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- HOW TO CHOOSE A GTM SOLUTION

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AND MAKE IT QUICK!
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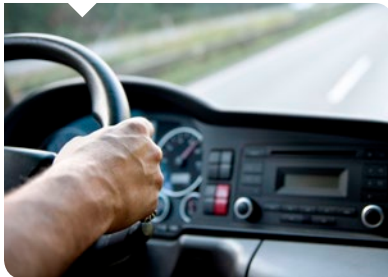
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Jon M. Van Winkle, Vice President Product Management, Omnitracs

Beyond providing enormous raw computing power, mobile devices enable drivers and fleet managers to efficiently complete daily tasks. Ask these questions to get your fleet mobile ready.



Fine-tuning the Modern Distribution Center bit.ly/ModernDC

Clint Lasher, Executive Vice President of Solutions Sales, Wynright Corporation

Sound strategies for maintaining, optimizing, and modernizing materials handling systems can mitigate risk in today's distribution center. Use these tips to ensure equipment and technologies stand the test of time.



Leverage Dashboard Technology to Improve Decision-Making Capabilities bit.ly/DashboardTechnology

Nick Cicero, Senior Account Manager, iDashboards

For logistics professionals, data is meaningless without context. Here's how dashboards optimize data to enhance decision-making capabilities.

3PLRESOURCES

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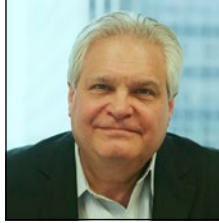
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CHECKING IN



by Keith Biondo | **Publisher**



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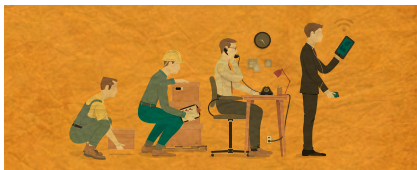
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t HASH IT OUT

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IoT could bring major changes to the way companies both plan and execute supply chain activities. bit.ly/IoTUpdate

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The IoT is taking over and everything is going to be connected by the cloud.

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When odd- and over-sized items must move by air, the process is complex and detail sensitive. bit.ly/specialcargo

Lebo @jungen_14

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envelope READER EMAIL

Driver Coercion Rule: What Shippers and Carriers Need to Know

bit.ly/drivercoercion

To further elucidate the potential complexity of the driver coercion rule, if an owner operator shows up at the dock out of hours, the shipper can't just find someone else to move the freight—that would constitute a financial loss of business to the driver and therefore coercion. Less of an issue with contract carriers.

Via email

We appreciate your feedback.

Please email comments

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in EXCHANGE



U.S. Manufacturing: All Systems Grow

North America's manufacturing sector is on an upward trajectory. But, will a shortage of young talent, compounded by baby boomers' negative perceptions about millennials, impact continued expansion? bit.ly/growingUSmfg

Joseph Amici

This is particularly interesting and exciting for the carriers and 3PLs that have a focus on domestic U.S. transportation. While the market in regards to domestic truckload remains extremely loose (the loosest it has been in years), news such as this, as well as impending driver restrictions, continues to point to a tight-capacity situation similar to Q1 2014 occurring again sometime in the near future.

SOUNDBITE

“This is the type of thing we expect to see when government mandates are not aligned with market forces. CNG is being sidelined because it's no longer the better financial option. Suddenly when diesel prices are low, spending \$30,000 to \$50,000 to convert trucks to natural gas eats into profit.”

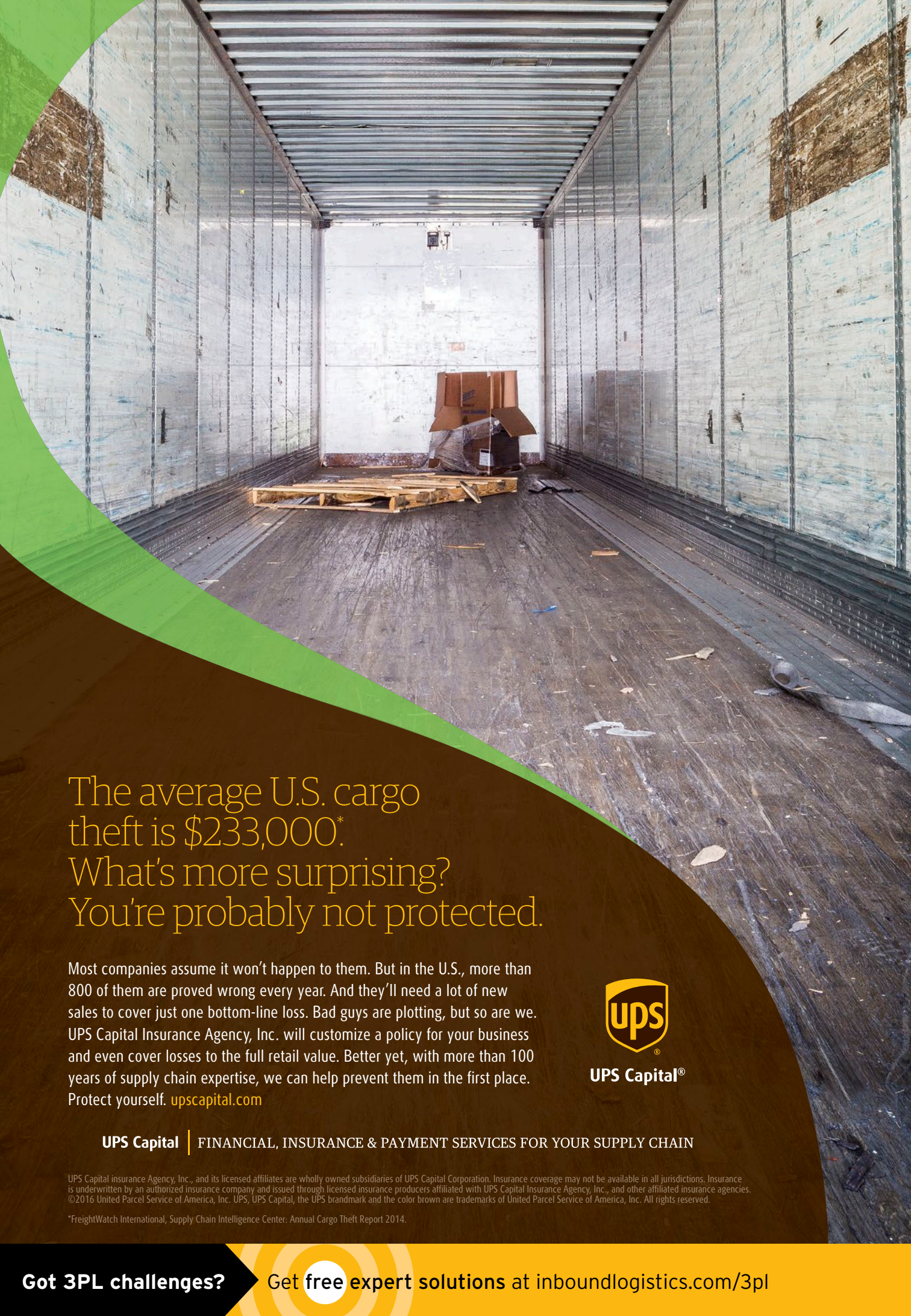
— **JEREMY ANWYL, CEO, Trucks.com**
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The average U.S. cargo theft is \$233,000*.
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*FreightWatch International, Supply Chain Intelligence Center: Annual Cargo Theft Report 2014.

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Good Question...

READERS WEIGH IN

What fictional character would make a great logistician?

Professor X, the leader of the X-Men, would be a great supply chain leader. He is the brains behind a successful organization. He is a strategic thinker and influencer. The professor and his team make use of technology that enables them to achieve their goals.

Marcia Connors
Operational Excellence
Project Specialist, Penske

R2-D2 [from *Star Wars*] gathers, analyzes, and executes the galaxy's logistics data more effectively than any human, Jedi, or 3PL. R2 saves time and money so Master Skywalker can save the universe instead of shipping lightsabers.

Augie Grasis
Founder and CEO, ShipX

Francis Underwood from *House of Cards*. Always thinking 10 steps ahead, adaptable and agile, concise and to the point—a no-nonsense logistician.

Nick Foy
Director of Operations, ModusLink

Mickey Mouse. He started out as a steambot captain, but the company his image started now employs 180,000 people. Mickey moves and entertains millions of people in theme parks worldwide as well as doing billions of dollars in media distribution.

Robert Gordon
Program Director, Reverse Logistics
Management, American Public University

Jack Bauer [from TV show *24*]. Logisticians have to think about the big picture, but then plot out step by step how to get there. You often don't see how what happens at 1 a.m. is connected to what will happen at 10 p.m., but you better believe that they are. Jack is able to take decisive action with little time to contemplate, but he does so with (generally) full comprehension of the longer-term implications.

David Landau
Executive Vice President, Cloud Logistics

Comments from *LinkedIn*



Darth Vader. As well as excellent interplanetary logistics, he can use The Force to handle demurrage issues.

Superman. He can fly, scan through stuff with X-ray vision, is fast and strong, and can lift a great deal of weight. Not to mention his space traveling ability. This makes him a frontier logistician.



Any James Bond villain. An evil mastermind scheme requires much planning and thorough sifting through all possible contingencies.

Santa Claus. He delivers everything on time—no damages and customer satisfaction.



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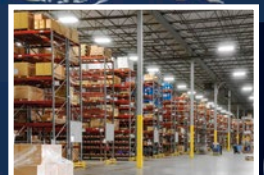
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10 TIPS

STEP-BY-STEP SOLUTIONS



Simplifying the CFR Shipping Rules

Even Einstein would have trouble understanding hazardous materials or dangerous goods (DG) regulations, agree 56 percent of respondents to a recent Labelmaster survey. And simply keeping pace with the changes in regulations is an inherent challenge, say 59 percent of respondents.

With their daunting appearance, and massive word count, regulations can seem intimidating. They aren't. Nikki Burgess, DGSA, CDGP, staff regulatory specialist with Labelmaster, simplifies the 49 Code of Federal Regulations (CFR) governing hazardous materials shipments.

1 Apply the correct label. A hazard class label(s) is required on the outside of the package. These are the diamond-shaped labels that display the appropriate hazard class number, symbol, and, if applicable, division number.

2 Meet all markings requirements. Markings may refer to the UN number and proper shipping name, as well as other information such as limited quantity and overpack. Review both the specific packing instruction and the marking section in the regulations to ensure you meet all requirements.

3 Select the appropriate UN specified packaging. It is imperative to understand the UN specification markings on the packaging selected. Also, verify the packaging is specifically authorized for the type and quantity of DG intended and via the transport mode you select.

4 Train employees. Be sure to train everyone involved in the shipping process. In the United States, 49 CFR 172.700-704 specifies the basic mandatory training required for dangerous goods shippers.

5 Ensure proper documentation. Shipping papers should include required product information for people further down the transport chain. Ground transport into the United States requires DG information to be recorded on the bill of lading. Shipping by air or ocean carrier under International Civil Aviation Organization (ICAO) or IMO regulations usually requires a specific dangerous goods declaration.

6 Verify criteria. When shipping radioactive materials, verify the package meets the specified performance criteria for the type of material in question.

7 Classify dangerous goods. Review section 14 (transportation) of the product's safety data sheet. If the product has already been classified, the information will likely be there. If not, contact the original manufacturer, who is required to have this information.

8 Determine the correct set of rules. When shipping by ground in the United States, the right set of rules is almost certainly the 49 CFR parts 100-185. When shipping by air, the ICAO technical instructions, or one of its derivations, is most often the correct choice. When shipping by ocean carrier, refer to the International Maritime Dangerous Goods Code.

9 Determine if you need a placard. If the load is large, or contains certain DG, placarding may be required for the vehicle and/or container where the DG is loaded.

10 Certify the shipment is compliant. The signer avows the shipment is correct, safe, and fully compliant. The consequences of non-compliance can endanger life and property, and lead to legal action. ■

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Richard Foley is logistics manager at SDI Technologies in Edison, N.J. He has held this position since 2014.

RESPONSIBILITIES

Inbound and outbound transportation.

EXPERIENCE

Traffic manager, Chronar Corporation; distribution manager, Fleer Corporation; international trade show coordinator, R.E. Rogers; domestic traffic manager, Conair Corporation; corporate logistics manager, NBTY.

EDUCATION

AAS, business administration, Mercer County Community College, 1979.

Richard Foley: Charging Hard Against Chargebacks

THE COMPANY I WORK FOR, SDI TECHNOLOGIES, designs and manufactures consumer electronics such as clock radios, home audio systems, headphones, and accessories for smartphones and tablets. We market these under the iHome, Timex, and eKids brands. I'm in charge of inbound and outbound transportation.

SDI manufactures a lot of product in China, and the import department handles the ocean crossings. But once freight hits the port, I'm responsible for getting it to one of our warehouses. The company's distribution centers (DCs) are in Edison, N.J., and El Paso, Texas. Sometimes we use third-party warehouses as well.

On the outbound side, I'm in charge of moving product from SDI's DCs to retailer DCs.

One of the biggest challenges SDI faces is how to reduce chargebacks from our retail customers. Retailers make

all kinds of demands on their suppliers, defining everything from how to place a label on a carton to exactly when a driver should arrive with a load. Each retailer details its rules in a routing guide, which regularly changes.

The big retailers specify narrow delivery windows. If we ship pre-paid to them and the driver arrives too early, we are penalized. It's the same if the driver arrives late. Some retailers will let it slide occasionally, and not issue a charge as long as we meet the standard 95 percent of the time. Others are less accommodating.

The Big Questions

Who are your heroes?

First, my dad, who was a Marine, and a police officer for 33 years. Second, Tom Seaver, pitcher for the Mets, who gave his best every day. Third, the Lone Ranger—the Clayton Moore version, not the new version.

If you had one extra hour in your day and couldn't spend it on work, what would you do with it?

I'd like to play a game of chess.

What big personal ambition are you still working toward?

To teach my grandchildren all the little things grandfathers are supposed to teach them. For example, I'll show my two-year-old granddaughter how to set off the sirens on her model Hess truck.

If you could go back to school for fun or personal enrichment, what would you study?

Photography and photo editing.

To avoid chargebacks we carefully study the routing guides. When a charge is incurred, we find out how it happened, and then take action. If a driver arrives more than 15 minutes late, I tell the carrier, "From now on, I want the driver sitting and waiting for the customer half an hour before the appointment."

In the future, I hope to implement a new transportation management system for better control and to help reduce chargebacks even further.

One of the most instructive mistakes happened when I worked at R.E. Rogers, which provides freight services for trade shows. We were air freighting exhibits to Saudi Arabia, but the customer had only a few pallets and wanted to send them by ocean. I made a wrong assumption about how long that trip would take and didn't make the booking in time. We ended up sending the load by air and absorbing the extra cost. Lesson learned. Now I always double-check transportation schedules.

I'm proud that wherever I've worked, I've found ways to save the company significant money. For example, at NBTY, I saved \$2 million in my first year. I figured out how and what we were shipping, and which carriers would do a better job. I had good relationships with certain carriers, so I negotiated lower rates. I also made a case for using rail. I started with 30 containers on rail in the first six months; after 18 months, it was up to 2,000 domestic containers. That cut transportation costs significantly. ■

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LEADERSHIP

Conversations With
The Captains of Industry

By Merrill Douglas



Jamie Overley
CEO
East Coast Warehouse
& Distribution

Driven By Results and Big Dreams

WHEN EAST COAST WAREHOUSE & DISTRIBUTION hired Jamie Overley as chief financial officer in 2007, the owners were seeking a leader who could attract and manage capital, and control costs. They got one. Three years after he joined the company, Overley was promoted to CEO. Since then, he has been leading East Coast Warehouse – based in Elizabeth and Jersey City, N.J., and providing end-to-end, temperature-controlled logistics services, focused on imports and exports – through the development and execution of a new strategic plan. Overley talked with *Inbound Logistics* about what it takes to steer a logistics firm toward its goal of major growth.

IL: Since you became CEO in 2010, what have been your top-priority projects?

We wanted to put a five-year strategic plan in place and focus on growth initiatives, whether organically or through acquisitions. Day-to-day, my number one initiative has been recommitting to premium service. We have talked with all our top accounts and examined our strengths and weaknesses. We have focused on those areas, and on the key performance indicators (KPIs) that needed improvement. We have set benchmarks and are

measuring ourselves in a variety of areas, from soup to nuts, to improve customer service levels. The last initiative is to expand our technology to accommodate and leverage the growth that we are planning.

IL: What are some of the biggest challenges shippers of temperature-controlled cargo face today?

The first major challenge is port congestion. Ocean carriers are deploying larger vessels and pushing more volume through ports, increasing pressure on

WEATHERING THE STORM

East Coast Warehouse's Jersey City DC lost power after Hurricane Sandy hit the United States in October 2012. "It was a peak time in one of our customers' shipping patterns," Overley says. "They called us wanting to know how we were going to get the warehouse back in business."

Luckily, the company's Elizabeth, N.J., warehouse operates on the same power grid as Newark Airport and quickly got back on line. Generators and the heroic effort of dedicated employees took care of the rest.

"We did a great job of minimizing downtime," Overley recalls. "We were able to get back up and running, and provide the level of service our customers expect."

The biggest takeaway from the Sandy experience?

"Test your backup plans," Overley says. "Think them through, and document them."

supply chain partners. The good news is that virtually all U.S. ports are investing in infrastructure and productivity enhancements to help relieve those pressures.

The deteriorating condition of roads, bridges, and other U.S. transportation infrastructure poses a second challenge. The third is the capacity squeeze, caused by the driver shortage, and a fourth is the need to give all trading partners greater visibility into the supply chain. Obviously, cost is a major challenge. There's a universal demand for low inventory levels, low financing costs, low holding costs, and the ability to create a cost-efficient, flexible supply chain.

IL: How does your company respond to two of those challenges?

To ease the driver shortage, we recruit and train qualified drivers, and strive to create a professional family environment, where drivers are appreciated. We provide them with a good standard of living and work-life balance. We want our drivers to get home every night, have a solid family life, and make a good living.

To meet the need for visibility, we've implemented new technology, including a new transportation management system that lets us follow a container from the time it arrives in port, until we get it into our warehouse and then out for final-mile delivery.

We've also implemented a new yard management system and expanded our warehouse management system. And we have KPIs to monitor productivity.

IL: How do you stay in front of customers' needs?

Our philosophy is that there's nothing better than a conversation, whether face to face or on the phone. We hold periodic meetings with each customer to review all our KPIs. Most importantly, we talk about what customers are expecting. We love when customers tell us their growth plans and the kinds of volume commitments they're looking for, so we can operate as an extension of their business.

Data is also important. How are we doing at picking up containers? How long does it take and what does it cost? How quickly are their inventories turning? What's their outbound shipping profile, and how has it changed? How long does it take us to get that product out of the warehouse and across the final mile?

IL: How would you describe your leadership style?

Coming from the finance side, I'm results-driven. But I'm also a dreamer: I dream big. I believe in people and try to delegate, providing resources and challenging our team to succeed. I want to support team members to be successful, both at work and in their

personal lives. In sum, I'm a fairly balanced, results-driven leader with a strong human side.

IL: What qualities do you look for in the people who report to you?

Obviously, I look for professionalism and specific skill sets. But I love driven people who enjoy overcoming challenges and winning every day. I also want honest, well-rounded people who are active in helping others and are leading productive lives.

IL: How do you keep those employees motivated and focused on the company's mission?

We want people to have some fun while they're working and winning. For example, we hold quarterly catered lunches, where the executive team serves the employees. And we make it a point to say thank you to all our employees. Our team members are competent and work extremely hard. I'm proud of them, and I want them to know how much I appreciate what they do.

IL: What gets you excited about going to work?

I love winning and overcoming challenges. I enjoy envisioning and articulating what we can be as an organization, maybe seeing what others can't see, helping people convert possibilities into realities, and executing upon those realities.

IL: What important lessons have you learned from a mentor or role model?

In one of my CFO positions, I reported to a CEO who was about 30 years older than me. He helped take away some of the rough edges you find on a hard-charging CFO, and he taught me about balance in life. One important lesson he shared was that your strengths are your strengths, but strengths taken too far can become your weaknesses. He also reminded me to treat others as I wanted to be treated.

IL: What are your biggest goals over the next few years?

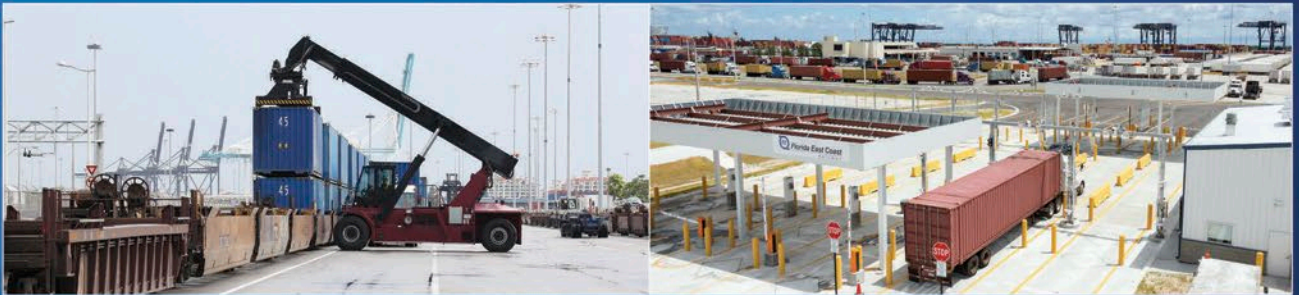
To triple the size of the company through organic growth, possibly through acquisitions, and by expanding into markets all over the United States.

IL: Do you have a hidden talent?

I completed an Ironman triathlon and am scheduled to complete another this July. But, I hope my best skill is my ability to be a great father. ■

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NOTED

THE SUPPLY CHAIN IN BRIEF

m&a

Atlas Air Worldwide Holdings acquired privately held **Southern Air Holdings**, a provider of intercontinental and domestic air cargo services, to increase diversification, scale, and global footprint as well as expand into 777 and 737 aircraft operations. Southern Air is the parent company of Worldwide Air Logistics Group and its two operating subsidiaries, Southern Air and Florida West International Airways.

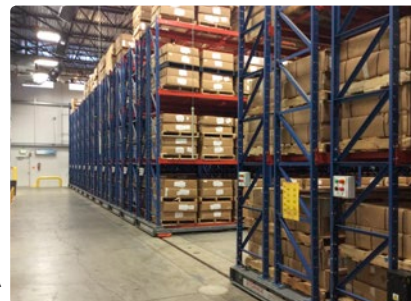
Pitney Bowes, an e-commerce technology company, acquired **Enroute Systems**, a cloud-based, SaaS enterprise retail and fulfillment solutions company.

Enroute's capabilities complement and expand Pitney Bowes' global e-commerce offerings for companies throughout the retail supply chain.

Cargo handling equipment maker **Cargotec** acquired **INTERSCHALT maritime systems AG**, a provider of software services to the maritime industry. The acquisition boosts Cargotec's intelligent cargo handling offerings, and expands its global footprint.



SEALED DEALS



▲ Dairy company **Gossner Foods** expanded its installation of the **Storax Poweracks** mobile racking system to its Utah and Idaho plants. The industrial racking system allows the company to maximize storage capacity, ensure product accessibility, and meet energy conservation goals at its cold storage facilities.

GOOD WORKS



▲ **Holland Regional** truck drivers worked with a Kansas City charity to get donated water to Flint, Mich., which has grappled with a water pollution crisis. Holland employees delivered two trailerloads of bottled water to Flint from Kansas City; they also helped distribute it after unloading. The initial shipment (pictured) included 19 skids of water equaling 43,000 pounds, an estimated 48,000 bottles of water.

UP THE CHAIN

Toymaker **Lego Group** appointed **Skip Kodak** senior vice president. He will head **Lego Systems** and the **Lego Group's Market Group Americas**, effective April 1, 2016. Kodak currently leads supply chain planning and distribution.



GREEN SEEDS



▲ **Estes Express Lines** installed a new photovoltaic solar power system at its Greensboro, N.C., terminal location, in conjunction with solar developer Green State Power. Consisting of 2,760 solar panels on the terminal roof, the power system generates 1,000 megawatt-hours of electricity, equivalent to removing 145 passenger vehicles from the road or 720 tons of carbon dioxide annually.



◀ Activewear group **Adidas** sourced 43 percent of its cotton from farmers participating in the Better Cotton Initiative, exceeding its 40-percent goal in 2015. The figure marks the highest volume in sustainable cotton used in the company's history. Adidas aims to source 100 percent of cotton across all product categories in all its brands as sustainable cotton by 2018.

SEALED DEALS

Performance Food Group (PFG), a foodservice distributor, is streamlining its national distribution operations using *Descartes Food Perform* and *Descartes Electronic Vehicle Inspection Reporting* from SaaS provider **Descartes Systems Group**. The mobile solutions help drive greater efficiencies in PFG's distribution operations by improving order accuracy, reducing administrative activity, and minimizing real-time invoice adjustments.

Retailer **Asda** worked with **Manhattan Associates** to launch *toyou*, an order collection and return service for consumers. To support this new service, Asda, Walmart's UK subsidiary, deployed Manhattan's distributed order management, warehouse management, supply chain convergence, and supply chain intelligence solutions. With *toyou*, consumers collect and return online orders of Asda goods, as well as online orders placed with third parties at any of Asda's 614 locations.

recognition

Southeastern Freight Lines, a provider of regional LTL transportation services, received the 2015 **Expeditors Environmental Partner of the Year Award** from the Atlanta branch. Expeditors, a logistics company, recognized Southeastern for its outstanding service, performance, and commitment to environmental sustainability. Southeastern was selected for its investment in environmentally friendly technologies, as well as for reducing its overall carbon footprint.

Wallenius Wilhelmsen Logistics earned recognition as a 2015 **Partner-level Supplier** in the John Deere Achieving Excellence Program for providing outstanding products and service, as well as ensuring continuous improvement. The Partner-level status is machinery manufacturer Deere & Company's highest supplier rating. Wallenius Wilhelmsen Logistics is a supplier of ocean transportation and logistics services to John Deere's operations globally.



▲ The **Port of Vancouver USA's** new rail entrance (*pictured*) won a 2016 **Engineering Excellence Grand Award** from the American Council of Engineering Companies (ACEC) Oregon. The rail entrance is a watertight, grade-separated concrete trench along the Columbia River. Part of the port's West Vancouver Freight Access project, the trench reduces regional rail congestion by as much as 40 percent. The annual ACEC Engineering Excellence competition recognizes engineering achievements that demonstrate merit and ingenuity.

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TRENDS

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Trucking Companies Hit the Brakes on Driver Wages

by Jason McDowell

The capacity crunch that has plagued the trucking industry since 2013 appears to be easing as poor economic growth in the fourth quarter of 2015 has trucking companies lowering their freight estimates.

Only one-third of carriers expect to have any increase in freight volume in 2016, according to the *Business Expectations Survey* by Transport Capital Partners (TCP). About half of those surveyed expect freight levels to remain unchanged, and only one-sixth of respondents expect a decrease in the volume of cargo they'll move in the year ahead.

Despite the American Trucking Associations' prediction that the industry will be short by more than 73,000 drivers by the end of 2016, the freight slowdown is expected to reduce driver wage increases. After wage increases averaging nearly 12 percent in 2015,

70 percent of carriers surveyed by TCP now expect 2016 increases to fall in the one- to five-percent range. In fact, 22 percent of carriers expect to give no raises at all to their drivers.

"Carriers are in a tactical seasonal strategy—the first quarter being weak in loads, more drivers being available from construction in northern climates, and deep cutbacks in truck purchases over the last few months," says TCP Partner Richard Mikes. "The longer-term struggle between business caution and the need to improve driver staffing via driver wage levels will be interesting to watch in 2016."

The freight slowdown shouldn't be seen as a sign of worse times to come, however. "While volume and rate expectations have tumbled, there is still no fear of a looming recession in these results," says Steven Dutro, a TCP partner.



Can an Oil Tax Fuel Infrastructure Improvements?

President Obama wants to add a \$10 tax to every barrel of oil to raise money to begin implementing a cleaner transportation system within the United States. The proposed tax would raise more than \$32 billion in additional funds, which the White House claims will not only help maintain current transportation infrastructure, but also fund new rail corridors, highway projects, and pilots for cleaner transportation initiatives, such as self-driving vehicles.

The proposed tax, which oil companies would pay, would be phased in over five years. “We recognize that oil companies would likely pass on some of the cost,” says Jeff Zients, a White House economic advisor. The tax would add approximately 25 cents per gallon at the pump, on top of the 14-cents-per-gallon tax that already exists.

The oil tax was part of the final 2017 budget proposal that the president submitted to Congress. The proposal also includes a doubling of funds for clean energy research, as well as incentives to encourage state and local governments and the transportation industry to reduce dependence on

fossil fuels and find ways to use cleaner energy.

Analysts widely agree that the \$305-billion bipartisan transportation bill passed in December 2015 is merely a stopgap, and that additional funding must be found if U.S. transportation infrastructure is to be not only maintained, but improved. “For too long there has been strong bipartisan agreement that we need more funding for infrastructure, but that hasn’t been accompanied by the political will on how to pay for it,” says Zients.

Congress is expected to reject the tax. “The president should be proposing policies to grow our economy instead of sacrificing it to appease progressive climate activists,” said Speaker of the House Paul Ryan (R-WI) in a public statement. “The good news is, this plan is little more than an election-year distraction.”

Logistics 2016: Going Global, Going Mobile

As we get deeper into 2016, you can stay ahead of the competition, grow your business, and deliver for your customers by leveraging the following opportunities:

■ **The future is wide open.** If global trade is not currently part of your business, 2016 may be the year to think and act beyond U.S. borders. If you are already doing business internationally, it may be the year to expand to new territory. Why? Because approximately 95 percent of the world’s consumers live outside the United States, where the International Monetary Fund estimates 87 percent of global economic growth will occur in the next five years.

The rise of e-commerce, combined with advances in shipping and logistics, allows even small organizations to reach customers abroad. Nearly 300,000 American businesses engage in global trade, according to the Department of Commerce’s International Trade Administration, and trade activity accounts for more than 28 percent of U.S. GDP, reports the U.S. Chamber of Commerce. Expect these numbers to increase in the year ahead.

■ **International trade agreements mean business.** New international trade agreements could fuel even more global business. On Oct. 5, 2015, the United States joined 11 nations in negotiating a landmark trade agreement to improve market access and facilitate key trade benefits. If ratified, the Trans-Pacific Partnership (TPP) would cover more than 40 percent of global GDP, reduce border costs, expedite and simplify border clearance, and assist developed countries in modernizing customs procedures.

What does the TPP mean for your business in 2016? If approved by Congress, the agreement would make it faster, easier, and more affordable to move goods between participating countries. U.S. companies could gain an expanded customer base, a more dynamic supply chain, and new opportunities to source affordable materials from partner nations.

The trade opportunities are considerable. Consider that participating countries — the United States, Australia, Brunei Darussalam, Canada, Chile, Japan,

Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam — will contain more than 60 percent of the world’s middle-class population by 2030, according to estimates.

The TPP is not the only major international trade agreement in the works. Looking eastward to the European Union, the Transatlantic Trade and Investment Partnership (TTIP) could create the world’s largest free trade zone.

Many analysts predict that the United States and European Union will move closer to completing TTIP negotiations in 2016. This agreement could affect more than 60 percent of global trade, harmonize many regulatory rules between the two regions, and create greater market access to an estimated 800 million consumers.

■ **Sustainability stays front and center.** In 2014, 75 percent of S&P 500 companies published corporate sustainability reports. And, 93 percent of CEOs responding to a 2013 UN Global Compact–Accenture study said sustainability is important to the success

of their business (*see chart*). The focus on green business practices persists and will likely grow in 2016 and beyond,

Working Toward a Sustainable Economy

Leading companies are charting a path to sustainability, but warn that policy makers need to align market incentives with sustainable development.

- 93%** of CEOs see sustainability as important to the future success of their business.
- 78%** see sustainability as an opportunity for growth and innovation.
- 80%** see these issues as a route to competitive advantage in their industry.
- 83%** of CEOs believe that governments should step up efforts to provide an enabling environment for sustainability efforts.

Source: Accenture CEO Study on Sustainability

as companies continue to analyze the sustainability of their operations and their partners up and down the supply chain.

Why is supply chain sustainability important? While your carbon footprint may seem well defined, all the products you ship and receive make the impact more difficult to measure. To get your shipping and logistics on a greener path, choose eco-friendly partners, pay attention to packaging, and make sure you can access data to accurately assess your carbon footprint.

■ **Nearshoring continues.**

Increasingly, U.S. manufacturers see the value in nearshoring — locating certain manufacturing and warehousing facilities closer to customers and central operations. Nearshoring is on the rise, and will likely continue to grow in 2016.

U.S. companies that nearshore do not always replace overseas manufacturing capabilities altogether, but sometimes

expand with new operations in Mexico or Canada. Forces driving this change include more affordable shipping with nearshoring, and increased business costs in certain overseas countries.

■ **M-commerce is on the move.**

Mobile commerce was big in 2015, and many expect further gains in 2016. Mobile commerce transactions exceeded \$115 billion in 2015, and will reach \$142 billion in 2016, predicts a recent Forrester Research report.

The report also outlines the challenges to m-commerce growth, noting that smartphones are the source for one-third of retail web traffic, but only 11 percent of sales. To succeed in this environment, companies need to ensure that their mobile commerce platforms and logistics operations remain up to the task. ■

— Greg Hewitt, CEO, DHL Express U.S.

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GLOBAL

THE WORLD AT A GLANCE

by Jason McDowell



What Keeps Supply Chain and Risk Managers Up at Night?

Every type of business risk has an impact on the supply chain. And when risk becomes reality, risk managers and supply chain managers work in tandem to keep goods and materials flowing.

In 2016, companies need to be prepared and ready to meet the following top 10 risks, according to the fifth annual *Allianz Risk Barometer*, which surveyed 824 risk managers and insurance experts from 44 countries.

10. Theft, fraud, and corruption. While they rank tenth for corporations

overall, theft, fraud, and corruption are the top risks for the transportation industry.

9. Political risks. Refugee crises, terrorist attacks, and wars number among the many political factors that stress risk managers. These events can drastically disrupt the supply chain.

8. Fires and explosions. The average fire and explosion incident costs a company \$1.8 million, the Allianz report states. With that sort of price tag, you can bet the thought of a facility or equipment fire keeps risk managers tossing and turning.

7. Loss of reputation or value.

Corporations risk financial losses if their global reputation takes a plunge. To mitigate this risk, many companies focus on environmental initiatives and social responsibility programs.

6. Macroeconomic developments.

Cheaper commodity prices and inflation are impacting the United States and many of its global trading partners in unexpected ways. Lower oil, gas, and steel prices are actually stressing the supply chain in some ways, the report notes.

5. Changes in legislation and regulation. Governments sometimes enact economic sanctions and protectionist policies that leave businesses trading with those countries at a disadvantage.

4. Natural catastrophes. Losses due to natural catastrophes were at their lowest since 2009, according to the report, dropping the category down two places from its number-two position in 2015.

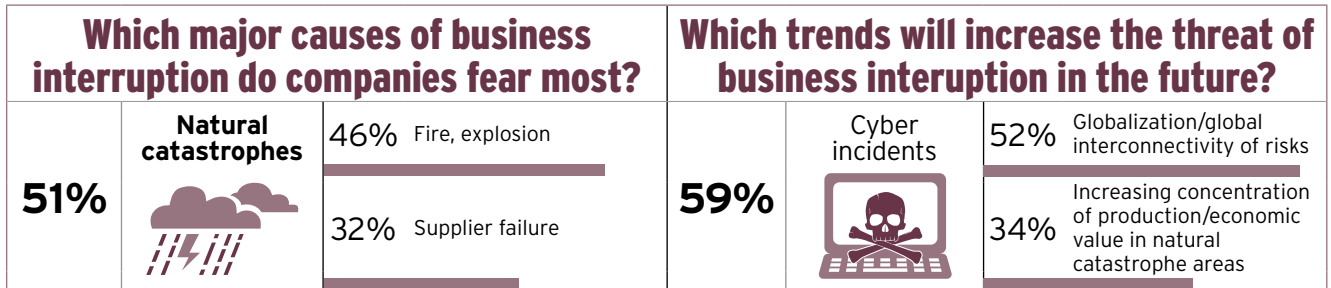
3. Cyber incidents. The risk of cyber-crimes, data breaches, and IT failures gets

higher year over year, and is the greatest long-term future risk, according to the report. Many companies don't have the resources to keep up with this rapidly changing threat, making it one of the most difficult to prepare for.

2. Market developments. Non-traditional competitors and startups wielding new methods and technology have also become a concern, with 34 percent of respondents citing market developments as a top issue.

1. Business interruption. Business interruption (BI), including supply chain disruption, holds its place at the top of the list for the fourth year in a row. While on the surface, this issue may not seem larger than some of the others, the fact is that BI is the end result of most of the other risks on the list.

While the other risks are the cause, seriousness interruption is the effect that many business leaders lose sleep over.



SOURCE: Allianz Risk Barometer, Top Business Risks 2016



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Air Forwarders to DOT: Cargo Counts in Cuba

In the air industry, cargo service is just as important as passenger service. That's the message the Airforwarders Association, representing 360 companies and more than 300,000 employees who move air cargo through the supply chain, recently delivered to the U.S. Department of Transportation (DOT). The association wants the DOT to assign routes to U.S. passenger air carriers that currently offer air cargo service.

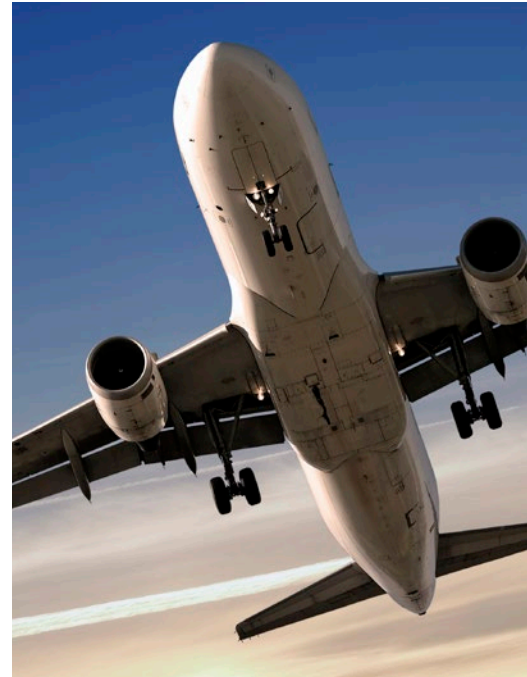
The U.S. DOT recently accepted applications from eight U.S. carriers petitioning to provide passenger service to Cuba. Of those carriers, only five currently operate cargo programs: Southwest Airlines, American Airlines, Delta Air Lines, United Airlines, and Alaska Airlines.

"The opening of Cuba to travel is about

more than just moving people, it will also be about trade," says Brandon Fried, executive director of the Airforwarders Association. "The eligibility of any airline that ultimately cannot fill planes with both passengers and cargo should be looked upon less favorably."

Currently, significant airport infrastructure and economic limitations exist within Cuba that present real challenges to trade. Once those challenges are solved, the Airforwarders Association says it looks forward to working with carriers that, as experienced cargo handlers, intend to offer airfreight service to enhance trade promotion with Cuba.

The Department of Transportation plans to study the requests, and issue its final comments and answers in late March 2016. []



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Three Imperatives for Managing Carrier Rates

As the annual freight rate contract negotiation process is underway, it is imperative that shippers fully evaluate options across carriers utilizing knowledge of historical changes and past performance in their trade lanes. The complexity of freight rate contracts places a strong burden on shippers and NVOCCs to comprehensively understand the proposed rates and surcharges, including any exclusions or exceptions. Reconciling all of these factors for a comparable review across carriers is a difficult objective for both the partners receiving RFPs to quote and those reviewing responses. In addition, understanding the carrier's historical on-time performance for a lane is a key factor in deciding whether to award the carrier volume for that lane.

So, how do you work towards ensuring your global shipments are contracted with a cost-effective and reliable provider? How do you quickly and accurately quote lanes in an RFP or analyze the response to an RFP? When seeking answers to these questions, shippers and NVOCCs should consider the following as imperatives for managing carrier freight rates.

1. Standardize and centrally manage carrier contracts.

Carrier contract formats and verbiage regarding the conditions for applying tariff surcharges varies greatly. Converting the various textual contract formats into a standard structure where services can be easily compared across carriers enables a solid foundation for centralized management and cost comparison. What this means for your company is a simplified and more efficient process for accessing accurate, fully calculable surcharges and rates to identify the best options.

2. Lock in surcharges to prevent unforeseen cost increases.

Understanding the variability of each of the many accessorial charges and applying specially negotiated business rules adds another layer of complexity when preparing and reviewing RFP responses. Accessorials should be negotiated as inclusive whenever possible to prevent increases due to conditions such as peak season surcharges and general rate increases. When

negotiating fixed surcharges, utilize reporting tools to better understand historical fluctuation trends for surcharges over time. This is critical information for determining the level at which a charge should be locked in.

3. Understand past performance for future improvement.

Another key factor for committing shipping volume to a provider is understanding the past on-time performance and space availability for each lane. By comparing the on-time delivery metrics to the committed transit times, you can determine which provider can most reliably deliver your shipments on time and prevent bottlenecks throughout the supply chain. In addition, assigning carriers to a routing guide ensures that your organization executes against the plan by utilizing the preferred carrier with the best rate and service options available.

In summary, keeping these imperatives in mind helps you firmly establish goals for your carriers and make informed contract decisions with your providers and define service level objectives for the coming term. Over the course of these contracts, the imperatives also set a foundation for continuous improvement programs and feedback into future sourcing decisions. Finally, you will be able to accurately analyze the RFP process, improve contracting decisions, and, ultimately, secure the best carrier with the best service for your requirements.





Mark White, Chief Commercial Officer, SEKO Logistics
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Crossborder E-commerce Into the US Just Got a Lot Easier – US Retailers Should Take Note and Plan Accordingly

E-commerce retailers worldwide are celebrating the passing of a new bill, which sees the U.S. de minimis rate increase from \$200 to \$800. Below the new threshold, the U.S. does not require any formal customs procedures, and no duties or taxes need to be paid by the consumer. This creates a huge opportunity for e-commerce retailers who want to sell into the U.S. – not only because of the reduced cost, but also because it enables them to offer their products to a vastly increased audience.

Previously, any single import over \$200 would need to have duty calculated, which varied depending on country of origin and on the goods being shipped, making the entire process extremely complex. The new higher de minimis rate allows for a far more streamlined approach, enabling foreign e-commerce retailers to see the benefit of faster customs procedures and border clearance, which in turn will accelerate the speed of international delivery, and mitigate to some degree the requirement to hold stock in the US to be cost and service competitive. For U.S. retailers, this changes the calculation modelling costs to fulfil e-commerce orders from offshore logistics hub locations.

Paperwork is reduced, as are compliance costs, making the entire process more efficient, and removing the barriers to U.S. e-commerce for global retailers. The consumer experience is also enhanced, as not only will purchases be cheaper, but delivery will

be faster, and the entire process of receiving their goods will be streamlined.

This really is a game changer, that will lead to increased sales and accelerated business growth for e-commerce retailers worldwide. U.S. consumers are now much easier to reach, so whether you're looking to sell into this market for the first time, or grow your U.S. e-commerce sales order volumes, now is the time to do it. U.S. retailers should take note and evaluate how they can leverage fulfilling orders from Asia, Europe and other countries by using their 3PL's logistics infrastructure and know-how.

Shippers should be leveraging their partners for a complete solution which unites shipping, logistics, and distribution, with e-commerce website design expertise and innovative business software. This solution should include airfreight consolidation, allowing individual packages which fall under the de minimis threshold to be bundled together, no matter the destination, into a single airfreight shipment while still remaining duty free.

U.S. shipping labels can be printed in the country of export, and a full manifest customs declaration created, which details each line item and the value of each order separately.

This delivers an international shipping solution for e-commerce retailers that is around two-thirds cheaper than more standard providers.

SEKO Logistics is a provider of omni-channel logistics services. SEKO's lean and nimble structure increases their decision-making speed and gives them an ability to implement customized solutions. For more information, go to www.sekologistics.com.



Key Factors Shaping World Trade and Global Logistics

By all accounts, 2016 will be a year in which major agreements and more open markets will shape world trade and increase the global logistics that move commodities to manufacturers, and finished goods into the hands of consumers virtually everywhere on the globe.

From the Trans-Atlantic Trade and Investment Partnership (TTIP) and the Trans Pacific Partnership (TPP), to more open markets in Mexico and the lifting of sanctions in Iran, there is certainly a lot to watch out for as we move forward.

By far, the biggest impacts on global trade and logistics will be the TTIP and TPP. Both of these agreements will affect massive portions of the global economy and include countries that are on all points of the development spectrum. Some of these are emerging economies that will benefit from both the lower cost importation of goods and increased opportunity as manufacturers and suppliers enter more mature markets. Then there are the mature economies, such as the U.S. and Western European countries, that will be able to access new markets with their own products.

By way of example, let's look at the Tier I and Tier II automotive manufacturing suppliers. In total, according to the European Automobile Manufacturers Association, the automotive sector in its entirety accounts for 10% of all trade between the European Union and the United States. They will gain a lower cost manufacturing base in one of these Free Trade Agreement (FTA) countries. In addition, they will be able to compete more effectively with local suppliers and reduce the length of their supply chains to get to their OEM customers faster. The FTA's currently under discussion to provide the opportunity for those companies to offer components at a lower cost and increase their market share over local suppliers.

Also under the TPP agreement, the primary opportunity for developing markets is by becoming suppliers to the mature mar-

ket countries. With lower cost production and supply, they gain the ability to distribute products faster and with fewer hurdles than before the TPP agreement.

The same opportunities apply in countries like Mexico that are opening their borders by reducing trade hurdles. On-shoring is not a new phenomenon in that market—the last three or four years have seen significant increases in companies pulling manufacturing back from Asia. However, such agreements increase the attractiveness and ability of large OEMs to set up in such markets. Not only are major automotive manufacturers building new plants and increasing production there, but also major aerospace and electronics manufacturers are seeing the advantages of increasing manufacturing capacity next door to one of the largest consumer nations on the planet.

Another example of opportunity is the lifting of sanctions against Iran. With its highly educated, youthful population of over 70 million people, Iran is ripe with opportunity. With existing partnerships there, companies like DB Schenker are well placed to get a head start in doing more business. However, our expectation is that this will take some years to materialize, as the lack of a robust internal distribution infrastructure to get imported goods into the hands of end customers prevents more rapid development. This is typical of the situation when less mature economies are first opened up.

In general, the combination of the different free-trade discussions and partnerships, along with more open borders in certain countries, present logistics companies and small and medium component suppliers with an unprecedented opportunity to grow and develop markets in locations previously unattainable. For SMEs, they have the opportunity to enter markets that were previously not accessible due to an inability to produce at either the same cost or quality as local competitors.



Working With the Right Enterprise Logistics Provider Makes Good Companies Significantly Better

In any economy, the key for manufacturers, distributors or retailers is competitive advantage. When companies lack competitive advantage—or worse yet, experience competitive disadvantage—a difficult economic environment amplifies the pain. Principal reasons many good companies have struggled with this issue are limited exposure to best practices, technology, tools, training and internal resource capacity.

Companies are increasingly turning to Enterprise Logistics Providers who are uniquely qualified to help them overcome these limitations of “insourcing.” The right logistics partner can also serve as a business strategist to show companies better ways to achieve competitive advantage and, ultimately, dominance in their market sector. Leading Enterprise Logistics Providers deploy technology, leverage carrier relationships across multiple modes and apply an engineering mindset to evaluate core data. These tools can make a transformative impact on waste elimination and process change, resulting in a more competitive organizational framework.

Why is this so important right now? The pace of change, competition and customer demands are continuously increasing. Service requirements are reaching unprecedented levels as the “Amazon effect” takes hold across all markets, setting expectations for ever-tightening delivery windows. Add in pricing pressure from the declining supply of truck drivers and the shakeout of companies since deregulation, and you have a “double whammy” of reduced capacity that challenges shippers to successfully navigate the supply chain. Further, the proliferation of mergers, acquisitions and consolidation in North American manufacturing and distribution is increasing the complexity of engineering the supply chain network, prompting many companies to ask:

- Where do we locate facilities for optimal service?
- How do we best consolidate facilities?
- How do we re-engineer the go-to-market process to deliver product?

To help shippers find optimal solutions to questions like these, the right Enterprise Logistics Provider will deliver customized applications of its myriad tools to improve market advantage. Before Transportation Insight prescribes solutions, we fully assess the current state of the client’s value stream, from the point of order placement to when cash is received. We then map an opti-

mized “order to cash” future state, but instead of dictating the road ahead, we show the delta between current and future states: This is where you are today, and this is where you can be if you partner with us.

It may be a journey of a few months or multiple years, but an effective Enterprise Logistics partnership shows clients where waste disappears, where true process change occurs and where clients see the most total impact.

The Picture of True Optimization

For many shippers, optimization often is limited to carrier management, making sure they are selecting the right carriers, so that they get fair, value-based pricing rather than what their “limited” market will bear. To see more substantial improvements, though, companies should consider examining and redesigning their network. For example, a company may have their Dallas hub serving the West Coast when significant efficiencies could be achieved by relocating that hub in Chicago, or they should combine several facilities into one to serve another region. Effective network redesign can shave significant dollars from the bottom line, while improving service for your end clients.

A great deal of Transportation Insight’s optimization toolkit involves technology, especially execution technology such as Insight TMS®, our system that improves everyday operations by streamlining the process of data collection, tendering loads and choosing carriers. Another aspect of optimization occurs through business insight. Our suite of business intelligence tools collects supply chain data and delivers it to corporate decision-makers in Insight Fusion®, our proprietary interactive portal. This actionable information shows positive and negative organizational trends through KPIs, location-specific metrics or simple reporting. The information details the facilities that are using the roadmap from current to future state (and in many cases saving millions of dollars) and those that are still ingrained in their past practices.

Whether you ship products to a jobsite, a loading dock, a retail store or someone’s front porch, visibility to overarching trends is key to improving a company and establishing competitive advantage. An Enterprise Logistics partnership that makes good companies better—significantly better—maximizes that advantage to help you dominate your market.



[SMART MOVES]

BY THOMAS W. DERRY

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Three Keys to Global Supply Chain Prowess

The world's increasing interconnectedness presents opportunities for supply management professionals to be more efficient and effective as they work to help companies achieve a sustainable competitive advantage. That same interconnectedness, however, poses three serious challenges that must be addressed if we are to continue to be successful.

1. The ongoing security threat to companies' networks, computers, programs, and data. Cyberspace is hard to secure for three reasons: the ability of malicious people to operate from anywhere in the world; the linkages between cyberspace and physical systems; and the difficulty of reducing vulnerabilities and consequences in complex cyber networks, reports the U.S. Department of Homeland Security.

Businesses around the world are attacked nearly 17,000 times each year, IBM Security Services estimates. While most of these attacks don't make it past a corporation's defenses, an average of nearly two attacks per week are successful.

The risk is particularly onerous in supply chain management because companies routinely exchange sensitive corporate information with multiple suppliers around the world. It's difficult, if not impossible, to identify and manage risk across all suppliers.

2. Finding the right talent. Procurement professionals are struggling with building the ideal team to work in

a profession that has changed radically and continues to become increasingly more global and complex.

Procurement has evolved from a tactical buying function to strategic supply management with responsibilities that directly impact corporate performance. Corporations now operate in many nations throughout the world, creating global supply chains. What intellectual skills are necessary to work in this environment? Is the supply management workforce diverse enough to be effective in a world of shifting geographies and emerging new markets?

The supply chain team needs to have a blend of operational, financial, and even marketing skills in addition to the core knowledge of supply chain and procurement. The benefit of having a team with these skills is a collective and important voice at the executive level.

3. Broadening the financial acumen of procurement professionals, which is inextricably linked to building the ideal team. The supply management group manages an average of 83 percent of a

company's sourceable spend, according to CAPS Research, placing the function squarely in the spotlight as a key driver of profitability. Suppliers are an asset, not just a cost, closely aligned with a company's goals and objectives.

No longer are supply professionals merely the "cost police" tasked with getting the best price from their suppliers for the department in which they work. Today they are much more strategic, focused on understanding the total business and identifying the best suppliers to help that business achieve its goals.

This is best illustrated by the fact that the percentage of chief procurement officers who report directly to the CEO, or one level down from the CEO, has increased from 60 percent in 1999 to 82 percent in 2014, according to CAPS Research.

Greater Opportunities

Supply chain professionals have a stronger voice in their organizations than ever before. To become more interconnected and successful with internal and external stakeholders, they must address the challenges of managing the complex global supply base by preparing for security concerns, identifying preferred team member attributes, and developing a collective financial acumen. ■



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VIEWPOINT

BY JAN MARKILL

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Flying High With Electronic Air Waybills

On March 1, 2016, 15 airlines introduced the single-process approach for one of the industry's most important transportation documents: the electronic Air Waybill (eAWB). Developed by the International Air Transport Association (IATA), in collaboration with industry stakeholders, the eAWB is a digital version of the paper air waybill (AWB).

The air cargo industry still relies heavily on paper documentation to exchange information. In fact, each international airfreight shipment can require more than 30 different paper documents, according to IATA. The eAWB is IATA's flagship initiative for a paperless air cargo industry; with it, there is no longer a need to print, handle, or archive the paper AWB, dramatically simplifying the airfreight supply chain.

Clear Benefits

With competitive rates, shifts to alternate transport modes, 100-ton airships, and the rise of drone delivery, air carriers today need to improve all aspects of business—from tender and transit to delivery. Governments and customs authorities are also pressuring carriers to provide digital information hours in advance of wheels-up. Airlines must gather this information from supply chain participants and transmit the required data elements to ensure compliance.

The eAWB can address regulatory

requirements and industry pressures, as well as minimize inefficiencies, increase customer visibility, enable better connectivity, and provide further services. The eAWB will improve the accuracy of information airlines need to populate security filings and to streamline a high volume of shipments. It's an industry milestone that top carriers switched to the single-process method as the preferred way to ship freight to any destination—not just eAWB-enabled destinations.

The eAWB also will help forwarders improve communication with carriers and ground handling agents (GHAs), reduce cargo processing times with priority handling of eAWB-enabled shipments, decrease direct and indirect costs of cargo security filing requirements by reusing electronic data, provide added digital AWB tracking capabilities for a differentiated service offering, and speed billing.

Essentially, the single process makes it easier for forwarders to give airlines digital airway bill information by

placing primary responsibility on carriers. Forwarders no longer need to worry about destination or transit countries, determine whether an airport or trade lane is eAWB-enabled, or establish if a shipment qualifies for digital submission.

With a digitized eAWB, GHAs minimize data entry errors and reduce the costs associated with duplicate data entry. The resulting productivity and efficiency gains mean cargo spends less time in the warehouse and more freight is moved, thanks to increases in capacity.

Streamlining the Skies

How organizations implement the eAWB is critical to maximize the initiative's potential benefits and realize added value. For all participants, technology solutions must include options to add services as business needs evolve, and to reuse data so information can be repurposed for maximum benefit.

As Air Canada, Air France-KLM, American Airlines, British Airways/Iberia, Cathay Pacific, Delta Air Lines, Etihad Airways, Finnair, Lufthansa Cargo, Qatar Airways, Saudi Arabian Airlines, SWISS, and United Airlines implement the eAWB single-process approach, industry-wide involvement in the program is encouraged as paperless air cargo supply chain operations lower costs, increase data accuracy, and improve the customer experience. ■

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THE LEAN SUPPLY CHAIN

BY PAUL A. MYERSON

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Saving Green While Going Green

While good for the environment, supply chain sustainability can also be good for the bottom line if incorporated into a company's supply chain strategy.

In the past, most companies were concerned primarily with forward logistics processes, and, to some degree, returning product to suppliers. Today, companies also focus on reverse logistics processes, not only from a waste perspective, but also because of environmental concerns and how they can add value to customers and the bottom line.

Regaining Product Value

As a result of this shifting focus, supply chain sustainability has become a common term that encompasses the management of environmental, social and economic impacts, and sound governance practices throughout the goods and services lifecycle.

Another term has emerged as a result: green logistics, which refers to minimizing the ecological impact of logistics. An example is reducing the energy usage of logistics activities and the usage of materials. Reducing a supply chain's carbon footprint is a priority.

Environmental considerations greatly impact a number of logistics decisions. For example, many products can no longer be placed in landfills. As

a result, many companies must take back products at the end of their useful lifetime. At the same time, landfill availability is decreasing, resulting in higher landfill costs.

Many products, such as cathode ray tubes in old TVs and computer monitors, are banned from being placed in landfills either because they present a health risk or because they take up too much space. Product bans represent a new reverse logistics opportunity. Because companies are forced to take back products when they are banned, they reuse the products and recapture their value.

Implementing Green Initiatives

Companies such as Hewlett-Packard and Xerox have adopted Extended Product Responsibility (EPR) programs, which focus on the product's total life and look for ways to prevent pollution and reduce resource and energy usage through the product's lifecycle.

Programs and processes such as product take-back and EPR are part of a strategy that has become known as closed loop supply chains, which are designed and managed to encompass

both forward and reverse flows in a supply chain.

The reverse logistics activities of reuse, remanufacturing, refurbishing, and recycling have come to be known as the four Rs of sustainability. Many organizations now use the four Rs together in broad programs where they complement each other.

Other examples of companies using green supply chain concepts to their advantage include:

■ Johnson & Johnson's energy efficiency program, which resulted in an estimated \$30 million in annualized savings over the 10 years prior to the company's 2006 sustainability report.

■ Nestlé, through a combination of packaging source reduction, reuse, recycling, and energy recovery, saved \$510 million worldwide between 1991 and 2006, reports Eric Futin in *The Establishment of Global Supply Chain*.

Now and into the future, environmental considerations will have a greater impact on logistics decisions. ■

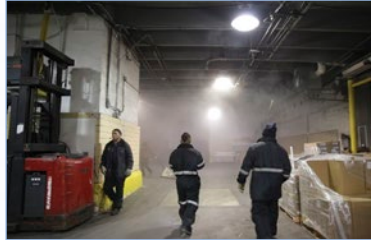
Parts of this column are adapted from *Lean Supply Chain & Logistics Management* (McGraw-Hill; 2012), *Lean Retail and Wholesale* (McGraw-Hill; 2014) and *Supply Chain and Logistics Management Made Easy* (Pearson, 2015) by Paul A. Myerson with permission from McGraw-Hill and Pearson respectively.

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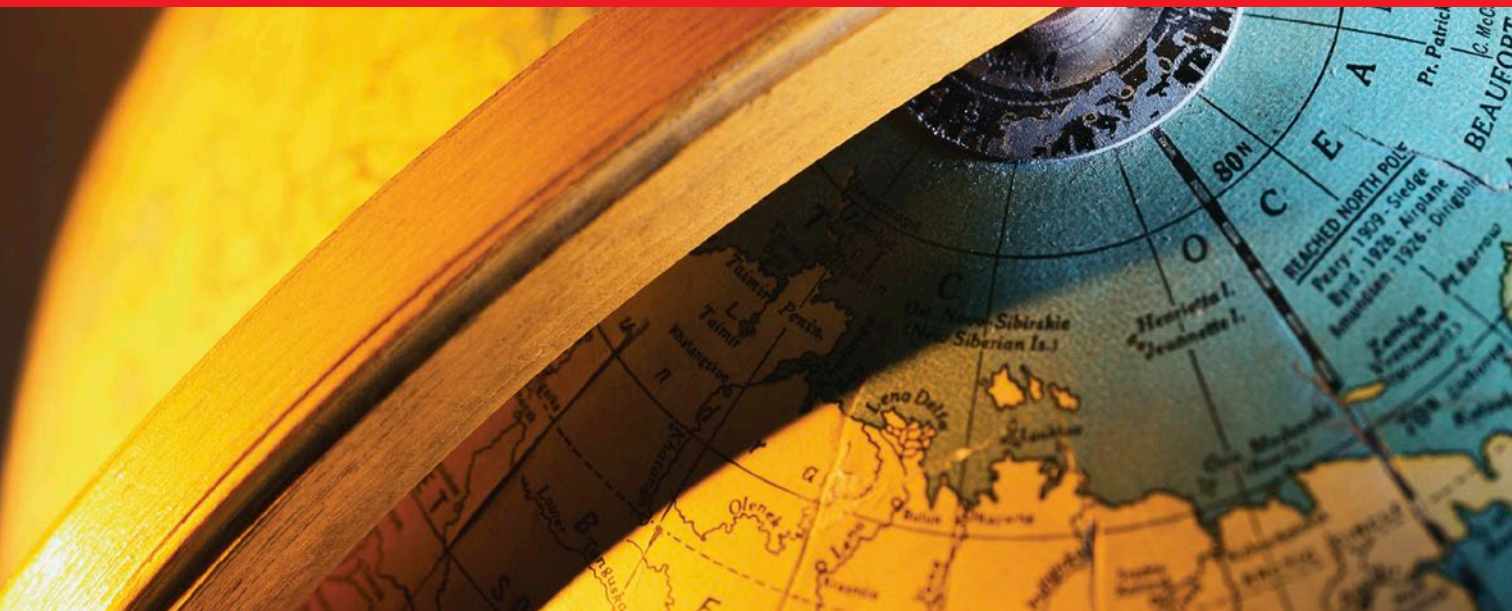
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MEASURING WORLD TRADE GROWTH

The Castrol Global Trade Barometer (CGTB) is a series of economic studies that shares Castrol's view on what is mined, made, and moved internationally. The report gives the big picture view of world exports and imports, highlighting the largest and fastest-growing nations, offering actionable and relevant insight based on the latest economic data in the aerospace, automotive, industrial, marine, and natural products trade.

There has been an improvement in the expected five-year growth rate for the aggregated CGTB. Since the previous forecast suggesting trade is improving, the predicted annualized growth rate has increased from 4.4 percent to almost 6 percent. While this is a substantial improvement, it reflects a predicted pickup in 2017 rather than expected rates of trade growth over the next couple of years.

The relatively modest growth rates between 2014 and 2017 reflect the current weakness in the global economy and the slow pace of growth for trade since 2011. Rapid growth between 2009 and 2011 is indicative of a bounceback following the post-financial crisis, and the significant acceleration of trade between emerging economies.

Since 2011, world trade growth has decelerated and decoupled from GDP growth. Prior to 2011, it was accepted that trade would grow at roughly twice the rate of global GDP growth, but this has not been the case in recent years.

The Barometer forecasts a mild acceleration between 2015-2016 and 2017-2018, with growth picking up substantially by 2018. This growth is still not as fast as the immediate post-crisis recovery, but represents a brighter outlook for trade in the future.

FASTEST-GROWING COUNTRIES

The top three fastest-growing export traders are Qatar, Iraq, and Vietnam, all of which have experienced strong growth since the last CGTB. The energy sector's continuing dominance is apparent in the concentration of Middle Eastern countries at the top of the fastest-growing exporters list.

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Since the last forecast, both Romania and Slovakia have fallen off the table of fastest-growing industrial nations, while Chile and Brazil continue to show strong signs of growth. They have risen from fourth and seventh to third and sixth, respectively. Although Argentina has slipped to 10th, its annualized growth is forecast to remain strong at 7.22 percent compared with 6.22 percent in the last forecast.

WHAT'S AHEAD FOR EUROPE

This forecast shows that the United States and Europe have upped their game to keep pace with Asia. This has been driven by better trade performance generally, particularly in the United States. Reshoring, however, also plays a large part.

The latest Industrial Trade Barometer, one of the five sectors explored in-depth in the CGTB, finds growth rates for all western countries improving. Annualized growth for the next five years for Germany – the world's third-largest trading nation – is forecast at 4.10 percent. After a period of slower growth, trade is expected to pick up by 2017.

Despite competition from emerging economies and Asia, Europe is holding its own in global trade. Five European countries feature in the top 10 trading nations by value in the latest CGTB (see chart, right).

The other European countries among the world's top 10 industrial trading nations – France, the Netherlands, Italy, and the United Kingdom – are all set to follow a similar trade pattern to Germany.

France, which occupied the ninth and 10th spot in the table of aerospace export products by country for "aircraft parts" in the last CGTB, has been replaced by

About the Castrol Global Trade Barometer

Castrol lubricants are in everything that is 'Mined, Made and Moved'. The company's global reach in the automotive manufacturing, marine, natural products, aerospace, and industrial sectors offers them a unique view of world trade.

The Castrol Global Trade Barometer (CGTB) (www.castrol.com/minedmademoved) provides a view on what is mined, made, and moved internationally. It tracks the performance and outlook of global trade, and provides a rolling five-year forecast of future trade patterns at a regional and sector level, based on data from the world's 50 largest trading nations.

Germany's exports of "turbo-jets and aircraft parts," reflecting Germany's high-end manufacturing capability.

Germany's increasing investment in the aerospace sector will help improve its global positioning over the next five years, cementing it as a top trading nation by both value and speed of growth. Several large aerospace companies are already based in the country: Airbus Deutschland, MTU Aero Engines, Rolls-Royce Deutschland, and Liebherr-Aerospace Lindenberg. This gives the country a large influence on the wider industry.

As a large German employer, Rolls-Royce, in particular, plays a leading role in engine partnerships with other German companies, as well as utilizes an extensive supply chain across the nation. Through its strong ties with Cottbus, Dresden, Darmstadt, and Karlsruhe universities, the company is also investing heavily in its skills base and technology training for German students.

Despite Germany's strong performance, European countries are lagging in the Automotive Trade Barometer. Belgium and Spain, previously the ninth and 10th largest automotive products importers, no longer appear in the table of top 10 importers, while Italy, the UK, and France have all dropped down the table. This is likely the result of continued economic issues facing many European countries.

Despite starting to see recovery in its automotive manufacturing, Spain does not appear in the top 10 automotive trading nations. The outlook in Belgium looks even less optimistic, with automotive plants closing and relocating to other trading nations.

TOP 10

FASTEST GROWING TRADING NATIONS BY CAGR* 2014 – 2019

1. Iraq 9.79%
2. Vietnam 9.70%
3. Qatar 9.55%
4. Indonesia 8.46%
5. Brazil 8.14%
6. UAE 8.05%
7. Hong Kong 7.95%
8. Australia 7.89%
9. Saudi Arabia 7.80%
10. South Africa 7.80%

(*Compound annual growth rate)

TOP 10

EXPORTERS BY 2014 VALUE (in billions)

1. China \$2,736.72
2. USA \$1,567.10
3. Germany \$1,529.55
4. Japan \$885.64
5. France \$614.45
6. Russia \$610.39
7. South Korea \$602.47
8. Netherlands \$552.88
9. Italy \$531.65
10. Canada \$458.65

TOP 10

FASTEST GROWING IMPORTERS BY CAGR* 2014 – 2019

1. 9.63% Vietnam
2. 9.59% Iraq
3. 9.31% Indonesia
4. 8.90% Brazil
5. 8.72% China
6. 8.37% Thailand
7. 8.34% Chile
8. 8.24% Hong Kong
9. 8.07% Venezuela
10. 8.02% India

(*Compound annual growth rate)

TOP 10

TRADING NATIONS BY 2014 VALUE (in trillions)

1. China \$4.29
2. USA \$3.54
3. Germany \$2.76
4. Japan \$1.53
5. France \$1.36
6. Netherlands \$1.28
7. UK \$1.12
8. Italy \$1.06
9. South Korea \$1.05
10. Russia \$0.97

TOP 10

FASTEST GROWING EXPORTERS BY CAGR* 2014 – 2019

1. Qatar 10.69%
2. Iraq 9.88%
3. Vietnam 9.77%
4. UAE 8.82%
5. Australia 8.33%
6. Romania 8.28%
7. South Africa 7.92%
8. Saudi Arabia 7.88%
9. Seychelles 7.74%
10. Indonesia 7.71%

(*Compound annual growth rate)

TOP 10

IMPORTERS BY 2014 VALUE (in billions)

1. USA \$1,974.12
2. China \$1,552.73
3. Germany \$1,227.65
4. France \$745.78
5. Netherlands \$724.75
6. UK \$675.43
7. Hong Kong \$646.92
8. Japan \$639.79
9. Italy \$533.20
10. Canada \$456.14

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UNITED KINGDOM

The UK's export performance was actually stronger during the economic downturn than in the 10 years previous. Net trade (exports minus imports), which was holding back growth, reversed during the recession and subsequent recovery.

UK

TURKEY

The dominance of Middle Eastern and Turkish ports, none of which appeared in the last forecast, highlights the emergence of fast-growing trade routes, particularly focused on logistics and infrastructure. Turkey's location makes it an ideal hub for trade between Europe, the Middle East, and central Asia. It is also benefitting from government investment in infrastructure and its growing middle class.

TR

THE SEYCHELLES

The Seychelles has replaced India as the ninth fastest-growing exporter, as well as appearing as the 10th fastest-growing aerospace exporter for the first time, displacing Switzerland. This is likely due to location and its proximity to India and China, as well as its proactive exports to grow its science and technology experience and capabilities.

AE

SE

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RUSSIA

Russia appears in the list of Top 10 trading nations for the first time, knocking Canada from the 10th position. This is due to Russia's access to raw materials, low labor and production costs, and close proximity to Europe and China.

Russia has moved from eighth to sixth position in the Top 10 largest exporters.

RU

UAE

The UAE is one of the more industrially diverse countries, producing significant aluminum and steel as well as oil. The UAE's emergence as a trade hub is based on the government's commitment to capitalize on its location near the Middle East and North Africa by enabling business and promoting trade, most significantly by developing its infrastructure. As a result, in 2012, it appeared fifth in the World Bank Doing Business Report for ease of trading across borders.

A combination of its location and commitment to innovation and development has also seen Dubai enter the table of Top 20 ports by volume in the Global Port Report. This is also the result of the UAE's decisive efforts to develop a trade hub by improving infrastructure, enabling business, and promoting trade.

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GEODIS

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CANADA

Canadian ports Vancouver and Montreal also appear as fastest-growing ports for the first time, reflecting faster-growing trade in the North American Free Trade area in general.

Canada also appears to be on the ascent, having overtaken the UK as the 10th largest exporter.

UNITED STATES

After years of sluggish growth, trade is firmly picking up for the second-largest trading nation on the planet. The United States is now strongly placed in the top 10 rankings for every sector analyzed by the CGTB.

The United States has overtaken Germany as the second-largest exporter due to a significantly improved growth forecast as well as the strength of the dollar against the euro (likely affecting the dollar value of total exports).

Like Europe, the United States has brought back some of its manufacturing capacity in response to tightening operating conditions by long-term offshoring partners such as China. Interestingly, in the Port Report, the United States rose from seventh to fifth place in the Top 10 ship parts trading nations. This is based on the country's success in honing specialist skills as evidenced by its move into the Top 10 export products by country for its production of "special purpose ships." But, continuing labor disputes at West Coast ports could be a potential threat to these growth rates.

MEXICO

Mexico's automotive output is also benefitting from the growth of a Latin American supply chain, according to the Automotive Trade Barometer. The country's liberal free trade agreements with 44 countries make it a crucial export base for Europe, China, Japan, and U.S. automakers.

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GEODIS is an expert supply chain operator and part of SNCF Logistics, ranking among the top companies in the logistics industry in Europe and the World. As the number one logistics and transportation company in France, and the number four player in Europe, GEODIS continues to extend its global network that currently spans over 120 countries. In order to strengthen its service offerings, GEODIS continues to grow with its partners in strong growth regions like the Americas.

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Asia Pacific

In its last forecast, Castrol noted how expertise in consumer electronics had allowed Asia to become more integrated into global manufacturing supply chains. As a consequence, the United States and Europe were outperformed.

Asian nations are showing the strongest levels of growth among the Top 10 importers by value in the Industrial Barometer. The majority of these imports are in pharmaceuticals and biopharmaceuticals. As Asia's economies continue to develop, and living standards improve, the demand for higher-end healthcare increases.

CHINA

The Top 10 largest trading nations by value in the overall CGTB remain largely unchanged. China is in first place, followed by the United States and Germany.

China, as the world's largest trade partner, dominates on the global stage while Germany continues its run as the export powerhouse of Europe, specializing in high-end manufacturing and car exports.

China – as an economic superpower – still ranks as the largest exporter in the world, topping the table of Top 10 exporters by value and dominating in its electronics exports. This is expected to continue, with a healthy annualized growth rate of 6.98 percent over the next five years, an increase from 5.60 percent forecast over the same period in the last CGTB. This rapid growth rate is based on the fact that China manufactures much of the world's material goods, benefitting from its vast labor force and low production costs.

China also features heavily in the table of Top 10 ports by volume, which includes seven of the country's ports. Importantly, China is regionalizing, meaning that the benefits are spreading to other nearby regions.

THAILAND

Thailand's introduction as the sixth fastest-growing importer is largely due to its rapid growth as a Southeast Asian trade hub. Like Vietnam, it is also used as a production base by neighboring nations, which is driving an increase in skills, wages, and living standards, as well as boosting demand for imported goods.

DATA PROVIDED BY





VIETNAM

Vietnam performs particularly strongly in the overall CGTB due to its geographic location and relationship with China. As a result of the rise of a middle class and wage costs, there has been an increase in manufacturing outsourcing in sectors such as semi-conductors. Vietnam often benefits from this outsourcing, which also explains its continuation as the third-fastest growing export nation. Vietnam's location and improving trade conditions have also helped it climb the rankings of fastest-growing natural products trading nations in the Natural Products Trade Barometer.

In particular, Vietnam is building a reputation for manufacturing high-end technology and pharmaceuticals outsourced from China. Some high-tech goods are final consumer products, while other high-tech imports are intermediate inputs into the ICT production process.

Around one-third of Vietnam's population now lives in cities, and its youthful population and the rapid pace of urbanization should provide an increasingly skilled workforce to help the country develop its foothold in global information and communications technology (ICT). However, this will depend on increasing research and development spending. Vietnam will also face the challenges of maintaining this talent pool and further strengthening its infrastructure.

JAPAN

Japan remains the world's fourth-largest trading nation, but consistently falls behind larger nations in the CGTB. It also appears fourth in the list of Top 10 global exporters, behind China, the United States, and Germany. Meanwhile, Japan is the second-largest automotive exporter and the third-largest automotive trading nation, with Germany and the United States in the top two positions. Japan's automotive manufacturing success and consistency is undeniable – and looks set to continue to 2019.

Japan may not be one of the world's top three largest trading nations, however, it appears across the Barometer as a key component of world trade, boasting many crucial ports. Five Japanese locations appear in the list of Top 20 ports, more than any other nation: Tokyo (10th), Yokohama (11th), Nagoya (12th), Kobe (13th), and Osaka (14th).

SOUTH KOREA

As an Asian trade hub, South Korea is growing at a rapid rate for natural products due to its position close to China and at the center of key trade routes including the North American route, the Southeast Asian route, and the European route.

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Global Trade Management Systems:

YOU'VE GOT THE WHOLE WORLD IN YOUR HANDS

Shippers grab hold of GTM solutions to streamline imports/exports, ensure trade law compliance, and keep shipments moving across borders everywhere on the planet.

By **Karen M. Kroll**

Global trade management (GTM) systems traditionally have focused on helping organizations comply with the myriad regulations governing how components and products cross borders. While compliance remains a key feature, many GTM systems providers are adding new capabilities. Some GTM systems, for instance, have broadened the concept of compliance to include checking that products were made, packaged, and/or shipped within the user's parameters.

Some GTM systems also are adding tools that can help coordinate the physical flow of goods, provide visibility to inventory and products, check whether certain materials qualify for preferential treatment under a trade agreement, and help with settlement processes.

And the industry continues to mature. "Not too many GTM systems can truly manage the compliance intricacies of a supply chain across the world from, say, an office in Cleveland," notes Doug Zuvich, global leader for the trade and customs services practice of professional services firm KPMG.

Even so, the advances to date can provide compelling benefits. For instance, real-time visibility into a supply chain lets companies "continuously modify their plan to reflect operational reality," says William Sears, managing executive, managed services, with Resolve Solution Partners in Johannesburg, South Africa. Real-time visibility can shorten the lead times required to move products through the supply chain, he adds.



Some companies prefer to tap into a solutions provider's GTM system. UPS, for example, offers import/export and other global trade services.

But even as they improve their physical and financial supply chains, and use the information contained within them to better compete, organizations still want to ensure they comply with relevant rules and regulations. "The market has gone from playing defense to figuring out how to also play offense," says Rosalie Cmelak, director, supply chain product strategy for Oracle, which provides cloud applications and platform services.

One driver behind this shift is advancing technology, says Ann Grackin, CEO of ChainLink Research in Newton, Mass. The

robust platforms that can handle the many demands placed on GTM systems today weren't around even one decade ago.

The evolution of cloud computing has helped as well. Solutions are "faster to deploy and offer a lower total cost of ownership," Cmelak says.

The shift to the cloud is important for another reason: Companies can use GTM systems to create networks of suppliers, customs brokers, freight forwarders, third-party logistics providers, and others in their supply chain. "The systems let many supply chain participants come

together dynamically," says Greg Brady, chief executive officer for ONE Network, a Dallas-based supply chain management networks provider.

Other technical advances, such as the ability to integrate systems through application programming interfaces, have made it easier to link GTM applications with enterprise resource planning and other supply chain systems.

Consumer demands for more information about the products they're purchasing also are prompting new GTM capabilities. Consumers want to ensure the products they buy were made in factories that don't use child labor, or come from farms that don't use GMOs. To provide that information, companies need supply chain visibility.

Visibility also can help companies rein in product costs by, for instance, identifying components qualifying for preferential treatment under free trade agreements (FTAs). "Incorporating FTAs and duty rates can provide some definite competitive advantages," notes Anne van de Heetkamp, product leader for Tradebeam, a cloud-based GTM systems provider.

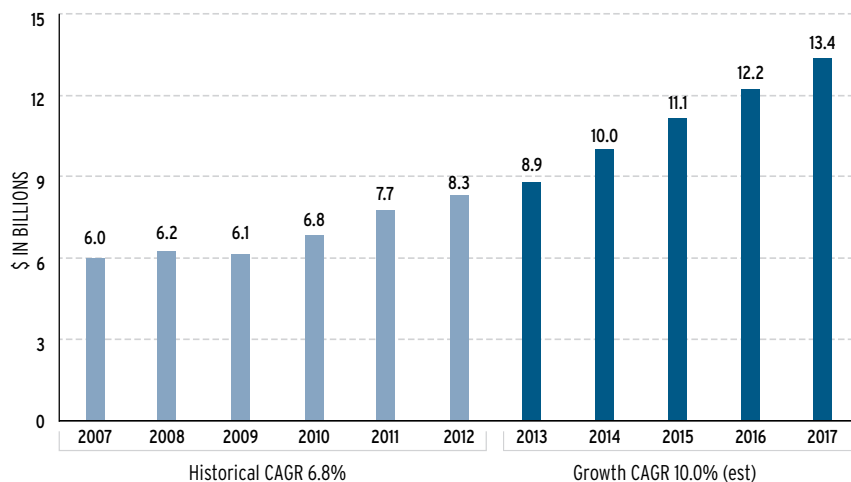
In addition, visibility can help organizations quickly determine how best to handle the hiccups that inevitably arise when sourcing and selling around the globe. Brady provides an example: A company engages five suppliers in Asia to produce and transport 1,000 purses to Europe within six weeks. Three weeks in, one vendor says it needs several extra days to make its allotment. The company must then decide whether to hold all shipments to wait for that vendor, or go ahead with separate shipments. Visibility is key to making an intelligent decision.

STARTING SMALL

While larger companies, often in heavily regulated industries, tend to be among the first to leverage shifts in the GTM market, small firms aren't left out of the picture. Many start by implementing specific modules, such as those that screen potential business partners against terrorism watch lists. "The ROI threshold to purchase the software keeps dropping," says Virginia Thompson, vice president of product management for compliance software provider Integration Point.

GLOBAL SCM SOFTWARE MARKET OUT OF THIS WORLD

The global trade management software market was estimated to be worth \$8.3 billion in 2012 (up 7.1 percent year on year), and is expected to soar to \$13.4 billion by 2017.



Source: Market Share Analysis: Supply Chain Management Software Worldwide, Gartner

Continues on page 56

GLOBAL TRADE INITIATIVES: ARE YOU IN COMPLIANCE?

By Julie Gibbs, Director, BPE Global

It's not too late to get these initiatives on your 2016 checklist:

■ **Trans-Pacific Partnership (TPP) Agreement:** During the first year the TPP takes effect, 91 percent of Harmonized Tariff Schedule (HTS) codes will enter duty-free, based on 2010 tariff codes. If your products qualify, determine if the TPP is more beneficial than other free trade agreements (FTAs).

■ **Export Control Reform (ECR):** The ECR has yet to address six U.S. Munitions List (USML) categories, which means that 15 have been transitioned with final rules, and 11 have final transition end dates in 2016. Make sure your products that fall under these categories are fully reviewed and properly classified under the USML or Export Administration Regulations (EAR).

■ **Dual Use List Update:** If your company exports from the European Union, review the changes to the EU Dual Use List; they became effective Dec. 25, 2015.

■ **Encryption Reporting:** The annual self-classification report was due Feb. 1 for activity during January through December 2015. Additionally, if your encryption registration information has changed over the past year, you need to submit a new encryption registration form so you can be issued a new registration number. The semi-annual ENC license exception report was due Feb. 1 for activity during July 1 through Dec. 31, 2015.

■ **2016 HTS Changes:** Review the changes in the 2016 harmonized tariff schedule, posted on the U.S. International Trade Commission's (USITC) website. Also note the changes might affect the HTS reported in lieu of a Schedule B number for your export declarations. The U.S. Census Bureau has posted an add/delete list of Schedule B numbers on its website, so be sure to check this list, especially if your HTS numbers were affected in the new year.

■ **Certificates of Origin:** Request 2016 Free Trade Agreement certificates or statements from your suppliers for programs such as NAFTA and KORUS. Even if the certificates or statements were issued on a blanket level, don't use them if they are expired. If your company issues FTA certificates and/or statements, check with your manufacturing and procurement departments that sourcing has not or will not change before you issue any new 2016 blanket certificates. This is also a perfect time to run a cost/benefit analysis using Automated Commercial Environment (ACE) reports on past FTA activity to determine whether these programs are still profitable. Analyze your ACE reports to determine whether any newly imported products might be eligible for a FTA or other duty-savings programs.

■ **Export License Renewal:** If you utilize export licenses, create a schedule for renewal. This is especially important

for licenses from the Office of Foreign Assets Control (OFAC) that are not driven by quantity or dollar amount. Start working at least 60 days in advance of the expiration. Hopefully, you have a pulse on your company's business and development strategies and are aware of upcoming licensing needs. If not, it's a great time to make your sales and business development teams aware of licensing issues, such as your current licensable products and new sanctions.

■ **Auditing Schedule:** Establish your compliance audit schedule now to ensure your company's divisions or business units can plan appropriately and won't be adversely impacted. Coordinate internal audits with your corporate auditing team to ensure your audits don't overlap. Also include in your schedule an audit of your service providers, such as customs brokers and freight forwarders, who file AES declarations on your behalf. Conduct an annual review of their performance and compliance with your standard operating procedures.

■ **Training Schedule:** Plan trade compliance training sessions for your company. The entire company should be trained annually on general trade compliance with an emphasis on high risk areas. Certain departments, such as shipping and order management, will require more in-depth training. Whether these are in-person or online training courses, the earlier you plan and coordinate with other company initiatives, the more successful you will be. You'll also want to consider conferences and seminars for your professional development. Make sure there is a budget in place and that you organize your initiatives around these dates so you can attend the training sessions instead of being holed up in your hotel room answering email.

■ **Recordkeeping:** Can you move some records to your archives? Can you destroy records that exceed all company recordkeeping guidelines? Remember, you do need to keep some records for more than five years. You might need to retain supporting documentation for certain drawback claims for up to 11 years.

■ **Contract Renewals:** Review power of attorneys and other third-party contracts for renewals. Ensure that if your company is renewing contracts with customers, vendors, and suppliers that they are including the appropriate level of trade compliance verbiage. Your contract manufacturer documents should also have specific language regarding deemed exports and controlled technology transfers.

For more information, contact BPE Global, San Francisco, Calif. Phone 415-845-8967, email info@bpeglobal.com, or online www.bpeglobal.com



Global trade management systems help shippers gain control of transportation, compliance, and documentation requirements while keeping costs in check.

Continued from page 54

While GTM systems continue to advance, companies evaluating and implementing them should keep several principles in mind. First, “systems are one element of the solution,” Zuvich says. “The other elements are strategy, people, organization, and processes.”

Before considering a GTM system, management needs to know the regulations governing its operations. “You have to know your business and the rules that impact it, so you can implement the right solution,” says Beth Pride, president of BPE Global, an import and export compliance consultancy.

CHOOSING A GTM SYSTEM

When evaluating a GTM system, pay attention to these attributes:

1. Scalability and flexibility: “Think not just about today, but tomorrow,” Thompson says. For instance, a company may start with a compliance database, and then add the ability to analyze foreign trade zones.

2. Comprehensiveness: GTM information residing in a single system uses the same processes, and can be updated at one time, as new information

TAKING STOCK OF YOUR GTM SOLUTION

Is your global trade management (GTM) solution keeping pace with your organizational and operational changes? If you answer “yes” to one or more of the following questions, it may be time for a GTM assessment.

Did you implement your GTM more than three years ago? Or has it been more than three years since your last technology assessment and GTM training?

Have there been changes in your company’s trade compliance organization? Did you, for example, establish a center of excellence or shared service center, change personnel, use new trade programs, or change the structure of trade compliance within your organization?

Were there changes to your business that could affect the trade function? These changes include, but are not limited to: Expanding into new regions and/or new and different product lines, changing suppliers or supply chain partners, changing trade lanes, mergers, acquisitions, or divestitures, and systems/software updates (e.g., a new ERP or WMS).

Have your GTM trade compliance processes evolved with new and changing regulatory requirements such as export reform, new trade agreements, and customs automation?

Do you feel a general sense of “treading water” or “just getting by” in terms of cross-border transaction processing or other trade compliance activities?

SOURCE: KPMG Trade & Customs Services

is received. Conversely, when information is scattered across disparate systems and must be brought together, “the probability of data errors rises,” says Wayne Slossberg, senior vice president of **QuestaWeb**, a web-based global trade management solutions provider.

3. Credible regulatory information: Check the source of regulatory data. For instance, printed guidance often becomes outdated without warning. When available, the ideal source is a government agency subscription that pushes updates to users.

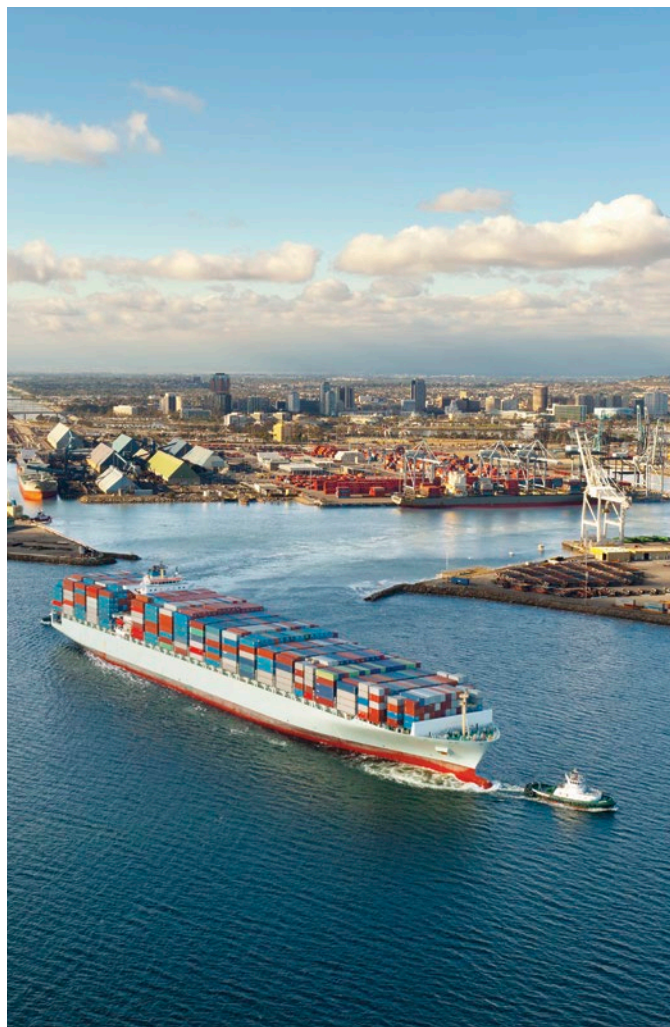
4. Provide benefit even when vendors don't participate: Some vendors may only be able to email invoices, rather than enter them into a GTM system. The user should be able to enter that information as if the supplier actually had transmitted invoices directly into the system.

5. Automation: To boost efficiency, the system should automate as much of the paperwork as possible.

6. Business rules: The ability to incorporate business rules can help with automation and compliance. For instance, a GTM system “should be able to auto-populate any documents—such as bills of lading and invoices—necessary for moving goods,” Slossberg says.

The business rules integrated in a GTM system also can aid compliance by checking that products ship with required permits.

7. Visibility: A company should be able to obtain information on the inventory and products being handled by supply chain partners, and all parties should be



Direct

The Port of Long Beach offers the most direct route from East Asia to most of the United States. A shipment from China to the East Coast via the Panama or Suez Canals takes 30 days – but it is less than 20 days when shipped through Long Beach. Isn't the choice obvious?



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able to operate off the same information.

Greg Kefer, vice president of corporate marketing with GT Nexus, which provides a cloud-based collaboration platform, offers an example: When Icelandic volcano Eyjafjallajökull erupted in 2010, its ash disrupted air travel across parts of Europe for approximately one week.

“Some companies had very limited visibility into their supply chain,” he says. That hindered their ability to quickly re-route products. “But those that had the information got a head start in locking up air capacity in zones unaffected by the ash.”

8. Collaboration capabilities: “We see a need for greater collaboration with suppliers and other business partners,” says Gary Barraco, director of global product marketing for Amber Road, a provider of GTM solutions. That way, suppliers can leverage the information relevant to them in the GTM system, such as tariff classifications or shipment tracking, boosting the supply chain's overall effectiveness.

9. Integration capabilities: Most GTM systems have to connect with ERP or other corporate systems. The IT department typically can help determine how—and how smoothly—this can happen.

10. Reporting and analytics: GTM software should produce reports that let management know what's working, and what's not, within the supply chain.

“GTM systems are tools to empower the global trade functions within an organization,” Zuvich says. “They add incremental value across the business.” ■

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In his annual State of the State address in January 2016, Georgia Governor Nathan Deal acknowledged that the “Ship of State” has weathered its share of storms. But, he added, “Now we are ready to unfurl our sails and set forth on the ocean of opportunity that lies before us as we lead the way for others to follow, with number one proudly emblazoned on our mast.”

Given Georgia’s leadership by every mode and measure of moving product, the governor may well have set a theme involving land and air, as well as sea. But for logistics professionals, the nautical theme was particularly apt. A recent wave of developments has the state sailing on the right course to greater success.

Nature and Nurture

When it comes to logistics, there is no doubt about it—the Peach State is growing. Robert Morris, senior director of corporate communications for the Georgia Ports Authority (GPA), reports that in the past year the authority has:

- Completed a \$27-million truck gate, which will help Garden City Terminal avoid congestion while completing 10,000 truck moves per day.

- Paved five acres at Savannah’s Ocean Terminal, which handles breakbulk and auto-machinery cargo. The terminal’s area for roll-on/roll-off cargo now spans 40 acres. Automobiles are being undercoated at a temporary on-site facility until a permanent structure is built.

- Allotted \$3.7 million for earthwork to prepare 50 acres on Colonel’s Island at the Port of Brunswick for potential customers.

- Added two storage rail tracks, each about 4,200 feet, at Anguilla Rail Yard in Brunswick—a \$2.7-million project.

You might say that nature laid the groundwork for this waterway success. Georgia sits precisely at the right spot on the U.S. map.

“An important facet of the GPA’s success is our geographical advantage,” Morris says. “The Port of Savannah’s location as the most westerly of the Atlantic Coast ports makes it a hub for exporting American-made products from cities such as Atlanta, Birmingham, Memphis, Louisville, Charlotte, and beyond.”

Savannah is the fastest-growing port in the nation, 100 miles closer to Atlanta than any other port, and the fourth-busiest U.S. container terminal. Savannah is centrally located to serve the entire U.S. Southeast—the nation’s fastest-growing demographic region. “With 38 weekly vessel calls, Savannah customers

have more choices to more destinations,” Morris says.

And the seeds are planted for future growth as well.

“We have room to expand,” Morris says. “On terminal, we currently handle about three million 20-foot equivalent container units (TEUs) per year. Our strategic plans allow us to handle 6.5 million TEUs without increasing our physical footprint.

“Off terminal, a wealth of industrial real estate that is near the port and major interstates is available for development,” he adds.

Lost in Space

Not surprisingly, Savannah is a distribution center (DC) hub. It features 44 million square feet of DC space—including all major big-box retailers—within minutes of Garden City Terminal, reducing drive time and increasing efficiency.

Additional competitive assets include Georgia’s enviable interstate access, two Class I rail lines, and the largest number of containership services in the U.S.

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Southeast. Immediate access from the Port of Savannah to I-16 (east/west) and I-95 (north/south) means key cities and manufacturing points throughout the country's Southeast and Midwest can be reached within a one- to two-day drive.

"On-terminal rail yards mean cargo shipped by rail is not limited by highway weight restrictions," Morris notes. "Service from both Norfolk Southern and CSX Transportation delivers more choices for reaching the hinterlands."

At 1,200 acres, the Port of Savannah's Garden City Terminal is the largest container facility in the nation. Because the entire terminal is owner-operated, using the port is much more streamlined for customers.

For example, at some other ports, truckers must check in to one shipping line's leased terminal to drop off an export box, and then repeat that check-in process at another line's terminal to pick up an import box. At Garden City Terminal, however, truckers check in once, navigate to drop-off and pick-up points, and enjoy much quicker turn times.

By the same token, Garden City

features nearly 10,000 feet of berth space that is offered on a first-come, first-served basis. Ships don't have to wait on a limited number of berths leased to a specific company. This way, both maritime and landside port users can get cargo moving more quickly and efficiently.

Directing the Traffic

Helping to navigate all these advantages is the GPA, a quasi-state agency with a 13-member board of directors that governs its activities. The governor appoints board members to serve staggered four-year terms.

As one of the state's largest public employers, the GPA directly employs nearly 1,000 trained logistics professionals. GPA operations—together with private sector, port-related operations—account for some 369,000 jobs statewide, \$84.1 billion in sales, and income exceeding \$20.4 billion annually.

GPA's most important improvement is the Savannah Harbor Expansion Project. The U.S. Army Corps of Engineers has awarded the contract to deepen the river channel's outer harbor. A

future contract will cover the inner harbor. The deepening will allow Savannah to better accommodate today's megaships.

GPA soon will receive four new ship-to-shore cranes, which will bring the total number of electric-powered container cranes to 26. The recent purchase of four more cranes will bring that number to 30 by 2018—the most ship-to-shore cranes of any single terminal in the United States. Meanwhile, the Port of Savannah is adding 30 electric rubber-tired gantry cranes (RTGs), continuing GPA's transition of its container handlers to electric power.

Also doing its part to spur continued growth is the Georgia Department of Transportation. Completion of the Jimmy Deloach Parkway extension this year will provide a direct truck route between I-95 and Savannah's Garden City Terminal.

"Georgia's logistics infrastructure saves time and money by seamlessly connecting air, sea, and land transportation," Morris says.

The effects are impressive:

- Georgia has been rated the top state for business-based criteria such as cost of doing business, economy, infrastructure and transportation, workforce, and access to capital. Georgia offers a business-friendly tax structure and targeted workforce training.

- The state is home to 20 Fortune 500 companies, including UPS, Coca-Cola, and Delta Air Lines.

- Georgia has an outstanding pool of skilled talent, including access to the number one workforce-training program in the United States—Georgia Quick Start—as well as talent from top state universities.

Uniquely Complete

"Logistics is at the heart of everything that makes a business run," says Jannine Miller, director of the Georgia Center of Innovation for Logistics. "And the logistics that companies need are at the heart of why Georgia is the best state for business.

"Georgia's logistics offerings are uniquely complete," Miller says. "We



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have everything companies need—all the options for efficiency and profitability today and for growth over time.”

The first component of Georgia’s complete logistics offerings is its unprecedented transportation infrastructure, Miller says. The Port of Savannah handled 12 percent more TEU containers in 2015 than the previous year. Hartsfield-Jackson Atlanta International Airport is the world’s most traveled passenger airport. Georgia businesses also find connections to the world from the state’s surface infrastructure, with access to more rail miles than any other state in the Southeast.

Additionally, five major interstates flowing throughout the state allow products to reach 80 percent of the U.S. population within a two-day truck drive. It is predicted that the state’s \$1-billion-plus investment in its roadway network over the past four years will more than double, with Governor Deal and the

Georgia Department of Transportation announcing that a freight-hauling grid will be completed, adding more than 300 new lane miles throughout the state.

As part of the 10-year plan, Georgia’s interstates—including 45 miles of new truck lanes—will be expanded in Savannah and in metro Atlanta. “All these investments will make incredible improvements in freight flows at pinch points and for longer, efficient movement of freight throughout the state’s unparalleled network,” Miller says.

The Network Georgia Connection

Among other logistics improvements on the horizon, Miller cites the Network Georgia initiative, an effort that the Georgia Ports Authority is undertaking. “It is designed to connect shippers more directly to the Port of Savannah, and reduce companies’ trucking requirements by 350 miles per haul to the Georgia coast,” she explains.

Yet another highly impressive component of the state’s uniquely complete place in the logistics marketplace is its vast DC and warehouse capabilities. The state is home to more than 245 million square feet of DCs and warehouses.

In addition to an optimal set of all the transportation mode and distribution center options companies need, Georgia also is home to a robust and world-class industry of logistics providers that ensure companies can take full advantage of infrastructure investments. Georgia’s logistics services cover everything from core transportation and facilities to third-party logistics and software providers. Georgia ranks as the fifth-largest overall logistics employer in the nation.

The state is home to nearly 12,000 logistics providers, giving credence to the uniquely complete claim. “The competition is here, the expertise is here,” Miller says. “Whether to serve



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business-to-business or business-to-consumer, we cover it all.”

As important as the state’s roads, rails, waterways, and airways are to the business of logistics, technology is yet another key to the state’s logistics success. “The technology that it takes to run all these logistics operations is a substantial sub sector,” says Sandy Lake, the Center’s associate director.

Among Georgia’s robust logistics services and offerings is the Georgia Center of Innovation for Logistics, the key that can unlock the state’s logistics opportunities for shippers. As an industry-focused component of the Georgia Department of Economic Development, the center is the leading statewide resource for fueling logistics industry growth and global competitiveness.

The Center’s expert staff works with Georgia’s cargo owners to find logistics solutions that overcome their challenges



Construction is underway on a new 315,000-square-foot building in the CenterPoint Intermodal Center-Savannah, located just four miles from the Georgia Ports Authority. The facility provides shippers with the ultimate location advantage for goods distribution.

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and capitalize on opportunities. The staff accomplishes this by helping shippers evaluate their logistics options; connecting shippers to Georgia's robust ecosystem of logistics providers; and informing Georgia companies about logistics trends and data-driven projections.

"We provide a broad spectrum of services—whether a company wants to grow here or is thinking of locating here, we help them by working together," says Miller. "We offer everything shippers may need—from the details of day-to-day operations to grand scale sharing of logistics best practices and networking with providers at regular events around the state."

Summing Up the Summit

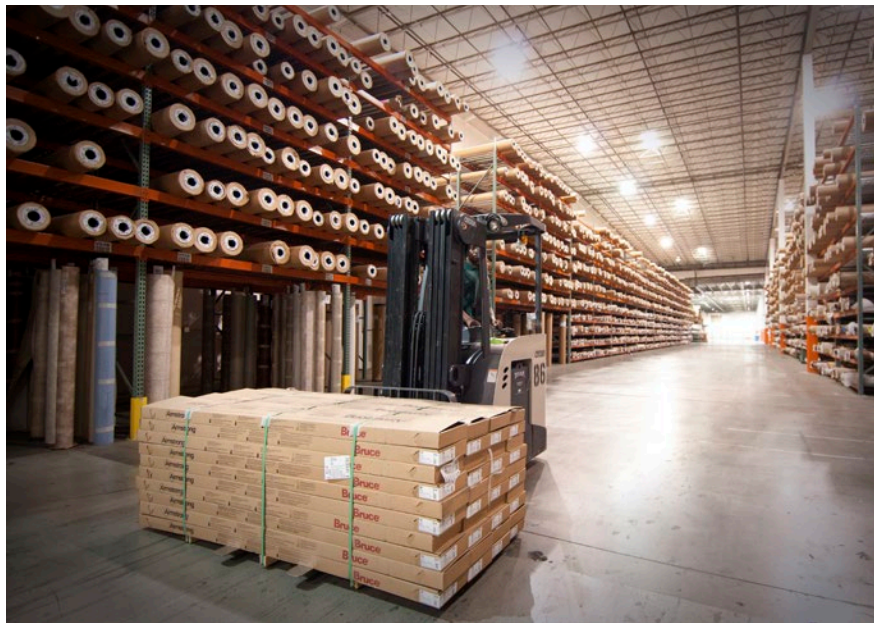
Since 2009, the Center of Innovation for Logistics has presented the annual Georgia Logistics Summit; the 2015 event attracted 2,000 participants. The 2016 event will be held April 19-20 at the Georgia World Congress Center in Atlanta.

New features of the Summit include a shippers-only networking session, as well as interactive roundtable sessions that focus on logistics success stories. "We hope to ignite collaboration and provide more meaningful networking time for participants to share their experiences," Miller says. "Logistics is a social industry. It requires dialogue to find solutions."

The Summit is also introducing two new panels. One focuses on the national and global economic landscape within which Georgia companies operate; the other provides tips to survive the regulatory tidal wave.

Keynote speaker at the 2016 Summit is Frank Crespo, vice president and chief procurement officer for Caterpillar. From CAT's vantage point, Crespo shares his unique perspectives on global conditions in energy, construction, manufacturing, and the logistics marketplace.

"The Summit also includes a technology focus," says Lake, explaining that technology disruptors share insights into what technological innovations will affect logistics in the future.



TranSouth Logistics' third party warehousing packages include material handling, pick-pack operations, light assembly, product storage, and consignment for both domestic and international suppliers.

It's all part of Georgia's ongoing efforts to maintain—and grow—its logistics leadership status.

One big fan of the Georgia Logistics Summit is Mike Owens, president of Atlanta-based HWC Logistics, a long-time sponsor of the event. "The Summit draws a big crowd we can sell our services to, and describe what differentiates us from other logistics companies," he says. "We also get a chance to tell attendees why Georgia is such a great place to do business."

More companies look to Georgia for their Southeast hub operations due to the increasing number of consumers moving to the South. Also, the state supports two-day service by truck to 80 percent of the population, and offers competitive pricing, a great climate, and a growing labor force. The growth of the Port of Savannah, and the state's infrastructure, have been geared to support higher freight volumes resulting from shippers using the state as an alternative to congested West Coast ports.

HWC Logistics is a single-source provider of distribution, warehousing, transportation, and import/export services with warehouses based in Atlanta, Savannah, and Charlotte.

"We have more than 35 years of

experience in the logistics field, and bring innovative and cost-effective solutions to shippers looking to establish operations in growing southeastern markets," Owens says.

Over the past two years, the company has enhanced its Warehouse Management System (WMS) to offer an RF and barcode technology solution that boosts accuracy and increases order output activity. The company has also improved its Transportation Management System (TMS) and integrated it into an all-mobile application. Drivers use the app to enter all pickup and delivery information, which is then relayed to the customer in real time.

Companies that partner with HWC benefit from its 35 years of logistics experience, a team dedicated to providing great service, and a culture based on understanding customer needs. HWC Logistics delivers on time and accurately, and constantly works to improve its processes.

Port Progress

As port cities along the East Coast prepare for the completion of the Panama Canal expansion, the city of Savannah finds itself perfectly positioned to take full



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advantage of expected benefits. The Port of Savannah's historic role as a gateway of commerce will become more important than ever.

The city's industrial property is at a premium. "We're at a three-percent vacancy rate," says David Sink, principal, Colliers International-Savannah. "That's the lowest it has been since we began tracking the market in 1999."

Despite the city's illustrious history, industrial real estate was a sleeper for many years. "National and regional real estate players discovered this market in 2004," he says. "That's when industrial and commercial real estate started to build some successes. The market has greatly improved since then."

Sink, who has two decades of experience in the commercial real estate industry, joined Colliers International-Savannah in 1999 and became a partner in 2007. He is active in all areas of commercial brokerage, including both landlord and tenant representation, and has brokered a number of multi-million-dollar investment projects. Before joining Colliers, he spent four years in the Atlanta commercial and industrial real estate market.

"It's great to have low vacancy rates," Sink says, but those seeking to expand in or relocate to Savannah should take heart. "Help is on the way in the form of new construction," he says. "We're starting to see speculative construction again, as well as build-to-suits. We have some ready-to-go industrial sites. The market is well-positioned to grow again."

The city is in its advantageous position to greet post-Panamax vessels thanks to good planning. "Savannah has followed a master plan to build efficient access into and out of the port," Sink says.

Cooperation and collaboration among the area's various economic development authorities, local and state governments, and the private sector is also a driving force for success. "They have collectively embraced the port to help the community grow," Sink says, adding that the port is ideally situated for optimal logistics.

"The Savannah Harbor is in the process of being deepened, and the port is upriver

from the historic district on the I-95 side of downtown," he explains. "That means trucks don't have to navigate through the historic district. It is easy to get in and out at the intersection of two interstates—I-95, going north-south, and I-16, going east-west to Atlanta. And 20 percent of offloaded containers never hit the road as they move from ship to rail, and then immediately to Atlanta and beyond."

The city has used tax dollars to improve transportation infrastructure, with local citizens repeatedly voting for a Transportation Special Purpose Local Option Sales Tax, or T-SPLOST, to tax themselves an additional one percent.



Atlanta Bonded Warehouse's facilities provide public and contract food-grade, temperature-controlled distribution services.

"All the stakeholders share a spirit of cooperation," Sink says. "As the market has evolved and grown, the quality of the area's warehousing facilities has improved, and overall real estate and operating costs in the area have remained competitive."

Sunny Skies Ahead

"There is no such thing as bad weather, only different kinds of good weather," said John Ruskin, a 19th century British writer for whom a Georgia settlement was once named. We don't know if Ruskin was

referring to Georgia when he made his famous pronouncement, but he certainly could have been.

Favorable weather is among the reasons that Georgia's Department of Economic Development is able to boast that tourism—a \$57.1-billion industry for the state—drives significant business growth for companies operating in the "gem of the Southeast."

"We have great weather," agrees Winston White, vice president of operations for TranSouth Logistics. He cites climate as a major advantage for his company and for his customers. "Even though we offer service all the way to Maine, the weather has rarely shut down our facilities."

With headquarters in Charleston, S.C., TranSouth counts two Georgia locations among its 10 southern sites. The company's Kennesaw branch is in Marietta, and it maintains its front office and pickup/delivery center in Braselton.

A Distribution Hotbed

"We have taken advantage of Georgia's assets by positioning ourselves in the I-85 corridor just northeast of Atlanta," says White. "This is a hotbed for distribution."

Since 2003, TranSouth has specialized in trucking, deliveries, and warehousing. The company's distribution centers are strategically located near ports of call and major hubs in the Southeast, moving full truckloads and LTL throughout South Carolina, North Carolina, Virginia, Alabama, Tennessee, Florida, and, of course, Georgia.

TranSouth's third-party warehousing services include materials handling, pick-pack operations, light assembly, product storage, and consignment for both domestic and international suppliers. The company is proficient in warehousing products requiring special handling.

"Many companies offer national coverage out of two distribution centers, one in California and one in Georgia," says White. "Because we are in Georgia, we can respond faster to customers' needs than companies that are located outside of Georgia."

White describes TranSouth as a

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“boutique logistics partner of choice, offering crafted solutions to customers’ warehousing and transportation needs.”

The Port of Savannah provides a particular strategic advantage, along with Georgia’s interstate infrastructure that puts it at the crossroads of I-85, I-75, and I-20. Georgia’s logistical advantages continually grow, and TranSouth is growing along with the state.

“We continue to expand our warehousing footprint in Georgia,” he says. “We currently operate 300,000 square feet of warehouse space in Georgia, and we plan to add another 160,000 square feet in 2016 to offer 3PL warehousing services.”

Capital Gains

In Georgia’s capital city, the leaders of logistics feel right at home.

More than 40 percent of manufacturing, distribution, logistics, and supply chain solutions buyers are located within a 500-mile radius of Atlanta, according to data

from Supply Chain and Transportation USA, Atlanta’s trade event and educational program. The city ranks fourth in the United States for Fortune 500 headquarters, which include Delta Air Lines, Coca-Cola, and Gulfstream, as well as logistics powerhouse Saia.

Officials at Saia say that operating in Georgia offers tremendous advantages to both carriers and shippers, not only because the state offers an extensive rail system and access to four major interstate highways, but also because of its large, professional workforce; relatively low cost of living; high quality of life; typically favorable weather; and a world-class airport that offers direct service to all major domestic and international metro areas.

With three service groups, Saia has grown to become one of the largest transportation companies operating in the country. Headquartered in the Atlanta suburb of Johns Creek, the company

provides regional and inter-regional less-than-truckload services in 34 states, as well as non-asset-based truckload and third-party logistics services. Through a network of partners, Saia also serves the balance of the United States, including Alaska and Hawaii, plus Canada, Puerto Rico, and Mexico. With revenues of \$1.2 billion, Saia employs 9,000 people nationwide.

Customers Come First

Along with its headquarters, Saia’s operations in Georgia include terminals in Athens, Augusta, Ellenwood, and Savannah. The company has nearly 1,000 employees working at these five facilities. The many advantages of its location facilitate Saia’s focus on customer satisfaction, says Ray Ramu, the company’s chief customer officer.

“We put our customers first,” Ramu says. “My goal is to make certain we are aligned as a company—leveraging our technology, executing our processes, and,

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– John Kemp, Logistics Manager, Safelite Autoglass



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most importantly, making sure our team members understand that the decisions we all make each day shape our customers' perception of us. It is every employee's goal to create a positive experience for our shippers."

From one- and two-day delivery to multi-regional and truckload service, expedited shipping, consolidation, DC management, and managed appointments, Saia offers the gamut of products and services shippers seek.

"We are proud to call Georgia home," Ramu says. "Not only does Saia provide excellent employment opportunities that elevate the state's standard of living, it also pumps millions of dollars into Georgia and its communities, and provides customers with quality service by taking advantage of all the state has to offer."

An Ideal Combination

Three key assets set Georgia apart in the U.S. logistics superstructure: its ports, its interstates, and a workforce well trained in materials movement, according to Hal Justice, vice president of sales and operations for Atlanta Bonded Warehouse (ABW). And, he says, ABW—a leading provider of temperature-controlled warehousing and LTL transportation services in the Southeast—takes full advantage of each of these assets.

Since its inception in 1948, ABW has offered multi-client/public warehousing services to its customers. Originally founded to serve the confectionery industry, ABW now provides distribution for a number of food and food-compatible products.

"We have worked hard to develop distribution programs that link products coming through the Port of Savannah into our LTL consolidation program for 'mid-temp' products—those needing to be moved at 50 to 70 degrees Fahrenheit," Justice says.

"From our Atlanta campus, we distribute, on a weekly schedule, to every major retailer in the Southeast, Southwest, Midwest, and Great Plains to the Rocky Mountains," he says. "This service area

allows customers to eliminate redundant inventories in the Southwest or Midwest, yet still maintain scheduled weekly deliveries to the retail trade."

ABW's main metro Atlanta campus is in Kennesaw, convenient to major interstate highways and served by CSX rail service. Overall, the company offers more than 2 million square feet of modern, secure, high-cube storage capacity.

The 68-year-old company has received numerous awards for operational excellence. It has been Hershey's DC Operator of the Year for five consecutive years, has received the Wrigley Lifetime Achievement Award, and was awarded Barilla's Warehouse of the Year for 2015.

ABW's operations routinely score best-in-network across a wide array of key performance metrics. The company is not interested in second place: "If we are not first in every published scorecard measuring lowest cost and highest service, we know we have to improve," according to its website.

ABW has years of experience in public and contract warehouse services, LTL, contract transportation services, and co-packaging. "Our best solutions tie together two or all three of these services into one integrated offering," Justice says. "The more integrated the offering, the more competitive the cost and the higher the service level."

The company also offers consolidated order picking for bulk pool shipments, labeling, repacking, and co-packing.

To retain its cutting-edge services and prepare for the future, ABW implemented a tier-one Warehouse Management System. The investment represents the company's confidence that its own growth will mirror growth in the state.

"We are looking at expanding our footprint in Georgia in 2016 and 2017 to keep up with the demand for our services, both from the advantages provided by the Port of Savannah, and the advantages provided by our transportation programs and cost-effective warehouse services," Justice says. "Over the past four years, we have grown our footprint more than 30 percent."

Echoing the sentiments of other leading logistics providers throughout the state, Justice says the quality of Georgia's workforce provides a solid underpinning for growth. "Our people are our greatest asset," he says. "How many multi-state 3PLs have less than 12-percent turnover annually in their warehouse workforce?"

The Three Ls

Georgia has all three ingredients vital to excellent logistics: location, location, location. "This is the Southeast hub of the population explosion," says Ben Goldberg, president of JIT Warehousing & Logistics. JIT's Savannah headquarters puts the company in precisely the right location.

JIT, which operates throughout the United States, handles numerous commodities in addition to steel products and palletized cargo. The company is located about one half-mile from the Georgia Ports Authority's Ocean Terminal, and about 3.5 miles from the container port.

With more than two decades of experience in the import/export industry, JIT provides warehousing, trucking, shipside delivery, port pickup, container drayage, stripping, stuffing, cross-docking, and over-dimensional/crane services. The over-dimensional division has expanded to include road escort, rigging, and additional trailers for heavy haul.

JIT operates facilities on both the CSX and Norfolk Southern rail lines, in addition to two other Savannah locations offering more than 750,000 square feet of warehouse space. The company is currently installing more rail on the Norfolk Southern line in order to expand its rail business. The expansion will allow JIT 16 additional rail spots per day.

While Goldberg joins in the excitement of others who look forward to post-Panamax vessels making their way to the Port of Savannah, he believes that Georgia's record of attracting new businesses and residents is just as important.

Of course, it's also about the cargo coming in—and out. "The logistics advantages of the Port of Savannah work both ways, inbound and outbound, as

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countries become, in effect, closer to home,” Goldberg says. “We are in their backyard, or they are in our backyard, depending on how you look at it.”

Goldberg credits the many exciting innovations and improvements in Georgia’s logistics sector—and in his company—to the agency governing the ports. “The Georgia Ports Authority is in touch with us daily about potential business,” he says. “We work as a team. They do a lot to help us be successful.

“If it weren’t for the support of the GPA, we wouldn’t be here,” he adds.

“Our growth has been amazing,” adds his daughter, Evelyn Goldberg-Davis, who

“We support the LTL transportation marketplace—and by marketplace, I mean carriers, shippers, 3PLs, and technology providers,” says Brad Gregory, the company’s senior vice president for marketing and software alliances.

Thousands of North American carriers, shippers, and logistics and technology service providers rely on SMC³ for educational events, technology products, and services to provide strategic insights into technological and business advances. In addition to its headquarters in the Atlanta suburb of Peachtree City, the company maintains offices in Louisville, Ky., and Rockville, Md.

About 85 of the company’s 110 employees work out of the Georgia headquarters.

“We are both a technology/service provider and an industry association,” Gregory says. “In both roles, we make it our business to understand our industry’s evolving role in national and global supply chains.”

In addition, he says, SMC³ helps its members and customers manage delivery and pricing risk, provide superb customer service, collaborate with their best partners, and thrive in a time of increased regulation and technological sophistication.

“We strive to guide—and even model and create—industry best practices and benchmarks,” he says. “We continually develop new products, delivery systems, and services.”

Conference Calls

The company operates two industry-leading conferences every year—JumpStart, held in Atlanta in January, and Connections, which will be held in June 2016 in Chicago. Speakers at the 2016 JumpStart conference updated attendees on the current state of the industry, including the new opportunities for shippers that will result from the Panama Canal expansion project.

The company’s long history and broad reach put SMC³ in an ideal position at the cutting edge of logistics developments.

“We’ve stood the test of time,” Gregory notes. “We deal with a lot of confidential information and we’re known for our integrity. Our executive leadership team has carefully and strategically navigated SMC³ through years of industry change and steady corporate growth.”

The company recently launched a project to analyze today’s LTL marketplace and changing freight flows, taking into account 117 million LTL freight bills covering more than \$25 billion in charges. The resulting solution, CzarLite XL, provides customers with a rating tariff that has been re-indexed to reflect modern market conditions, while adding in the capacity for density rating.



Located in a bustling poultry-industry region of north Georgia, Syfan Logistics is well-versed in hauling deadline-sensitive, perishable food products.

is vice president of the company. “We have enjoyed 10- to 20-percent growth over the past three years, and we had 30 percent growth this past year.”

Sifting the Data

Freight-pricing software firm SMC³ views the logistics landscape not only from a Georgia perspective, but also from its perch as an information provider for leading technology and manufacturing powerhouses around the country and beyond. Its client list includes Oracle, MercuryGate, and McLeod Software, along with the world-class alphabet soup of JDA, SAP, CLI, and TMW.

“We help develop the rates and the technology that all parties in the marketplace use,” Gregory explains. “It’s not specific to Georgia—we serve the whole country, including all the commerce moving into and out of Georgia.”

That said, Gregory notes that Georgia’s assets are undeniably also assets for SMC³. In particular, he says, the company benefits from a highly educated logistics workforce. “Atlanta offers an environment that allows us to attract the workforce we need,” he says, citing the array of universities and technical schools that support the logistics sector and serve the supply chain.



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Solutions that have both density rating and the traditional classification capabilities give industry stakeholders more choices, Gregory says. Besides, he adds, the rest of the world works off density rates, so CzarLite XL allows importers to work with one rating system throughout the shipment.

He calls the transition an “evolution, not a revolution,” but says such analytical tools are vital to stay ahead of the curve.

“As the Panama Canal widens, and more traffic moves into the East Coast, we want to be prepared to move to a density-based rating,” he says. “The approach will enable global entities to simplify their transportation processes.”

The Long View

Jim Syfan, CEO of Syfan Logistics, has watched Georgia’s place in the logistics arena mature and grow over many years. The company started in the poultry business where, Syfan says, executives and employees learned the importance of communication and punctuality.

The Syfan family—Jim Syfan and his two sons, Greg and Steve—now own and operate Syfan Logistics, a full-scale, asset-based logistics management company based in Gainesville, Ga., just north of Atlanta. “We operate like a large successful corporation with the heart of a family business,” says Syfan, who worked in the transportation brokerage industry for nearly one decade before launching his original company in 1984 along with his wife, Gloria, and two sons.

With a professional staff of more than 150 employees, Syfan Logistics serves high-demand shipping needs for temperature-controlled, dry or flatbed loads with on-time pickup and delivery throughout the continental United States, Mexico, and Canada.

With its long history of professional involvement in business and trade associations such as the Transportation Intermediaries Association, Syfan Logistics is recognized as “An American Tradition in Transportation.” The company maintains its own fleet of Syfan Transport trucks, providing shippers

with flexible and convenient equipment options and availability.

Armed with the insights drawn from his history in the industry, Syfan recites Georgia’s long litany of logistics advantages:

- Georgia has a high availability of freight coming into and out of the state, providing tremendous opportunities for transportation logistics companies. Many other states do not have as much opportunity. Georgia is strategically located as a crossroads for all major transportation corridors—land, air, rail, and sea.

- Atlanta’s Hartsfield Jackson International Airport provides air service to six continents and has nearly two million square feet of cargo handling space.

- The state’s two deepwater ports,

the poultry, seafood, confectionary, cereal, and soft drinks industries.

The company also serves the largest package-delivery companies in the world, along with all expedited divisions of America’s major automotive manufacturers. UPS recognized Syfan Logistics as one of its top partners during the past two Christmas seasons.

Syfan Transport has four specialized divisions for hauling dry, refrigerated, expedited, and dedicated freight. The company’s Freight Management Services (FMS) provides a new pathway to cost savings for its clients. “Our sophisticated McLeod software and training can help customers trim upwards of 10 percent off their freight costs,” Syfan says.

The company operates web portals that customers can access to track the status of their freight. All Syfan trucks have

“Georgia’s logistics infrastructure saves time and money by seamlessly connecting air, sea, and land transportation.”

—ROBERT MORRIS, Senior Director, Corporate Communications, Georgia Ports Authority

the Port of Savannah and the Port of Brunswick, make the most of Georgia’s waterway advantage.

- Georgia’s highly developed highway system provides nearly 1,200 miles of interstate highways, as well as an intricate state highway system.

- Georgia has nearly 5,000 miles of railway tracks, allowing freight to be moved easily throughout the state.

“This combination of transportation avenues makes Georgia a major market for intermodal service,” Syfan says, adding that Syfan Logistics is strategically located to take advantage of the airport in Atlanta and the ports in Savannah and Brunswick, as well as the major rail and highway systems.

With its strategic location and familiar access to major transportation corridors, the company works extensively with the nation’s largest foodstuffs companies in

GPS and the company can track brokered trucks with Macro Point technology on the trucker’s smartphone. In 2016, Syfan Logistics is investing in additional equipment and expanding its over-the-road fleet of Syfan Transport trucks.

Right Place, Right Time

“We couldn’t be in Georgia at a better time,” says Jeff Lantz, president of C.L. Services, Inc. (CLS). The Atlanta-based company moves shipments both nationally and internationally, and specializes in dry van, flatbed, and temperature-controlled truckload services throughout the United States, Canada, and Mexico.

Georgia’s ongoing logistics enhancements, especially the airport community and port expansions, open up a huge gateway for easier and more cost-effective transportation solutions.

“We take advantage of these

A large warehouse with high ceilings and blue metal shelving units filled with boxes and pallets. In the foreground, a blue and grey forklift is moving a pallet of white bags with yellow labels. The forklift has "HWC LOGISTICS" and "www.hwlogistics.com" written on its side. The operator is wearing a dark uniform and is driving the forklift towards the right.

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enhancements by strengthening our relationships locally, and by offering more regional transportation services,” Lantz says. “That means everything from moving regular truckloads to intermodal to containers to warehousing.”

Georgia’s ideal location put the company on the road to success from the start. “Our average length of haul is 750 miles,” says Russ Caudell, the company’s chief financial officer, who co-founded CLS with Lantz in 1997.

“Our vision was to create a financially sound company built around taking care of our clients and our employees,” says

the company’s 54 employees. “We pride ourselves on providing our shippers and carriers with a high level of service and communication,” Caudell says. “We like to say that we are large enough to serve you and small enough to know you.”

That translates into a Prospanse® company culture. CLS trademarked the term to describe its “proactive and responsive” approach to clients, carriers, and employees. Atlanta-based CCA and B—the Elf on the Shelf® company—is one CLS client who enthusiastically testifies that the approach works.

“We operate in a seasonal market,” says

process,” Lantz says. “In return, the chosen carriers receive a valued brokerage partner that can keep trucks loaded and rolling in the specific lanes they request.”

Numerous freight opportunities are available for everyone from single owner-operators to mega carriers. The company offers LTL and full truckload services, including temperature-controlled and expedited. It also offers intermodal and drayage, warehousing and transloading, real-time updates, and container tracking. Equipment types include standard flatbeds, step decks, lowboys, removable goosenecks, and extendable trailers.

“We are built on a strong foundation and we are set for growth,” says Lantz. “As owners, we have the flexibility to deal directly with clients. As private owners, we are accessible and flexible. We’ve also introduced new management software to make our external processes more collaborative with vendors and clients.”

Tapping into Technology

CLS operates in a debt-free environment, allowing the company to continually upgrade its technology, says Caudell. Its technology innovations are yet another outgrowth of the state’s logistics assets. “Georgia offers a number of incentives for companies to take advantage of new technology,” he says.

Shippers can track their shipments and carriers can see available shipments, upload available equipment, and check status of payment.

Lantz and Caudell see more growth ahead, pointing to Georgia’s job-creation incentives, especially employment opportunities for veterans, as prominent signposts for continued success.

“These are exciting times in Georgia,” says Lantz. “When you look forward to the next 10 years, and factor in all the companies and corporations moving back to the United States, and specifically to Georgia, many exciting opportunities are yet to come.” ■

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C.L. Services uses its trademarked term Prospanse to describe its “proactive and responsive” approach to clients, carriers, and employees.

Lantz. The co-founders say they have been able to attract and retain outstanding employees, thanks in part to the advantages provided by superior logistics education opportunities in the region.

Caudell cites Georgia’s major universities as important assets of the state because of the highly acclaimed transportation programs they offer. Among them, he cites Georgia Southern University, University of Georgia, Clayton State University, Kennesaw State University, Georgia Institute of Technology, and the University of West Georgia.

An extensive carrier network augments

Oy McPeters, CCA and B’s logistics manager. “We have one shot to get it right. We have to work with a broker that knows our needs, and can gear up with our seasonal volume. CLS does the job for us.”

For carriers, the CLS approach means timely payments. As a member of the Transportation Intermediaries Association, the company has a \$100,000 TIA surety bond in place. Lantz and Caudell say they are continually looking to grow the company’s carrier network.

“We are always looking to establish long-term relationships with carriers that can pass our rigorous due diligence

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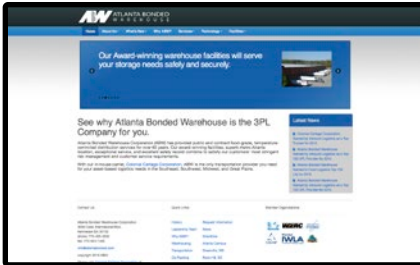


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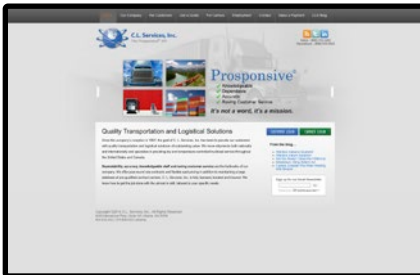


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The Atlanta Logistics Connection is a networking group that helps to improve both international and domestic logistics professionals' growth. This is done through networking events, social activities, and education workshops and discussions. Anyone who touches logistics is welcome and encouraged to participate. The group's mission statement: Enriching Global Professionals Through Education in a Social Environment.

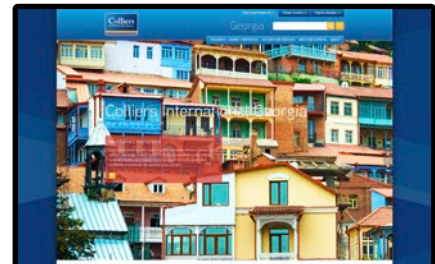


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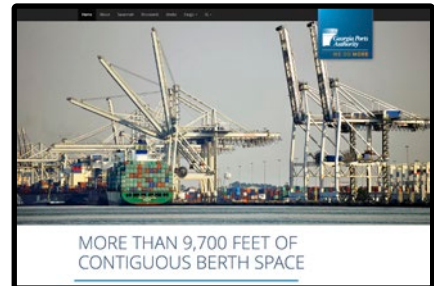


Georgia Center of Innovation for Logistics
<http://logistics.georgiainnovation.org>

The Center of Innovation for Logistics is the leading statewide resource for fueling logistics industry growth and global competitiveness. The Center works to address the needs and opportunities of companies of any size involved in logistics and freight transportation – both providers and heavy consumers of logistics services. The Center provides industry knowledge and technical expertise, and connections to state resources in research and innovation. And it joins together an extensive cross-sector industry network.

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.



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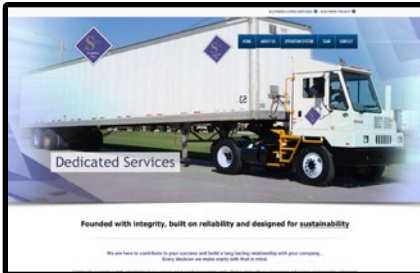
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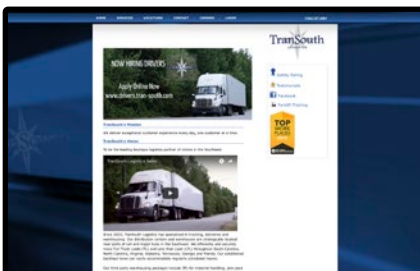
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TranSouth Logistics specializes in trucking, deliveries and warehousing, offering efficient and secure TL and LTL transportation throughout South Carolina, North Carolina, Virginia, Alabama, Tennessee, Georgia, and Florida. Established backhaul lanes can easily accommodate regularly scheduled moves. Third-party warehousing solutions include materials handling, pick-pack operations, light assembly, product storage, and consignment for both domestic and international suppliers.



Transportation Club of Atlanta • www.transportationclubofatlanta.com

The oldest transportation club in the country, the Transportation Club of Atlanta promotes greater knowledge of transportation and logistics among its members by discussing transportation-related matters at all regular meetings. The club also actively promotes academic and practical transportation advancement by providing scholarships to students who are interested in making transportation a lifetime career.



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One key step to finding answers to any logistics, supply chain, or technology challenge is knowing the right questions to ask.

Inbound Logistics assembled a team of supply chain and logistics technology leaders, and asked for their perspectives on the important logistics challenges and opportunities impacting your business.

More importantly, these logistics thought leaders can give you guidance when considering improvements to your business processes.

THOUGHT LEADERS

86 **GEORGE KONTORAVDIS**
President, Fortigo

88 **EDWARD D. GREENBERG**
Esquire, GKG Law, P.C.

87 **MICHAEL KUKIELA**
Vice President, Supply
Chain Management,
Schneider

89 **CHUCK FATTORE**
President
RR Donnelley Logistics

Leveraging Collaborative Logistics for Increased Visibility

Q: How can value chain partners cooperate to create and share efficiencies?

A: Significant efficiencies can be realized across the supply chain when all stakeholders (enterprise, vendors, carriers) can collaborate in real time through a standardized logistics execution platform. This type of interaction is also known as collaborative logistics.

The cornerstone of collaborative logistics is timely visibility. Data about orders, inventory, transportation, and spend need to all funnel into a common denominator big data repository and be readily accessible. A Web-native execution platform lends itself to the collaborative logistics execution model as it is meant to operate on the edge of the enterprise. Considered high tech for its complicated logistics algorithms in the back end, and low tech for ease of use on the front end, this type of solution empowers any stakeholder in the supply chain. As you start collaborating with a carrier agnostic system here is what you can expect:

- Visibility into transportation orders, purchase orders, shipments, exceptions, invoices, and spend
- Real-time monitoring
- Real-time reporting. No waiting for reports or data to be input
- Live. If it is happening, you know about it
- Everyone in the supply chain is collaborating around the same data

The benefits of a collaborative shipping strategy include:

- Increased visibility and collaboration
- Reduced transportation spend
- Better capacity utilization with better rates
- Improved trade compliance
- Streamlined carrier base – leading to better rates
- Shipper accountability
- Vendor accountability and compliance reporting
- Vendor charge-backs

Q: When choosing a transportation shipping management platform to enhance cooperation along the supply chain, what should shippers consider?

A: A transportation management system should be easy to use, but powerful enough to handle the wealth of data that is processed when making efficient and cost

effective shipping decisions. Select a cloud-based platform that is accessible through a web browser instead of one that requires software to be loaded on premise.

A Web-based solution ensures that everyone in the supply chain with a login and password can collaborate. Users save time by performing functions through the system that today are handled manually via phone, fax, and email. This new way of operating through a TMS standardizes company processes, reinforces practices and rules across the organization and across the entire supply chain, and provides great savings. Today's cloud-based technology can help supply chain managers streamline their processes and save significant time, costs, and resources.

Look for these features while considering moving towards an online TMS solution:

- Load tendering capability
- Global visibility into shipping status
- PO issue tracking and reporting
- Carrier portal and vendor portal
- Ready PO data
- Load planner dashboard
- Exception management and alerts
- Mobile ready

Fortigo | 866-376-8884
georgek@fortigo.com | www.fortigo.com



GEORGE

President
Fortigo

KONTORAVDIS, PHD

Improve Your Supply Chain's Stability During the Next Procurement Event

Q: Why is now the right time to consider a transportation procurement event?

A: The transportation industry consistently faces capacity volatility, demands for improved service, and relentless focus on cost containment. Two years ago, shippers witnessed on-time delivery fall as low as 80 percent while the spread between contracted and spot rates exceeded 25 percent. In 2015, capacity began to balance, intermodal and truckload service improved and primary carrier utilization was once again in the mid-90 percent range.

As we begin 2016, many carriers have restarted solicitation campaigns to generate additional volume while requests for price adjustments received by shippers have eased. Additionally, the amount of spot volume within the market is down over 60 percent from a year ago and the current spread between contracted and spot rates is less than 10 percent. The current “shipper friendly” cycle will transition into a turbulent capacity environment in late 2016 and 2017 as regulatory changes are realized.

Now is the right time to improve your supply chain's stability, scalability and resiliency. Transportation providers are seeking collaboration with shippers as their networks have also experienced significant change. Both parties are focused on pending regulatory changes that will place greater tension on the industry and likely lead to a constriction of capacity similar to what was experienced in 2014.

new providers and establishing EDI also add considerable time.

There are experts with tools that allow sophisticated scenario-based analysis and optimization capability. This analysis is critical to explore options for a solution and for weighing the value of each option.

Many shippers choose to utilize a logistics provider to help guide them through the complexity of the process, mitigate risk and advise them on carrier selection. A logistics provider will provide business insight, transportation expertise and benchmarking capability through experienced professionals and proven processes and technology.



MICHAEL

KUKIELA

Vice President,
Supply Chain Management
Schneider

While remaining market-competitive on price is important, we believe there is real value in working with key asset-based transportation providers to re-balance their capacity and meet shippers' long-term needs. The objective is to have a balance triangle of cost, service and capacity over the next two years vs. the next six months.

Q: How is a bid process executed?

A: For network events, the duration can last between 14-60 days and includes numerous interaction points between the transportation provider(s) and the shipper's procurement team. Additionally, contracting with

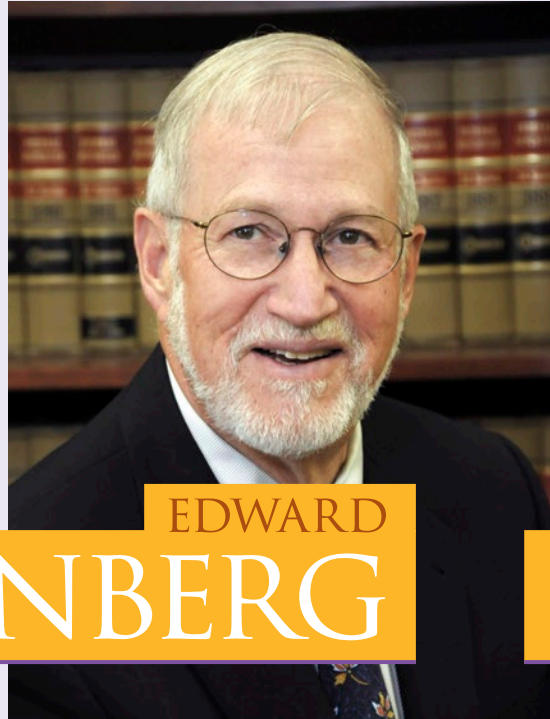
The procurement process is critical to overall supply chain integration and success. Implemented and managed effectively, it aligns an entire team around a common strategy, objectives and key deliverable targets. It also encourages dialogue and collaboration with transportation suppliers, which fosters a “shipper of choice” environment. Most importantly, it supports the long-term needs and health of a complex and dynamic network.

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Demurrage and Detention Charges: Are They Equitable?

Q: Given recent port congestion, stoppages, and increasing vessel sizes, what impact does that have on the equitable assessment of demurrage and detention charges?

A: It is the responsibility of the carriers and the ports to make cargo available to the shipper before there should be any consideration of beginning the free time clock and assessing demurrage and detention charges. It appears, however, that the carriers and ports have seemingly tended to automatically assess demurrage and detention without regard to whether congestion, labor slowdowns, shortage of chassis, shortage of truckers, or carrier operating practices have made it difficult or impossible to move containers into or out of the port area. Yet these problems are largely attributable to the



EDWARD

D. GREENBERG

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actions or inefficiencies of the carriers and the ports rather than cargo interests, so that there is little that is equitable concerning this issue at many ports.

Q: What action can Washington take to address these issues?

A: The Federal Maritime Commission (FMC) has significant authority to address these issues. And, the National Customs Brokers and Forwarders Association of America recently called for the agency to initiate a Fact Finding Investigation, and that would be a good start to dealing with the problem.

Under the Shipping Act, carriers and the ports are required to establish and observe reasonable practices. It is hard to see how publishing tariffs that purport to abdicate carrier responsibility for delay is anything but unreasonable. Even assuming demurrage and detention is appropriate under circumstances of this nature, the levels of demurrage being assessed are often unconscionably high and appear to serve primarily as an additional revenue source for the carriers. In short, while demurrage and detention charges are intended to encourage the efficient use of carrier assets, today this seems

primarily to be used as an additional source of carrier and port revenues. Worse, their inefficiencies are actually rewarded. The FMC has the authority to look into this, and issue orders that stop or at least ameliorate these problems. Indeed, the agency can order carriers to pay reparations back to those shippers that paid charges that are ultimately found to be unreasonable.

Q: What can the shipper community do to address this continuing and growing challenge?

A: Just as the shipper community got together to push Congress and the White House to intervene in the West Coast labor issues, they should make their views known to the FMC so that this is not treated as a “business as usual” type of issue. Otherwise, the carriers and ports will have no incentive to deal with their inefficiencies and vessels will continue to get larger without any rational plan on how to ensure that the cargo can efficiently move on and off the ships without unduly taxing cargo interests.

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egreenberg@gkglaw.com | www.gkglaw.com

Realizing the Power of a Leveraged Platform

Q: How can today's manufacturers deal with increasing regulations, demand volatility, and shifting global trade currents?

A: One way a manufacturer can mitigate the effects of increasing regulations and demand volatility is by working with a third-party logistics (3PL) provider with a leveraged platform. When a 3PL provider utilizes a leveraged platform, it is employing the same best practices to manage its own supply chain needs as it uses to meet the needs of its client base. Benefits include consistent and sizeable freight volume and expertise regarding the impact of logistics on a business overall.



CHUCK

FATTORE

President
RR Donnelley Logistics

A leveraged platform is also likely to have a global transportation network, strong carrier relationships, and simplified pricing to help manufacturers cost-effectively manage domestic and international shipping and distribution needs. Also, advanced transportation management systems employed by providers with leveraged platforms simplify less-than-truckload management by allowing shippers to easily compare competitors and gather reliable quotes for the most cost-effective rates. Shippers can leverage a transparent, technology-backed network to control shipping costs while streamlining the logistics management process.

Q: What innovative sustainability initiatives also increase efficiency in logistics?

A: According to *T&L 2030*, a series of studies produced by professional services firm PwC, supply chain stakeholders are expected to support sustainability goals of the other parties in the shipping process. With this in mind, successful companies identify, measure, and continuously improve efficiencies associated with consumption and use of energy and other resources. In logistics, companies can join the EPA's SmartWay Partnership to promote energy efficiency throughout their shipping activities. The Partnership brings key freight shippers, trucking companies, railroads, logistics companies, and trade/professional associations together to follow mutually advantageous efficiencies.

Q: Why do companies have such a hard time embracing global trade management?

A: One reason is the ever-increasing complexity of global trade management. This can be mitigated by using a single-source 3PL provider that understands how to put both domestic and international distribution systems to work for its customers. The experts who man such interconnected global networks deliver deep, valuable and actionable insights on the best ways to deliver freight to its final destination. A 3PL provider often has extensive knowledge of U.S. and foreign requirements and regulations, which helps reduce the amount of time spent managing customs, duty/tax calculations, and other transportation requirements.

Another reason organizations experience challenges with global trade management is the lack of visibility into the supply chain. Shippers often seek increased visibility into their global shipments. A leveraged platform with technology-backed solutions can be used to gain a complete understanding of shipping and delivery trends that impact project outcomes. These tools let shippers view tracking information in real time and seamlessly trace shipments to know exactly where freight is, no matter what stage of the delivery process.

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BY MERRILL DOUGLAS

THEY MIGHT BE GIANTS

E-commerce and
logistics technology
help small and
midsize businesses
compete like the
big guys.

90 Inbound Logistics • March 2016

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Like giant corporations, small and midsize businesses (SMBs) have to deliver outstanding products and services, stay ahead of the competition, and keep costs down. But in pursuing those goals, an SMB can't marshal the vast resources available to a General Motors or a Walmart. That's where e-commerce and information technology come in.

With the right IT, an SMB can compete in an increasingly e-commerce-centric world, gaining the speed, flexibility, and efficiency it needs to perform like a much larger organization.

The technologies behind e-commerce clearly make a tremendous difference: They let even a one-person venture reach customers around the world. Growing an e-commerce startup into the next Amazon, though, requires a sophisticated supply chain operation. No wonder so many IT systems focus on logistics.

Take freight transportation. "At many SMBs, the person handling shipping usually wears multiple hats and can be anyone from a warehouse or operations manager to a customer service lead, or even a receptionist," says Megan Orth, director of operations at Freightview, a cloud-based transportation management system (TMS) designed for SMBs. Freight management might start as a small part of that person's job, but as business increases, shipping swallows more and more of the day.

"In order to remain competitive, SMBs need a cost-effective way to scale their shipping operations in line with their growth," Orth says. IT makes that possible.

"Transportation management systems will be the way of the future," says Jeff Corte, an owner of the San Antonio franchise of third-party logistics (3PL) company Unishippers. Most SMBs, he adds, are not using a TMS today.

For SMBs that outsource to 3PLs, interfaces that efficiently pass data between the two partners are extremely important. "We have some e-commerce clients whose inventory volume is not necessarily heavy, but timing is critical," notes David Hastings, vice president of IT professional services at OHL, a 3PL based in Brentwood, Tenn. Tight data integration keeps things moving.

With the arrival of cloud-based, pay-as-you-go IT services, small companies gain high-tech benefits without paying big licensing fees upfront. "We charge per document and per order, and we don't charge until the system goes live," says Jim Barnes, CEO of Enspire Commerce, a

division of supply chain consulting and IT services firm enVista, based in Carmel, Ind.

Those are just a few examples. For a more in-depth understanding, let's see how a few small and midsize companies use e-commerce and logistics IT to level the playing field.

What's Small? What's Midsize?

A small business is one with fewer than 100 employees or less than \$50 million in annual revenue, according to research and advisory company Gartner. A midsize company is one that employs 100 to 999 people or brings in more than \$50 million but less than \$1 billion annually.

BIOZYME:

Quick Rates, More Freight

Operating from the very center of the United States can provide a logistical advantage. But for BioZyme, its St. Joseph, Mo., location also poses a challenge. To provide top service to all customers, the small company must stretch. “We don’t have a warehousing network across the United States,” says Chris Feiden, BioZyme’s supply chain director. “Our challenge has always been moving products coast to coast, and being timely.”

BioZyme produces nutritional supplements for livestock, and employs approximately 100 people. Although it sells mainly to distributors and dealers, it often ships product directly from its plant to its customers’ customers. Traditionally, BioZyme has served markets in the central United States, but today it’s a coast-to-coast business and is starting to serve Canada as well. Most shipments are less-than-truckload (LTL) freight.

BioZyme operates a public e-commerce site, but orders generally come through a custom-built e-commerce platform for established accounts. Registered users go to that site to place new orders and track existing ones. BioZyme’s sales representatives also use the tool to conduct transactions on behalf of customers.

Dealers often place orders to serve farmers who need the product right away. “We need to get the supplement to end users as quickly as possible, so their animals get healthier sooner,” Feiden says.

Speeding Up the Process

Taking a manual approach to carrier selection, BioZyme used to spend two or three days shopping for transportation for each load. “Customer service employees had to move from website to website to collect cost and service time information,” Feiden says. Once employees chose a carrier, they booked the load via email or phone.

Nothing about that approach moved quickly. “We were trying to process 30 orders every day, but that’s hard to do when you have to gather information from six, seven, or eight websites,” Feiden says.

Hoping to operate more efficiently, BioZyme implemented Freightview in July 2015.

Founded in 2013 and purchased by 3PL C.H. Robinson in 2015, Freightview was designed for SMBs that use multiple carriers or brokers, and ship five to 25 LTL shipments per day. It allows a company to quickly check an existing LTL carrier base to get quotes for an upcoming shipment.

Freightview uses application programming interface (API) technology to exchange data with each carrier the shipper uses. “We connect directly with an LTL carrier to immediately pull in



BioZyme manufactures nutritional supplements for livestock at its St. Joseph, Mo., plant. Moving those supplements to customers quickly is crucial to keep the animals healthy.

the shipper’s negotiated rate in an easy-to-use interface,” says Orth. “Our technology team works with carriers to make sure rates are flowing and updated in real time.”

One and Done

To get quotes, a user at BioZyme enters the consignee’s city, state, and ZIP code. If the customer is already in the system, those details pop up automatically. Then the user enters shipment details – for example, three pallets totaling 7,750 pounds. Freightview returns a range of options for shipping the load with different carriers, using BioZyme’s negotiated rates.

“Instantly receiving the shipment cost and service time allows us to make quicker and better decisions for our customers,” Feiden says. “If a carrier offers multiple service levels, such as standard and expedited, the system presents both options.”

Now it takes just one click to choose a carrier and book the load. “By turning a three-day effort into a few seconds, Freightview has greatly increased BioZyme’s efficiency,” Feiden says. “Instead of dedicating one person to booking freight, that work is now just a part of someone’s day.” A single employee books both LTL and truckload transportation.

This new efficiency helps BioZyme fill a growing number of orders without adding more staff. “In the past year, we grew by more than 20 percent,” Feiden says.

Freightview also produces reports that support BioZyme’s monthly performance reviews with carriers. The reports give carriers information they need to improve service and pricing and, in turn, build a stronger relationship with BioZyme. “The tool has enabled us to earn better discounts from our carriers, because I’m able to get better data into their hands,” Feiden says.

NUTRISYSTEM: Integration is the Meal Ticket

When Nutrisystem launched its weight loss program in 1972, it was a face-to-face operation. A customer on one of its nutritional plans stepped into a retail center each week to talk with a counselor and pick up a set of meals.

Then the Internet changed everything. In 1999, Nutrisystem closed its approximately 3,000 brick-and-mortar retail centers and embraced e-commerce. That move brought some distinct cost advantages. “We no longer had 3,000 storefronts with the expenses of rent, utilities, and people,” says Joe Boileau, vice president of fulfillment operations at Nutrisystem in Fort Washington, Pa.

E-commerce also helps Nutrisystem expand its reach beyond those customers who lived within a reasonable drive from a retail center. “At this point, we can get a package to any location within the United States,” Boileau says.

Customers still get personal counseling, now via web chat or by phone. And thanks to technologies deployed by Nutrisystem and its logistics partner, OHL, the company has been able to expand its offerings while fulfilling orders quickly and efficiently.

With \$403.1 million in revenues in 2014, Nutrisystem falls well within the definition of a midsize company. Most of its business today involves monthly parcel shipments to customers who subscribe to individualized meal plans.

One product line, Ready to Go (RTG), consists of all shelf-stable foods. OHL ships those for Nutrisystem out of DCs in Chambersburg, Pa., and Sparks, Nev. Nutrisystem also offers a frozen product line, which ships in foam coolers packed with dry ice from OHL facilities in Allentown, Pa., and Sparks. A single order might contain all RTG products or a combination of RTG and frozen.

In addition, Nutrisystem operates a retail channel, shipping five-day meal kits from OHL’s Bethlehem, Pa., DC to chains such as Meijer and HEB, and to McLane, a distributor that supplies Walmart.

OHL supports both the direct-ship and retail operations with *Synapse*, its proprietary warehouse management system (WMS). The system is integrated with pick-to-light technology from Lightning Pick, based in Germantown, Wis., in the four direct-ship facilities.

This integration simplifies the picking process. “It allows us to pick directly into the shippable container, so there’s

no double-handling, and it’s much more efficient,” says Hastings.

Synapse receives orders from Nutrisystem’s order management system through periodic electronic data interchange (EDI) transmissions. When an order is shipped — currently via FedEx — Nutrisystem gets an EDI confirmation. “Our system is updated with the tracking number, and time and date stamp,” says Boileau. “Then we close out that order and bill the customer.”

All Systems In Sync

Each direct-to-customer shipment contains 120 to 140 items, drawn from Nutrisystem’s 150 unique stockkeeping units (SKUs). Nutrisystem’s order management system, OHL’s *Synapse*, and the pick-to-light system all work together to get the complex orders out the door quickly and accurately, while giving customers flexible product options. “Reporting is in place on both the *Synapse* and the Nutrisystem side, with dashboards to give us visibility to all the orders that both systems have open at any point,” says Boileau.

Retail orders, the bulk of which come from McLane, pass through a data portal provided by SPS Commerce of Minneapolis into Nutrisystem’s SAP enterprise resource planning (ERP) system and then out to OHL. At the same time, Nutrisystem transmits those orders to C.H. Robinson, which consolidates Nutrisystem’s LTL loads with freight from several other food companies to build full truckloads bound for McLane.

“C.H. Robinson and OHL then communicate to ensure that the truck goes out quickly,” Boileau says. “Once the freight is shipped, we get confirmation from OHL and *Synapse* back to SAP to trigger the billing of those orders to McLane.”



Most of Nutrisystem’s business involves monthly parcel shipments to customers who subscribe to individualized meal plans (pictured: one day on the program).

IMPLANT CONCIERGE: Shipping With Surgical Precision

Implant Concierge, a technology-based service for dentists, tripled its business in 2015, gaining customers across the United States and abroad. The 20-person startup could never have grown so fast without the service and technology partnership it formed with its 3PL, Unishippers. “They helped us build our business model,” says Amber Green, business and financial manager at Implant Concierge.

Headquartered in San Antonio, Texas, Implant Concierge serves general dentists who want to perform implant surgery themselves, rather than refer patients to oral surgeons or other dental specialists. Based on CT scans and a physical impression of the mouth, provided by the dentist, Implant Concierge develops an individual treatment plan for the patient. It then uses CAD/CAM software and 3D printing technology to fabricate a patient-specific surgical guide.

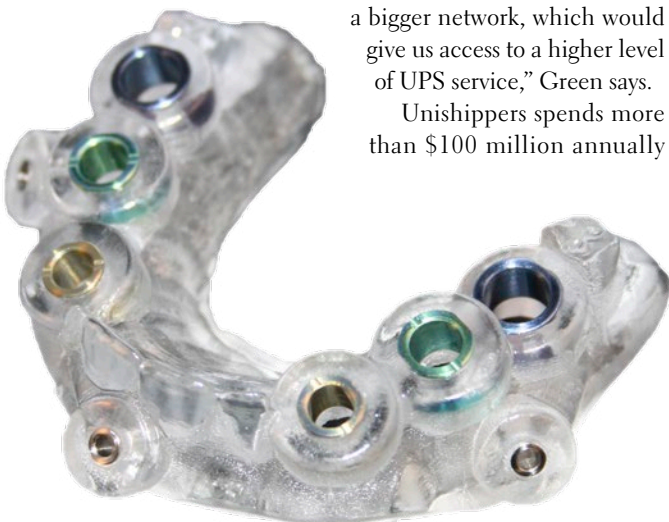
That guide fits in the patient’s mouth during surgery, ensuring that the dentist will position the implants precisely and efficiently, using minimally invasive techniques. If needed, Implant Concierge also rents the dentist a kit of instruments, color-coded to help the doctor quickly find the right tool for each step in the surgery.

A Website With Teeth

Implant Concierge uses its own website to conduct transactions with customers, including online meetings between each dentist and a 3D case coordinator. The service relies on both data uploads (CT scans, for example) and parcel shipments (physical impressions, surgical guides, and instrument kits).

Implant Concierge first turned to Unishippers because of the 3PL’s considerable leverage with UPS. “We knew that joining with them would allow us to be part of a bigger network, which would give us access to a higher level of UPS service,” Green says.

Unishippers spends more than \$100 million annually



Implant Concierge ships customized surgical guides to general practice dentists for use in implant surgery.

with UPS. “We leverage that buying power across 50,000 clients to get national account-type pricing for small and midsize businesses,” says Corte.

Parcel shippers obtain pricing and print shipping labels through the Unishippers website, which is linked, in turn, to UPS’s technology. But thanks to Unishippers’ *PriceLink* API tool, a company can also request and display its negotiated UPS rates on its own e-commerce site. Unishippers has integrated its shipping tools into the Implant Concierge site. The company’s employees and its dentist-customers use that interface to prepare their shipments, print shipping labels, and track parcels.

That integration has made shipping easier, faster, and less

Joining with Unishippers allowed us to be part of a bigger network, and gain a higher level of UPS service.

– **Amber Green**, Business and Financial Manager, Implant Concierge

error-prone, Green says. Unishippers also used its technology to develop a new process for Implant Concierge that produced even greater improvements.

In its early days, the company struggled with the fact that after surgery, many dentists were slow to return their rented instrument kits. “We penalized them \$25 a day for not returning the kits,” Green says. Dentists disliked those charges, and other dentists were forced to wait for kits they had ordered. “This was affecting our brand,” she adds.

Green asked Unishippers to automate the return shipping process. Today, when Implant Concierge ships a surgical guide and instrument kit, the software prints not just a label for that shipment, but also a return label. In addition, it prints a notice saying that a UPS driver will pick up the return package the day after surgery, by 4 p.m. The software also makes that appointment with UPS.

The automated process relieves the dental practice of all shipping responsibilities. “They don’t have to find shipping materials; they don’t have to print labels; they don’t have to call UPS, think about it, worry about it, or be charged for it,” Green says.

By ensuring prompt returns, the new process helps Implant Concierge serve more customers without bulking up inventory. “It changed our inventory system, booking, and capacity for renting,” Green says.

Now that Implant Concierge also serves customers in Canada, the U.K., Australia, and other countries, Unishippers’ software selects the most effective international shipping service for each destination. “Our technology helps them produce all their customs clearance paperwork,” Corte says.

Automated shipping adds an extra layer of benefit to high-tech services that Implant Concierge offers to dentists. “The system is integrated and facilitated, which allows us to provide great service,” Green says.

PERFORMANCE BICYCLE: Big Wheel in Omni-channel Logistics

Midsized retailer Performance Bicycle competes in a fast-paced market by taking a customer-centric, fully omni-channel approach.

Headquartered in Chapel Hill, N.C., the company sells bicycles, cycling gear, and clothing from 105 brick-and-mortar stores in 20 states. It operates two e-commerce sites, Performancebike.com and Nashbar.com. It allows website customers to pick up their orders in stores, and it ships e-commerce orders from 40 of those stores, as well as from a DC in Chapel Hill and a third-party warehouse in California. In some cases, vendors drop-ship product directly to customers.

It takes sophisticated technology to keep product moving efficiently through all those channels.

The e-commerce sites run on the IBM *WebSphere Commerce* platform. “It’s the same platform that many large retailers use,” says Mike Starkey, senior vice president, information technology at Performance Bicycle. And Manhattan Associates’ distributed order management (DOM) system determines where to source items — from a DC, a store, or a vendor — to fill each order promptly and transport it cost-effectively.

“Getting product to the customer faster and reducing the freight on these orders keep us on par with or ahead of our competitors,” Starkey says.

Until recently, though, Performance Bicycle had a gap in its logistics technology portfolio. Whenever a new vendor agreed to drop-ship products on request, it took an inefficient manual process to set up that relationship in Performance Bicycle’s information systems.

Sales volume determines whether Performance Bicycle keeps a given item in stock or asks the supplier to ship it. “For example, a vendor will offer a jersey with the logo of every possible college or pro team,” Starkey says. “We don’t want to inventory every college in America for that jersey.”

For each vendor in the drop-ship program, Performance Bicycle had to establish a separate data gateway to transmit a daily inventory update to the DOM. “We had to build a file, set up an FTP (file transfer protocol) site for that vendor, transmit the file, and go through all the validation and testing to onboard that vendor,” Starkey says. The process took several days per vendor.

Approximately four years ago, Performance Bicycle implemented a managed services solution called Trading Partner Management from Enspire Commerce. Staff at Enspire now take charge of onboarding new vendors, and the company provides the technology to route orders to the right sources.

Data flows between Performance Bicycle and the vendor via

EDI or, if the vendor isn’t EDI-capable, via a web portal that Enspire provides. “If the vendor is EDI-capable, we manage all the messages, do all the translation from EDI to XML (Extensible Markup Language), and then back to Performance Bicycle’s legacy application,” Barnes says.

That service saves Performance Bicycle much time and effort. “Instead of developing point-to-point solutions to 50 vendors, we developed one connection to Enspire, and we let Enspire manage those gateways out to each vendor,” Starkey says. “It used to take us weeks to onboard a vendor. Now we do it in days.”

The new process also opens the door to more drop-ship relationships. “We strive to make it as easy as possible for our vendor partners, so they’ll consider doing it with us,” Starkey adds.



Performance Bicycle sells its products in 105 brick-and-mortar stores in 20 states, and operates two e-commerce sites. Sophisticated technology keeps products moving quickly.

Enspire’s consulting arm is currently helping Performance Bicycle re-engineer its ship-from-store strategy. That operation takes advantage of a solution from Montreal-based Aptos (formerly Epicor Retail Solutions). It uses Performance Bicycle’s point-of-sale systems, integrated with the DOM, to alert store employees when e-commerce orders are ready to ship, or when pick-up-in-store orders are on the way in.

For the near future, Starkey and his team are evaluating ways to further streamline IT systems and make them more efficient. “We’re working on some customer-facing improvements, and on simplifying some fairly complex systems operating under the covers,” he says.

Land of the Giants

Clearly, information technology saves time and money for SMBs, and helps them execute sophisticated logistics strategies to compete in the e-commerce arena. Not only does technology help to increase profits, but it also helps to fuel growth — perhaps even rocketing some of these companies past “small” and “midsize” and into the ranks of the giants. ■

INTERMODAL TRANSPORTATION: Rise and Shine

Intermodal use continues to grow and is earning its place in the spotlight as a way for shippers to optimize cost and mitigate risk.

By Sandra Beckwith



Rail intermodal continues to grow and to garner glowing reviews from users. Shippers select intermodal to move everything from raw materials such as grain and coal to manufactured goods including furniture and cars — plus produce and other food products. Long-haul freight transportation using rail and at least one other mode (typically truck) hit record volumes in 2015, with 13.7 million units moved — more than double the 5.9 million units shipped 25 years earlier in 1990, and about a 1.5-percent increase over 2014, according to the Association of American Railroads (AAR).

More evidence of growth: The number of intermodal containers and trailers used in 2015 was up 1.6 percent when compared to the same period the year before.

Will intermodal growth continue? Shippers think so, and say they expect to see that 1.5-percent increase in intermodal volume hold steady through the third quarter of 2016, reveals Wolfe

Research's 2015 *State of the Freight* report, based on a survey of more than 600 shippers.

The AAR attributes the growth in shipper use of rail intermodal over the past two decades to a number of factors. One is the railroad industry's investment in the future of intermodal. Railroads have spent tens of billions of dollars on the infrastructure and



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INTERMODAL TRANSPORTATION: Rise and Shine

equipment needed to support intermodal line haul and terminal capacity.

The rail industry's intermodal investments have focused on:

- Expanding or adding inland intermodal terminals designed to transfer containers between rail and truck.
- Building similar near-dock terminals for rail and ships.
- Adding track capacity and advanced signaling systems.
- Raising clearances along routes for double-stack trains.
- Adding new car types.
- Improving reliability by updating locomotive fleets.

Freight railroads were projected to spend \$29 billion in 2015 to maintain and expand their networks, notes the AAR in a 2015 report titled *Rail Intermodal Keeps America Moving*.

What's the Appeal?

In addition to infrastructure upgrades, shippers increased rail use in recent years for other reasons, including higher fuel prices for trucks, truck driver shortages, and concerns about the environmental impact of truck transportation. Because freight trains can carry the weight of several hundred trucks (the rule of thumb is that one rail car equals three truckloads), they are more fuel efficient and less harmful to the environment than truck-only shipping.

On the flip side, intermodal use does present some disadvantages. Chief among them is reliability. Most analysts advise against using rail for shipments that are time-sensitive. Also, intermodal is cost effective only when shippers meet certain volume and distance requirements.

"Shippers should be looking at intermodal as an option when a full truckload has to travel more than 500 miles, which is about a one-day travel time," suggests Wesley Ann Barton, director of intermodal marketing at CSX Transportation (CSXT) Intermodal, a subsidiary of CSX Corporation. CSXT offers rail combined with truck transportation in major markets east of the Mississippi River. The company partners with regional railroads to move shipments farther west.



In site selection decisions, the ability to ship by both rail and truck is high on the checklist.

— Gary McEntee, Principal,
The Ninigret Group

Shippers can save from 10 to 40 percent when shifting freight from over-the-road to intermodal, according to CSXT research. The amount saved depends on factors such as the markets involved and seasonality.

To help shippers determine if intermodal is a good fit, CSXT uses its proprietary *Highway to Rail (H2R) Optimizer* software, which reviews a company's shipping lanes to determine whether it can save money by converting a shipment to intermodal.

"About 96 percent of the companies we evaluate with the *H2R Optimizer* see an opportunity to convert to intermodal," Barton says. "What's more, because transportation costs comprise 63 percent of logistics expenses, supply chain managers see opportunities to zero in on that area to save money."

Living Up to Its Potential

Freight that moves between vendors, production facilities, and distribution centers tends to be a good candidate for intermodal, Barton says.

The Home Depot's cargo fits that description. The world's largest home improvement specialty retailer uses only intermodal or trucking to ship freight to and from its domestic vendors and distribution centers. That ladder you bought last week? Home Depot told the manufacturer how many ladders to ship to a distribution center, when to ship them, and what mode and carrier to use. A truck then moved the ladders from the distribution center to the store. Home Depot uses intermodal only for goods moving inbound from a vendor to a distribution center.



When U.S. Cold Storage chose the site of its new distribution and cold storage facility, it wanted access to two transportation modes, and viewed rail as a hedge against potential fuel cost increases.

The retailer's intermodal spend, which comprises one-third of its inbound transportation costs, has more than doubled over the past five years as the company has become more confident in rail's service levels. Still, rail reliability hasn't fully recovered from late 2013 and early 2014, when the country endured record cold temperatures and snowfall.

"Shippers are starting to regain trust in rail service levels, but they have not yet reached pre-2013 levels," says Ron Guzzi, Home Depot's senior manager of transportation carrier relations and sourcing.

Access to rail is also essential for Pacific Steel & Recycling, based in Great Falls, Mont., which is building a processing



Home improvement retailer Home Depot has more than doubled its intermodal spend over the past five years as rail service continues to improve.

Intermodal Transport: 7 Ways to Save

Want to cut costs when incorporating intermodal and rail transportation into your supply chain? Here's some expert advice:

1. Use a transportation management system (TMS). A TMS is supply chain management software that helps shippers select modes and carriers, and manage rates, load tendering, and freight payment. Platforms range from installed on-premise to hosted to Software-as-a-Service.

Nearly 80 percent of shippers responding to a CSX Transportation Intermodal survey use or are considering a TMS not only to manage costs, but also to improve access to information about transportation options, and better manage capacity and service requirements.

Shippers in the process industries who use automated railcar fulfillment software can also save money by improving efficiency. "If, for example, distributors want to have 12 railcars on location ready to go to fill an order, the software will determine that they may actually need to have 18 railcars in inventory—with three en route and three empties returning to keep an average of 12 on location," says Gary Neights, director of product management for Elemica, a global provider of supply chain solutions for the process industries.

2. Build relationships with intermodal transportation providers. "The key is in consultation," says Darren Field, senior vice president of intermodal at J.B. Hunt Transport, the largest domestic intermodal provider in North America. Sharing deadlines, budgets, and goals can help an intermediary match shippers with the best rail and over-the-road options, or help them adjust to changing market conditions.

"Shippers who have a long-term relationship with J.B. Hunt benefit from our continuous assessment of their business needs," Field says. "Once we learn a shipper's business, we can bring them opportunities to save money as they become available."

3. Bid your network annually. Home Depot bids both lane truckload and intermodal every year, and then runs cost comparisons. "If intermodal and truck costs are comparable, we look at how service is trending," says Ron Guzzi, Home Depot's senior manager of transportation carrier relations and sourcing.

4. Evaluate shorter lengths of haul for intermodal conversion. Shippers traditionally turned to intermodal rail for freight moving more than 1,000 miles. Today, however, infrastructure improvements mean that shippers can also evaluate moves that are 500 to 1,000 miles long for intermodal.

5. Assess your routes and modal options at least every six months. Situations change. Review your routes quarterly, if possible, to make sure you are using the optimal mode.

6. Leverage volume and regularity during carrier negotiations. "If you ship two to three times weekly in the same lane, you can negotiate a better rate with your carrier," says Michael Bahn, president of RR Logistics, a 3PL based in Rogers, Ark.

7. Use asset-based intermodal carriers to avoid the risk of container shortages. Home Depot contracts with service providers that own their containers, such as J.B. Hunt, as a way to manage the risk that boxes might not be available.

"If and when capacity gets tight, we want to deal with providers who control their boxes to ensure they can move our freight," says Guzzi.

INTERMODAL TRANSPORTATION: Rise and Shine

facility in Ninigret North Business Park in Syracuse, Utah, near Salt Lake City.

In addition to recycling metal that it sells back to steel mills, the company processes and distributes steel products. At the facility currently under construction, Pacific Steel will process steel coils into flat pieces that it cuts to size for manufacturing or fabrication customers. The company will use rail to ship the coils from steel mills to the plant; it will ship out the processed finished product by truck.

“We looked at where the raw material comes from, and knew we needed to use rail to reduce transportation costs,” says Ed Joyce, vice president of steel operations for Pacific Steel.

Small volumes and shorter distances will make trucking more cost effective for delivering finished product to customers. Packaging also plays a big role. “If product isn’t secured properly in a rail car, the plates can tumble down like a house of cards,” Joyce says. “It’s easier to put the products on pallets and strap them down on a flatbed truck. We can then unload using a forklift or overhead crane.”

While Pacific Steel found Salt Lake City a desirable site for its new facility for many reasons, including a strong manufacturing base and several interstate highways, access to a rail line was a must-have when it met with developer The Ninigret Group, L.C. to discuss the property.

Spurring on Progress

Ninigret already understood the growing importance of rail and intermodal service to its tenants. When United States Cold Storage (USCS) purchased 35 acres in 2013 to build a 230,000-square-foot distribution and cold storage facility, Ninigret worked with the storage company to build a rail spur to the Union Pacific Railroad. USCS wanted access to two transportation modes, and viewed rail as a hedge against potential increases in over-the-road fuel costs.

The Ninigret Group has continued its commitment to developing rail-served property. Convinced by its experiences with USCS and other businesses that rail is becoming an essential element in site selection, the firm acquired Ninigret

Depot, an 800-acre development with 10 miles of rail track near Salt Lake City in Tooele. Ninigret Depot is 25 miles to Union Pacific’s Salt Lake City intermodal facility; Ninigret North Business Park is 36 miles from it.

“The ability to ship by both rail and truck is on the checklist that planners use when they evaluate sites,” says Gary McEntee, principal, The Ninigret Group.

A western distribution center on a rail line is also attractive to companies bringing goods in from Asia by ship, McEntee says. Site selectors tell him that warehousing at West Coast ports can be cost-prohibitive, so they look for alternative sites farther east on the Union Pacific line.

“By locating DCs in a region such as Salt Lake City, with access to interstate hubs that reach other parts of the country effectively by truck, companies can import by super tanker, unload shipping containers directly onto rail at one of the West Coast deep water ports, and transport the containers to a more affordable facility on the rail line,” McEntee says. “From there, the shipment can continue by rail or truckload.”

Intermodal Resources

■ Rail intermodal primer.

Rail Intermodal Keeps America Moving, a whitepaper from the Association of American Railroads. bit.ly/AARpaper

■ Research roundup.

Access whitepapers and other information about intermodal at CSX Transportation (CSXT) Intermodal’s information site. www.Intermodal.com

■ **Free highway-to-rail assessment.** Via *H2R Optimizer* from CSX Transportation (CSXT) Intermodal. bit.ly/H2ROptimizer



Shippers can save up to 40 percent on transportation costs when shifting freight from over-the-road to intermodal, according to CSXT research.

Redman & Associates, a Bentonville, Ark., company that imports battery-operated toys and bicycles, realized it had to start doing things differently when it began spending \$8 million in freight annually to bring in scooters, pogo sticks, and battery-operated vehicles from China.

Rodney Redman, the company's executive vice president of operations, hired Michael Bahn, now president of Redman spin-off RR Logistics, LLC, to apply his 20 years of supply chain and logistics experience to make changes that included opening a warehouse in Los Angeles.

These changes saved the importer hundreds of thousands of dollars, says Redman. Soon, colleagues at other companies started asking them for help saving money on shipping and related expenses. So, Redman spun off RR Logistics to provide related services, including third-party logistics consulting. The typical customer is a small business without supply chain staff selling to a retailer; RR Logistics takes on the sales role for the manufacturer, and then makes sure that the product gets delivered to the retailer cost-effectively and on time.

Get the Lead Out

Managing the delivery is important to the firm. "If we sell the product, the worse thing we can do is not deliver that product and get it on the shelves," says Bahn.

Whether it's with the parent company's products or a client's, Bahn looks at shipping options to determine the best mode, and integrates rail when lead time allows.

"The biggest issue with choosing rail more often is lead time," Bahn says. "If we're shipping from New Jersey to distribution centers across the country, and the purchase orders don't come in on time, we aren't able to use intermodal as planned, and have to switch to truckload."

Whether rail offers a true cost savings for RR Logistics customers often depends on the drayage from the rail line to the destination distribution center. "If the DC is 100 to 150 miles away, it makes sense," Bahn says. "When there's a 350-plus-mile dray from the rail hub, moving over the road might be the best option."



An extensive existing rail system throughout the development makes the Ninigret Depot in Tooele, Utah, attractive to business tenants and industrial land buyers.

Some companies are exploring intermodal to manage risk. "When a trucking company has a capacity issue on a certain lane, shippers can develop a relationship with intermodal service providers to mitigate risk," explains Steve Vail, design lead at Manhattan Associates, an Atlanta-based supply chain commerce solutions provider. "Those relationships ensure they can get service even when capacity is tight."

Concerns about possible changes in truck driver hours of service are also encouraging shippers to explore intermodal transportation as an option to

alleviate their dependence on trucking, Vail notes. He also sees an increased use of intermodal in Miami and southern Florida, particularly for food products including canned foods, potatoes, and rice. While it's difficult to move trucks in and then out again loaded with cargo, shipments can be delivered easily and cost-effectively by rail from as far away as Seattle.

Shippers who leverage the best that intermodal offers—combining trucking's on-time reliability with rail's cost and fuel efficiencies—have options that help them meet their supply chain goals while minimizing risk. ■

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Whiskey, Bartender— And Make It Quick!

An automated storage and retrieval system, with a WEC chaser, keeps distillery operations flowing.



Outdated storage systems and technology can leave those involved in the business of making popular alcohol with a hangover that never seems to end. With the booze business booming, Buffalo Trace Distillery knew it had to update its storage and retrieval practices if it wanted to keep product flowing on time for its customers.

Buffalo Trace Distillery, a family-owned company based in Frankfort, Ky., dates back to 1773. As a fully operational distillery producing bourbon, rye, and vodka on site, the company has garnered more than 300 awards—including Brand Innovator of the Year at the Whisky America Awards 2015—for its wide range of premium whiskies.

With nearly 250 years of experience to call upon, Buffalo Trace knew it was time to update its systems to stay ahead of the game. The company was using 240,000 square feet of storage space spread across seven decentralized locations and one contractor location. Most of the space consisted of bulk storage with limited racking

systems. Pallets weighing 2,000 pounds were often stacked two-high, which resulted in damage if they sat too long.

The company selected and shipped most of the inventory from its main 51,480-square-foot distribution center (DC), where product tended to get in its own way before it was loaded on a truck.

“The same pallet could move nine times from the production line to the trailer outbound to the customer,” says Charles Harrison, distribution and traffic manager for Buffalo Trace Distillery. “Moving pallets from second-floor storage via floor openings to the loading dock was not efficient in terms of time, cost, and risk of damage during movement.”

A high-volume day meant moving even



more product around to replenish inventory at the main DC's prime restocking locations, generating more traffic and confusion. Buffalo Trace Distillery had to ensure these hiccups didn't keep customers from receiving product on time.

"Management researched and communicated with different automated storage and retrieval system (AS/RS) suppliers," Harrison says. "We chose Westfalia Technologies based on several benchmark visits to existing AS/RS operations.

"We also had opportunities to talk directly with plant managers operating Westfalia's AS/RS," he adds. "Discussions included Westfalia's ability to plan, construct, maintain, and provide customer service support, all of which were favorable."

Westfalia Technologies, based in York, Pa., provides automated systems for plants, warehouses, and DCs in a variety of industries, including food and beverage, chemical, industrial, and print and publishing. The company combines software and automated equipment to deliver turnkey solutions that meet specific operational needs. In addition to AS/RS, Westfalia's solutions include conveyors, case packing equipment, and the *Savanna.NET* warehouse execution system (WES).

"Buffalo Trace Distillery initially planned to build a standard warehouse using a conventional rack solution," says John Hinchey,



Buffalo Trace Distillery is one of the first spirits suppliers to use an AS/RS.

WHISKEY BUSINESS

Key features of Buffalo Trace Distillery's AS/RS include:

- Westfalia's Satellite technology, which provides the ability to maximize storage density with variable-depth storage lanes.
- *Savanna.NET*, a warehouse execution system that seamlessly integrates the AS/RS with Buffalo Trace Distillery's enterprise resource planning system, enabling real-time inventory accuracy and streamlined order processing.
- Buffalo Trace Distillery's products are securely stored. All pallets are triple-supported within the rack structure, eliminating pallet deflection/breakage and product loss.

vice president of sales for Westfalia Technologies. "After discussing the potential shortfalls of that plan, however, the company quickly realized the increased efficiencies it could gain by utilizing Westfalia's AS/RS and WES."

Distilling and distributing alcohol can be tricky and complicated, so Buffalo Trace Distillery had concerns that an automated system might not meet all its needs.

"The spirits industry requires distillers to track product by lot code and date," says Harrison. "The systems and processes they employ must provide immediate visibility and inventory information—including inventory tax status, and the ability to store tax-paid and in-bond material in alternating locations without co-mingling."

Drinking It All In

Westfalia made sure it had a thorough understanding of the distillery's operation so it could deliver a system that met all the regulatory and efficiency challenges.

"We spent considerable time analyzing Buffalo Trace Distillery's business and warehousing operations," Hinchey says. "As a result of that detailed analysis, we were able to develop an automated warehousing system with the right balance of throughput and storage to support Buffalo Trace Distillery's projected growth needs.

"Order accuracy, real-time inventory reporting, and the ability to rapidly turn trucks are key performance indicators that must be optimized to meet the spirits

industry's customer service demands," he adds. "Westfalia's AS/RS, combined with the *Savanna.NET* WES, provides Buffalo Trace Distillery with these capabilities, as well as efficient order processing to ensure the right products are retrieved at the right time to satisfy outbound orders."

Installing the AS/RS has significantly improved Buffalo Trace Distillery's internal distribution stream. The company now produces, moves, and tracks inventory via pallet, with barcode license tags attached. A trailer moves pallets from the production line to the DC's inbound dock, then forklifts move the produced inventory pallet across the 25 feet between the trailer and the AS/RS induction conveyor. The conveyor transports and delivers the pallet to one of 10,619 pallet storage locations. The pallet is positioned on its own platform, eliminating previous risks associated with double-stacking the pallets in storage.

When a customer's truck arrives at the loading dock to pick up an order, the dock coordinator inserts the trailer number and customer order number to the specific loading dock door into the warehouse management system, which automatically generates the commands to the storage system to select all full pallets associated with the order. The AS/RS always selects the oldest inventory, ensuring first-in/first-out processes are observed, resolving another problem that existed under the old system.

A crane transfers pallets from the storage location to a transfer car on the outbound



An AS/RS, integrated with a warehouse execution system, optimizes inventory management in the distillery warehouse.

conveyor. The transfer car can move two pallets at a time to three of 20 customer order staging lanes in front of the assigned outbound dock. Dock operators load and scan the pallet license plate from the staging lane, load the trailer, and close and seal the trailer doors after the driver signs the bill of lading.

A radio frequency pallet barcode both within the AS/RS and by the forklift

operator controls all pallet movements. Physical and system scans mirror one another during each transaction associated with the pallet to ensure shipment accuracy through a system of checks and balances.

Westfalia helped Buffalo Trace Distillery install the new system while maintaining a goal of not dropping a case. To achieve this, all existing inventory was entered into the system alongside new inventory without missing or delaying a customer order.

Another bonus: The new system unites the distillery's distribution operation into one 84,000-square-foot AS/RS facility, reducing overhead in many areas, including transportation, labor, and damaged product.

"The AS/RS significantly reduced our footprint, centralized operations, cut labor and equipment costs, and enhanced inventory security—all while reducing the number of transactions in the process," Harrison says. "The end result is a better product that customers receive quicker."

The relationship between Westfalia and Buffalo Trace Distillery looks like it was built to last. The AS/RS was developed with expansion in mind if Buffalo Trace decides to grow its operation further. "The final design gives Buffalo Trace Distillery increased storage capacity and operational efficiencies throughout its supply chain, ensuring sustainable growth for the long term," says Hinchey.

While most distillers still use antiquated methods similar to Buffalo Trace Distillery's old process, Westfalia's AS/RS represents a unique achievement, as Buffalo Trace Distillery is one of the first in the sector to implement such a high-tech storage system.

Sazerac Company, Buffalo Trace Distillery's parent, plans to implement similar systems to improve efficiency at some of its other subsidiaries. It is already implementing a second AS/RS at its Glenmore Distillery in Owensboro, Ky. ■

H-E-B **CVS**

SAFeway **TARGET**

SUPERVALU **Kroger**

Walmart

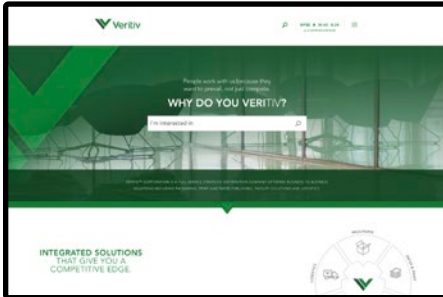
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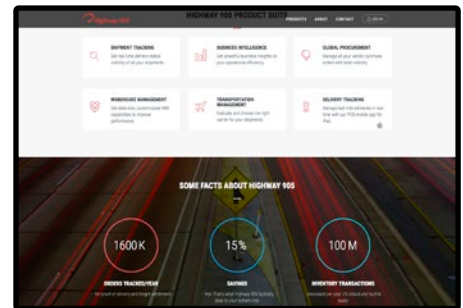
Veritiv Corporation • www.veritivcorp.com

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.

FREIGHT PAYMENT/AUDIT SERVICES

Highway905 • www.highway905.com

Is inventory management a high priority? Do you fulfill omni-channel orders? Do you face on-time delivery challenges? Do you manage VMI? Do you need cost-to-serve visibility to manage and optimize freight costs? Do you lack supply chain visibility? Do your IT systems have limited or no capabilities? If you answered yes to one or more of these questions, Highway905 is here to add value. Highway905 is a global supply chain solutions provider offering a cost-effective, scalable, and dependable cloud-based Supply Chain Execution (SCE) system. Call 908-874-4867 to speak to a specialist, and visit www.highway905.com for details.



GLOBAL LOGISTICS



Amber Road • www.amberroad.com

Amber Road's (NYSE: AMBR) mission is to improve the way companies manage their international supply chains and conduct global trade. As a leading provider of cloud-based global trade management (GTM) solutions, we automate and optimize the supply chain functions required to import and export goods: Collaborating with foreign suppliers on design and quality assurance; executing import and export compliance checks; booking international carriers and tracking goods as they move around the world; and minimizing the associated duties through preferential trade agreements and foreign trade zones.

American Export Lines (AEL) • www.shipit.com

American Export Lines (AEL) is an international freight forwarding and logistics company founded in 1974 specializing in import, export, and foreign-to-foreign global freight and logistics services including: ocean, air, land and rail freight, warehousing, NVOCC, project and heavy lift cargo, and customs brokerage services. AEL also offers logistics services into and out of "hard to reach" and/or "hard to ship", including destinations with complex import and/or export licensing requirements. With a network of reliable agents, an experienced staff, our own warehouses on the East and West Coast, and shipment visibility, AEL offers full-service, customized freight solutions to clients worldwide. To learn more, call 310-895-7192 or (Toll Free) 1-800-U-SHIP-IT (874-4748), or email sales@shipit.com



IN THIS SECTION:

Global Logistics



C.H. Robinson Worldwide, Inc. • www.chrobinson.com

Founded in 1905, C.H. Robinson Worldwide, Inc. is one of the largest third-party logistics companies in the world, providing multimodal transportation, fresh produce sourcing, and information services to more than 32,000 customers globally, ranging from Fortune 500 companies to small businesses in a variety of industries. For more information about our company, visit our website at www.chrobinson.com.

CT Logistics • www.ctlogistics.com

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

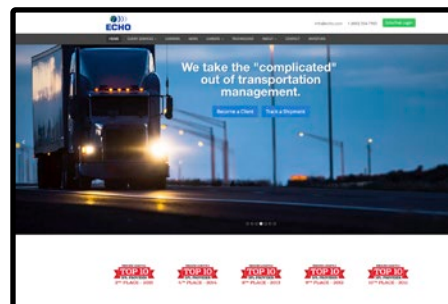


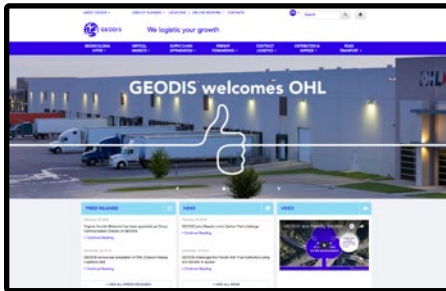
DB Schenker • www.dbschenker.com

DB Schenker strives to be the leading global provider of integrated logistics services. We provide solutions without complicated strategies. We utilize a structured methodology that is tested and proven to increase efficiencies, reduce costs, and protect our customers' supply chains. Yet this methodology is completely adaptable to each unique business situation. It's a balanced approach to realigning the customers' supply chain into the most productive unit possible.

Echo Global Logistics, Inc. • www.echo.com

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





GEODIS • www.geodis.com

With 5,500 people and a global network, GEODIS is one of the world's largest freight management companies, serving customers with integrated supply chain solutions that deliver cargo by sea and air. The company's expertise, value-added services, and e-services enable you to streamline the flow of goods. We also make your supply chain more transparent and easier to manage. A self-reliant network of offices, and air and ocean hubs in more than 50 countries, ensure that your cargo flows efficiently and consistently across the world.

Hyundai Merchant Marine • www.hmm21.com

Hyundai Merchant Marine (HMM) is committed to its customers, and you'll find evidence of that on its website, where you can book cargo, and access sailing schedules, bill of lading information, and arrival notices. HMM differentiates itself from other carriers by offering an array of flexible and accommodating services with many different types of vessels. The carrier plans to increase its fleet and focus on service diversification to establish a global network. Toward that goal, HMM emphasizes the carriage of special cargo, such as petroleum products, and continues to invest in new container terminals and inland logistics facilities.



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.

nVision Global • www.nvisionglobal.com

nVision Global is a leading international freight audit, payment, and logistics management solutions provider. With locations in North America, Europe, and Asia, our staff is fluent in more than 25 languages, and processes and pays freight invoices from more than 190 countries worldwide. Over the years, our customers have come to rely on our prompt, accurate Sarbanes-Oxley-compliant freight payment services, as well as our leading-edge information management analytical tools including global mapping, graphing, benchmarking, modeling, and network optimization analysis to help them manage their overall supply chain costs.



IN THIS SECTION:

Global Logistics - Logistics IT



Port of Halifax • www.portofhalifax.ca

Halifax is perfectly positioned to provide international shippers with rapid access to the eastern and central markets of Canada and the United States. It is one of the few ports on the East Coast of North America capable of handling fully laden post-Panamax vessels. Halifax is a multi-purpose port capable of handling every configuration of cargo, including container, ro/ro, bulk, breakbulk, and special project, heavy lift. The diversity of the port is accommodated through two container terminals, an automobile handling facility, and two common-user multi-purpose facilities.

RR Donnelley Logistics • www.rrdonnelley.com/logistics

Experience the benefits that only come from working with a major, global shipper that is also a top-ranked 3PL. We offer multiple transportation modes, an established multi-carrier network, volume-leveraged rates and service levels, along with technology-enabled systems and processes. Visit our website and contact us today to see why customers have relied on us for nearly 150 years.



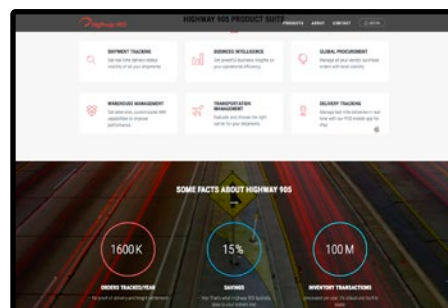
SEKO Logistics • www.sekologistics.com

SEKO prides itself on a commitment to customer service, whether it's a 2 a.m. pickup for a critical industrial part for a plant that is 4,000 miles away, or the cost savings achieved from proactive communication with your vendors overseas. SEKO offices have the knowledge and expertise to expedite or to consolidate, depending on your need. From Hong Kong to Amsterdam, SEKO knows how to serve its clients. As a non-asset-based third-party logistics provider, SEKO has the flexibility to meet your supply chain needs using a variety of modes and carriers.

LOGISTICS IT

Highway905 • www.highway905.com

Is inventory management a high priority? Do you fulfill omni-channel orders? Do you face on-time delivery challenges? Do you manage VMI? Do you need cost-to-serve visibility to manage and optimize freight costs? Do you lack supply chain visibility? Do your IT systems have limited or no capabilities? If you answered yes to one or more of these questions, Highway905 is here to add value. Highway905 is a global supply chain solutions provider offering a cost-effective, scalable, and dependable cloud-based Supply Chain Execution (SCE) system. Call 908-874-4867 to speak to a specialist, and visit www.highway905.com for details.





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.

PORTS

Jacksonville Port Authority • www.jaxport.com

JAXPORT is a top U.S. vehicle handling port, the No. 1 container port complex in Florida, and home to one of the nation's highest weight-bearing capacity docks. The port offers worldwide cargo service from dozens of ocean carriers with service to more than 100 ports in 61 countries. Located in Northeast Florida in the heart of the South Atlantic, minutes away from interstate highways and major rail hubs, your shipment is never more than a day away from 60 million consumers. Together, we can move your business further.



RAIL

Florida East Coast Railway • www.fecrwy.com

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



REAL ESTATE

**Prudential Real Estate Investors
www3.prudential.com/prei/main/index.shtml**

Prudential Real Estate Investors (PREI) is the global real estate investment business of Prudential Financial, Inc. Redefining the real estate investing landscape since 1970, PREI has professionals in 18 cities in the Americas, Europe, and Asia Pacific with deep local knowledge and expertise. PREI's tenured team offers to its global client base a broad range of real estate investment vehicles that span the risk-return spectrum across core, core plus, value-add, debt, securities, and specialized investment strategies.



IN THIS SECTION:

Temperature-Controlled Shipping - WMS

TEMPERATURE-CONTROLLED SHIPPING

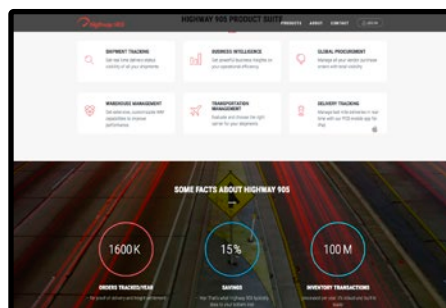


Seaboard Marine • www.seaboardmarine.com

Seaboard Marine is an ocean transportation company that, for more than 29 years, has provided direct, regular service between the United States and the Caribbean Basin, and Central and South America. With a fleet of more than 30 vessels serving over 35 ports, Seaboard Marine has steadily developed into a trade leader in the Western Hemisphere.

TMS

Highway905 • www.highway905.com



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TRUCKING

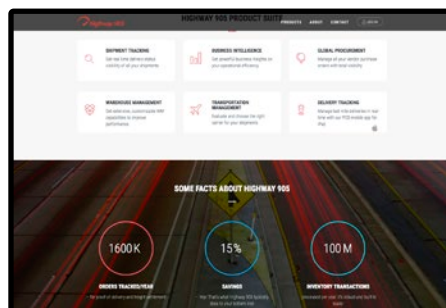


Saia • www.saia.com

For nearly 90 years, Saia LTL Freight has been providing customers with fast, reliable regional and interregional shipping. With 147 terminals located in 34 states, Saia LTL Freight offers a range of products and services that are backed up by a guarantee like no other in the industry. Our Customer Service Indicators, or CSIs, allow us to measure our performance each month against a set of six indices that our shippers said are the most important to them.

WMS

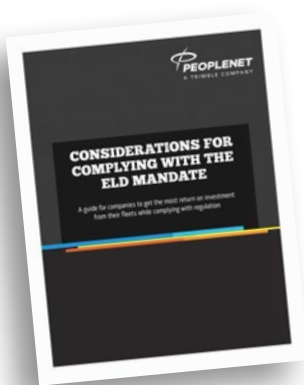
Highway905 • www.highway905.com



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WhitePaperDigest

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



PeopleNet

TITLE: *Considerations for Complying With the ELD Mandate*

DOWNLOAD: <http://bit.ly/1Up7vuX>

SUMMARY: Learn how to get the most return on investment from your fleet while also abiding by the Federal Motor Carrier Safety Administration's new mandate requiring the use of Electronic Logging Devices (ELDs) to log drivers' record of duty status. This whitepaper explores what the mandate entails, and the features and functions of ELDs. It also includes advice on how to successfully implement these devices into your existing systems.

BestTransport

TITLE: *TMS and the Reverse Supply Chain*

DOWNLOAD: <http://bit.ly/1Up7C9T>

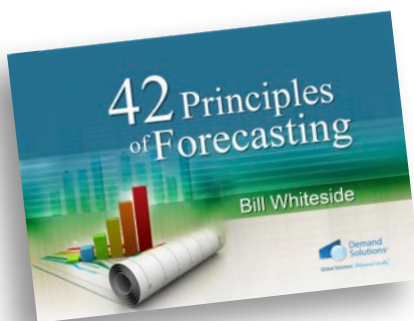
SUMMARY: Getting control over outbound freight is a top priority in today's supply chain. But many organizations fail to look at their inbound freight with equal scrutiny. Be it backhaul, customer returns, repairs, inventory replenishment, or incoming raw materials, using a TMS for your reverse supply chain presents huge opportunities for savings and optimization. Download this free whitepaper and learn about getting more control over your reverse supply chain and savings with Freight Management 2.0.

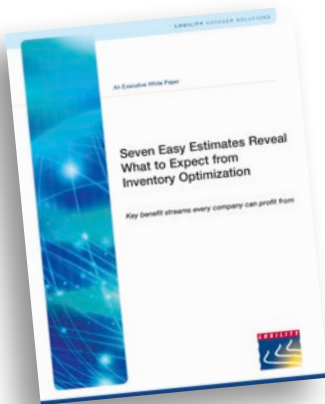
Demand Solutions

TITLE: *42 Principles of Forecasting*

DOWNLOAD: <http://bit.ly/1P2gTjg>

SUMMARY: Here's a light and readable e-book about forecasting, packed with actionable ideas and filled with links to additional resources. Forecasting is not an exact science, but it's not a game of chance either. It's a process that can be continually refined – with discipline, experience, and skill. If you add just a few of the ideas in this e-book to your current process, and apply them with diligence, you'll enjoy more reliable forecasts and a much more effective process.





Logility

TITLE: *Seven Easy Estimates Reveal What to Expect from Inventory Optimization*

DOWNLOAD: <http://bit.ly/1P2gRb2>

SUMMARY: Today's leading organizations know that right-sizing inventory investments, and restructuring where and how inventory is held, results in powerful financial benefits. This whitepaper provides a method to evaluate the potential financial impact of multi-echelon inventory optimization (MEIO) on your business. These seven areas will help you start the inventory optimization conversation and get your initiative prioritized. Download this free paper now to understand what drives your inventory optimization benefits.

C3 Solutions

TITLE: *The Internet of Things and the Modern Supply Chain*

DOWNLOAD: <http://bit.ly/1QvdkUb>

SUMMARY: You have probably heard the term Internet of Things (IoT) quite a bit in the past year. It is frequently mentioned in the same breath as supply chain, with the common observation that it will significantly impact supply chain operations. This whitepaper clarifies what is meant by the IoT, and identifies some ways in which it is expected to, or already is, transforming supply chain operations. It also offers some suggestions on how to best leverage IoT opportunities in your business.

Optoro

TITLE: *Sustainable Reverse Logistics*

DOWNLOAD: <http://bit.ly/1P2gRbh>

SUMMARY: This whitepaper sheds some light on the waste generated by retailers, and shows how much can be mitigated with more sophisticated software. Today, more than 50 percent of retailers still use inefficient, manual systems to track and manage returns. Products often pass through many hands before reaching a secondary consumer. But that doesn't have to be the case, as you'll read in this whitepaper. Optoro's environmental impact model can be used to calculate the impact of companies of any size, manufacturing any product.

Amware

TITLE: *Can Your Fulfillment Operations Scale?*

DOWNLOAD: <http://bit.ly/1QvdgUm>

SUMMARY: Growing companies don't think far enough ahead about the implications of growth on fulfillment operations. But that lack of planning can backfire if the sales engine outpaces the company's ability to fulfill orders. Fast-growing companies would benefit from a scalable, outsourced solution where space, automation, and labor adapt to growth requirements, where risk is mitigated, and where distribution costs parallel revenue. This e-book contains the details.





Mettler Toledo

TITLE: *Improving Food Safety Inspection of Bulk Food Products*

DOWNLOAD: <http://bit.ly/1QvdlY8>

SUMMARY: This new whitepaper explains how bulk food product inspection systems can help to protect the welfare of consumers, and reduce the risk of costly product recalls by eliminating physical contaminants. It also includes key points to take into account when using food inspection systems to help processors select the most appropriate system for their needs.

J.B. Hunt

TITLE: *Dwell: How Intermodal Terminal Congestion Impacts Capacity and Service*

DOWNLOAD: <http://jb.ht/WhitePaperDwell>

SUMMARY: The railroad industry is experiencing a congestion issue called “dwell” that, when combined with recent and forecast increases in rail volume, impacts capacity, service, and growth. Dwell is the period of time starting when a container is unloaded from the train and ending when the container has departed from the rail facility. This whitepaper examines the problem with dwell, and offers solutions.

C.H. Robinson

TITLE: *Wide Open: How the Panama Canal Expansion is Redrawing the Logistics Map*

DOWNLOAD: <http://bit.ly/1Up7E1w>

SUMMARY: How will the Panama Canal expansion in 2016 impact logistics? You’ll find the answers in this new whitepaper, published by C.H. Robinson in collaboration with Boston Consulting Group. Among the paper’s conclusions: The expansion could shift 10 percent of container traffic between East Asia and the United States from West Coast ports to East Coast ports; the battleground on which U.S. ports compete for customers will move several hundred miles west, to a region that accounts for more than 15 percent of GDP; and shippers and carriers will have to adapt their strategies and operations as logistics grow more complex.

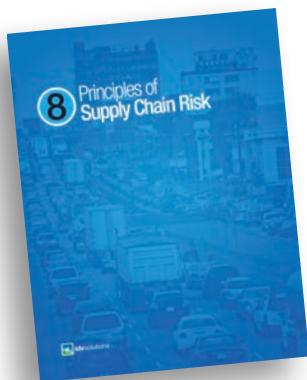


3PL Central

TITLE: *The Five Point Tune-Up For Your Warehouse*

DOWNLOAD: <http://bit.ly/1QvdfQq>

SUMMARY: Ready to make your warehouse smarter, stronger, and more profitable in every way? Then download 3PL Central’s latest whitepaper: *The Five Point Tune-Up For Your Warehouse*. Written by industry professionals, this guide was specifically created to help you catapult your warehouse to the next levels of performance and profitability. Download your free copy today.



IDV Solutions

TITLE: *8 Principles of Supply Chain Risk*

DOWNLOAD: <http://bit.ly/1Up7A1E>

SUMMARY: It is impossible to completely eliminate risk from your supply chain, but you can minimize exposure to risk with careful planning, tools, and processes to anticipate and manage risk more effectively. This free whitepaper is an accumulation of experiences documented to help guide companies as they mature their supply chain risk management program and make changes to proactively respond to and minimize the impact of risk events. Download this whitepaper to gain new insights into supply chain risk management.

BellHawk

TITLE: *Using Technology to Enable Rapid Growth of Make-to-Order Manufacturing Businesses*

DOWNLOAD: <http://bit.ly/1Up7wix>

SUMMARY: This whitepaper addresses the specific challenges faced by manufacturers who provide custom and semi-custom products to customer order. It presents an easy-to-understand example of a solution developed for a custom chair manufacturer, and discusses how real-time work-in-process and inventory tracking systems use technologies such as mobile computing, barcode and RFID data collection, cloud computing, and real-time artificial intelligence to improve process efficiency and boost productivity to achieve greater sales.

Relayware

TITLE: *A Quick Guide to High-Performing Partner Portals*

DOWNLOAD: <http://bit.ly/1Up7BTr>

SUMMARY: Are your supply chain partners passionate about your partner portal? It's essential that they are if you want to generate loyalty and increase sales. Your portal is the go-to source for most of your channel partner contact and information, so it needs to provide first-class support, tailoring partner experience to need, avoiding confusion and eliminating frustration. Download this quick guide, which provides best practices for building a successful partner portal.



Share your whitepaper with /L readers!

WhitePaper Digest is designed to bring readers up-to-date information on all aspects of supply chain management. We're building a database of SCM whitepapers, and you can help. E-mail us with whitepaper recommendations: editorial@inboundlogistics.com

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Samskip expanded its short-sea service network in Norway by adding Gjemnes as its 10th port of call in the country. The multimodal solutions provider added the port to grow its presence in the Nordic region and enhance efficiency. Port of Gjemnes is a transshipment hub, handling a large volume of coastal breakbulk and container vessel calls.

//Transportation//

CMA CGM launched the Med Gulf Ecuador service to provide a direct connection between the Mediterranean Sea, the Caribbean, the Gulf of Mexico, Colombia, and Ecuador. The new line is designed for banana exports, linking Ecuador, one of the world's largest banana producers, to Malta in 19 days.

Southeastern Freight Lines, a provider of regional LTL transportation services, now delivers door-to-door cross-border between Canada and the United States. The new service lets shippers trace shipments from pickup to delivery, under a single invoice.

Roadrunner Transportation Systems

made service improvements to its LTL freight network, including operating its own facility in Memphis, Tenn., to boost efficiency; moving into new facilities in Dallas and Houston to expand capacity; and providing shippers with better visibility. In addition, the company introduced a service with guaranteed delivery in major metro markets.

//Technology//

Omnitracs, which provides fleet management solutions to transportation and logistics companies, released *Omnitracs Roadnet Anywhere v3.9*, the latest iteration of its SaaS vehicle routing, tracking, mobile workforce,

telematics, and fleet management platform. Users can now optimize multi-day routes and draw geo-fences in additional custom shapes.

Lufthansa Cargo released its new app *Lufthansa Cargo eServices*, which provides shipment tracking and allows shippers to give direct feedback, including uploading images to the carrier. The app also offers an overview of all current bookings and enables access to shipments with high security requirements.

Bourque Logistics, a provider of logistics software, updated its *YardMaster Journey Truck* application by adding bulk and liquid product truck scheduling and tendering

capabilities. The new features enable shippers to communicate with all carriers via one system as well as improve overall terminal efficiency.

Retail software provider **Starmount** released *Starmount Store Inventory*, a new application designed to help retailers maintain accurate store inventory. The application lets retailers update inventory either through a real-time API or batch upload, eliminating count discrepancies and out-of-stocks.



Freight forwarder **UWL** added UWL FlexiTanks as a packaging alternative for shipping non-hazardous bulk liquid cargo. FlexiTanks transport 31 percent more liquid than totes and drums and are designed to reduce product loss and residue.



SHIFT Freight, an LTL carrier specializing in premium service, expanded coverage into five new states for inbound and outbound shipments, and added liftgate service for pickups and deliveries. SHIFT Freight now delivers inbound and outbound shipments throughout Missouri and Nebraska, along with portions of Kansas and South Dakota. The company also opened Arizona for inbound shipments from the Midwest and Southeast.

An advertisement for Silver Creek Trading Co. It features a cartoon illustration of a man in a red shirt and blue pants operating a yellow forklift. The forklift has "SILVER CREEK TRADING CO." written on its side. Above the forklift is the company logo, which consists of a circular emblem with a mountain range and trees, and the text "SILVER CREEK TRADING CO." around it. To the left of the forklift is the phone number "(360) 778-4162". To the right is the website "www.silvercreektrading.com". Below the forklift is the text "Let us help you move distressed goods". At the bottom of the advertisement is the text "We Buy and Sell Abandoned Freight, Dead Stock, and Surplus Goods".



BEUMER Group, a manufacturer of conveying, loading, palletizing, packaging, sortation, and distribution technology, introduced the Rota-Sorter, a flexible sortation system that can handle different types of items such as bags, polypacks, or packages. The Rota-Sorter system can process up to 5,000 products per hour, and uses a special discharge technology to ensure gentle handling and reduce damage rates.

MercuryGate International, a TMS provider, integrated its system with *DAT Onboarding*, a carrier onboarding product from DAT Solutions. The integration allows MercuryGate users to quickly bring on new carriers without leaving the MercuryGate application.

Hermes, an e-commerce services provider, released *Smartful*, an omni-channel solution for fashion and lifestyle companies. *Smartful* gives U.S.-based companies access to the international, full-service options that Hermes previously only made available to large online retailers.

UPS upgraded *Flex Global View*, a supply chain information tool for UPS freight forwarding customers. *Flex Global View* provides visibility into transportation, customs brokerage, supplier management, and warehousing/ fulfillment activity.

// Services //

The **Massachusetts Institute of Technology's Center for Transportation & Logistics** partnered with the government of Ningbo, China – home of the world's busiest port – to create a global center for supply chain education and research. The new center joins the global MIT Supply Chain and Logistics Excellence network, which includes centers in Colombia, Spain, Luxembourg, and Malaysia.

Transplace, a provider of transportation management services and logistics technology, developed a Preferred Shipper Checklist to help companies better understand the best practices for becoming a shipper of choice for their carrier partners. The industry initiative, in collaboration with Transplace's customer advisory board and more than 25 carrier partners, identified

key factors in how carriers evaluate shippers and translated this insight into an actionable scorecard to help shippers achieve "preferred shipper" status with carriers.

SEKO Logistics created a new Aerospace & Aviation industry vertical with global centers of excellence and core competencies to deliver value-added services and technology solutions for shippers, and opportunities to drive cost out of their supply chains. SEKO Aerospace & Aviation is headquartered in Dallas, the world's second-largest aerospace market.

Supply chain solutions provider **MIQ Logistics** opened a global logistics facility in Kansas City, Kansas. The new branch works closely with the company's offices and Chicago logistics center to provide personalized attention to shippers in Kansas, Missouri, and surrounding states.



CEVA Logistics, a supply chain management company, created a new ground transportation business line. The ground division runs alongside the company's existing air, ocean, and contract logistics businesses.

NEW SERVICES & SOLUTIONS

Cold supply chain provider **AGRO Merchants Group** is set to build the first phase of a 300,000-square-foot temperature-controlled cargo facility at the Port of Houston Authority's Bayport Container Terminal. The new facility includes warehouse space for chilled and frozen meat, fish, poultry, fruits, and vegetables.

//Products//

View Technologies, a Stanley Black & Decker joint venture, released two new smart antennas with enhanced readers capable of capturing location data from RAIN RFID tags up to 150 feet away. The antennas are designed for

tracking inventory in wide, high-ceiling environments, such as warehouses.

Powered lifts maker **Lift'n Buddy** released the new LNB-2, an elevating two-wheel hand truck. The LNB-2's adjustable platform positions loads at a comfortable height to eliminate bending and stretching when loading, unloading, or moving items from one level to another in warehouses.

AeroVironment, a supplier of industrial charge systems, launched the PosiCharge ProCore series of electric forklift chargers, which support any materials handling battery. The new series is designed for electric forklift fleets of all sizes.



Equipment maker **Big Lift** introduced the PDSR (pictured), a walkie reach truck with power steering. The Big Joe PDSR has a 3,000-pound load capacity with lift heights up to 157 inches. The company also unveiled the J2 low-level order picker, which has a 2,000-pound total vehicle capacity and can lift 1,500-pound pallets up to 72 inches.



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Los Angeles Chamber of Commerce
90th Annual World Trade Week Kickoff Breakfast
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AUDIENCE: Supply chain and logistics professionals

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MAY 15-18, 2016 Indianapolis, Ind.
Institute for Supply Management

ISM 2016 Annual Conference
conference.ism.ws

AUDIENCE: Supply chain managers

FOCUS: Mitigating disruption; the role of supply chain in value creation for customers; supply risk management

MAY 15-18, 2016 Providence, R.I.
Warehousing Education and Research Council
WERC 2016
www.werc.org/2016

AUDIENCE: Distribution, fulfillment, logistics, and warehousing professionals
FOCUS: WMS optimization in healthcare; best practices in 3PL-shipper relationship management; reverse logistics

MAY 17-19, 2016 Phoenix, Ariz.
Gartner
Gartner Supply Chain Executive Conference
www.gartner.com/events/na/supply-chain

AUDIENCE: Logistics and supply chain professionals
FOCUS: Creating and managing a bimodal supply chain; key trends transforming global logistics through 2025; developing a flexible supply chain

SEMINARS & WORKSHOPS

APR 19-20, 2016 Cambridge, Mass.
MIT Sloan Executive Education
Supply Chain Strategy and Management
executive.mit.edu

AUDIENCE: Logistics and supply chain professionals
FOCUS: Trends in supply chain strategy; guidelines for making strategic sourcing and make-buy decisions

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APR 11-13, 2016 Phoenix, Ariz.
Express Carriers Association
ECA 2016 Shipper/Carrier MarketPlace
bit.ly/ECAmarketplace

AUDIENCE: Logistics and supply chain professionals, shippers, and carriers
FOCUS: Forging logistics partnerships; providing viable supply chain alternatives; new technologies and transportation services

APR 12-14, 2016 Winston-Salem, N.C.
Inmar
Inmar Analytics Forum
inmarforum.com

AUDIENCE: Logistics and supply chain professionals in the healthcare industry
FOCUS: Employing data and analytics to improve conversion, operational efficiencies, and business and patient outcomes

APR 19-20, 2016 Atlanta, Ga.
Center of Innovation for Logistics
2016 Georgia Logistics Summit
www.georgialogistics.com/logistics-summit

AUDIENCE: Supply chain and logistics professionals
FOCUS: Global and national economic landscape; the economic and regulatory environment's impact on the industry; logistics innovation successes in transport, DCs, and 3PLs; logistics opportunities in Georgia; state of Georgia's logistics market

APR 24-27, 2016 Orlando, Fla.
National Shippers Strategic Transportation Council (NASSTRAC)
NASSTRAC Shippers Conference & Transportation Expo
bit.ly/shippersexpo

AUDIENCE: Transportation, logistics, and supply chain professionals
FOCUS: Changing the perception of logistics; conducting and evaluating a TMS RFQ; economic, trucking, and transportation updates

APR 26-29, 2016 Carefree, Ariz.
Transload Distribution Association of North America
Annual TDANA Transloading Conference
www.tdana.com

AUDIENCE: Shippers, rail and truck carriers, and equipment suppliers
FOCUS: Improving transload business development and operations; recent rules and regulations; meeting customer needs and wants; Mexico opportunities and guidelines

MAY 2-4, 2016 Albuquerque, N.M.
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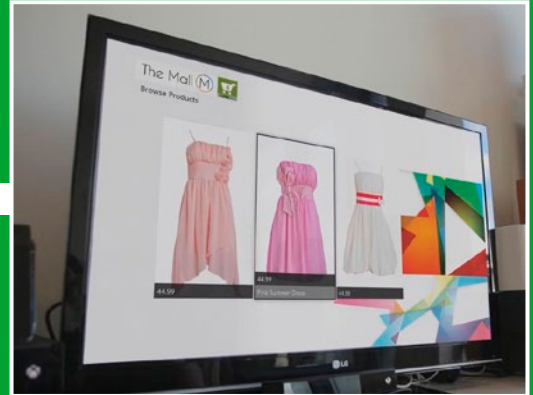
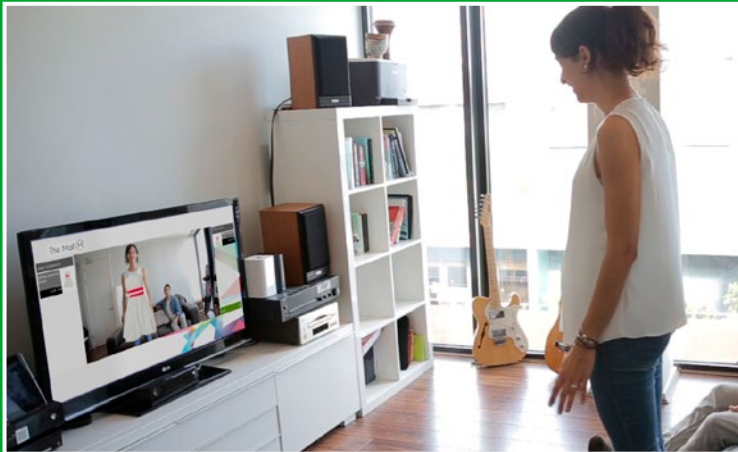
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One users, “The Mall on Xbox One is the first giant step in our vision to create a more beautiful, physically engaging e-commerce experience,” says Eoghan O’Sullivan, CEO of Von Bismark, the e-commerce company launching The Mall.

The Mall is live in the United States with brands such as SoccerPro, Style PB, Grayers, and Go2Games, with new brands coming online over the coming months. Its convenience represents yet another challenge to traditional brick-and-mortar retailers.





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