sector, both import and export, and are focused on that as well," Whitaker says.

Along with many goods and products, Rickenbacker is a certified livestock exporter. It has moved horses, cows, goats, and even Harapan, a rare Sumatran rhinoceros. The rhino left the Cincinnati Zoo and flew via Rickenbacker aboard a Cathay Pacific Cargo freighter, bound for a Sumatran Rhino Sanctuary in Jakarta, Indonesia, to help increase the population of his species.

While Rickenbacker had been an import-only market, that's changing. Many of the carriers operating at the airport now provide both charter and scheduled export flights for a range of commodities, Whitaker says. "We're working hard to diversify and increase the volume of exports as expeditiously as we can."

To accomplish this goal, airport staff provide shippers, forwarders, and others with information about the market, the services available through Rickenbacker Inland Port, and the ways in which they can connect with carriers and efficiently move goods to and from the airport. That way they can provide the top-notch service their companies and customers are demanding at a reasonable cost. "Once companies use Columbus, most continue because it's a very good experience," Whitaker says.

Multimodal

"No area is better situated geographically than Columbus in terms of reaching North American consumers quickly," Whitaker says. Studies have shown that Columbus can claim the greatest access to the largest percentage of U.S. and Canadian consumers in the shortest amount of time.

Rickenbacker Inland Port leverages this geographic advantage with a heavy focus on logistics across both public and private sectors, Whitaker says. Along with the shippers, forwarders, rail and trucking companies, and the airlines, numerous government agencies work diligently to continually develop the infrastructure that will enable companies to move their goods as efficiently and easily as possible. "The city, CRAA, and state and federal government support has been extremely helpful in continuing to make investments and improve the logistics infrastructure," he adds.

A case in point is the new air cargo terminal, which opened in May of 2016, and represents the combined efforts of multiple public and private entities. A private company built the building while several public agencies handled construction of the roadways, parking lots, utilities and ramp, among other features. The terminal currently offers 85,000 square feet of warehouse space and 15,000 square feet of office space, and can be expanded into a quarter-million square foot facility. This facility is just one of five air cargo terminals at the airport that, when combined, make up more than 600,000 square feet of terminal space.

It is home to a large cross section of the logistics and supply chain industries, including airlines, freight forwarders, shippers, and a staffing agency. While each company has its own offices, the shared kitchenettes and conference rooms encourage collaboration, and the efficiencies and idea-sharing that can result.

CRAA also manages Rickenbacker Global Logistics Park, part of a growing logistics complex that offers more than 68 million square feet of distribution space with room for expansion. Tenants have easy access to road, rail, and air transportation. "The cross section of capabilities make this a one-stop shop," Whitaker says.

Rickenbacker's Foreign-Trade Zone (FTZ) #138 is another strong selling point for businesses to operate within the inland port. For the third consecutive year, FTZ #138 was ranked among the top 10 FTZs in the United States as measured by the value of goods moving through it. FTZ #138 is headquartered at Rickenbacker Inland Port and provides service to a 25-county area within central Ohio. Rickenbacker's FTZ #138 is the top zone



Rickenbacker International Airport offers more than 500,000 square feet of air cargo facility space.



in the entire country for apparel and footwear entries, receiving an astounding 70% of goods entered into the U.S. FTZ program in that particular category of goods.

An FTZ is a site within the United States that is considered outside Customs territory. That means some goods may be brought into the site duty-free and without formal Customs entry. Companies use FTZs to lower their costs and save time on Customs clearance, manufacturing, and re-export activities. “Companies can defer, reduce, or eliminate duties by being active in a foreign-trade zone,” Whitaker says.

Companies working within FTZs also can consolidate entries of international shipments. (A Customs entry refers to information on imported or exported goods that’s provided on a duty entry form and submitted to Customs authorities.) Rather than record each shipment, companies operating within an FTZ can consolidate shipments and submit one weekly entry. “Consolidated entries can save significant amounts of money alone along with the benefits of duty deferral,” Whitaker says.

Long-term Customers

The companies and organizations that try Rickenbacker tend to become long-time clients. For instance, executives received a call from a large chemical firm that was using a coastal port. “They called and said, ‘tell me about your inland port,’” Whitaker says. The airport and economic development professionals in the region began working with the company. “Today, they’re operating their largest warehousing distribution facility in the Rickenbacker area and are completely delighted with their success here,” he adds.

One reason organizations that give Rickenbacker a chance often appreciate the results is the fact that it’s a “service-oriented community,” Whitaker says. When an organization hasn’t used the airport or the port before, its leaders typically have numerous questions about how their goods will move through it, how long it might take,

how they’ll connect to truck or rail transportation, and the amount and type of warehousing and ground handling services available. “Potential customers have long lists of questions and we’re here to answer those questions,” Whitaker says. “We respond to emails. We pick up the phone. We meet people on the ramp. We help them connect the dots and make sure their process goes smoothly.”

Another key benefit is the lack of congestion. Rickenbacker International Airport offers fast, efficient operations. “We’re cargo-dedicated, provide great service, and enable cargo to move more quickly than other airports,” Whitaker says.

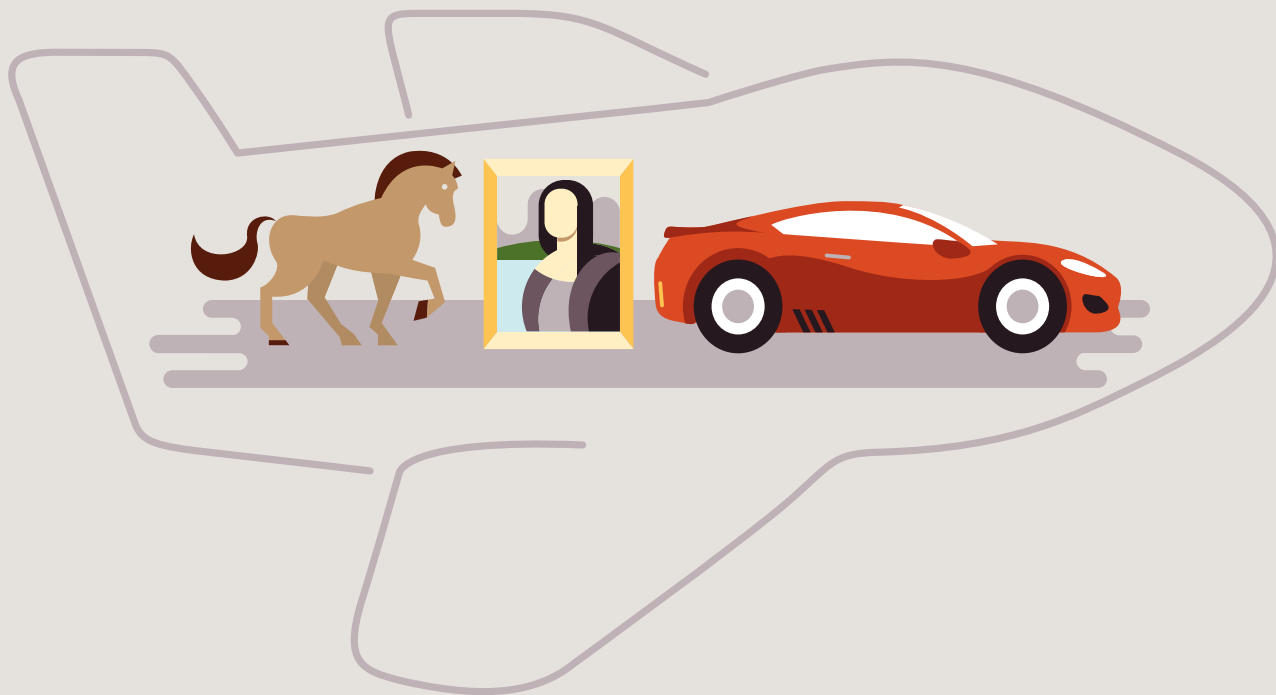
The overall benefit of quality service, a focus on logistics, continued infrastructure investment, and a lack of congestion comes down to speed. “What you’re paying for when you buy air cargo is speed,” Whitaker says, noting that shippers, forwarders, and even customers pay a significant premium for air cargo. To recapture that investment, their goods need to move in a streamlined, efficient manner. “We think we’re pretty unparalleled in terms of moving goods quickly whether importing or exporting,” Whitaker says.

“We’ve strongly recommended Rickenbacker as a solution to importers and exporters in the Midwest, as well as to those in many southern states,” Dale says. “We continue to support it. Rickenbacker offers a good opportunity for companies to improve their supply chains and speed to market.”

“Check it out and explore Rickenbacker for your business,” Whitaker says. “We continue to move forward, and things are evolving in a great way here.” ■



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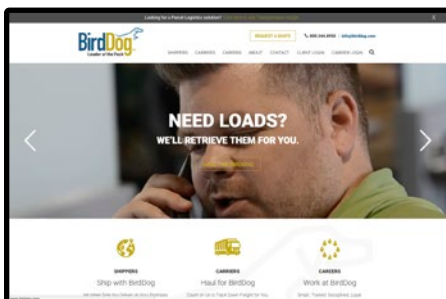
Adding value to your bottom line? That's the mission of Kenco Logistic Services. For more than 50 years, Kenco Logistic Services has guided some of the most demanding supply chains in the world. Kenco's convergence approach can help you streamline your supply chain and bring a greater return on assets and investments. Kenco invites you to visit this website so that you might get to know its services. Then, contact Kenco so that you might truly understand its unique strategic advantages.

Veritiv Corporation • www.veritivcorp.com

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



BROKERAGE SERVICES



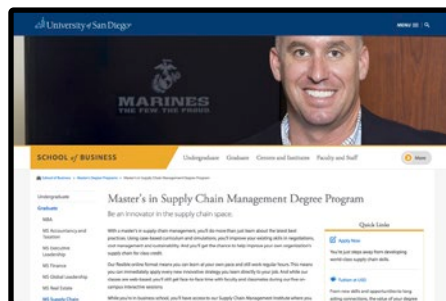
BirdDog Logistics • www.birddog.com

As leader of the pack in freight brokerage, BirdDog Logistics brings class-leading freight management services to shippers in need of reliable truckload, temperature-controlled, less-than-truckload, intermodal, flatbed, ocean, air and oversized transportation solutions. A non-asset-based company backed by solid relationships with thousands of reputable transportation providers, BirdDog is well-positioned to provide transportation capacity that enables shippers to deliver on their customer promises. BirdDog's smart and trained associates take a disciplined approach to ensuring that both shipper and carrier interests are protected, while remaining loyal to their commitments and relationships. For more information about BirdDog, please visit www.birddog.com.

EDUCATION

University of San Diego • www.sandiego.edu/msscm

The University of San Diego's ISM-approved Master of Science in Supply Chain Management is delivered via e-learning with only a few on-campus sessions per year. Through relevant curriculum with applied learning, you'll develop leadership competencies that will enable you to initiate change and drive improvements across increasingly complex supply chain networks. Join us now for two years that will change your life!



IN THIS SECTION:

Expedited Air - Food Logistics

EXPEDITED AIR



UTXL • www.utxl.com

Whether you need a core transportation service provider or a resourceful backup relief valve, turn to UTXL. UTXL handles truckload and multiple stop shipments (consolidated LTL) between any points in North America, and can arrange service to or from any state with satellite and/or cellular equipped teams and single drivers for your van, reefer, flatbed, or oversized shipments. Shippers nationwide rely on UTXL for reliable service and economical prices; you can, too. Check out the website for all the details.

FOOD LOGISTICS

KINEXO • www.gokinexo.com

Formerly known as International Traders, Inc. & First American Carriers, Inc., (ITI & FAC), KINEXO strategically propels companies forward by providing highly customized supply chain solutions that are proven to reduce costs, increase transactional visibility and maximize operating efficiency. Part of the Berkshire Hathaway portfolio of companies, KINEXO's vast experience has led them to become one of the most trusted partners in supply chain management. For more information, visit gokinexo.com.



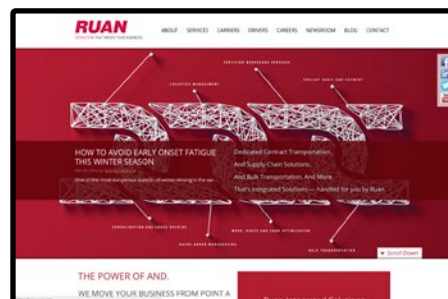
Lynden • www.lynden.com

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.



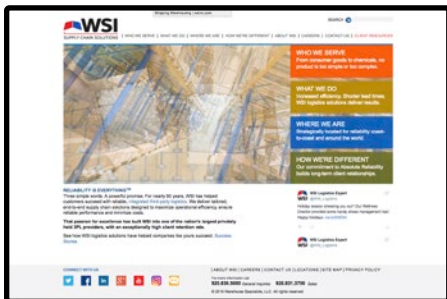
Ruan Transport Corporation • www.ruan.com

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



IN THIS SECTION:

Food Logistics - Logistics IT



WSI (Warehouse Specialists, LLC) • 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.

Zipline Logistics • www.ziplinelogistics.com

3PL Zipline Logistics serves a comprehensive range of products, industries, and modes. Its customized analysis and reporting tools enable transport professionals to improve their decisions and reduce costs. Personal logistics consultants are experienced and equipped to help shippers explore new markets, new modes, and shipping plans for new product lines. Contact Zipline Logistics to learn how its team of experienced, diligent logistics consultants can focus on your success and provide real value.



FREIGHT PAYMENT/AUDIT SERVICES



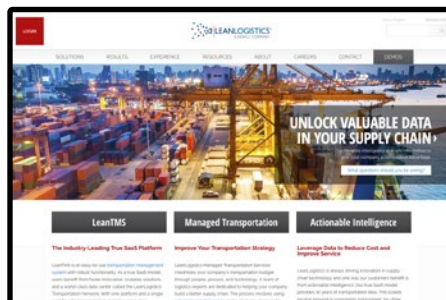
Transportation Insight • www.transportationinsight.com

The first 4PL invited to join the International Warehouse Logistics Association (IWLA), Transportation Insight is one of the largest and most experienced global lead logistics providers in North America. Our service and technology offerings include Tier One North American truckload, LTL and parcel logistics solutions, international freight forwarding and warehousing services – creating end-to-end supply chain solutions. Our core services include carrier sourcing, freight bill audit and payment, transportation management system technology and supply chain analytics and reporting. Other offerings include our Insight Fusion® mobile interactive business intelligence solution, transactional services, LEAN consulting, transportation management and secondary packaging. Contact us at info@transportationinsight.com or call 877-226-9950.

LOGISTICS IT

LeanLogistics • www.leanlogistics.com

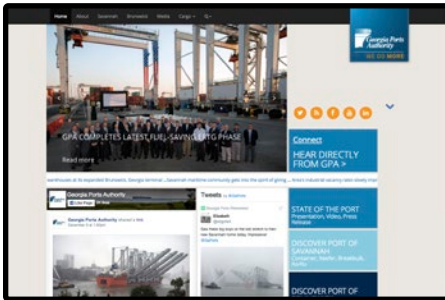
LeanLogistics meets the needs of major shippers of goods with its far-reaching, true Software-as-a-Service (SaaS) technology—On-Demand TMS®. Customers reduce their transportation cost and increase efficiency with a typical payback of less than one year. Dozens of companies have selected On-Demand TMS®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



IN THIS SECTION:

Ports - Supply Chain Mgmt/Optimization

PORTS



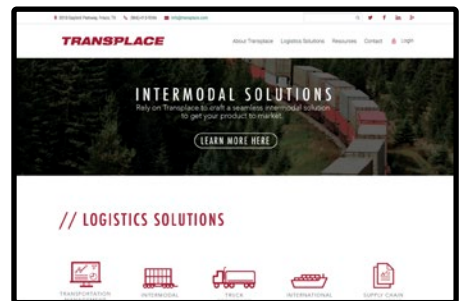
Georgia Ports Authority • www.gaports.com

The Georgia Ports Authority (GPA) includes the Port of Savannah, the Port of Brunswick, the Bainbridge Inland Barge Terminal, and the Columbus Inland Barge Terminal. Its home page offers history and background about the Ports Authority, a port directory, shipping directory, GPA statistics, maps, photos, and more.

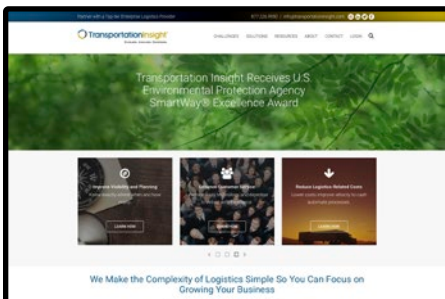
RETAIL LOGISTICS

Transplace • www.transplace.com

Transplace delivers supply chain excellence through an optimal and flexible combination of industry-leading global and domestic logistics services and technology. Tap into our dense network of shippers and transportation providers through on-demand transportation management and a suite of professional services tailored to your organization's needs.



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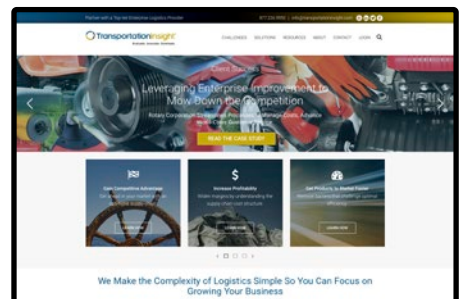
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// Services //

Transportation management provider **3Gtms** opened a new office in Utrecht, the Netherlands. The location is the company's first in Europe, and allows the provider to begin offering its transportation management software solution to shippers across the European continent.

A number of supply chain services, logistics, and technology providers formed the **MonarchFx Alliance**, led by third-party logistics company **Tompkins International**. The alliance aims to offer e-commerce retailers lower costs and faster delivery than an individual company could offer on its own.

DHL opened a new service center in Santa Ana, Calif. The 66,730-square-foot facility is 27,000 square feet larger than the company's previous location in Irvine, Calif., and is also 5 miles and 20 minutes closer to LAX, enabling earlier delivery times and later cut-off times for international shipments.

Logistics firm **World Distribution Services** added a second high-speed conveyor system at its container transload facility in Columbus, Ohio. The additional equipment doubles the facility's agricultural transload capacity.



UPS ordered 14 new Boeing 747-8 cargo jets, to be delivered between 2017 and 2020. The new aircraft will allow UPS to reorganize route assignments and add significant air capacity to its busiest lanes.

// Products //

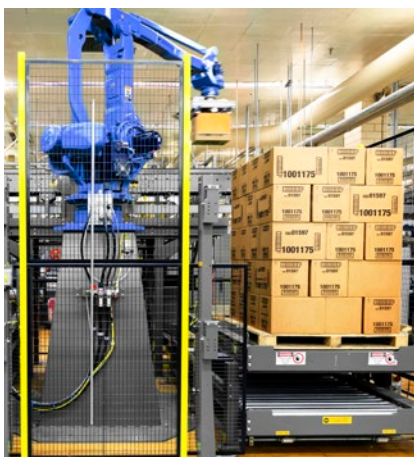
Packaging manufacturer **Sealed Air's** StealthWrap solution wraps primary packaging without the need for outer boxes or additional packaging materials. StealthWrap shrinks and adheres to the product's dimensions—obscuring any markings or identifications—providing a

strong, damage-resistant covering. The packaging solution is currently available in North America, and will be available globally within the first quarter of 2017.

// Transportation //

Air cargo carrier **Cathay Pacific Airways** added a Portland stop to its twice-weekly U.S. route. The new service begins in Hong Kong, travels to Anchorage, Los Angeles, and Portland, then back to Anchorage, and finally returns to Hong Kong. The flights operate Thursday and Saturday.

AirBridgeCargo, a cargo airline, began twice-weekly freighter services between London Heathrow and its hub in Moscow, connecting the UK with the airline's international network. The new



Materials handling solutions provider **Intelligrated's** new *IntelliGen* software enables robotic palletizing operations that handle a variety of product types and sizes to adjust load patterns and stacking characteristics based on variables such as product dimension and size, and load configuration. Users can make adjustments with minimal training, and without the need for additional programming or integration. The software platform is compatible with a wide range of robotic arm brands and supports a variety of custom end-of-arm tooling.

flights operate Thursday and Saturday, and offer more than 100 tons of cargo capacity.

Ocean freight consolidator **CaroTrans** added a new less-than-containerload route between Atlanta and Gothenburg, Sweden. The service has a 21-day transit time; offers complete point-to-point distribution services at origin and

Plastic pallet maker **Cabka-IPS** introduced the Eco US5, a lightweight pallet for distribution centers serving industries including food and beverage, retail, and pharmaceutical. With a net weight starting at 31 pounds, the Eco US5 handles dynamic loads of up to 4,400 pounds and racking loads of up to 2,200 pounds. With reinforcements, it can handle up to 2,800 pounds in one rack.

destination; and provides shippers with online shipment management services, including rate calculations, bookings, and end-to-end visibility.

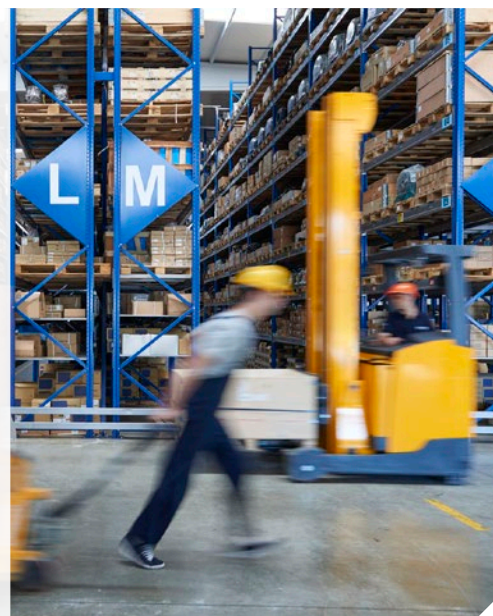
//Technology//

Online freight marketplace **Freightos** launched a freight rate calculator that taps into live market rates to offer real-time estimates on full containerload, less-than-containerload, air, and trucking shipments. The calculator is free, and

can be embedded into third-party websites using only one line of code.

McLeod Software, a transportation management software provider, partnered with shipment tracker **10-4 Systems** to add shipper and carrier visibility to McLeod's *PowerBroker* TMS solution. Customers of both companies benefit from increased efficiency, visibility, and the ability to share real-time location information and shipment data with network partners.

Supply chain solutions provider **TouchPath** launched *Touch3PL*, a multilingual, user-defined 3PL solution available in hosted cloud and pay-as-you-go versions. Companies can increase or decrease the number of *Touch3PL* software licenses based on seasonal demands. The software's core functions are available as apps to give users the option of running warehouse processes on iOS mobile phones and tablets.



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 websites listed below.

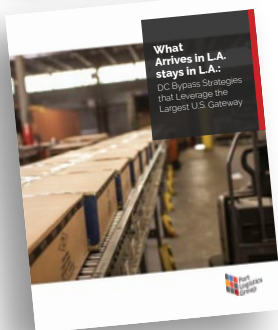


GT Nexus

TITLE: *Omninomics—Creating a More Connected Value Chain*

DOWNLOAD: bit.ly/GTNexusOmninomics

SUMMARY: The fashion industry is undergoing the biggest change since the industrial revolution: Today's consumers want convenience and authenticity. They desire innovative new products, instantaneous information, and the ability to comparison shop and easily return items that don't fit, all while getting the best deal. How can companies collaborate to create a seamless experience for shoppers? This paper on "omninomics" will help answer these questions.



Port Logistics Group

TITLE: *What Arrives in L.A. Stays in L.A.: DC Bypass Strategies that Leverage the Largest U.S. Gateway*

DOWNLOAD: bit.ly/PortLogisticsGroupBypass

SUMMARY: Centralized distribution can be inefficient and costly for West Coast fulfillment. A well-planned DC bypass strategy can reduce transportation and inventory carrying costs, increase speed to market, delay allocations, and take pressure off existing customer distribution centers. With the help of a 3PL, retailers and manufacturers can create a customized DC bypass strategy that supports growth and addresses the increasing time-sensitivity of customer deliveries.

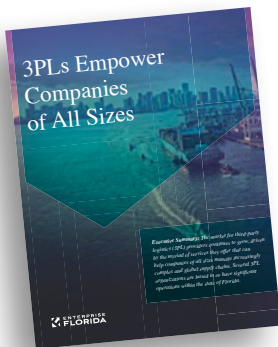


MD Logistics

TITLE: *Where Does Privacy Stop and Publicity Begin in the Logistics Industry?*

DOWNLOAD: bit.ly/MDLogistics_Privacy

SUMMARY: Here's a comprehensive look at the complex privacy problems encountered by 3PL providers in modern logistics. While 3PLs search for ways to stand apart from their competition using content marketing and social media, this can present serious privacy concerns. As such, 3PLs must maintain customer confidentiality when sharing customer-focused content across all marketing platforms.



Enterprise Florida

TITLE: *3PLs Empower Companies of All Sizes*

DOWNLOAD: bit.ly/EnterpriseFlorida3PL

SUMMARY: The market for third-party logistics providers continues to grow, driven by the myriad of services they offer that can help companies of all sizes manage increasingly complex and global supply chains. Several 3PL organizations are based in or have significant operations within the state of Florida.

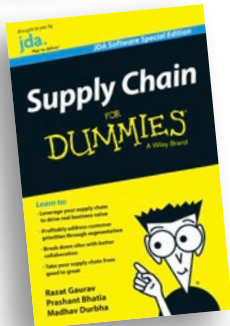


Tagg Logistics

TITLE: *3 Keys of Direct-to-Consumer Success*

DOWNLOAD: bit.ly/Tagg3Keys

SUMMARY: What are the three keys to direct-to-consumer success, and why do they matter? Download this whitepaper now to discover: How the three keys work together to help you deliver a great brand experience, from online to on-time delivery; the two most important questions you should ask your 3PL about how it manages your online orders; the two essential qualities your 3PL must have to ensure same-day fulfillment of every order; and the single most important tool your 3PL needs to select the most cost-effective shipping method for on-time delivery.

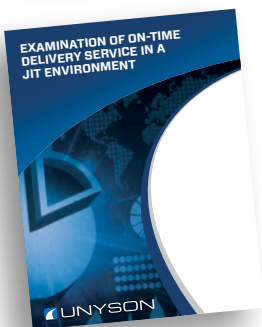


JDA

TITLE: *Supply Chain for Dummies*

DOWNLOAD: bit.ly/JDASupplyChain

SUMMARY: Supply chains of the 21st century are more complex and dynamic than ever before. How efficiently and profitably companies can plan, source, make, and deliver products to their customers is what separates industry leaders from laggards. To drive real business value and results in today's competitive global economy, a best-in-class supply chain is critical to business success. Download a free copy of this e-book now, and learn how you can take your supply chain to the next level.



Unyson

TITLE: *Examination of On-Time Delivery Service in a JIT Environment*

DOWNLOAD: bit.ly/UnysonJIT

SUMMARY: Adopting just-in-time (JIT) inventory principles has enhanced production operational efficiency, cost effectiveness, and customer responsiveness for many organizations. But, as you'll discover in this new whitepaper, the real key to success is providing a solution that applies JIT principles to the specifics of each client's industry and accurately tracks and delivers on-time performance, regardless of industry conditions, leading to the greatest competitive advantage.

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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

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The Way of the Waddle: Penguin Demonstrates Happy Feet to Keep Couriers Safe



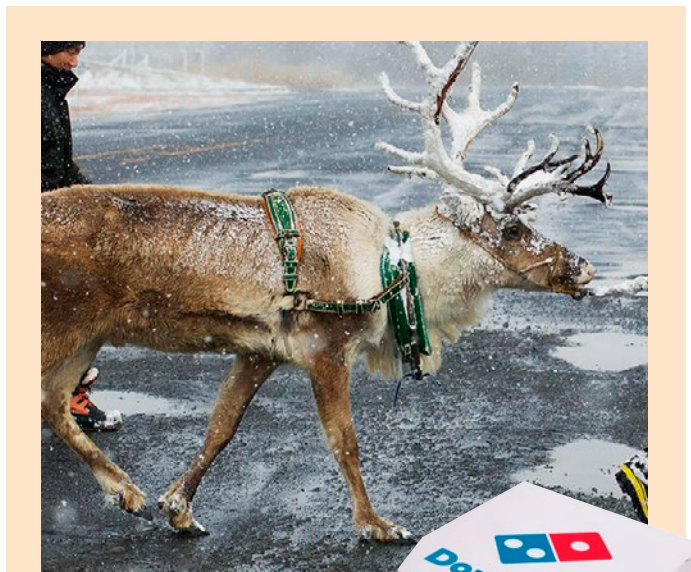
When the weather outside is frightful, learning to stay upright from an ice and snow expert can be so delightful. The bad weather specialist on hand to teach DHL employees: a penguin.

At the DHL Service Center in Erlanger, Ky., 40 couriers observed the march of a penguin. The tuxedoed creature also made a stop at the company's Cincinnati/Northern Kentucky hub in



November 2016. DHL couriers in attendance received penguin pointers on maintaining solid footing, including emulating the animal's low center of gravity and flapping their arms (in lieu of flippers) for balance. They learned extending just one arm for balance could prevent a slippery slide.

"The harsh winters here pose many safety hazards, so who better to learn from than a creature that can maneuver safely on snow and ice?" says Karsten Aufgebauer, vice president and general manager of DHL Express. With penguin moves, DHL couriers will have firm footing when snow doesn't show signs of stopping.



The Crust of the Problem

Expecting a harsh winter and foggy Christmas Eve, the Japanese arm of pizza chain Domino's turned to a reindeer for an unusual proposition: Won't you guide my pizza delivery tonight?

Using GPS trackers and mounting pizza warmers to the reindeer's back, the company tested the solution on the grounds of a driving school in the icy city of Ishikari, Hokkaido in November 2016.

Alas, the riderless reindeer did not prove reliable enough, and the company reluctantly abandoned the idea. But don't laugh and call it names...the use of arctic animals in the supply chain could still go down in history.



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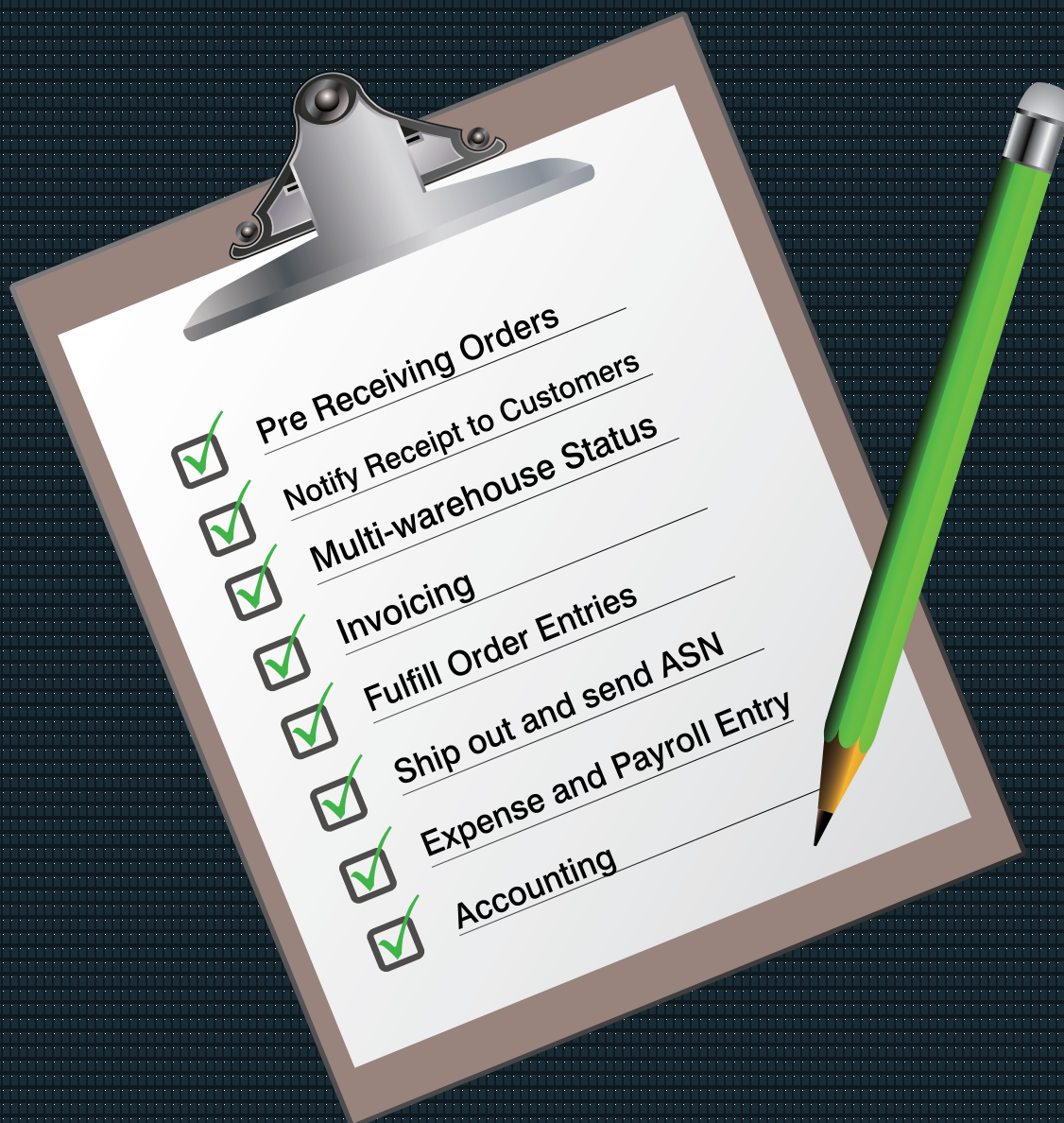
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