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THE ELECTIONS are upon us. The news networks are full of the blame game, and Americans are wondering where the candidates really stand on the issues. IWLA members need to have representatives elected that will provide some relief in the regulatory arena. We need people who will stand up for our employees and for businesses alike. We need people who are not all about government. We need people who are not so ideological that they cannot be practical.

The IWLA Political Action Committee (PAC) has contributed to numerous candidates that serve on committees that either have oversight over regulatory bodies or are doing the markups on legislative bills that are of interest to our industry.

We need strong representation on those committees and people who understand our 3PL warehouse industry. This year, not only did we raise record funds, but we also had checks delivered individually by members to the candidates so they have first-hand knowledge of who actually represents the 3PL warehouse industry. We believe that we will be very successful throughout the election and that we are helping make a difference.

IWLA has two new education projects in the works for 2017. One of them is a regional seminar primarily for owners and C-level people. We will be holding strategic discussions relative to the direction of the 3PL warehouse industry and how companies can engage in those new directions. The other project is an online course for customer service representatives. This will comprise four to seven modules of basic information that every CSR needs. It will help your company when you hire a new CSR to come up to speed quickly. This will be a low-cost course that is easily accessible online, so your company should be able to take advantage of it.

The Warehouse Advocacy Fund has stepped up to do an economic study of the 3PL warehousing industry and our impact on the economy. We will be using this study with Congress, regulatory bodies, the press and state legislators to demonstrate the breadth of our industry’s impact on the economy. The WAF is also involved in lawsuits relative to the overtime provisions, as well as writing regulatory language for prescription drugs and medical devices.

As you can see, your IWLA is extremely involved in working for and supporting the industry you all belong to. Don’t forget to mark your calendar for the 2017 IWLA Convention & Expo, from March 19 to 22 in Palm Springs (actually Indian Wells), California.

Steve DeHaan, CAE, President & CEO
International Warehouse Logistics Association
OVER the last few years, I have read many historical biographies. In each of them, I have found it interesting to discover the traits that successful leaders have in common. Of course, there’s the ability to motivate and inspire others. Successful leaders have vision, commitment and a sense of purpose, as well as the ability to instill that purpose in others.

In short, they make their own luck.

There is no one formula for success, but there are common threads that make success more likely. Author Stephen Covey set the business world abuzz in the 1980s and 1990s, when he captured seven habits of highly effective people. Those seven are a great start.

But when I think about the successful leaders I’ve read about and the best business leaders I know in and outside the supply chain, I’ve seen two other traits that emerge: curiosity and anticipation. If you add these to Covey’s habits, not only can you lead for today – you can navigate a better tomorrow.

Earlier this year in this column, I asked, “What’s new?” Now I want to discuss a little bit about “What’s next?” Curiosity and anticipation will help drive your business to the next level:

• You want to anticipate what services your customers need now – and will need in the future (even if they have not voiced the needs to you).
• You want to know how warehouse services and related value-added services are evolving. This can be done by benchmarking with your peers, but great warehouse executives, like all great leaders, are able to survey the landscape and set a course ahead of the pack.
• Great warehouse logistics leaders are able to stay ahead of changes in labor, technology, facilities management, and more.

IWLA’s approach to you also reflects this: We are curious about your business changes – and we want to anticipate your needs, so that we can offer education and guidance in these areas.

As the resource for warehouse logistics, IWLA is always looking for the next innovation or change. This is why we’ve created special-interest councils in many areas (food and chemicals, for example) to provide a forum for members to share best practices and discuss unique challenges.

With the rapid changes presented by e-commerce, many members are currently providing or considering direct-to-consumer fulfillment. Those members who offer fulfillment services know well the unique challenges and opportunities of this growing business segment. With that in mind – and given the fact that no other association is addressing the needs of fulfillment service providers – IWLA is exploring adding an e-fulfillment council. We will work to create webinars and other educational content around best practices, and include sessions during the IWLA Convention that focus on the challenges and opportunities in direct-to-consumer fulfillment.

I know firsthand the opportunities presented with e-fulfillment: IDS has many e-commerce and direct-selling customers that tap us to provide fulfillment services. IWLA understands e-fulfillment is a growing service area for our members and is preparing the resources necessary to ensure that our members in this segment are successful. We will work so that fulfillment service providers’ voices are heard within the e-commerce industry.

So what is next for IWLA? New offerings and new information you can use. Great events tailored to the warehouse logistics industry. And, in this election year, we are anticipating changes in Congress and the White House. Watch the e-newsletter and IWLA.com.

Stay tuned. We’re curious about our shared future.

Mark DeFabis
Chairman
International Warehouse Logistics Association
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SCAN TO SEE NEW COMPONENTS
A Fond Farewell

T HIS ISSUE of 3PL Americas will be the last one for which I will act as publisher. Since 2009, I have been responsible for publishing 26 issues of the International Warehouse Logistics Association’s magazine – three issues of 3PL Canada followed by 23 issues of 3PL Americas.

What stands out for me in working on this magazine is the pride that IWLA members have for their industry, their profession and their association, and the dedication that my team members have shown in the publication of the magazine. One particularly rewarding remark was from an IWLA member who told me that he reads the magazine from cover to cover. I hope he was not alone.

3PL Canada was originally conceived by IWLA’s Canadian Council as a medium to “advance the knowledge base of our members and give them the intelligence needed to drive growth, profit and value.” Former IWLA President Joel Anderson saw the magazine as a useful communications tool to “exchange ideas, practices and innovations in the world of logistics” for members throughout North America. And so, 3PL Canada became 3PL Americas, and 3PL Americas became IWLA’s premier print publication.

We understood very early that, in order for the magazine to have a useful life, it had to go beyond being a social publication and, to a very large degree, we avoided the clinking cocktail glasses and smiling golfers that often characterize trade association magazines.

We reached out to experts at universities and consulting firms and in IWLA’s membership to obtain articles on leading-edge logistics theory and practice. We commissioned and wrote profiles of IWLA member companies that use the latest in tools and techniques, and perform logistics tasks for unusual and challenging products. IWLA chairmen and presidents wrote insightful articles on industry trends, government relations, legislation and regulation, and the economic and political arenas in which we operate.

We recognize the considerable effort that writers put into producing quality products that are both informative and interesting, but occasionally, articles (including commissioned ones) have been rejected, as they were any combination of unintelligible, unreadable or incapable of advancing members’ understanding of logistics practice.

My thanks go to our core team of David Long, Kim Biggar, Tony Koch, Cheryl Ezinicki and Liz Mackin, who sourced articles, wrote and edited the copy, illustrated the articles, sold the ads and produced the magazine.

Our advertisers made the whole endeavor possible – they paid for it. We could not have done it without them. And they all paid their bills. With Steve DeHaan’s guidance, the magazine has begun to show a positive cash flow.

So with gratitude, I thank all contributors for sharing their knowledge and experience with me and with the warehouse and logistics community as a whole.

You are members of an important profession and a great association. My best wishes to you all for the future.

John Levi, Publisher, 3PL Americas
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RAIL SERVICE is an integral component of the freight system. In recent years, shippers have become increasingly frustrated by the lack of competition in many parts of the U.S. Now, rail shippers and the Class 1 railroads are facing off over a proposed rulemaking by the U.S. Surface Transportation Board (STB) to allow shippers to switch cargo among large railroads if the shippers can show the arrangement is “practicable and in the public interest,” or “necessary to provide competitive rail service.”

The July proposed rule involves “reciprocal” or “competitive switching,” which refers to a situation in which a railroad that has physical access to a specific shipper facility switches rail traffic to the facility for another railroad that does not have physical access, according to the STB. The second railroad pays the railroad that has physical access, typically in the form of a per-car switching charge.

The STB proposal followed a 2011 petition filed by the National Industrial Transportation League (NITL) asking the board to modify its standards for mandatory reciprocal or competitive switching. NITL proposed that certain captive shippers located in terminal areas be granted access to a competing railroad if there is a working interchange within 30 miles. The switching agreement would not be imposed if either railroad could establish that the arrangement isn’t feasible or safe, or would “unduly hamper” either one’s ability to serve customers.

Shipper groups immediately praised the STB proposal. “We appreciate STB’s support of the revised reciprocal switching regulations proposed by the National Industrial Transportation League,” said Jennifer Hedrick, NITL’s executive director, in a prepared statement issued by the Rail Customer Coalition (RCC), which represents a variety of shippers, including the International Warehouse Logistics Association. “Our member companies across a host of industries need this type of competitive, market-based rail transportation alternative.”

At the same time, the STB action drew fire from the Association of American Railroads (AAR), who insisted that STB should have dismissed NITL’s petition. Imposing a new rule “is a step backward from the deregulatory path that has allowed railroads to make the capacity investments required to meet customer demand and further modernize a nationwide rail network that benefits shippers and consumers,” said AAR President and Chief Executive Officer Edward Hamberger in a prepared statement.

In a September letter to the STB, the RCC said the proposal “would allow rail customers with no competitive rail service or other modal options to request to have their freight moved to a nearby rail line, for a fee, if another Class 1 railroad is reasonably accessible.” The RCC pointed out, “Competitive switching is not a threat or untested theory; competitive switching has been available for decades in Canada, and it works well. As stated by the Canadian Pacific Railway, railroads that operate under Canada’s competitive switching system are ‘the two most efficient carriers in the industry today, demonstrating that a low-cost, service-focused carrier can increase revenues, operate efficiently, and reinvest in infrastructure in a competitive environment.’ The notion that an improved competitive environment will damage the fundamental economics of the U.S. freight rail system is simply unfounded and runs counter to basic free market principles.”

The rail carriers have stepped up their opposition. In an op-ed, Hamberger called the proposal a “radical approach that would force carriers to turn over their tracks to other railroads without any showing of competitive abuse.” Hamberger went on to say, “This ‘forced access’ proposal did not even analyze its potential operational or economic impacts, and embodies a troubling trend where data do not guide government decisions.”

With the stakes high, shippers and carriers are aggressively making their case to key members of Congress, seeking political support for their desired outcome at the STB.

Patrick O’Connor is a partner with Kent & O’Connor, a Washington, D.C.-based government affairs firm.
We could begin to answer that question if we knew what the supply chain will look like in 30 days. You name it, and it’s affecting the global supply chain. Population shifts, new technologies, weather, labor shortage, consumer trends, energy costs, product innovations, government infrastructure investment, and the acceleration of e-commerce are all altering our company’s supply chain, and it’s in successfully navigating these waters that our company will remain competitive and succeed. Which is why we turn to the experts.

We have our core business – we manufacture goods. We don’t have the resources or expertise to stay on top of every variation in the global marketplace that will either create a problem in our supply chain or offer an opportunity. But our logistics providers? That’s what they do. And we rely on their insight every day.

For an effective logistics partnership, many innovations derive from customer requests. Our requests have benefited our providers’ other clients, and we’ve benefitted from theirs.

**What** will the supply chain look like in 3, 5 and 10 years? We could begin to answer that question if we knew what the supply chain will look like in 30 days.

You name it, and it’s affecting the global supply chain. Population shifts, new technologies, weather, regulation, labor shortage, consumer trends, energy costs, product innovations, government infrastructure investment, and the acceleration of e-commerce are all altering our company’s supply chain, and it’s in successfully navigating these waters that our company will remain competitive and succeed. Which is why we turn to the experts.

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**New Day. New Challenges.**

In today’s global marketplace, “staying on top of” new technology and global trends isn’t good enough. With new systems and environments created, introduced and updated every other day, we see a value in our logistics provider’s ability to communicate with and organize every facet of the entire supply chain on our behalf. We can’t possibly research, assess, implement and analyze a reaction to every external factor, and find it wise to have the experts who do that every day step in on our behalf.

It raises an interesting question altogether as to what services we need a logistics provider (or providers) to fill. There are many different levels of service, ranging from a single point on the supply chain (e.g., customs broker or freight forwarder) to a full-service third-party-logistics provider (3PL). And no matter where along that spectrum our needs lie, we have to know that our logistics provider not only excels at what it does, but also has established relationships with other companies that cover different areas of the supply chain. If we’re choosing to go a different direction than to use a full-service provider, we need our network of logistics resources to be as streamlined as possible.

It’s really what the logistics business is about: providing strategic advantages through efficient and reliable access to markets. We look to our logistics provider to consistently deliver solutions that optimize not only our own operations, but also the processes all along our supply chain. We look for a provider that has already made investments in its infrastructure, and that has built a wide array of strategic relationships, to keep us as competitive as we need to be.
Getting Closer.
For us, “near-market” and “near-plant” distribution are, as quickly as possible, becoming a way of life that offers sometimes perplexing challenges in shipping lanes, warehouse space, workforce, transition and many other operational areas. We must minimize cost and optimize speed to market, by getting as close geographically as we can to both production and our customers, and we look to our logistics provider to offer solutions and offer them today.

Unfortunately, such a strategy is not as simple as just finding a warehouse closer to where we need to be. Are there existing shipping resources, such as trucking lanes and rail infrastructure, or will we have to incur the costs of establishing new ones? Does our logistics provider have access to warehouse space now, or the capacity to acquire or build it? Is there a sufficient skilled workforce locally to support what we’re trying to accomplish? And most importantly: What questions aren’t we asking that we should be?

Understanding the Future.
As we look at logistics providers across the spectrum of services, ours must be able to create tactical solutions in response to an understanding of the global trade environment in the short- and long-term future. We’ve read all of the articles on the widening of the Panama Canal, too. It’s changing the nature of shipping in the Eastern Hemisphere, we know. But how does it affect our supply chain, positively or negatively? We rely on our logistics provider to answer these questions before we ask them.

As 2014’s surprise blizzards up and down the East Coast taught us, understanding the future in logistics doesn’t always mean long-term forecasting. Being able to anticipate what’s going to happen this afternoon is as valuable – and we might argue even more valuable – to us as understanding what may happen years down the road.

Of course, our logistics provider’s understanding of its own future is equally as important. As our needs change, we need to know that it has the flexibility to change with us. We understand it’s costly to maintain empty warehouse space, but if we need more capacity, we need to know our 3PL can provide it. We need to know it can get us trucks, containers, chassis or all three – when we need them.

In the end, if our logistics provider isn’t ahead of the game, we aren’t either.

Two-Way Communication.
The logistics business can’t really be just a service, in the service-industry sense of the word. It must be a partnership – and not some sales speak where the firm calls its clients “partners” instead of customers. It must be a true partnership. Given the rate and pace of changes, our logistics provider must be as fluent in our company’s processes as we are, with the ability to provide both proactive and reactive solutions to whatever challenges, and opportunities, arise.

For that reason, we provide access to everyone in our company whose responsibility it is to manage the bottom line.

There are plenty of times when we don’t even know what those challenges or opportunities are. The global marketplace is changing so rapidly that it is virtually impossible to understand everything that will affect our supply chain while focusing on our core business. That’s our logistics provider’s role – to best position our company for sustainability and growth – which they can do only if they have access to our playbook.

The two-way communication means that critical metrics must be shared in a timely, relevant and reliable way; they are essential to developing and optimizing policies and procedures related to compliance, standard operating procedure, quality, profitability, cost/benefit analysis, speed to market, and everything else that happens from production to delivery. Solid internal metrics and insightful external foresight are what

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**Getting Practitioners’ Insights.**

But it’s not just the fact that we have two-way communication that’s important... It’s who is involved in the conversation. In developing logistics systems, it is absolutely essential for our providers to also have a deep understanding of our operations, our growth plans, and everything from our highest-level strategies to our internal corporate culture.

At the same time that a logistics provider must be able to support our big-picture thinking for the future, it must be strategic in developing the tactical maneuvers that drive costs. Since saving even pennies or minutes on each commodity that we ship can make or break our competitive advantage in the global marketplace, this hands-on level of detail is so important. Where along the entire supply chain can we shave off costs? Those answers are found on our factory floors and warehouses. The people who are on the front lines of our logistics operations are best positioned to shed light on the day-to-day processes that support our overall goals.

In this day and age, when communication tools allow you to hold meetings from remote locations across the globe, so much more insight can be gained from a face-to-face conversation with the person doing the job every day.

**The Answer to Every Question You Don’t Ask is No.**

Once we’ve built a strategic partnership with a logistics provider, we use it. We learned early on never to be hesitant to ask whether or not something can be done. For an effective logistics partnership, many innovations derive from customer requests. Our requests have benefited our providers’ other clients, and we’ve benefited from theirs.

But there’s an important component of being able to provide this kind of reactive-into-proactive service, and that’s personnel. Innovation and progress do not happen without a team of practitioners who not only take on the role of problem solvers, but also are exceptionally good at it. Our logistics providers must offer a team that we feel comfortable trusting our company’s future to.

Because even with the best systems in the world, there are still humans in the picture at every level of the supply chain — including in our own operations. Our logistics providers must be prepared for any weak links in the chain — surprises that may come up — and be able to deliver alternatives quickly and efficiently. Recently, we had a printing error on our labels that actually caused the label to be out of compliance with FDA standards because the misalignment left off key information. Pallets of this product had already arrived at the warehouse, and were set to go to market. We utilize a 3PL, and with the diversification of services under its umbrella, it was able to devise a solution that minimized cost, enabled the error to be fixed, and kept the supply chain moving. We count on the company to have the right people, with the right skills and knowledge, to ensure timely solutions, so short-term problems don’t turn into long-term ones.

**Closing**

The challenge is this: to design and implement big-picture strategic thinking while understanding and developing tactical logistical maneuvers that will reduce costs. Along the entire supply chain — from production to packaging to movement to storage to delivery and even to product returns and recalls — our logistics provider oversees the process, and is skilled enough to evaluate every detail along the way while, of course, preparing us for whatever is to come. It takes a mix of intelligent systems, top-notch people, smart investments and informed foresight to pull it all together, because we’re putting our trust and future into our logistics provider’s hands. It’s something we will never take lightly, because we understand the importance of that strategic partnership.

Jim Manno is Vice President, Sales and Marketing, at Sonwil Distribution Center in Buffalo, New York.

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**Future Issues of 3PL Americas**

3PL Americas is the magazine of IWLA and provides members and non-members with news and information on concepts and best practices in warehouse and logistics management. The lead articles for upcoming issues are set well in advance. We welcome reader input on themes and articles for future issues.

**Lead article themes and deadlines:**

- **Winter 2017** – Addressing the worker shortage (December 2, 2016)
- **Summer 2017** – International Warehouse Operations (June 23, 2017)
- **Fall 2017** – Measuring Logistics Performance (September 15, 2017)

*Suggestions for authors, articles and themes can be submitted to 3PL@jmla.biz.*
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As consumers turn the traditional supply chain model on its head, retailers, third-party-logistics (3PL) operators and value-add service companies have had to adapt their network, distribution and labor activities to respond. Labor activities are a critical component of this adaptation, and 3PLs have a tremendous opportunity to leverage real-time data and emerging automation technologies to form more-effective labor-management systems.

■ The Changing Face of Brand Loyalty

There is no longer a linear route from manufacturing to distribution to retail to consumer. In the new omni-channel landscape, goods flow to consumers directly from manufacturers, from distribution and fulfillment centers, and other retail or pickup locations. They flow back from consumers as in-store returns, as well as shipments to distribution centers (DCs) and returns-processing centers.

The most disruptive factor of the changing consumer buying behavior is that consumers are no longer loyal to a particular channel, but expect to glide seamlessly between store and website with access to the same information, inventory, pricing and services.

Winning and retaining customers is becoming more about differentiating through value-added services, since most products are seemingly universally accessible. Brand loyalty has become a competition built around the customer-facing experience, ordering, delivery and overall execution.

In response, some retailers have turned their stores into mini distribution centers to create a seamless in-store and online shopping experience. Retailers now offer wider delivery windows and same-day order fulfillment, which, in turn, forces the “last mile” delivery model to be increasingly flexible and responsive.

Consumers’ hunger for service and speed grows as innovators up the ante. Internet giants have made the last mile their strategic focus. Amazon is adding jets, regional warehouses and delivery outposts to expedite delivery, while exploring new avenues like drones and self-guided delivery vans. In fact, 44 percent of the U.S. population is now within 20 minutes of an Amazon fulfillment center.

■ The Challenge to 3PLs

To compete today, or to be prepared to meet future demands, 3PL providers that manage inventory and orders must now offer some of these same flexible delivery capabilities. This can be a daunting task, since 3PLs often service multiple customers from the same facility.

For example, within the wholesale grocery sector, suppliers are pressured to ship smaller bundles of goods that are packed in sequences. This allows their customers to turn around and drop the goods off at numerous destinations quickly and efficiently. The shipments arrive already stacked and organized in
a way that makes it easier for the customer to unpack the goods to its shelves.

Handling this complexity successfully requires a holistic view of the dynamic, omni-channel fulfillment processes. Multiple systems integrations, data automation, visibility and collaboration are necessary ingredients – wholly dependent on a strong backbone of digital technology.

In our customer-centric environment, the pressure to be fast, responsive and accurate has caused every link of the supply chain to fall under increased scrutiny, and it puts upward pressure on capital expenditures.

Distribution centers are being newly built or refit, vendor alliances and partnerships formed, collaboration portals assembled, and self-guided vehicles, drones and robots are handling more and more orders.

The drive to build out a more robust supply chain pushes 3PLs to consider making large capital outlays, moving to a cloud-based infrastructure or creating partnerships – or to risk being squeezed out or acquired. 3PLs are making significant investments in the areas of automation, robotics and labor.

**Labor Pains**

People are one of the biggest assets to a 3PL, but can also represent one of the biggest operating costs. Especially in a tight labor market, it’s critically important to manage people effectively.

Logistics providers with clear and consistent standards for work performance, who train their employees to meet those standards, and who reward those who exceed productivity goals, will get extra value from their workforce.

For Millennials, technology also helps. Modern workforce-management (WFM) solutions enable employees to view their schedules online or in an app, with the ability to request schedule changes and time off using a mobile device.

These WFM programs and labor-management systems (LMS) are designed to optimize labor resources, and are increasingly prevalent as operations managers look to leverage these tools to help achieve their goals relative to their KPIs and to control costs.

The secret to effective labor management is to take a program approach with clear objectives that include process, systems, equipment, people and change readiness. Some very effective labor-management programs use only minimal software to capture transactions, with most of the reporting and analyzing still being done via spreadsheets. The strength of these successful programs is in the accuracy of the data, and in managing results with the people who make it all happen.

Thus, the core of a successful LMS is its ability to obtain reliable, actionable data. The challenge lies in constructing a repeatable process and configuring a system so that operational execution is consistent and that the data reflects that consistency.

Shippers with warehouse management systems (WMS) – especially those that are now feeling the pressure of

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omni-channel and e-commerce – are now looking for newer WMS that include LMS. Even shippers that have an LMS in place are opting for upgrades, hoping to squeeze out more productivity or savings with a few system tweaks.

Companies are putting labor through the 3 Rs to see if they can:
• Reset their standards,
• Review their assumptions, and
• Re-engineer practices to save on labor costs.

Because labor comprises such a large percentage of the average warehouse budget, even small improvements can produce notable results. But size and scale matter. Just as margins of error are amplified by higher picking quantities and larger numbers of employees, the ability to reduce overtime and full-time employees requires a certain volume of transactions and tasks to be able to identify areas for improvement, implement changes and reduce costs.

Of course, software isn’t the cure-all for logistics. Companies that need to optimize staffing to keep up with demand can’t just throw bits and bytes at the problem. A significant amount of thought must go into defining “optimal.”

### Setting Expectations

You may have a gut feeling about some of your employees, but having a set of guidelines and expectations will enable you to evaluate all of them equally. That’s why it is critically important to have published standards and metrics.

To get there, first start by observing and measuring the movement and handling of product and orders in the warehouse. Break down the various tasks into measurable units, and set expectations for each task. It’s important to have neutral metrics that don’t favor one type of task over another but simply count what each individual accomplishes: distance traveled, orders picked, number of items scanned and so on.

These time and motion studies are essential to providing accurate, engineered standards based on job types and specific tasks. A standard LMS takes the planned workload and calculates the required labor using engineered labor standards that are pre-determined for each job function.

Typically, the labor estimate is run prior to the start of a shift and does not change or fluctuate dynamically based on what’s happening within the shift. Thus, the accuracy of the estimate is impaired by outdated standards, a lack of statistical controls for the changing nature of the workforce’s productivity, and other factors not directly or easily captured in a standard.

Soaring demand for “mass customization” renders traditional logistics and associated metrics irrelevant.

The labor forecasting and planning module of an LMS is a tactical tool for managers to determine how many resources are required to complete the planned workload. Distribution centers tend to be a dynamic, demand-driven environment, especially with the advent of omni-channel fulfillment (shipping to stores, retailers, web customers and managing returns) all out of one location. The shipping and processing requirements for a day can vary in volume and complexity and can even change during the shift (think of e-commerce orders!).

Given the many variables at play for labor and services – based on geography, demography, labor laws, local preferences and demand for add-on services – there is no one-size-fits-all solution that will balance customer expectation and cost optimization. However, there are ways to improve labor forecast accuracy, starting with a keen focus on data quality, analyzed across customers and regions for an extended forecast horizon.

3PLs must look at the underlying factors that drive labor spikes, order changes, and shifts in customer demand. Without focusing on these factors first, implementing best-in-class workforce- and labor-management systems won’t matter, as the systems could be planning and forecasting based on inaccurate or outdated data.

If you are ready to move forward with a labor-management initiative, here are some key steps to ensure success:

• Identify the metrics that are important to your business and match them to your solution in the business case. Define your operational processes; rigorously assess your business and workforce strengths, weaknesses and opportunities; and, keep an eye on the threats.

• Communicate change. Publish a project-implementation roadmap and timeline. Develop and implement a change-management program to boost user support and adoption of new standards, systems and processes.

• Introduce formal training that is consistent and repeatable. Training puts all workers on a level playing field, knowledge-wise, and enables you to clearly see the stand-out performers. Utilize coaching and performance feedback.

• Compensate appropriately. Since warehouse workers have no control over the value of the items ordered, it doesn’t make sense to wrap their compensation around the dollar value of goods shipped. Instead, focus on metrics the individual can control, such as orders picked per hour or number of cases moved. Consider using individual or team incentives or a combination.

With no end in sight to the e-commerce explosion, and with more customers expecting personalized orders right down to the individual-item level, 3PLs must continue their push to automate and streamline their processes, and maximize the contributions of their people. A well-balanced approach will focus hands-on attention on delivering the customer specifics that matter.

Joe Vernon and Jason Searcy are senior managers in the supply chain technology practice for Capgemini in North America.
IMPORTANT CHANGES have driven value-added warehousing over the last couple of years. Visibility, collaboration and flexibility have led to more partnership-oriented relationships between customers and third-party-logistics (3PL) providers. For retailers, omni-channel has been a motivating force. Walmart and other major retailers have melded in-store and online inventory visibility, ordering and shipment to cut delivery times. System changes by Amazon have been a major factor pushing change.

Greater information technology capabilities allow for much better inventory control and suppliers can more easily avoid obsolescence. Retailers are experimenting with direct business-to-consumer shipments from manufacturers (although it’s a practice to be used carefully). When product is held on consignment by the 3PL provider, control should be tighter without sacrificing speed. Using more stocking locations, including stores, allows for more overnight deliveries.

Shippers are looking for more collaborative 3PL provider relationships. Often 3PL providers are required to have continuous improvement processes like Lean and Six Sigma in place. Continuous improvement carries with it simplification and new processes. For example, pick-to-light, voice control and increased process standardization provide for simpler user interfaces.

The expansion of collaborative relationships has the counter effect of allowing shippers to reduce the number of 3PL providers that they use. Continued organic and merger and acquisition growth also contribute to the reduction.

A good example of a collaborative relationship is that between Geistlich Biomaterials and Menlo Worldwide (now known as XPO Logistics).

Menlo worked directly with healthcare manufacturers, such as Geistlich, to improve profit margins and speed supply chains in the following ways:

- Reduce distributors’ role in product ownership to improve hospital and manufacturer margins and lower inventory carrying cost.
- Align doctors and hospitals for product purchasing and greater buying power.
- Help health systems enforce contract pricing provided by national group purchasing organizations.
- Provide the operational expertise for different types of healthcare kits to be delivered directly to a patient bedside.
- Implement a Healthcare Centers of Excellence approach, starting in Eersel, Netherlands, to build specific operational capabilities for healthcare customers.

Geistlich Biomaterials began working with Menlo in 2012 in an effort to streamline its customer supply chain by transitioning its distributor-centric distribution model to a 3PL model in order to improve service performance levels and inventory visibility, and lower overall distribution costs. Menlo designed a

This 250,000-square-foot warehouse is partitioned into healthcare and non-healthcare customer operations. The healthcare operation runs from 8 am to 8 pm five days a week, and is housed in 90,000 square feet of space. Of this, 70,000 square feet is at ambient temperature and 20,000 square feet is cordoned off to form a modular, temperature-controlled (at 58-86 degrees Fahrenheit) section of warehouse.

The healthcare operation has a warehouse staff of 40 and fulfills about 620 orders a day from over 4,000 different SKUs of product inventory for two customers. Most items are each picked, packed and shipped.

Special logistics requirements for the Dayton healthcare operation include lot control, expiry-date management, temperature- and humidity-controlled storage, and inside deliveries to hospitals and offices.

For one of its other healthcare customers, products are received from manufacturing operations in New Jersey, Germany, France and Sweden. The Dayton operation manages finished-goods inventories of products, including ventilators and cardiovascular monitors, operating-room light fixtures, surgical patches and materials, and many lines of spare/service parts.

The operation utilizes Menlo’s Provia WMS and SAP’s enterprise resource planning (ERP) system.

As orders “drop” from SAP, picking is managed by work zones. From picking, items are brought to two pack stations in the ambient warehouse and one pack station in the temperature-controlled warehouse, as required. After orders are packed out, they are then staged for carrier pickup. Approximately 90 percent of orders are small package, 7 percent are skidded (less than truckload), and 3 percent are full truckload.

Menlo performs poly bagging for multiple lines of parts as a value-added service. The operation’s on-time shipping performance was 99.8 percent, and net inventory accuracy was 99.996 percent at the time of our visit.

The entire Geistlich operation is housed in a section of the temperature-controlled warehouse. It consists of stored product and one pack line. Product is received from Geistlich’s manufacturing operation in Switzerland and is put away and stored in racks.

Menlo’s Geistlich operation performs a host of contract warehousing services. The major value-added services provided by Menlo and other 3PL providers are listed in Table 1.

The retail vertical’s logistics profitability is a mixed bag for 3PL providers. Much more reliable for profitability are healthcare and technology industries. Healthcare transportation management is closely tied globally to the major express carriers (UPS Supply Chain Solutions, FedEx Trade Networks and FedEx Supply Chain and Global Forwarding). The major express companies’ refrigerated transportation has strengthened supplier global supply chains. Technology continues to be high-value and quick-turn driven, allowing for more reasonable carrier margins.

As an example, the jewel of DHL Supply Chain’s life sciences operation is at Ceci in Brazil. Eighteen accounts from Abbott to Zodiac are served from Ceci. Pharmaceuticals include over-the-counter, patented (10 year), generics and controlled drugs. Controlled drugs are limited to those that are identified by ANVISA (National Health Surveillance Agency Brazil) to be dangerous and/or addictive.

Ceci has piece/unit, partial cases, full-case picking and a limited amount of skidded shipments. It has automatic sortation, with 14 conveyor chutes leading to dock locations. Ceci has 38,000 storage positions and 31,800 rack pallet positions. It operates 24 hours for five days and until 4 pm on Saturday. (Brazilian law for bids working on Sunday.) Receiving is from 7 am to 7 pm, and shipping is from 5 am to 9 pm. Between 9 pm and 5 am, access is restricted for security reasons. The location is fenced, with extensive TV camera coverage, and the guard shack has bulletproof glass.

The cold room has 1,800 pallet positions, and the controlled-substances area has about 2,000. There are two pick lines. Customer orders are run sequentially. Fastest moving A and B products are on a four-tier island close to the shipping doors. The shipping docks are fenced off and loaders are contracted from a single supplier.

Much of the outbound from Ceci goes to five large wholesalers. Product for larger destinations is shipped in returnable wire cages with pallet-size bottoms. The cages are high enough to fill trailers.

There are about 300 employees at Ceci, including specialists. Fifteen people work in quality control, including seven pharmacists. Twenty-two people work in customer service (normal workday is 9 to 10 hours). The load-planning center has seven employees. Process improvement has two people and the IT center has six people. Order communications are by electronic data interchange (EDI). An important part of load planning is to control the maximum value of loads. Only half of the space on some

Continued on page 36

Table 1. Contract Warehouse Percentages for Value-Added Services Provided

<table>
<thead>
<tr>
<th>Value-Added Service</th>
<th>Percent of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cycle Counting</td>
<td>91.4%</td>
</tr>
<tr>
<td>Quality Control</td>
<td>83.5%</td>
</tr>
<tr>
<td>Labeling</td>
<td>80.8%</td>
</tr>
<tr>
<td>Lot Control</td>
<td>53.8%</td>
</tr>
<tr>
<td>Returns Management</td>
<td>46.0%</td>
</tr>
<tr>
<td>PO Management</td>
<td>42.0%</td>
</tr>
<tr>
<td>Project Logistics</td>
<td>34.0%</td>
</tr>
<tr>
<td>Specialty Packaging</td>
<td>33.8%</td>
</tr>
<tr>
<td>Repair/Refurbish</td>
<td>19.2%</td>
</tr>
<tr>
<td>Sub-Assembly</td>
<td>15.9%</td>
</tr>
<tr>
<td>Sequencing/Metering</td>
<td>11.0%</td>
</tr>
<tr>
<td>Kanban</td>
<td>10.7%</td>
</tr>
</tbody>
</table>
A Simple Framework for Failure (and for Innovating)

By Chris Brennan and Toby Lucich

In our last article, we discussed the importance of failing fast, taking risks and adopting a willingness to adjust your thinking when new information is revealed. (See the Spring 2016 issue, at www.IWLA.com/assets/1/6/3PL_Americas.Sp16.WEB.pdf.)

As we share a simple framework for improving innovation in your business, remember that it is only one of many approaches for getting things done. No formula, recipe or framework can guarantee results. But when basic steps are consistently executed, and hard conversations held with an open mind maintained, amazing things can happen.

The simple punchline is this: Changing how things have always been done is a great way to fail. But it’s also the ONLY way to move beyond the status quo. Just like breaking eggs to get an omelet, you will find yourself intentionally trying to break working processes and behaviors to get to, well, making your omelet!

Here are seven steps to help you move forward.

1. Refocus on Purpose. Too often we look at familiar problems only through our very expert point of view. We know so much about why things work a certain way that we rarely consider how else the process might unfold. It’s the classic case of leaving “good enough” alone.

   Asking yourself a few simple questions about the basics of your organization can open new lines of thought to new opportunities. Why does our organization exist, whom does it serve, what constitutes both exceptional and adequate service delivery in the market? What are the simple building blocks that make a successful business?

   Sometimes we get lost in how we do things, and forget why we do them. Looking beyond our immediate business is a great way to see emerging trends that can help us refocus on our purpose.

2. Naming Assumptions and Leverage Points. With a new perspective, we also rapidly start to build a new web of assumptions and causal relationships. The only way to sort misconceptions from high-leverage opportunities is to name and begin to test these ideas.

   Building from the basics, where are your competitors effective in applying resources to get greater-than-typical results? What assumptions do you have about these resource investments and what assumptions do you have about the outcomes you expect if you employed similar resources? These questions belie a more fundamental aspect of success: that is, has your communication been effective across your organization about the named assumptions and leverage points you want to examine, and why?

   Get outside and observe. Consider not just “obvious” sources of data, like financial metrics and operations performance metrics. Examine the interaction with your customers using live-time CRM data if it’s available. Weave multiple data streams together to focus on a more complete picture.

   Take some field trips!

   You can’t ask your team to imagine how things are done elsewhere; they
need to experience first-hand how other companies succeed. Determine which customers and which other organizations you might visit to see how they tackle similar challenges. Finding the way to observe a problem is sometimes half the trick to solving it. This is where outside partners or consultants can bring value; they have opportunities to observe the operations of all sorts of clients, and can bring new insights to your problems.

The most important voice, that of your customer, can bring a diversity of thought to your own thinking. And often, it’s diverse – not excessive – thought that provides an important breakthrough.

This is the right time to look at tangential services or product-line extensions: In addition to building innovations within your business, you should also be thinking about creating innovations ON your business. What can you offer IN ADDITION TO your existing products or services, given that you have a viable business with existing relationships? It seems intuitive that customer-acquisition costs are lower when targeting existing customers to win new business, but the urge to seek new relationships can sometimes eclipse the natural (and easier) possibility of mining new business from existing relationships.

3. *Name your Hunch.* In scientific language, this is your hypothesis: How are you going to take what you’ve seen (or read, or heard), and try it out in your business? What would a successful experiment look like? How can an experiment challenge one of your base assumptions about organizational performance? Naming your hunch means starting out with a measurable statement – the hypothesis – that can be rejected or not.

For instance: A billing team generating invoices for a logistics brokerage might want to detect billing errors for LTL shipments destined for New York City. The assumption is that all NYC freight invoices contain a toll surcharge.

Your hunch is that some portion of invoices were sent to clients without the requisite toll charge. Frame the hunch so that you can test the idea and get meaningful results rapidly (i.e., think weeks, not months). Write down your hunch, name the measures or outcomes you expect to achieve and begin to organize test scenarios with which you can test your hunch. You could take a good sampling from a large set of invoices to determine the number of samples without the toll surcharge. Six Sigma practitioners will know immediately how “random” data checks like this can provide powerful insight.

Another example of a way to frame an experiment to test a hunch might include doing pattern analysis to detect invoice amounts and corresponding freight weight on each invoice in order to build a correlation measurement. This method can allow you to see “bumps” in the data that suggest a correlation “imbalance,” or that the computed correlation is statistically different from historical correlations of invoices that had been deemed “correctly billed.” Setting up an experiment to detect correlation imbalances could trigger alerts to watchful billing agents to examine further into the anomaly.

Sometimes, business experiments suggest which variables or measures to put in place that can yield predictive power when analyzed with the right methods and light. For instance, mining Salesforce data to capture client-level patterns and then intersecting these patterns with other data from a WMS or TMS can provide a level of predictive power to help gauge the “total cost of care” when managing a client relationship. Too often in our field, sales contracts with clients fail to capture the “full cost” of managing the client’s needs. So without doing a proper analysis to predict the likely cost of providing care to the client, the probability of unwittingly taking on a money-losing deal becomes a real concern. Gut instincts are powerful, especially when honed over a long career. These instincts can have uncanny ability, but having data on your side to help portray business conditions and the likelihood of achieving profit – that’s a source of insight and power your business cannot do without.

Don’t worry if your experiments aren’t perfect, because you can iterate and improve them as you delve in. Using structured methods to name up front your hunch or hypothesis helps to serve the scientific process. Some of these methods are hundreds of years old and many smart people...
have paved the way beforehand so that we can enjoy a smoother ride when analyzing problems in our business lives today.

4. **Compressed Experiment.** Don’t spend months planning and trial fitting your new idea. You want feedback within weeks to help decide whether to dismiss your hunch or not, based on the evidence collected during your experiments. Early and rapid feedback offers a runway so that you can adjust your thinking as experimentation continues.

Capture the results next to your estimates: What are you seeing in the way of ideal versus actual feedback? Many times, the results of experimentation fail to uncover “statistically significant” data. But, even if data is not statistically significant, that’s still information!

A note of caution about compressing time in your experimentation. Some projects are meant for rapid experimentation, while others are for certain not. Significant lifts like building enterprise data warehouses and data lake projects are not trivial exercises. Starting complex projects like these on a skeleton crew compressed for time is a guaranteed disappointment in the making. Rapid experimentation over complex systems can yield burn-out and heavy upfront maintenance costs too early in the project. If maintenance and upkeep costs over an idea or innovation are too high at the onset, the perceived benefits of the innovation can melt away well before they arise.

Other classic ways that innovations are diminished once launched include a lack of sufficient appetite from users for the innovation or the information it yields. A lack of strong, executive-level push to accelerate innovation has probably the most-detrimental impact in terms of missing out on opportunities to innovate in your business.

5. **Be a Tweaker.** Even if you like the first result, play with the inputs to your experiments. Tweak the parameters, move the constraints. Can you improve an outcome with realignment of the things you’re measuring? You ideally want to understand the influence that different activities have on the outcome, so expect to run repeated experiments in order to control for different influences you want to examine. Striving for perfection is not what you’re after at this stage; get comfortable with the art of failing fast and failing well, and learn from your mistakes.

The idea of mental flexibility and willingness to pivot marks a fine line between making informed refinements and being too scattered or too quick to give up. A malleable mind comes from having experience looking at scenarios from as many diverse angles as can be rendered. So the tweaking of experimental factors (or making small changes in an experiment) affords a luxury that can reveal
unexpected findings and provide evidence for the need to shift thinking to view different angles on the problem.

6. Seek Challenge. As you start to hone in on favorable outcomes, think about who you can bring into the conversation to push your thinking. Who can ask the hard questions? How can you sharpen your approach before you try to scale your ideas? Consider partnering in the analysis with a rival across the country or in a different part of the world. If enough geography separates you from your rival, then ideas are easier to share and work on together, yielding insights perhaps more valuable than had you shared them with a non-competitor. Remember, there are few forces in the market better suited to expose weakness in your thinking than competitors. If you funnel these weaknesses and examine them objectively, it’s possible to turn weakness into strength.

7. Drive to Scale. Launching your innovation requires winning mindshare first... because changing people’s minds happens only after they see a greater benefit taking shape over something they care about. Fortunately, your experiment results can provide all the “show-me” evidence needed to win people over to the need for change. Consider why people will care about this proposed change, and who will benefit from the shift in approach. These factors help define motivations and, from this understanding of motivation, you can enroll others to make your changes a reality in your business. To achieve scale with your change proposals, consider the type of infrastructure investments that will be needed to help enable evolutions in our industry, like autonomous systems: self-driving forklifts, power-jacks, yard-switchers, maintenance and sensing drones, and computed learning models that weave thousands of data streams together into ready and intuitive forms of helpful, curated advice to help meet the needs of your business.

The physical network within most companies today is suited already to provide a foundation layer to the evolutions that will transform our industry. That’s the good news. The challenges ahead come from having to install the right experimental mindset across your organization and from selecting the right technologies and ways of managing data that can put your company in position to win.

The forces driving change in our industry will evolve over decades; there’s no need to rush to embrace “autonomous anything” because computing power and advances in hardware will shift approaches and methods in how our industry collects, analyzes and uses data. But you can start today to implement an experimental mindset and culture in your organization. Once this foundation layer is in place, your company will be ready to experiment, and to fail well and fast towards winning and constant improvement.

Chris Brennan is Director of Innovation and Process Analysis at Hall’s Warehouse Corp. in South Plainfield, NJ. Toby Lucich is Co-founder of Return Consulting.

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Optimizing the Repair Journey

By Tom Giovingo

In the customer-driven, Internet-of-things world in which we operate, high expectations abound. So many bars have been raised, so much is at stake. Agile and efficient supply chain performance has risen in importance alongside product quality. Getting it there in a timely manner has become a competitive differentiator.

One doesn’t readily think about service-parts management when they think of a customer’s journey with a product or brand, but warranties, repairs, replacements and accessories are powerful ties that bind. A customer’s experience after the sale could weigh heavily on his/her perception of the overall brand experience (manufacturer and distribution channel). According to management consultants McKinsey & Co., when it comes to satisfaction, customers consider the end-to-end journey. (See report at www.mckinsey.com/business-functions/marketing-and-sales/our-insights/from-touchpoints-to-journeys-seeing-the-world-as-customers-do)

What Does the Customer Journey Look Like?

When it comes to repairing a consumer product, the customer experience may look like this:

• Customer purchases item.
• Something breaks.
• Depending on the age of the item and what warranties still exist, customer contacts the manufacturer, retailer and/or service organization.
• Type of repair is identified, in the home or at the service center.
• In-home repair: appointment is scheduled with the customer.
• Service-center repair: product is shipped or carried into center.
• Part is in stock – in the truck or service-center inventory, perhaps the store. Product is repaired.
• Part is not in stock – needs to be procured. Repair gets delayed. Satisfaction level may be negatively impacted.
• Repair is completed and product is returned to functioning condition. If repaired in the home, technician confirms customer satisfaction and leaves premises.
• Customer relationship with brand over time results in future purchases, based on overall experience. Possibility of expanding relationship with additional item purchases.

The After-the-Sale Relationship

When managing a service-parts business – in particular, for consumer products with long lifecycles, such as appliances, lawn and garden equipment and power tools – meeting or exceeding service levels is key. It’s not enough to satisfy your clients; their customers’ satisfaction must be the goal.

Generally speaking, in some product categories, up to 40 percent of service orders won’t require parts. In these circumstances, setup, adjustments or education about the product are typically required. Resolution can occur on the first service call.

When parts are needed, repair service time (i.e., from broken to replaced or repaired) can take up to a week. Depending on the importance of the product to the customer’s daily life, this timeframe could be perceived as acceptable or irritating. Every day the customer waits, the potential for creating a deal-breaking scenario, in terms of future purchases, increases. He/she might be thinking: “I should get faster service for the price I paid.”

A customer will likely have high expectations for a quick and satisfactory resolution with a product that is still under warranty (with the manufacturer or distribution channel). After all, the product is still new. If the repair or replacement is a result of a manufacturer’s defect, speed of resolution becomes critical for the manufacturer to build back trust.

Customers who purchase extended warranties typically anticipate a repair or replacement occurring due to the age or use of the product, but you shouldn’t expect them to tolerate a long waiting period.

The Role of the 3PL

The role of a 3PL is to support or shorten the life of the
repair by shipping out the right part in a timely manner. Good service-parts management can positively impact the length of time a customer has to wait for his/her product to be serviced or replaced. The key goals on which to focus are:

- Ensure quick response time
- Impact success of first-time-complete rate
- Contain costs

**What Best-in-Class Firms Do**

In 2014, the Aberdeen Group published a report on what best-in-class manufacturers do to ensure field-service excellence. The report, *Move Beyond Just Scheduling to Drive Field Service Excellence*, identified the top mandates of the firms they surveyed as:

- Increase field-service efficiency
- Cut field-service costs

The majority of respondents also shared a common outcome: increase customer satisfaction. The best-in-class companies (the top 20 percent of those surveyed) achieved high levels of workforce productivity, service revenue and serviceable asset uptime.

Marketplace pressures are changing the role of field service. The report’s author, Aly Pinder, Jr., noted that a paradigm shift was required to “evolve the service organization from an operational engine, focused on scheduling, to a customer advocacy team concentrated on resolving issues the first time.”

At FIDELITONE, we see the top pressures described by the Aberdeen survey respondents every day: reduced margins, changing customer dynamics and increasing competition in service.

**Fix it Right the First Time**

The first-time-complete rate – that is, the first time a technician touches the item for repair, he/she fixes it – is the most important metric in repair service. Fill rate and cycle time are the two most important metrics in service-parts management. The key ingredients for success? Having trained technicians with access to the right tools, plus good parts support (i.e., timely receipt of repair parts).

One way in which organizations can affect this metric is through predictive ordering ahead of time via over-the-phone diagnostics with the repair technician or customer.

Actions a 3PL can take:

- Focus on the first-time-complete rate – right product, right place, right time
- Leverage forecasting – an inventory simulation model, for example, can help ensure right product, right place, right time when parts are coming from one or multiple suppliers
- Turbo-charge parts procurement – high-level automation of parts procurement and fulfillment can be a game changer, in terms of fill rates and savings

Products with fewer parts have a higher probability of meeting the first-time-complete threshold, as there may be only one part that would need to be repaired. More-complex products require several parts to repair and typically create higher service-incident rates.

**Inventory Management**

The goal of effective and efficient inventory management is to increase the service level while lowering or
EMPLOYEES are your brand ambassadors. They are its communicators, defenders and protectors. They give life to your brand. And, like ambassadors to foreign lands, they have the power to bring your message to the locals.

When your marketing efforts include employees as a critical part of the mix, they understand their role in the process. And they feel empowered to live your brand in every customer interaction.

When you empower your employees to hand-carry your brand to the world – through their social media posts, contact with customers, and interactions with the community – they give your marketing more traction than any other vehicle. Think about it: Who is more credible when it comes to talking about your brand: a hired celebrity spokesperson or someone who interacts with your customers every day?

Interestingly enough, your employees are a more trusted source of brand information than your own CEO. According to the Edelman Trust Barometer annual global study, the everyday employee is two times more trusted than a company’s CEO. In that case, who better to carry your brand into the marketplace than your employees?

The people who work for you need to live and breathe your brand in everything they do at work. With the right culture, they will be there because they want to, because they believe in your brand. Employees who feel a sense of pride in their companies are more likely to share those feelings through their own social media channels, to work harder for customers and to leverage any marketing campaign better than anything else.

In his book, *Delivering Happiness*, Zappos CEO Tony Hsieh explains that the best way to protect a brand is to make sure it’s an integral part of the employee culture. If living your brand comes naturally to your employees, wherever they come in contact with your customers – on a sales call, during a face-to-face retail transaction, on the web or in an email – they will represent your brand authentically. “You can’t anticipate every possible touch point that could influence the perception of your company’s brand,” says Hsieh. That means that every customer interaction must be consistent with the brand you’ve crafted through your website, your PR and your online and traditional advertising. Ignoring this will inevitably turn those employees into “Your most likely Brand Assassins.” That’s a great line I had to steal from Mark W. McClennan, senior vice president at MSLGROUP. He adds that: “100 years of trust can be broken by an intern or an hourly employee.”

Zappos gets this. Despite the fact that most of their transactions are online, their employees are the primary focus of their marketing plans. Zappos employees live their company’s brand. Wake a Zappos employee up at 3:00 a.m. and they’ll be able to spout the company’s ten core values. And when they get to work, living those values plays out in every interaction they have with customers and with each other.

**How to Build a Brand Ambassador.** Businesses that want to create their own corps of brand ambassadors need to start by creating an authentic brand.
One that honestly reflects the value the company and its products bring to the marketplace. One that mirrors the company’s core values that underpin their culture, their products and the way they treat their customers. Then, it’s a matter of hiring employees who are comfortable with that brand. After that, it’s all about encouraging those employees to carry the brand to the outside world. Here are a couple of ways to do that:

- **Educate Your Ambassadors.** It’s important that every employee be on the same page when it comes to your brand. Make sure they understand your brand’s goals and strategies. Consider your employees as one of your most important target audiences. Rolling out a new product? Employees should see it first. Whenever Disney World opens a new park, the employees see it before it’s open to the public. Introducing a new iteration of your website? Make sure everyone in house gets the first look. Opening a new branch? Your employees need to see the press release as soon as it’s public.

- **Celebrate your employees’ role as Keepers of the Flame.** Emphasize the importance of each individual’s role in safeguarding the brand. Let them know that they are the keys in what you are trying to accomplish. Help them to understand how they add value to the company and why they are a critical part of its success.

- **Make employees your brand champions on social media.** Employees who are inspired by their work and active on social media can help a brand build an emotional connection with customers. Build your own social media army by giving employees the encouragement and information they need to post about company developments through their personal social media activities. With their help and enthusiasm, your brand can potentially reach thousands of individuals without spending a dime. Adobe created an online brand ambassador program in 2014. Its Corporate Reputation team brought together 21 employees from seven different locations to take part in Adobe’s brand ambassador program. These employees were already active on social media, and Adobe asked them to help tell the company’s story. The group is routinely pre-briefed on Adobe announcements before they become public, and are given the chance to be the first to share this information through their own social media. Two of these employees, who went to Adobe’s annual creativity conference, MAX, shared what they learned and what happened at the conference through their own social media. They
generated 5.5 million impressions in their five days at the conference. The Adobe Life blog, by comparison, generates about two million impressions per month.

- **Connect constantly.** Make sure you give employees the information they need to carry your brand forward. Give them early information about upcoming promotions. Give them information and content that they can share in their social circles and in their daily interactions with customers. That might be through your intranet, through regular eblasts or through staff meetings.

- **Reward enthusiastic brand ambassadors.** Employees who take up the charge to carry the brand forward deserve recognition. Acknowledge their efforts. It could be something as basic as a congratulatory email or handwritten note. Or a unique item that can be displayed in their offices. I once worked for an ad agency that gave out hockey sticks for employees that went above and beyond. Every one of their employees who earned one of those hockey sticks proudly hung them on their office walls. Or you might recognize superior brand ambassadors with a public shout-out in your employee newsletter or at an employee function. How about a spot on your website for enthusiastic brand champions? The idea is to encourage others to follow in their footsteps.

The bottom line is this: The best way to amplify every marketing effort is to make the best use of your most important marketing asset, your employees. The great

*Continued on page 38*
Is There a Recipe for Hiring Success?

By Ross Reimer

When we successfully match the science of a well-developed process with the art of interviewing to carefully select the right people, we can greatly influence the outcome in a positive way.

I like to cook. When I pull out a favorite recipe or search for one from a great website, I am virtually guaranteed success if I follow it carefully. If only hiring new employees was so straightforward! Unfortunately, even with a highly disciplined process in place, we all know we cannot guarantee hiring success. That said, we can certainly focus on some key areas to greatly improve results.

As a recruiter working within the supply chain vertical, I’m deeply involved in the hiring process with a wide variety of clients. Our clients range in size from small companies, with just a few employees, to multinationals, and the processes that we see range just as greatly. Interestingly, I’ve learned just as much from some of our smaller clients about a well-tuned hiring process as I have from companies with thousands of employees. There isn’t enough room in this column to cover every piece of the process, but I will highlight those that I believe make the biggest impact.

- **Clear Job Description**

  First and foremost, a clear and concise job description must be in place. As they say, if you don’t know where you’re going, you are sure to get there. If the job description is missing or vague, you’re already going down the wrong path. It is absolutely worth all the time and effort it takes to gather the people within your organization who are required to nail down exactly what the expectations are for a job for which you’re hiring. Because organizations are fluid, job descriptions must be current to stay relevant. At the same time, the job description must be realistic. Many times I’ve encountered four-page descriptions of jobs that literally no human being could accomplish. This is just as futile as having no description at all. Realistic and attainable are the words to measure by.

- **Sourcing Decision**

  Second, a decision on how to source outstanding candidates must be made. We’ve all heard that people are the most important asset in an organization. It’s absolutely true. What amazes me is how often this is just lip service, as opposed to a strategic decision with respect to sourcing potential employees. To be sure, sourcing can be an expense. Whether the company chooses to advertise, use one of the many available tools such as LinkedIn, or employ a recruiter, the decision needs to be made with a long-term view in mind. Occasionally, companies that are particularly well networked can source employees without stepping outside the organization. It’s great when it works, but I’ve often seen a very short-term view taken in such circumstances, causing the candidate pool to suffer greatly in terms of both quality and quantity.

  Just a quick word on the distinct differences between posting a position on a job-related site and using a professional recruiter. Unfortunately, posting a position does not prevent multitudes of unqualified people from applying. Twenty years ago, a newspaper advertisement would generate the same quantity of unqualified candidates. After all, there is simply no downside for people...
to apply. Of course, the result is that someone in your organization has to spend considerable time sorting through résumés.

Perhaps even more importantly, job sites do not tap into the passive network of outstanding people. Typically, the best people are highly engaged in their careers and require a personal approach in order to be interested in a new opportunity. In the recruiting business, we think of it as concierge-style service. As an example, if you were in New York City and wanted to take your best client to an outstanding restaurant, years ago you might have grabbed the Yellow Pages and found hundreds of restaurants. In today’s world, you could search the Web. But if you truly wanted to provide a guaranteed-memorable experience, you would talk to the concierge at an excellent hotel. That’s the value in a well-established network.

■ The Right Interview

When it comes to interviewing, there are a few key areas that will bring success to the hiring process. First, embrace the idea of panel interviews, because several viewpoints make for better hiring decisions. The panel style gives the interviewers a chance to reflect, take notes and formulate better questions as they participate in the interview. Further, a behavioral interview is the best way to validate the candidate’s previous achievements and whether or not their skill set lines up with the position description. As we all know, résumés can make big claims that need to be validated and clarified with open-ended questions. This is the most important part of the interview; the candidate’s ability to clearly back up what their résumé says is critical.

I gained an important piece of advice from a long-time mentor many years ago. The advice goes like this: We all enter into interviews with stereotypes and preconceived ideas. The first few minutes of an interview can often determine where things will go. With that in mind, we all need to be very aware of what our initial reactions are to a candidate. If we find ourselves feeling negative from the beginning, it’s important to relax somewhat on the early questions in the interview. In other words, give the person a chance to recover from whatever negativity you are experiencing. You may find yourself feeling quite differently 10 to 15 minutes into the meeting. It’s just as important to caution yourself on the other side of the spectrum. If you find yourself saying, “Fantastic. This is the right person” within just a few minutes, you need to be very determined to pursue key questions and guard against waltzing the person right into the job.

■ Cultural Fit

Finally, a few words on cultural fit. It’s critical to understand that résumés, skill sets and previous experience are important. But just as important is an individual’s ability to fit within your company’s culture. This is the number-one area on which I focus as a recruiter. With a broad range of clients and an equally broad variety of cultures, it is essential to focus on the right match. This is where an honest assessment of company culture is so important. If you know your culture is particularly demanding, with high pressure, long hours and so on, you need to own that and be clear with potential candidates. Disaster is waiting if the truth isn’t revealed at this point.

■ Art and Science

It’s important to remember that hiring isn’t an exact science, and there is no perfect recipe. That said, when we successfully match the science of a well-developed process with the art of interviewing to carefully select the right people, we can greatly influence the outcome in a positive way. When we do this, our actions match our words and we place the proper importance on ensuring that people truly are the most important asset in the business.

Ross Reimer is President of Reimer Associates Inc., a consulting firm specializing in supply chain recruiting.

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Using LED Lighting as a Cost-Savings Strategy to Reduce Warehouse Expenses

By James Sekinger

Effectively managing a warehouse demands that the operator drive profitability by, in part, controlling costs. Rent, wages, insurance, maintenance and many other costs are almost beyond a warehouse operator’s ability to control, and generally rise year over year. But a simple way to reduce your operating cost is staring you in the face; that is, if you are looking up. Lighting is the largest portion of warehouse energy cost (National Average Utility Cost Breakdown). Lighting represents up to 60 percent of warehouse electricity consumption, and is one of the easiest areas for cost reduction. It can be as simple as changing to an LED light bulb.

For decades, many warehouses have used old metal halide (MH) or high-pressure sodium (HPS) bulbs that are slow to start up, quick to lose brightness and fast to burn out, and guzzle electricity. This old-technology lighting is currently in use in nearly 3 billion square feet of warehouse and storage facilities throughout the United States. (U.S. Energy Information Administration (EIA); Table B44, May 2016). A simple and economical solution to reduce the cost of operation is to implement a lighting upgrade to LED. LEDs have gained in popularity because they deliver better light output and quality while using less energy. And, due to a long life cycle, they are easier and less costly to maintain. Upgrading your lamps alone, or both lamps and fixtures, will significantly reduce your warehouse’s electrical expense.

The ABCs of Today’s Lighting Jargon Made Easy

If you are looking back fondly to the “good old days” in lighting when you went to the store and purchased a 100W incandescent bulb and knew exactly what you were buying without any further information about the bulb, those days are truly in the past. But don’t despair. Today’s lighting is not that complicated. There are just a few concepts to keep in mind when looking to upgrade your warehouse lighting.

Wattage is part of the lighting story. Wattage refers to the energy demanded by the bulb (actually called a lamp) to produce light. The old MH or HPS lamps still used in many warehouses typically require 400W of energy to produce light. An equivalent LED lamp will use between 170W and 210W to produce equivalent brightness and better light quality. Some higher-ceiling warehouses use 1000W MH lamps; the equivalent LED lamp uses under 500W.

“Lumen” is the standard measurement of how much light is being produced; i.e., the brightness of the lamp’s light. You want to determine the brightness level (lumens) of the LED lamp you are considering. For example, a 210W LED lamp produces 24,000 lumens, or about 114 lumens per watt. This light is directed mainly down to the floor where needed and saves about 50 percent of the energy used by MH or HPS lamps. A typical 400W MH or HPS lamp might initial produce 35,000 lumens, but it is scattered over 360 degrees and, unlike LEDs, these lamps experience rapid lumen depreciation of up to 50 percent.
over their short life cycle. Further, the quality of light produced by MH and HPS lamps is inferior to that of LEDs.

Light quality is partially the “color rendering” of the light produced, which is measured by an index known as CRI. The higher the CRI, the better the light quality will be; objects appear clearer and sharper, and colors look truer. The typical MH lamp is at <65 CRI. The 210W LED lamp referred to above has a CRI of 84.

You will also want to know what light color temperature is desired. Kelvin (K) is the scale used to describe color temperature. The typical household lamp is generally at 3000K, which is a warmer white light. In warehouse and other commercial lighting, the prevalent selection is 5000K, which delivers a brighter, daylight look.

Now that you are a warehouse lighting expert, let’s take a look at how you can save on your electrical costs.

■ A Typical Case Study After an LED System Upgrade

Upgrading to an LED system traditionally meant that you would have to replace your entire warehouse lighting with new LED fixtures and controls. With today’s innovative technology, there are new solutions that provide facility managers with more cost-effective options. Now you can eliminate fixture replacement costs by simply replacing the MH or HPS lamps in existing fixtures with compatible plug-and-play LED lamps. The plug-and-play technology enables you to utilize the existing magnetic ballast rather than replacing the entire fixture or ballast, or bypassing the ballast, which takes labor. In the time it takes to screw in a new lamp, you have converted your inefficient old-technology system to LED and can begin realizing substantial cost savings.

Here is a typical scenario: XYZ warehouse is 150,000 sq. ft. The average light grid for warehouses is 1 fixture per 1,000 sq. ft., so this warehouse has 150 CWA metal halide fixtures that burn 400W MH lamps. This warehouse uses the lighting 18 hours a day, Monday through Friday, with no weekend operations (4,680 hours a year). The local utility-company blended rate, including demand charges and such, is $0.10 per kilowatt hour. Being a smart operator, the facility manager decides to switch his MH lamps out for 200W, 24,000-lumen plug-and-play LED lamps. By doing so, this manager will save 30,000W, or over 140,000 kWh in a 12-month period. Based on the utility rate, the savings is over $14,000 annually. Since the lamps have a five-year warranty, the savings over the lamp life cycle is $72,000. (See Figure 1.)

■ Improve Light Levels

Warehouse lighting should create an environment for safety, optimum productivity and ease of navigation. Today’s facility manager should identify the ideal LED solution that provides both the best light output and performance, by comparing the existing or planned lighting power density (W/sf) of the warehouse space with the maximum recommendations found in the ASHRAE Advanced Energy Design Guide for Small Warehouses (find at www.ashrae.com). The guide indicates to limit lighting in bulky or self-storage areas to 0.6W/sf, in fine storage to 0.85W/sf, and in office areas to 0.9W/sf.

Lumen output and optics vary by application and where the light is desired or required. For aisles and rack areas where ceiling heights are 20ft and higher, a 400W LED equivalent solution could serve the needs ideally with a downlight or uplight/downlight option. For higher ceilings of 35ft and above, a 1000W solution should be considered.

■ Ballast Replacement: There Are Other Options...

Ballast management is part of every lighting system and, as ballasts in existing high-intensity discharge (HID) fixtures need replacement, owners now have multiple options.
A bad ballast would need to be replaced, whether it was a metal halide or LED, but owners now have a more cost-effective option to not replace the ballast, but replace the fixture.

LED high-bay fixtures serve as a cost-efficient alternative to ballast replacement. If you factor in ballast replacement as part of your annual maintenance, the ROI of upgrading to an LED fixture is still extremely attractive vs. any other alternative. The LED high-bay fixture solution delivers a lightweight, yet powerful alternative to replacing a bad ballast. The fixture is constructed with a high-efficiency LED electronic driver and available in a broad choice of lumen packages.

### Reduce Installation and Maintenance Costs

Ease of installation is a key element in upgrading to an LED system. Lamp replacement involves replacing the existing lamp with an LED lamp – no rewiring or new fixture required. Replacing an HID fixture with an LED fixture involves removal of the old fixture and mounting and connecting the new LED electronic driver fixture. Once installed, the savings will be there.

Additional savings from maintenance costs are made possible with these new technologies since they last significantly longer than their HID predecessors. This longevity drives down maintenance costs, as crews can spend their time servicing other equipment within the warehouse.

### Implement a Controls Strategy

The use of lighting-control strategies, such as scheduling, occupancy sensors, daylight harvesting or bi-level switching to turn lights off or down when not needed, can provide additional energy savings. Managers should calculate how many hours per day the lights are on and identify areas that would benefit from having an LED fixture paired with a sensor. These additional steps to control lighting, when and where it is needed, can provide additional energy savings for your warehouse.

### Mitigate Costs with Rebates

To further drive the transition to LED technology, there are numerous government-backed initiatives to encourage its use. Groups such as the U.S. Department of Energy continue to endorse and embrace LED technology as the future of lighting. There are active rebate programs in every state to help mitigate the upfront cost and drive pay-back periods down. A complete listing of state by state rebates is available at www.energy.gov/savings.

By implementing these changes and suggestions, energy-efficient warehouse lighting can be achieved without the purchase of totally new equipment and the expense of a lighting redesign. These simple changes of upgrading your lighting to LED can reduce energy consumption by more than 50 percent, with a typical ROI in less than 12 months.

Today you do not have to make a choice of lighting quality vs energy savings. You can have both.

James Sekinger is CEO of Foreverlamp, Inc. in Torrance, Calif.
EVERYONE seems to be talking about drones, and the warehousing and logistics industries aren’t immune to the excitement. Last fall, Amazon introduced its Amazon Prime Air drone for package delivery. Walmart recently started testing drones for handling inventory at its large warehouses, and DHL just announced the successful trial of a “parcelcopter” delivery drone in Bavaria.

Could drones really make warehousing and logistics more efficient, faster and more accurate? Is it all hype? Or is it just too early to say?

With a single propeller or multiple ones, drones are maneuverable machines capable of carrying a small payload. From lifting to scanning to delivery, in the warehousing and logistics environment, drones have the potential to be more productive – and to take on more dangerous tasks – than humans.

■ Automation

Stock counting, item searches and location monitoring are a few ways of automating inventory and making warehousing more efficient. No need to climb a ladder; the operator simply flies the drone to the desired location. No need to spend time walking around in search of an item; a worker uses a drone robotic assistant to do the search. The ideas for efficiency and safety improvements are numerous, with many companies studying the possibilities.

■ Access

The benefits of drones in last-mile deliveries are especially intriguing. In urban areas, drones could bypass traffic and complete the last mile more quickly and cost-effectively than a vehicle could; imagine a drone delivering a parcel to a high-rise building’s balcony or even to a boat. In areas with low population density, poor roads or difficult geographies to navigate, deliveries can be challenging and expensive for logistics companies. Drones have the potential to deliver items quickly, either to a customer or to a central pick-up location that the entire community can access, such as a post office.

■ Reliability

There are plenty of hurdles that drones will have to overcome before they can reliably and safely deliver items to a customer’s doorstep or even count the inventory in your warehouse. GPS reliability is a big factor: The space in a warehouse is tight, so accuracy has to be within a few inches, not within a few feet, as is typical of GPS and wi-fi driven guidance systems. And, with one or more spinning blades on the drone, worker safety is a constant concern.

So, are warehouse and logistics drones really on the horizon, or are they a solution in search of a problem?

“I think there’s a lot of hype around drones that needs to be toned down,” says Chris Brennan, director of innovation at Hall’s Warehouse Corp. “The concept is interesting, but there are many additional costs and logistics scenarios to
consider. Is the drone flying around a warehouse autonomously? Could it crash and injure someone? How well would it work in cold or freezer environments? And when it breaks, how expensive will it be to fix?”

There may be cases in which limiting the flight of the drone – such as securing it to a forklift, which itself has autonomous travel capability – could be promising. In this manner, the forklift becomes a drone that might roam around during “off-shift” hours or during shift breaks. This approach – extending the capability of existing warehouse assets (forklifts) – might provide viable benefits in next-generation warehouse inventory monitoring. But, at this early stage of drone use, the reality for most companies is that drones will likely present too much of a risk within the walls of a warehouse.

Don’t discount drones completely, however. There may be more immediate opportunities for ROI outside of the warehouse.

■ Monitoring

Drones could be particularly helpful in classic yard-management scenarios – in other words, environments away from people and confined spaces. In facilities that have a large throughput problem, such as 1,000 loads a day, you need to anticipate throughput and adhere to the service-level agreement you pitched to the market. With aerial supervision provided by a drone, you could more easily monitor and track that.

In addition, drones could canvass a yard to report which spots are open, allowing yard mules to move trailers more efficiently. They could also report on where trailers are located and which trailers have been sitting for too long, helping you to avoid demurrage charges. But no matter the location of your facility, weather conditions will come into play at some point and restrict the drone’s ability to fly. “You might be able to achieve that level of monitoring with a webcam on a pole, which will be much less expensive and able to operate through freezing temperatures and precipitation,” notes Brennan.

■ Challenges

Though fleets of drones delivering packages may not be immediately feasible because of the safety, weather and accuracy concerns noted above, there may be variations of the idea that could be successful in the short term. For example, combine the idea of drone delivery with the emerging technology around autonomous cars. Imagine a driverless, automated convoy that drops off many packages to a lock box or to a central location for area customers.

When thinking about drones for your operations, first consider whether and how you could use the tools you already have.

“If you need a drone to fly around your warehouse and alert you to open spots, why isn’t your warehouse-management system doing that?” says Brennan. “You should already be getting a lot of intelligence with your existing software and algorithms, the same intelligence that people point to when they talk about drones in the warehouse.”

■ What is the Reality on the Ground?

While drones have the potential to help transform the warehousing and logistics industries, it’s prudent to take a long, hard look at whether they truly make financial and practical sense for your operations. And, if you think drones are the answer for you, what will it cost to purchase, operate and fix them? How quickly can you get the parts you need? What insurance do you need? The buzz around drones isn’t likely to die down any time soon, so taking a cautious approach to their potential will ensure that your decisions are ultimately numbers-driven – and not influenced by the hype.

Moreover, keep in mind that the Federal Aviation Administration and the Occupational Safety and Health Administration will likely have a lot to say, in the not-too-distant future, on the use of drones within a workplace. Their decisions could have a significant impact on any moves your company wants to make.

Melroy Coelho is Product Marketing Manager of HighJump Software.

MATCH POINTS from page 20 trailers can be used because the insurable maximum has been reached. Escort cars accompany loads through the Sao Paulo and Rio metropolitan areas. Drivers have devices for immediate communication and equipment has security control features.

Some of the value-added services at Ceci are kitting, relabeling, repacking, ink jetting individual items with warning notices, sampling and export packaging. Deliveries in Sao Paulo are made using 33 small delivery trucks. Units in this dedicated contract carriage fleet are equipped with security features and go to hospitals and larger locations. They are GPS-tracked and have delivery windows. Sales promotional materials are also distributed from Ceci.

The value-added services in Table 1 are additions to the basic list of 3PL provider capabilities.

DHL’s life sciences operation at Ceci and Menlo’s Geistlich operations in New Jersey are excellent examples of modern capabilities taking care of customer supply chain needs.

Richard Armstrong is Chairman of Armstrong & Associates, Inc., a supply chain management and market research and consulting firm in Madison, Wisconsin.
WHEN A DEVASTATING 7.8-magnitude earthquake hit Ecuador in April 2016, it claimed more than 650 lives, injured nearly 28,000 residents, and left the country in disrepair.

Working through American Logistics Aid Network (ALAN) – the national collective of supply chain businesses and professionals interested in facilitating crisis assistance, and long-time IWLA partner – numerous IWLA members stepped up to help the Ecuadorians in need of assistance, volunteering fundamental assets and logistics services.

More often involved with domestic aid, ALAN began to assist with global Ecuador relief after the country exhausted its own supplies, which was just two weeks after the catastrophic event. In order to effectively respond and coordinate activities overseas, ALAN collaborated with leaders from Airlink and LIFT to pull resources together.

Nearly 20 different parties worked in harmony to move goods across ground and air, leveraging donated warehouse space, trucks, aircraft, technology and personnel.

IWLA members Kane is Able, Saddle Creek, LeSaint Logistics, and Performance Team were a part of this execution team.

Based in Chicago, Kane helped by holding supplies in its warehouse and volunteering to inventory items donated by Seneca Foods and other ALAN supporters. Its staff then repackaged donations and configured compliant pallets and gaylords ready to ship overseas.

Bulky and large, the pallets of supplies included everything from vital diabetes and heart medications, general medical supplies and packaged foods. Saddle Creek and LeSaint Logistics donated transportation to move these goods between warehouses and launch points.

Performance Team helped serve as the last checkpoint for goods before they were airlifted to Ecuador from Miami to Quito, Ecuador’s capital, and delivered to Americares.

These value-added warehousing and transportation services are essential for ALAN operations. Fundamental planning information, such as timelines, weights, counts and type of goods needed are often unknown until it’s time to operate. Having a network of logistics partners willing and able to be flexible and adaptive is the only way to ensure quick response.

Together the team of volunteer organizations sent more than 200,000 lbs. of food, medical and sanitary supplies via 17 air flights, equaling more than $4 million in humanitarian aid.

ALAN is always on call, facilitating disaster relief across
the country, and welcomes any new companies that can join the network to participate in the vast disaster-relief supply chain. ALAN’s network enables supply chain providers to support disaster relief in ways that highlight their strengths and engage their business interests.

Not only do partners help those in dire need, they also test and grow their skill sets as they respond, supporting their own sustainability. Disaster response is unpredictable, and volunteers learn how to better build out their own operations, react more quickly and pivot more effectively.

If interested in joining ALAN’s network, you can register your company and capabilities via the organization’s website, www.alanaid.org. Coordinators then match expressed needs with potential providers. This tested strategy for responding to emergencies increases the capacity of relief agencies, saves money, and eliminates duplication of effort.

Bethany Cramer is the Marketing Director at Zipline Logistics, a multi-modal transportation provider that specializes exclusively in serving the retail and consumer products sectors. She is an ALAN volunteer, serving on its marketing and PR committee.

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ad man David Ogilvy once said, “My most important asset goes down the elevator every night.” Arm those assets with an understanding of your brand and empower them to deliver it. You’ll be mobilizing your most powerful resource to build and maintain market share.

Andrea Obston is President of Andrea Obston Marketing Communications, LLC in Bloomfield, Conn.
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