

To Outsource or Not

It's a growing trend, but outsourcing logistics functions must be done for the right reasons.

A recent report from market research firm Armstrong and Associates, headquartered in Stoughton, Wisc., shows that, in spite of the slow economy, the 3PL industry is not only healthy, but is in fact in a strong growth mode. The public and contract warehouse market saw growth of 7.7 percent

over year-ago levels in 2007, reaching revenues of \$37.5 billion. There are now some 8,000 contract and public warehouses, with an estimated 1.3 billion sq. feet of space. Armstrong estimates that commercial facilities now account for one-third of the nation's warehouse space.

Why is the 3PL industry one of the few that is bucking the current economic trend? According to Damian Burke, principal at Conveying Solutions based in Atlanta, "We live

in a world that is getting more specialized every day. In a capitalistic market, any service must add value or it will cease to exist. 3PLs definitely add value."

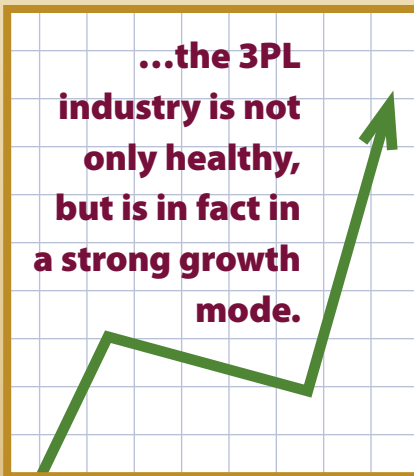
3PLs have matured and the expertise they can offer customers is high. "The best 3PL customer relationships are getting better and the smart 3PLs and customers are building/developing strategic partnerships to deliver win/win results," says Burke.

But that doesn't mean that a 3PL is for everyone. And even for those companies that do outsource, there's still the matter of determining how much of their operations should be turned over. The answer is different for everyone, so it's important to know how to best determine what is right for you.

To outsource?

Many companies have been tempted to outsource some of their logistics functions; just who should, however, sometimes requires fitting pieces of a puzzle together. Andy Dishner, director of client solutions at TSMi Logistics in Knoxville, Tenn., with corporate offices in Portsmouth, N.Y. and Fernandina Beach, Fla., says that some of the signs

continued on page 4



NOVEMBER 2008

In this issue...

WERC Seminar and Webcast Schedule	3
On the Docket	5
Stay current on industry laws and regulations.	
The Road to Multi-Modal	6
Bar-code scanning, voice and RFID are among the technologies boosting productivity and accuracy.	
Matching Need With Help	10
The logistics industry steps up to the plate.	
WERC 2009 Annual Conference	12
Call for industry suppliers	



Photo courtesy of PINC Solutions

RFID-Based Solution Enhances Yard Management

Specialty retailer selects RTLS solution to monitor and track its trailer fleet.

Cost Plus World Market (CPWM) is a growing specialty retailer of food, furniture and other home goods. The company is in the midst of continual growth, currently topping out at 296 stores in 34 states. Merchandise arrives from both national and international suppliers to two DCs, one on each coast.

CPWM employs an innovative approach to monitoring its fleet of trailers at its DC in Stockton, California. The solution that works for CPWM is real-time location system (RTLS),

continued on page 2



RFID-Based Solution Enhances Yard Management *continued from page 1*

which allows CPWM to track some 300 trailer movements each day.

Joe Hall, director of domestic logistics at CPWM, says that, like many companies, CPWM was running its yard in an old-fashioned, manual way. "When we were assessing our yard management system, we kept com-

ing back to the fact that we were a billion dollar company that couldn't start its day without a guy walking the yard with pen, paper and a flashlight to determine how many trailers we had," he says. "There are a lot of folks out there who operate that way."

CPWM knew that it had a big opportunity for improvement, so it set to work finding a solution. "This wasn't a big financial decision for us," says

Hall, "but rather a solution to the frustration that we needed to get a real-time picture of what we had in our yard."

RTLS?

RTLS isn't one specific technology, but rather a generic term with several different options to implement it. According to Michelle Kiang, vice president and founder of PINC Solutions, based in Berkeley, Calif., the RTLS deployed at CPWM's Stockton DC, typically utilizes passive RFID tags that are mounted onto trailers. GPS-enabled Interrogators are placed on the yard trucks to collect information as the trucks move in the yard.

RTLS isn't one specific technology, but rather a generic term with several different options to implement it.

Kiang says that RTLS is most effective at cutting down on lost time. "In the past, drivers have wasted a lot of time driving around the yard trying to find a specific trailer," she explains. "That's unproductive time and it adds up to a lot of equipment time as well as labor and fuel costs."

Another problem with manual trailer tracking is that when trailers aren't found in a timely manner, the clock is ticking on productivity. "With visibility to where the trailers are and what is in them, companies can increase yard velocity and identify additional opportunities for improvement on the overall operational efficiency," she says.

Advantages

Before implementing RTLS at CPWM, the company used an Access database to track its trailers, a time-consuming process prone to human error. "The database limited the people who could see the trailers and we spent too much time gathering information," says Hall. "By the time we put the information into the system, it was already out of date."

The situation was complicated by the fact that many CPWM team members work remotely when on call and didn't have access to trailer information. When CPWM decided to look for a system to improve their yard management, RTLS fit the bill for many reasons. "The ease-of-entry was important to us, as was the fact that we needed a system that could be accessible to multiple functional areas," Hall explains. "Our DC ops team can check on the status of any trailer, at any time and not be totally reliant upon the transportation team to relay this information. We can also access the information remotely, which is key when you have people working off-site and trying to resolve issues at two o'clock in the morning."

The details of operation

As trucks enter the yard at CPWM, an RFID interrogator at the yard's entrance reads the tag of an arriving trailer. A yard truck, used to move trailers within the yard, has its own interrogator mounted into a tracker appliance, which picks up information from the trailer as it is shuttled by the truck and moved throughout the yard. The tracker collects the tag ID and associates it with the location coordinates recorded by a built-in GPS receiver.

The tracker appliance also measures the yard truck's movement in relation to stationary trailers. As the truck moves about, the data is analyzed by the system server located in the backend, which determines each trailer's location. The trailer and GPS data is first stored in the

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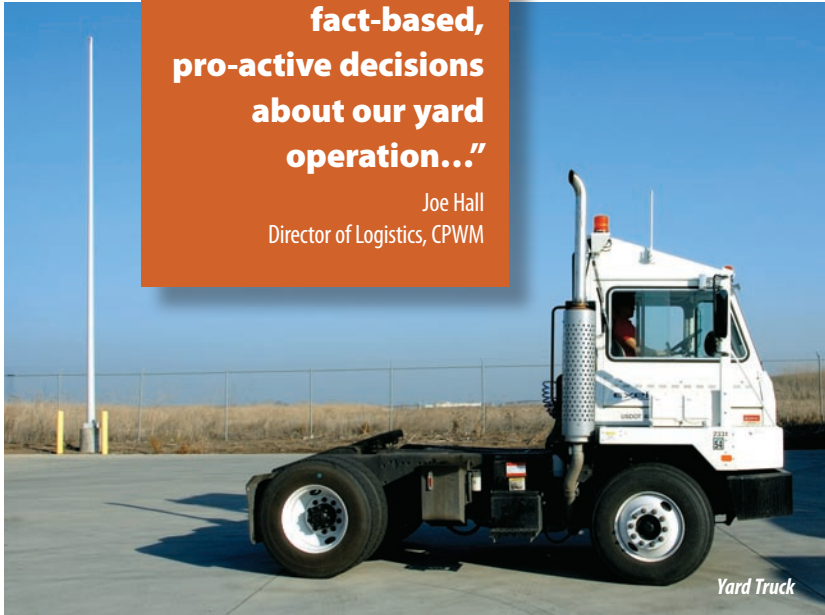
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Writers: Amanda Loudin and Joseph Mazel

“The data has enabled us to make fact-based, pro-active decisions about our yard operation...”

Joe Hall
Director of Logistics, CPWM



come into the DC,” says Hall. “If a cooling system is failing on a trailer and it’s sitting out there in the sun for hours, we have an expensive mess on our hands.”

Benefits

Since installing the system, CPWM has benefited in several ways. “We’ve managed to reduce the number of yard tractors and drivers operating during certain times of the week or month because we now have better data on the utilization rates of our yard equipment. We know how much time is spent moving trailers, running without trailers, or simply idling,” says Hall. “Our accuracy of information is much higher, which has allowed us to

manage resources more tightly, saving us money.”

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tracker and sent on to PINC’s database whenever the appliance is in range of one of the yard’s Wi-Fi access points. The server merges the arrival data with a map of the facility, which leads to a real-time, map-based view of the yard’s activities.

All of this information is accessible to CPWM’s team through PINC’s Web-based yard management application. The system allows CPWM to set parameters as well so that the team can be alerted when an exception occurs. For instance, if a truck is not unloaded within a certain timeframe, the software can alert CPWM personnel. “We have a fair amount of perishable items that

Payback for the system was less than a year, says Hall. “We had a short learning curve and we have used the system to improve our processes,” he says. “The data has enabled us to make fact-based, pro-active decisions about our yard operation, something that we couldn’t do before installing the system.”

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WERC Seminars

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SEMINAR	LOCATIONS	DATES
Achieving Warehouse Success: <i>A Guide to Managing an Effective Operation</i>	Houston, TX Long Beach, CA	November 10, 2008 February 25, 2009
Lean Warehousing Essentials	Nashville, TN Toronto, Ontario CANADA	November 13, 2008 March 16, 2009
Maximizing Warehouse Space: <i>The Key to Productivity</i>	Dallas, TX	February 10, 2009
Using Metrics to Achieve Results	Dallas, TX	February 12, 2009

For details or to register, go to www.WERC.org

Check out these upcoming Webcast Presentations:

An Introduction to Twitter for Business: The Power of Micro-blogging
Thursday, November 6

Simple Steps to Better Workplace Communication
Tuesday, November 11

Keep Your Best People Engaged and Committed
Wednesday, November 12

Talent Management in a Shaky Economy
Thursday, November 13

How to Outsmart the Competition
Thursday, November 20



To Outsource of Not *continued from page 1*

that outsourcing might be an option include:

- When the company knows they are better at *managing* execution than executing the function themselves.
- When the executive team takes a blind poll and not all members agree that a particular function is a core competency. Companies that have the confidence and fortitude to really do this, says Dishner, have a leg up on their competition.
- If there is a concern that keeping the function/task in house might put the company at risk.
- When the company can point to an example of outsourcing success in another part of the business. For example, manufacturing off-shore, marketing support, etc.
- Lack of a focused, robust and employee-driven continuous improvement plan.

Burke says that another consideration is when you can benefit from leveraging the buying power and economies of scale of a larger 3PL company. For example, he says, you may be a small fulfillment company that picks orders manually. If you outsource to a large 3PL company, they may pick your orders in a facility with a high-speed unit sorter and a carton sorter for shipping, something you could never afford at your volume.

One way to analyze the economic sense outsourcing might make is to benchmark your operation and do a gap analysis to determine what it would take—capital, talent, systems, network, etc.—to elevate your operation to world class or the top 20 percent. “Compare that to outsourcing some or a large-part of your logistics,” says Burke. “Make the hard and right decision for your company.”

Not to outsource?

Learning when to recognize that functions should be kept in house is just as important as knowing when to hand them off. According to Dishner, “When a company thinks that ‘throwing their problems over the fence’ to a 3PL is the right answer, it’s a recipe for disaster.”

Another time that it is imperative to keep your logistics functions in house is when they are a competitive advantage to the company. Also, if you have a sophisticated and complex logistics network with top-notch equipment, facilities and technology—one that is better than a 3PLs—you shouldn’t outsource.

Burke says that when your company is in the top 10 percent to 20 percent compared to industry benchmarks, it should stay in-house. “If you have a focus/approach on cost out, continuous improvement and a company-wide commitment to invest to stay an industry leader,” keep it in-house is the recommendation.

SIDEBAR 1:

The History of Outsourcing

Outsourcing, while a maturing industry, is still very new. Below, a history of outsourcing, according to Burke and Dishner:

20th century: Model for most was a large, integrated company that owned, managed and directly controlled its assets.

1950s/60s: Concept of diversification spread across corporations and challenge was to broaden footprint and leverage economies of scale.

1970s/80s: Companies began to see the need to compete globally and were restricted by inflated multiple levels of management. To increase their flexibility and creativity, many large companies develop new strategy of focusing on their core business, which required identifying critical processes and deciding which could be outsourced.

1989: Outsourcing was formally identified as a business strategy. Most organizations were not totally self-sufficient, outsourcing those functions for which they had no competency internally.

'90s: Organizations begin to focus more on cost-saving measures and outsource those functions necessary to run a company but not related specifically to the core business.

21st century: Outsourcing is evolving to the development of strategic partnerships. Focus today is less on ownership and more on results.

SIDEBAR 2:

Outsourcing Facts and Figures

- Transportation and warehousing remain the most outsourced functions.
- Outsourcing customer-facing activities remains substantially less common.
- Nearly 50 percent of companies that currently do not outsource logistics are contemplating outsourcing at least part of their operation in the future.
- Over 33 percent of respondents do not outsource because they see logistics as a core competency. In addition, they do not believe they would save costs if they outsourced.
- The study shows a 13 percent average cost savings reported by those who outsource.

Source: “State of Logistics Outsourcing” study by Georgia Tech and Cap Gemini, LLC.

Reaping the rewards


If you've made the move to outsource and have successfully partnered with a 3PL, you can expect to see a marked improvement in your operations. Studies show that the average company that outsources shows an average 13 percent savings (See *Sidebar 2*).

Dishner says that the gains made through outsourcing boil down to three key areas:

■ **Performance to KPIs.** The right partner and relationship will improve the KPIs that you mutually establish together. Some are immediate while others may take a few months, but the right strategy and partnership will achieve results. Record, measure and review. "This sounds easy but I would estimate that at least one out of three partnerships don't do this on a consistent basis," says Dishner.

■ **Credibility.** Improved KPIs and increased efficiencies will be felt by your customers. "This will lead to a confidence that you understand their needs and are serious about helping them win, even if it means asking yourself the tough questions," Dishner explains.

■ **Defined focus.** The more you trust your partner to handle your business, the more you and your company can focus on developing new products/services, increasing sales and anticipating those things that your customer will want in the future.

Dishner adds this one final piece of advice: "Take a leader's approach: Outsource logistics, but DO NOT outsource logistics management." 

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On the Docket

FMCSA Rules

Rules issued by the Federal Motor Carrier Safety Administration (FMCSA) that have suffered a series of delays may make it out by the end of the year. Most likely to make it is the intermodal roadability rule, which assigns responsibility for chassis maintenance to the owner rather than the user of the equipment.

Also close to release is the new-entrant rule, which would enhance FMCSA's enforcement program for new trucking companies by requiring audits within 18 months of a company receiving operating authority. The rule would focus on 11 specific violations. Both rules were sent to the Office of Management and Budget (OMB) for review in late September, a process that typically takes 90 days before being published in the Federal Register.

Still delayed, however, is the FMCSA's Hours of Service (HOS) rule. The rule is still the center of controversy and may be particularly hard-pressed to make it out during the current tough economic period.

Source: Transport Topics online, October 2008; www.ttnews.com.

Ports of LA/Long Beach Rules

The Ports of Los Angeles and Long Beach recently imposed bans on independent owner-operators, a move that has caused quite a stir. The plan calls for drivers to be employees of companies that are granted concession rights at the ports. Opponents of the plan are concerned that a largely independent pool of drivers would be replaced by unionized, company drivers. Also included in the plan is a requirement that all trucks serving the ports meet 2007 emissions standards by 2012.

The American Trucking Associations, supported by the Intermodal Motor Carriers Conference, argued that the concession programs unlawfully re-regulate the port trucking industry to the detriment of motor carriers, shippers, businesses and consumers that depend on the products handled at those ports.

The sought-after injunction would have postponed the Oct. 1 start of the plan. A U.S. Court judge ruled in support of the concession, saying that the plan fell within the scope what would ordinarily be pre-empted. The ATA and other industry groups plan to appeal the decision.

Source: Outsourced Logistics, September 2008; www.outsourced-logistics.com.

ADA

Since the Americans with Disabilities Act (ADA) became law in 1990, the U.S. Supreme Court and many lower federal courts have interpreted the statute in a way that has narrowed the population of persons who are considered to be "disabled" and therefore protected under the law. This is about to change. On September 25, 2008, the President signed the "ADA Amendments Act," which becomes effective January 1, 2009. These amendments are intended to legislatively overrule a series of Supreme Court decisions and make it easier for persons to qualify for protection under the ADA. They no doubt will accomplish that purpose. If your company has 15 or more employees (including part-time and temporary employees), these changes will affect you.

<http://www.ada.gov/>

Source: VedderPrice Labor Law Bulletin, October 2008 

Stay current
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laws and
regulations



The Road to Multi-Modal

Bar-code scanning, voice and RFID are among the technologies boosting productivity and accuracy.

Mobile workers are not new to the warehouse/distribution center community. But the tools they use and their effectiveness continue to be debated. “The reality is that in 2008, the most commonly applied warehouse mobility tools are still those that have been used for decades: pick lists and a pencil, or a fan-folded stack of picking labels,” declares Lawrence Dean Shemesh, president-CEO, OPSdesign Consulting, Marlton, N.J.

When you consider how important the picking stage is, that’s a problem. “The final loop of information from a warehouse management system (WMS) to a warehouse worker and back is the most critical,” observes the white paper “(The Multi-Modal Warehouse: Getting the Mobile Worker in the Loop)” from Cadre Technologies, Inc., Denver, Colo. “It [also] is the weakest link in most systems. From the lowest form of communication (paper and pencil) to more advanced wireless bar-code scanners, the technology used on the warehouse floor, or lack thereof, has been the most inefficient,” it observes.

“The advent of ruggedized Windows mobile computers opens up new opportunities for improvements in remote worker efficiency and accuracy that improves the overall effectiveness of warehouse operations,” the white paper states. “At the same time, warehouse systems are being designed to serve up better information that is consistent for all modes of communications.”

In the beginning

A number of standalone laser scanners were deployed in the warehouse providing input for carton sortation long before the UPC-encoded pack of Wrigley’s chewing gum went through the check-out scanner at an Ohio supermarket in the mid-1970s, according to John

M. Hill, vice president, TranSystems | ESYNC, Watsonville, Calif. He also notes that hand-held scanners emerged in the late ‘70s.

“Adoption of hand-held laser bar-code scanning in the warehouse was slow because the migration from paper-based picking to scanning rarely increased productivity,” explains Shemesh. It does, however, contribute to “significantly improved accuracy rates and more granular data capture, allowing for more robust process analysis,” he maintains. Other reasons for the lack of adoption included the high cost of the information systems integration, radio-frequency (RF) backbone and the peripherals themselves.

Advancing technology

“Advances and increased affordability in WMS technology, particularly the collection of real-time data and dashboard visibility to productivity metrics by department, activity and individual started to make these investments really pay off in the late-80s to mid-90s,” according to Shemesh. “Radio-frequency data transmission and a fully functional WMS continue to be the foundation upon which any mobility advances must be built,” he asserts.

Steve Banker, director, supply chain management, ARC Advisory Group, Dedham, Mass., sees an “explosion of mobility, especially in the mid-size and smaller warehouse facilities, as they deploy low-end, basic WMS systems that usually can be implemented in less than a month and have a payback period of less than a year.”

Hill notes that, “Automatic identification and data collection (AIDC) systems are fundamental to warehousing performance excellence; indeed, without bar-coding, voice data entry, and even

“Automatic identification and data collection (AIDC) systems are fundamental to warehousing performance excellence.”

John Hill



RFID, real-time warehouse and labor management systems would not be where they are today." In his opinion, one of the most significant developments to occur within the last five years is that the industry has moved away from requirements for proprietary interfaces to open, standards-based systems.

"The adoption of open systems has had a dramatic impact on facilitating the deployment of mobile solutions in the warehouse as it gives managers a much wider range of options from which to choose and simplifies deployment," he explains.

And then there was RFID

Shemesh believes Wal-Mart and its mandate to its top 100 vendors to begin applying pallet- and case-level passive RFID tag labels to shipments jumpstarted the

recent mobility technology movement. "The increased focus on RFID spurred a great amount of investment in research and development to meet the prospective goals of shelf-level tagging in the future," he explains.

One outcome from this work is the development of near field communication (NFC), a short-range high-frequency wireless communication technology which enables data exchange between devices in close proximity—about four inches. NFC's leading application is currently aimed at equipping cellular phones with the near-field RFID technology enabling the phone to work as a proximity-enabled credit card for point-of-sale transactions.

Shemesh sees NFC as a "very promising technology for warehousing applications." In the warehouse, he explains, "similar RFID devices, worn by personnel, can be used to detect which particular person has entered a picking zone and is in closest proximity to the pick-to-light console when the light is extinguished, signifying a completed pick assignment." Multiple pickers can be assigned to a single zone and individual productivity data—not just zone or team statistics—can be harvested.

Maturing voice recognition technology is another application proving its worth. According to Banker, "voice applications actually can improve reliability, as there's a certain amount of errors, even with scanning."

"Voice-directed activities leave both hands free, and two-way data transfer can occur while personnel are walking or driving a lift truck to the next pick location, resulting in noteworthy productivity increases," according to Shemesh. Distribution centers that implement voice-driven technology claim an increase in worker productivity of at least 15 percent, according to information from Voxware, Lawrenceville, N.J. The improvement can be greater for warehouses that are making a transition from a completely paper-based system. In addition, workers who use voice-driven technology typically maintain an accuracy rate of more than 99.9 percent.

"Given the fact that the software and hardware elements are now reliable and economically equivalent to



continued on page 9

the costs of deploying hand-held scan guns, more implementations will be evidenced in the future," says Shemesh.

Moving towards multi-modal

One of the newest benefits of open, standards-based voice systems is the opportunity to use multi-modal technology. "What I really like about multi-modal is that it eliminates the either/or decision," says Hill. "Previously, if voice was the right solution for piece picking in a warehouse, and bar-coding the choice for case picking, it would have been quite a technical challenge to implement both because of the complexity of interfacing. That's no longer an issue."

A multi-modal environment allows warehouse workers to capture data and communicate on the same device in multiple ways interchangeably, without preplanning the workflow configuration or communication method, according to the Cadre Technologies white paper. "Instructions are delivered via speech and on the screen at the same time," it explains. "If the worker didn't hear the voice instructions, he can ask the system to repeat it, or simply look at the screen to read the command."

In picking, the computer is likely to tell the worker to go to a specific location and speak back a check digit. This confirms the proper location back to the WMS. The

worker could also scan the bar-code on the location if the check digit is unavailable. Failing that, the worker could key-in the check digit or bar-code number. "Because the solution is a native part of the WMS system, information is interchangeable, so the most convenient, fastest, and safest mode can be utilized at will," the white paper explains.

While voice technology is ideal for certain operational elements, it is not well suited for others," says Shemesh. For example, in food or pharmaceutical applications, a picker may be directed to a particular location and asked to pick the SKU housed there, but may also need to capture the lot code information of that particular case, inner or piece. "Reciting a 16-digit alphanumeric code into the boom microphone on the headset would be neither productive nor accurate," he maintains. "As a result, voice is being combined with wrist-mounted keypad devices and finger scanners, integrated with the RF voice system, enabling the picking personnel to leverage the attributes of voice and still capture detailed bar-code information without giving up the hands-free advantage."

A multi-modal environment allows warehouse workers to capture data and communicate on the same device in multiple ways interchangeably...



"With multi-modal, potential users have the opportunity to select the best technology for a given function or set of functions in their warehouses without precluding the use of another technology for other areas or other functions," according to Hill.

Looking at ROI

"Costs are a factor," insists Hill. "But they are at the point where managers can look at a hybrid or multi-modal solution, or individual solutions and determine which is best for a given application. If there is an incremental cost associated with using a hybrid solution, is the gain in productivity such that you could rationalize those costs? If not," he explains, "then determine which of the two approaches (for example, voice or scanning) produce greater value."

As part of a recent study conducted by Banker, he asked respondents which of their technology investments had a payback period of less than a year. They cited:

- Bar-code printers and tags (74.7 percent of respondents)
- RF scanner and base stations (51 percent)
- Fixed pick-to-light (46 percent)
- Carousels (41 percent)
- RFID (28 percent)

Banker suggested that the RFID response may be somewhat high, but that a payback period of less than a year is "fabulous." "When determining ROI, managers really have to balance two elements: what's their appetite for risk versus how much they are trying to drive down costs," he explains. "Either way you look at it, you need WMS and the resultant mobility that it can provide."

Hill advises, "Don't go off and choose some technology simply because it has a lot of pizzazz. Select the one or the hybrid that is right for the job and is based on

SIDEBAR:

Human-Computer Interaction Modes

Warehouse workers and computers exchange information in a variety of ways. A white paper ("The Multi-Modal Warehouse: Getting the Mobile Worker in the Loop") from Cadre Technologies, Inc., Denver, Colo., identifies them as:

- **Printer reports.** Workers equipped with paper orders, clipboard and pencil work their way down the list until the work is completed. The warehouse manager or someone else enters back into the system confirmations of the picks that were made along with any exceptions.
- **Hand-held terminal.** Work is dispatched to the worker via wireless network to a "brick-on-a-stick" or other mobile computer. These terminals primarily execute bar-code scanning, but also display information on a screen that allows the worker to view work orders, locations, and specific instructions for each task. The drawback is that workers must continually start and stop work to read the monitor and perform data entry tasks.
- **Pick-to-Light.** Offers total hands-and-eyes-free operation. These systems increase productivity and accuracy, but are single-process focused, stationary, expensive and inflexible.
- **Dedicated speech computer.** Mobile workers can communicate verbally with the system, which frees their hands and eyes to increase productivity, accuracy and safety. Most speech systems interface to WMS and require continual integration and interface maintenance. Most speech systems utilize proprietary worker devices that are expensive and only useful for speech applications. These devices typically do not have screens, scanners or keypads for alternative data input/output.
- **RFID.** Very effective on docks for receiving and shipping, handling inbound and outbound shipments, mostly at the pallet level. Has yet to become effective as an operational tool at the pick-face or less-than-pallet/carton level.
- **Multi-modal interaction.** In the warehouse, multi-modality is the combination of messages exchanged between the WMS and worker with speech commands, browser text, bar-code scanning, keypad input, touch screen, RFID and even pick-to-light. Some or all modes are used in an overlapping manner, depending on the nature of the work (picking, receiving, putaway) and warehouse environmental factors (freezer, long-range scanning).

internationally accepted standards, including 'open systems' to simplify interfacing with the various systems that a company has deployed or may plan to deploy in its operations."

"We will likely see hybrids of many existing and emerging technologies applied to meet the warehousing and distribution challenges of the future," says Shemesh. "Whether it is PDAs, voice systems, RF scanning, RFID, NFC, global positioning devices, or some acronym yet unnamed, one thing is certain: technology will be applied in mass only when the risk and costs are significantly outweighed by the benefits as a result of competitive market pressure."

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"We will likely see hybrids of many existing and emerging technologies applied to meet the warehousing and distribution challenges of the future."

Lawrence Dean Shemesh

WERCouncil

Upcoming Events

CHICAGOLAND November 5

Judge and Dolph Tour

INDIANAPOLIS November 5

UPS presentation and tour at its Indianapolis 81st Street Hub. The event will include a presentation on operations and the typical life cycle of a package, followed by a tour of operations.

PORTLAND November 6

Please join the Portland WERCouncil for a lunch and then a tour of Pendleton Distribution Center handling menswear and home products for retail stores, .com and catalog customers.

PHILADELPHIA/DELAWARE November 13

Tour the new Breinigsville, PA distribution center of R.R.Donnelly.

BOSTON December 11

Holiday event with APICS and CSCMP

For more information about these events

www.WERC.org



Matching Need With Help

The logistics industry steps up to the plate.

While Hurricane Katrina was a disastrous event for the U.S. in 2005, some good has come out of it. Among the positive things to result was the birth of the American Logistics Aid Network (ALAN), an organization dedicated to channeling logistics resources in the wake of disaster.

Time for action

In the wake of recent hurricanes Ike and Gustav, ALAN members sprang into action. WERC member David Zuern, vice president of logistics at Invacare Corporation, Elyria, Ohio, for instance, was one of the first to respond after Gustav hit the gulf coast.

Responding to an email from WERC about ALAN, Zuern connected with Catholic Charities through the Aidmatrix web site and learned that there was a need for mattresses, wheelchairs and walkers. With donated items totaling \$500,000 in retail value, Invacare was happy to provide these items from surplus inventory.

Zuern says, "Invacare regularly donates to local charities and shelters, but this was a case where we could make a large donation and really make a difference for a lot of people who had been displaced and were in dire need of basic medical equipment. We were able to move over 250 mattresses, 50 wheelchairs, and 50 walkers into the area

quickly to help out those who needed them most. Catholic Charities was really on the ball and had us deliver directly to six different emergency shelters in Louisiana and Mississippi for immediate disbursement of the equipment."

This is a perfect example of *need meeting help* since Invacare Corporation is the world's leading manufacturer and distributor for medical equipment used in the home. The company designs, manufactures and distributes an extensive line of health care products for the non-acute care environment.

How it all began

The foundation for ALAN was laid in the fall of 2005 immediately following Katrina. Among supply chain professionals, there was a great deal of interest in finding ways to help the victims of Katrina. Mark Richards, vice president of Associated Warehouses Inc., in Orange, Calif. tells us, "A small group got together and issued a call to action. Many logistics professionals felt that the distribution failures seen in the Katrina aid zone were the kinds of issues we deal with on a daily basis and that the profession could be a valuable resource for relief agencies in dealing with future planning and execution."

The following spring, an even larger group met to discuss a way to put together an umbrella organization to support improved distribution in times of need.

"Invacare regularly donates to local charities and shelters, but this was a case where we could make a large donation and really make a difference for a lot of people who had been displaced and were in dire need of basic medical equipment.

David Zuern

Volunteers deliver some much-needed equipment donated by Invacare Corporation.



PARTICIPATING ORGANIZATIONS

WERC	Warehousing Education and Research Council
CSCMP	Council of Supply Chain Management Professionals
MHIA	Material Handling Industry of America
IWLA	International Warehouse Logistics Association
IARW	International Association of Refrigerated Warehouses
MHEDA	Material Handling Equipment Dealers Association
GMA	Grocery Manufacturers Association
AFFI	American Frozen Food Institute
FMI	Food Marketing Institute
IRTA	International Refrigerated Transportation Association
WFLO	World Food Logistics Organization

Getting off the ground

Launching ALAN was made easier by the level of commitment from the logistics community, says Richards. "I've found that people in the profession are very helpful and humble," he says. "The core idea was to develop a vehicle to connect people in need with the professionals who wanted to and could help."

Today ALAN is made up of many logistics-related organizations such as WERC, CSCMP, MHIA, the IWLA, the IARW, MHEDA, GMA, AFFI, FMI, IRTA, WFLO and Feeding America who can quickly email requests to members and post information on their websites.

The role of technology

Richards admits that "Our biggest hurdles have been having efficient and effective ways to connect those in need with those who want to give." Key to accomplishing this was finding a technology source that could make those connections.

ALAN learned of Aidmatrix Network, a web-based system that manages donations and volunteers contributing to the coordination of humanitarian relief. "Using the Aidmatrix technology, state and federal agencies can post their needs," says Richards. "These needs are then visible, through the ALAN portal, to people wanting to donate."

Every day need

Richards says that ALAN hopes to provide "the right assets, in the right location, in the right amount, at the right time."

He explains, "There's a need everyday for somebody to provide assistance. It's not just during or after storms of such as we recently experienced. For instance, last year I received a call about the wild fires out in California. A group of ALAN volunteers made a few calls and saw that some of the resources requested were made available where the need existed."

Richards has high hopes for the future of ALAN. "I hope that it becomes widely known throughout our profession," he explains. "Then, as needs come up—whether it be floods, fires, or a terrorist attack—we can respond. Ultimately, we'd like to take the process to a global level, but first we need to fine tune the process at the national level."

For more information on ALAN, go to www.alanaid.org.



SIDEBAR

Not Just for Disasters

The American Logistics Aid Network (ALAN) was formed to provide a coordinated vehicle to channel resources from members of various professional organizations to approved Agencies that provide relief during a time of crisis.

Currently, the Product Donation portal is the only one available through ALAN. And the portal states, "Please keep in mind that leading relief organizations typically seek sizable, bulk donations only when they meet the service delivery needs of a particular relief operation."

In the future, Financial Support and Volunteer Registration will be available as well. At that time, monetary donations will be accepted and ALAN will also focus on the education and training of personnel who may be involved in the logistics of aid provision and in providing logistics consulting to approved agencies.

Currently, there are 10 pages of needs described on the ALAN website and many don't expire until the end of the year or longer. Check it out.

www.alanaid.org

A Special Thanks

ALAN wishes to acknowledge the support of Saddle Creek Corporation and contributions of their Senior Manager, Technical Services, Kathy Fulton. Kathy's expertise and commitment was key to launching the ALAN's website portal months prior to its originally scheduled launch date. "Kathy worked tirelessly to ensure the portal could be operational to respond to the expected needs of hurricane Gustav's victims" said Jock Menzies, ALAN President and Chairman of The Terminal Corporation. Without Saddle Creek's support and the contributions of Kathy, the website portal would not have been able to respond with the successes it did.



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