

MM&D

MATERIALS MANAGEMENT & DISTRIBUTION

CANADA'S SUPPLY CHAIN MAGAZINE



2015: REACHING HIGHER Supply Chain Vision

Inside

Improve your fortunes

Success tips roundtable

Executive Vision

Supply chain leaders share
their outlook

THE TIP JAR

Secrets of successful supply chain managers

Compiled by Kara Kurylłowicz

Need a little inspiration? Looking to boost your business in 2015?

Dip into our tip jar to find the idea that will help you contain costs and enliven your bottom line.

We canvassed a cross-section of experienced supply chain professionals, asking them for their top suggestions for supply chain business success. Their answers fill the pages that follow; we hope you'll enjoy their responses and will be able to put into practice some of their ideas.

Here's what we asked:

1. Please share with *MM&D's* readers your top three tips for supply chain success.
2. Which of these would you rank as the most crucial? Why?
3. What's your top tip for supply chain managers seeking to keep costs in line for 2015?



Kerri Plexman
Partner,
BDO Canada LLP

► To manage productivity, take control of the two key cost and efficiency drivers: labour and space

“Managing productivity is key, and since labour and space are the two main cost and efficiency drivers, focus on those first. A number of our clients emerged from the economic downturn (2008 to 2010) relatively unscathed because they cross-trained employees rather than downsizing. When the economy recovered, human capital costs were contained (severance, overtime, temporary staff) by using existing employees instead of hiring additional pickers, packers or labelers. This forward thinking provided a boost to productivity through improved morale and engagement levels. Most employees appreciated the company protecting their jobs while enhancing their skill levels and employability.

A creative, flexible approach to space can cover some, if not all, of the fixed costs, such as rent or mortgage payments, tax, insurance and utilities. For example, clients with more space than required have successfully sublet it to short-term tenants, such as a discount Christmas retailer.

Firms will fall behind if they're not taking full advantage of available technology to augment pro-

ductivity and efficiency. This technology is invariably very expensive so companies need to do a thorough cost-benefit analysis. I'm frequently surprised at how often clients start implementing new technology in anticipation of the benefits and the possibility of growth without really looking at when, or even if, they'll get a measurable return on that investment.

Before you make that commitment, contact a professional advisor who consults exclusively with this industry, to determine whether you're buying more or less than you need and if there is a reasonable ROI.

Right now, our industry is facing a lot of uncertainty due to the trend to e-commerce, as firms figure out how to deal with it and what it means to their business. As a result, the most important thing a company can do to achieve supply chain success is to be aware, as well as willing and prepared to adjust quickly.”

BDO Canada LLP, in Toronto, is an accounting and advisory firm focusing on entrepreneurs and mid-market organizations.

► To maximize efficiency, establish strong partnerships with your best suppliers, review your storage methods as your inventory requirements shift, and outsource whatever you don't do well

“To succeed and maximize efficiencies establish strong partnerships with your best suppliers and review your storage methods relative to your changing inventory requirements. Know your strengths and outsource your weaknesses for maximum efficiency. For example, if a distribution centre is laid out for full pallet picks and put-aways, it might be best to outsource the “each picks” required to fill Internet orders.

Having strong partnerships and using them well is crucial, because a good partnership is a win-win for both parties. Vendors will learn about the key areas of your business and continually work with you to develop long-term solutions and cost savings within their areas of expertise.

Experienced suppliers, who have typically seen hundreds or even thousands of varied applications, are able to bring a substantial knowledge base to the table and may be able to suggest designs and solutions not

previously considered. Get to know your suppliers and determine which ones have the expertise and knowledge required to help you reach your objectives.

A good partner/vendor needs less oversight and can follow a project through from start to finish, which frees up the managers' time and allows them to focus on other areas of their business. Early involvement with a team of trusted vendors during project planning stages will minimize potential problems and will result in cost savings.”

3D Storage Solutions in Burlington, Ontario designs, supplies and installs a broad range of warehouse storage products, including pallet racking, drive-in and drive-through racking, push-back racking, pallet flow racking, cantilever racking, carton flow racking, shelving, mezzanines, pick modules and associated material handling and storage accessories.



Paul Haggett
Partner,
3D Storage
Solutions

► Commit to cycle counts, go mobile for real-time data and use the Internet to maximize visibility

“It's surprising how many companies still rely on quarterly and annual counts instead of regular cycle counts, which are less disruptive and resource intensive, while identifying warehouse process issues much sooner. To ensure the greatest cycle count system accuracy, count all of your pick locations at least weekly. You can also determine and use sales volume-based categories, counting your high-volume categories monthly, mid-volume every six months and low-volume annually. The more frequently a product turns, the more often it should be counted, so you'll need to readjust your count frequency as volumes shift.

Current mobile technology ranges from traditional ruggedized handheld terminals to consumer devices like smartphones and tablets. Bluetooth low emission (BLE) beacons that will be used to track assets and people and offer previously unimaginable levels of supply chain visibility are coming soon. Collecting real-time data as it happens will become more affordable and convenient than ever before.

Best-in-class supply chains are investing in electronic technologies to communicate with key suppliers

and customers and track their products beyond their own distribution centres. Connected systems allow visibility across the supply chain and are essential as same-day delivery becomes more commonplace. We'll always have bricks and mortar DCs, but retailers of the future will look to any point on their distribution channel to fulfill orders.

My best advice is to take your Internet use to the next level. Plug into partners' shipping systems, join online logistics communities and forums, and look at Cloud-based technologies and services to see in-transit inventory and levels across the entire supply chain.

Most small- to mid-size warehouses still rely on paper processes—which are not scalable and create silos of information—for key functions such as cycle counts, receiving, or shipping. Process automation is a critical first step for any warehouse looking to stay relevant in today's supply chain.”

ViascanQdata Inc, based in Toronto, Ontario, is a leading provider of warehouse management software and related hardware products and services.



Jeff Lem
Vice President –
Systems and
Solutions,
ViascanQdata Inc



Scott Deutsch
Director of
Marketing,
Vocollect Solutions,
Honeywell Scanning
& Mobility

► Firms must modernize processes and procedures if they want to thrive in the e-commerce environment

“About two years ago, the omni-channel e-commerce explosion caused a paradigm shift, forcing companies to accommodate the growth of ever smaller and each orders in addition to more traditional bulk case and pallet orders, which drove a real need for better distribution centre (DC) processes and innovative, flexible technologies—like voice.

When e-commerce orders account for just one to three percent of sales, companies can devote a small warehouse section to that niche. As e-commerce sales reach three to five percent of sales, many will outsource it, which is fueling the explosive growth of the 3PL market. When e-commerce volumes approach the 10 percent level, this is the tipping point where e-commerce fulfillment needs to become a core competency in-house. It will be interesting to see how this plays out.

To get more out of their existing real estate, businesses must review processes and improve their slotting and use of space to ensure scalability and the growing number of SKUs needing storage space.

Most firms haven't looked at such intimate details or inventory placement in several years, but in my experience, you need to perform reviews and analyze inventory slotting at least every 12 months to optimize location planning based on today's actual needs.

The new realities of e-commerce and evolving customer expectations will force companies to change how their warehouses are organized and operated. Assessing and challenging the processes, workflow, and standard operating procedures may lead to change that's as fundamental as reorganizing, eliminating, replacing or amalgamating several steps and mechanizing or automating certain tasks.

In the end it's all about a solution that better streamlines operating environments and reduces overall inefficiencies and costs.”

Honeywell Scanning & Mobility, based in Fort Mill, South Carolina, makes voice technology solutions purpose-built for industrial environments and designed to integrate with existing ERP and WMS technologies.



Ross Reimer
President,
Reimer Associates

► Businesses need to prepare now for the coming significant skills gap

“As Canada heads into a growth period, supply chain managers must stay vigilant on cost structure, be innovative around opportunities and ensure they have the right staff to handle the operations today and in the future.

Of the three strategies, the right staffing is the most crucial, since many operations are now exposed to significant skill gaps, particularly in senior, client relationship type positions as a result of streamlining their operations following the 2008 financial turn-down and the fact they now have a number of senior leaders who are quickly approaching retirement age.

Right now, Canada's supply chain has about 1,000 or so senior executives, the bulk of whom are 55 to 65 years of age, so it's time to hire their eventual replacements and start getting them up to speed.

To build bench strength for the imminent and inevitable changes in staffing, hire for growth in a manner that gives the new staff the time required to learn from senior staff who are likely in their last five years of full-time employment. Be sure your firm and its new staff are doing what's required

to carry the exiting staff's deep knowledge and experience forward.

The fact more growth opportunities are expected to appear on the horizon could make this a good time to really assess the costs and margins associated with each of your current clients. An in-depth analysis will be required to determine whether costs can be lowered or price increases are the only way to improve margins.

If you identify customers who are actually driving a negative margin, what can you do to justify keeping them as clients, or do you need to exchange them for customers who have a positive, rather than a negative, effect on your bottom line?”

Reimer Associates, based in Milton, Ontario concentrates exclusively on recruitment within the supply chain to provide the skills, experience and personality required to fill critical positions.

► Manage your suppliers effectively to ensure everyone benefits from the relationship

“To succeed in 2015, supply chain managers must invest in supplier management initiatives ensure everyone involved profits from the relationships.

Get your existing and prospective suppliers working for you by asking their in-house experts for input and let them know what’s ahead for your firm in the short and long term so they can align their resources and processes to accommodate your growth.

Effectively communicate your firm’s immediate and future needs in RFQs and clearly show that performance metrics based on the agreed-upon service/savings levels are as important as competitive pricing.

Knowledge is power, which means performance metrics are vital to a successful supply chain. Unless you have an accurate and objective understanding of where you are, where you are going, and where you need to be, costly mistakes will be made.

Establish comprehensive performance metrics for every aspect of your supply chain to allow you to proactively and systemically manage and prioritize business trends rather than falling into a knee-jerk, reaction management style. Regularly assess and address met-

rics-based performance trends and discuss the results with your suppliers. The more costly or critical the product or service, the more frequent those sessions need to be. If a metric doesn’t affect your service, productivity, safety, quality or bottom line, eliminate it.

Look to every database in each of your departments, then to your suppliers and customers before setting up new systems to capture the required information.

Engage your entire workforce by making sure they fully understand their responsibilities and roles and can easily share their “hands-on” insights around potential issues and opportunities. Standardize and develop a communications process to capture suggestions from each department and recognize positive contributions. Ultimately, this will improve productivity and efficiency as well as morale, while ensuring your firm is leading-edge and competitive in a volatile, demanding field.”

TFT Global Inc, in Ingersoll, Ontario, offers logistics and distribution, which includes warehousing, transportation, supply-chain analysis and route design as well as production and quality services.



Dawna Peat
Strategic
Development,
TFT Global Inc.

► Success requires an approach that uses software and automation to add efficiency, reliability and speed

“Challenge the status quo, think outside the box and discover new ways of improving efficiency because your customers already expect more from you.

Assess current processes and consider more effective ways to conduct business, respond to today’s challenges and position operations for the future.

Take a holistic approach that includes both software and automation, because singly and together, they play crucial roles in delivering efficiency, vital information and customer satisfaction. Make the effort to ensure all facets of the business are coordinated and aligned, including sales, sourcing and marketing teams. This breeds efficiency at the corporate office, inside the warehouse and through the rest of the supply chain.

Use automation to improve operational efficiency and ensure service levels meet customer expectations. Automated solutions are more reliable, efficient and faster than the manual processes they replace, and they also capture key data points to build a complete understanding of the supply chain.

“Rely on software to monitor the performance, compare against historical data and ensure the return on

investment. Distributed order management software is capable of managing inventory across all channels of distribution and can make real-time, automated sourcing decisions based on the constant analysis of order priority, inventory availability, labour and process and equipment information to optimize fulfillment.

Software solutions also add a layer of business intelligence that ties everything together to help management analyze and understand the entire operation and supply chain efficiency. These tools can help identify the operations’ best-performing parts and opportunities for improvement. After the system diagnosis, managers can adjust workflow, implement process improvement and invest in new automation solutions to drive future success.

Intelligrated Canada, based in Mississauga, Ontario, is a North America-based, single-source provider of intelligent automated material handling solutions, including automation equipment, software, service and support for retailers, manufacturers and logistics providers.



Steve McElweenie
Vice President &
General Manager,
Intelligrated
Canada



Jason Dacosta,
General Sales
Manager – Global
Partnerships,
Air Canada Cargo

► Plan and work with a reputable provider because profitability comes from more than selling your product or service

“Profitability is as much about cost control as buying or selling a particular product or service, so plan and develop a strong working relationship with a reputable provider to meet targets and goals.

Determine the inventory levels required to meet customers’ needs, then ensure your supply chain capabilities and inventory levels support your delivery, profitability and customer satisfaction commitments. Rush orders can result in a loss or breakeven on a sale, so look at how the additional delivery costs affect the bottom line and be sure the extra cost guarantees the deadline will be met.

By planning for express airfreight, you reduce delivery times, tie up fewer dollars in inventory and can build the additional cost into the final sales price. By offsetting an increase in the cost-of-goods-sold with a lower inventory value, the greater cash flow can be used to improve your profitability in non-traditional ways. For example, you may be able to take advantage of vendor discounts for prompt payment, which could have a significant cumulative impact at year end.

Sourcing locally is ideal, but not always possible. Work with your freight or third-party logistics provider to fully understand the door-to-door transit path and transportation modes. What are the potential bottlenecks? Customs, taxation? What are the inherent constraints with each shipping mode? In each mode, what is the ideal size and weight for each skid? Security requirements, dangerous goods controls and skid size parameters will vary from truck to passenger or cargo-only plane. Wrong-size skids, even just two inches of added height, can double air-freight costs.

Consider the opportunity cost of every dollar! Getting your goods to market faster can help preserve your cash for use elsewhere, which means airfreight can help businesses thrive.”

Air Canada Cargo, in Mississauga, Ontario offers direct cargo services to over 150 Canadian and more than 300 international destinations in markets such as Europe, Asia, South America and Australia.



Jérôme Thirion,
Partner,
National Lead,
Supply Chain
& Procurement
Advisory Services,
KPMG Canada

► Integrated sales and operations planning (S&OP) will help manage volatility, fluctuations and costs

“Supply chain providers support their partners’ growth by understanding and constantly squeezing out end-to-end supply chain costs to drive profitability.

KPMG estimates supply chain benefits double with an integrated approach to transformation and sales and operations planning. Integrated S&OP requires end-to-end collaboration with everyone (e.g. finance, sales, logistics, key suppliers) to provide the visibility needed to control costs, provide flexibility and manage demand volatility. It effectively manages demand volatility and reduces fluctuations and costs better than forecasting in silos. It can also lead to more business and savings.

Track key performance indicators for an immediate impact on results: on-shelf availability (CPGs), fill rate measured by customers versus suppliers, working capital measurements with clear, communicated inventory measurements.

Understand supply chain costs’ key drivers by product, customer, channel, regional hub, order and cases/pallets. Control costs and increase profitability by knowing their drivers inside-out, which includes the exact cost to serve across each line of product, cus-

tomers and channels. With this data, organizations can make rational choices about how they serve their customers and identify the loss-generators.

Detailed knowledge of the cost-to-serve allows supply chain executives to support sales negotiations and transformation plans with facts, options and solutions, while addressing the root cause of cost increases rather than taking non-sustainable, random actions.

According to a KPMG survey the supply chain’s top two challenges are aligning operations to real-time fluctuations in customer demand and managing risk, reliability and quality.

To manage demand volatility, supply chain executives must drive forecasting visibility to customers and suppliers to facilitate proper supply and demand planning. Increasingly, supply chain executives are looking at cloud computing to streamline collaborative forecasting and planning.

KPMG Canada in Montreal provides tax, audit and advisory services with more than 700 partners and 34 locations across Canada.

► Find the right people and give them the right technology to work efficiently and productively

“Put the right people in the right jobs with the tools that allow them to work as efficiently and effectively as possible and success is virtually guaranteed in any industry. The skills and competency levels must all be there, but beyond that make sure they fit the team, department and firm from a personality and culture perspective—or risk long-term performance, morale and engagement issues.

Your firm will face everything from daily operational adjustments to massive market shifts—so make sure your business model is flexible enough to accommodate change and quickly turn it into a financial or competitive advantage. With the right resources, your people and processes can easily shift course and realize the full capabilities of your business model.

I’m dismayed at how often businesses quickly buy into the super-cool, sexy new technology without first establishing if there is a true business need and whether it offers real value and/or revenue growth. Look at what your people and your business really need, then find the technology that meets those needs

with the least impact on your key processes.

Well-chosen technology can enhance employee engagement and morale by automating the repetitive, low-value and often tedious tasks. This allows employees to focus on the higher value activities that are more engaging and have a more noticeable impact on the firm’s performance, which often results in them being significantly more invested in the success of the organization.

Rely on information that is accurate, timely and relevant to make smart, informed business decisions that help contain costs and manage the bottom line more effectively. Too many companies still rely on information from individual employee’s data silos, usually Excel, or departmental reports that don’t reflect the whole picture. When you have all of the facts in an integrated, well defined repository, the decisions are made more easily, quickly and are generally much better.”

Konstant, in Oakville, Ontario, provides innovative solutions for storage and material handling systems.



Kevin Squires
Vice President,
Business Technology,
Konstant

► Corporate trade, a system that allows businesses to use their assets as payment for business expenses, can help manage financial risk

“Create alignment and strengthen partnerships by opening up the lines of communication across your organization to develop a culture of innovation between the supply chain, procurement, brand management, sales and marketing, then extend it to your suppliers and customers. They can be a source of tremendous insight and support with a unique vantage point across competitors and industries. Beyond price, they can offer data, benchmarks and best practices and share unique approaches on how to fill the gaps missed by monthly reports and fill rates.

Risk management is key, but even the most sophisticated inventory planning and management systems can’t predict all of the market variables. The various unknowns, such as raw material and currency price fluctuations, unseasonal weather, environmental catastrophes, global and political events, changing consumer shopping patterns, and other disruptions can all impact inventory levels.

In today’s uncertain environment, effective risk management is especially crucial; research suggests companies with more mature risk practices not only do better financially, they can better navigate and reduce their exposure in the face of disruptions.

By better managing inventory risk with corporate trade, organizations are empowered to focus on business growth drivers such as new product development.

Look at your supply chain through the lens of sustainability and corporate social responsibility because reducing waste and emissions, and managing consumption typically equates to cost savings, efficient processes, and increased customer confidence and loyalty.”

Active International, in Toronto is a corporate trade broker helping businesses recognize and realize the true value of their assets to make every dollar and every asset count.



Andrew Bulmer
Senior Vice
President and
Managing Director,
Active International



Douglas Harrison,
President & CEO,
VersaCold Logistics
Services

► Select your outsourcing partner taking into account culture, processes and metrics, as well as price

“When you outsource, there are tangible benefits associated with close, strategic relationships with providers, but only if you’ve carefully selected a supplier you know and understand as well as your own firm.

We’re seeing a move away from RFPs, because you can only get so far with a price-based relationship; RFPs simply can’t demonstrate a culture of continuous improvement, the ability to partner, or a commitment to innovation and future investment.

Key questions to ask a potential provider include: Do they know and understand your specific market and products? Are they aware of your firm’s unique requirements? What tools will they use to drive continuous improvement and cost reduction in your supply chain?

Every firm has access to people, technology, equipment and real estate. Do they manage and structure these critical resources to deliver the most efficient, cost-effective, reliable quality service? Do they develop processes and practices that position them as best-in-class and true leaders or do they meet only the required standards?

Examine the providers’ metrics because otherwise it’s just a nice conversation. What is the employee turnover rate? What are the employee satisfaction levels? Service levels? Damage rates?

The numbers will speak volumes, but whenever and wherever possible, also meet with the companies’ leaders.

Technology is a marvelous way of taking out cost while simultaneously providing the additional data required to better understand the business and drive higher levels of efficiency and service. Whatever technology you have today won’t be good enough in two years, so be sure your provider has the capital and commitment required for current and future critical investments.”

VersaCold Logistics Services in Vaughan, Ontario is a supply chain solutions company dedicated exclusively to servicing temperature-sensitive products: transportation management and 4PL, 3PL (warehousing and dedicated carriage), cross-border and domestic LTL and TL, warehousing, distribution services.



Dan Garside
General Manager
– Canada,
Frazier Industrial
Company

► To control costs and improve processes, firms must establish baseline metrics and hire strong staff who have ongoing access to training

“While there are myriad top tips for supply chain success that can be targeted to the specific industry being served, regardless of the sector, there are consistent requirements that bridge all industries.

First and foremost, supply chain professionals must surround themselves with knowledgeable advisors, whether internal or external, to access new and proven as well as visionary ideas, concepts, processes and technologies. The more they demand of their partners, the more competitive they will be.

Knowledgeable, trusted management and well-trained staff are the most important factor because they will drive change, introduce improvement, establish metrics and take care of your customers.

Companies must also establish a baseline of metrics to control costs, establish margins and help develop process improvements.

In order for the processes to work effectively, the right staff must be in the right places, because they

will always be any company’s greatest asset.

Lastly, it’s equally important to embrace innovation and apply it to services to add value and help differentiate the firm, attract new business and secure established customers for the long term in a crowded marketplace.

Only mediocre companies continue to do the same thing year after year and still expect to be properly positioned for the future.”

Frazier Industrial Company, with locations in Trenton (manufacturing) and Vineland, Ontario (sales), produces structural steel storage solutions, from standard pallet rack systems and complex pick-to-belt towers, to AS/RS installations and rack supported buildings, all in structural steel, which is more resistant to damage than roll-formed products.

► Leverage the latest technology to stay ahead of competitors

“To achieve supply chain success, consider outsourcing all of your logistics requirements to a local third-party logistics provider with the expertise that allows your firm to focus on its core business and strengths.

By outsourcing logistics operations, companies allow dedicated professionals to execute their logistics strategy in the most efficient and cost-effective manner, gaining substantial savings that may be reinvested in other areas.

You can also stay ahead of your competition by using the latest technologies to handle storage, distribution and communication needs. Today’s successful companies implement semi-automated or fully automated systems to store, handle and ship their products with the focus on effective and quite often mobile warehouse management systems. By investing in these technologies, companies can significantly reduce their operational costs while improving their labour management and increasing their profit margins.

Align your logistics with your company’s planning, production and sales operations to ensure precise planning, the smooth flow of materials and uninterrupted

production, all of which allow the finished goods to be shipped on time to keep customers happy and buying. Not paying attention here can cause costly inefficiency along the operational channels and may result in lower profit margins and unhappy customers.

In my opinion, utilization of the latest technologies is the most crucial tool in the quest for supply chain success. Once an organization decides to handle logistics internally and establishes their strategy, aligns the flow of goods with the operational planning, production and sales, their focus shifts to improving their operations. Implementing suitable technologies will result in increased efficiency and the reduction of operational costs while increasing profit margins.

Supply chain managers need to make it a top priority to be aware of the latest technologies and how they can positively influence the company’s profitability.”

Schaefer System International Ltd in Brampton, Ontario offers semi- and fully automated systems for storage and distribution, materials handling, logistics software, and waste technology solutions.



Bob Trojnar,
Sales Manager –
Material Handling
Division Canada,
Schaefer System
International Ltd

► Supply chain managers need to track costs and efficiencies to identify the issues, then be open to technology solutions from new suppliers

“Over the past few years, prospects and customers across Canada, the US, New Zealand, Australia, the Netherlands, Mexico, Spain, Sweden, Singapore, Colombia and Venezuela, have all indicated they’re facing remarkably similar challenges: cutting costs, boosting productivity and efficiency and doing the best job possible for their customers.

Information is so often the key to continuous improvement and cost management. You can’t develop a strategy or a solution until you have the facts, and that means accurately tracking all of your costs in real-time. To drive out or eliminate costs, you must know exactly what they are, and where, at a micro level.

Look at what the status quo is actually costing—then challenge it. Once you’ve targeted specific costs, start doing the research. So often, there are solutions that you’ve never imagined and that you were told didn’t exist—you just have to search, ask lots of questions and listen carefully.

Be open to finding the answer online or through a

colleague, customer, a supplier’s sales agent or a marketing rep whether they’re close to home, across the country or abroad.

Many firms have already cut labour to the bone, so they’re targeting one of the next biggest costs—real estate. That means turning to technology and equipment to get the most out of their existing space, for example, different racking and unloading products, new lift systems or even new scanning software. A new system can allow the employee to do more or do something different.

Be prepared to leverage existing and new technology and be willing to take a carefully calculated chance with a new provider who is outside your own region or country.”

Engineered Lifting Systems & Equipment Inc, based in Elmira, Ontario, provides standard and custom overhead material lifting systems and equipment as well as the Destuff-IT and Restuff-IT line of ergonomic end-of-conveyor lifts.



Richard Kat,
Vice-President –
Sales and Marketing,
Engineered
Lifting Systems
& Equipment Inc



2015: REACHING HIGHER Supply Chain Vision

Supply Chain Vision 2015 is *MM&D* magazine's annual outlook forum, where supply chain executives have the opportunity to share their vision for business in the year to come. In the pages that follow you'll be able to read how leaders from various parts of the sector see the coming year.

From our perspective, 2015 is a year with tons of promise. We are planning a year jam-packed with interesting editorial content and innovative opportunities for marketers to reach our readers.

We are really pleased to be planning such a great year in 2015, and we are looking forward to having you join us. Our partners are key to the success of the magazine—we anticipate a strong year of profitable business as we work together to serve the Canadian supply chain community with a meaningful and compelling editorial product.

Please get involved with *MM&D* next year. It's your magazine and we look forward to working with you on projects of all kinds. We can be reached at the contact details below.

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Advertorial

Investing in the future

How Canada's supply chain industry can overcome changing business conditions

Canada's warehousing and distribution companies are facing challenging and uncertain times. Customers are demanding more from their providers and at lower prices – yet offer only short-term commitments in return. While businesses may want to acquire additional space, invest in efficiencies and service improvements, or develop new offerings, they can no longer be sure that those investments will pay off.

This revenue uncertainty has forced companies to turn their focus to cost control while they work hard to meet these increased expectations – potentially missing opportunities to improve their business. As a result, cost issues, space utilization, inventory and staffing currently top the list of the industry's growing concerns.

How can BDO help?

At BDO, we work with thousands of clients in various business sectors across Canada. Our international network of industry professionals has a wide range of financial and advisory expertise to provide global problem-solving capabilities and support our clients by addressing their changing needs.

We have extensive experience in the transportation, warehousing and distribution sector, working closely with clients as their auditors, tax advisors and corporate finance consultants. Our active participation in national industry groups and a multitude of global organizations enables us to be responsive to emerging industry issues and better serve our clients.

To help clients address the key supply chain and logistics issues prevalent in their industry, we have tailored our services specifically for their needs:

- Audit and assurance services
- Tax advisory
- Risk advisory
- Scientific Research and Experimental Development (SRED) advisory
- Financial advisory
- Technology solutions
- Transaction advisory
- Financial recovery

Serving the industry

This is not the first time Canada's warehousing and distribution sector has faced a period of challenging, changing business conditions — nor will it be the last. Our industry involvement and subsequent conversations with leaders in the sector have exposed strategies and tools for



Kerri Plexman, Partner
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addressing and overcoming these issues. We're confident that together we will find a way forward and remain successful in this different environment.

To learn more about how BDO can help your transportation, warehousing or distribution business with these and other challenges, contact BDO Partner and Industry Leader Kerri Plexman at 416-369-3104 or kplexman@bdo.ca.



About BDO

BDO is one of the leading accounting and advisory firms in Canada with our strengths firmly rooted in the communities we serve. Our professionals combine personalized, local advice and service with national resources and experience. As a member firm of the international BDO network, we also have access to advisors around the globe with over 1,000 offices in more than 100 countries.

About BDO International

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Advanced technology, labour set to shape future supply chain

Advances in technology and a growing labour shortage are primed to shape supply chain developments in 2015 and beyond. According to the Georgia Center of Innovation for Logistics, the industry expects to add 270,000 new jobs each year through 2018. However, a quarter of the existing workforce is of retirement age – over 55 years old.

With baby boomers set to retire and a shortage of skilled young workers to replace them, operations rely on more temporary and part-time employees. As a result, they face rising training costs and have difficulty finding and retaining a high-performing workforce. This labour situation and advancements in technology make automated solutions increasingly attractive, driving many operations to move employees to value-added jobs and replace repetitive manual tasks with automation. This increases operational capacity and gets the most value from existing labour resources.

In addition to automated equipment and robotics, Intelligrated offers picking and software solutions that improve training, retention and productivity to help operations cope with the shrinking skilled labour pool.

Intelligrated's easy-to-use Datria™ Voice solution requires minimal training for rapid user acceptance – ideal for operations that scale their workforce to meet seasonal and sudden increases in demand. Datria Voice can achieve 99 percent order fulfillment accuracy rates and result in up to a 35 percent increase in productivity over manual processes. Built on a flexible cloud-based model, the solution scales to meet the demands of small and large enterprises and drives productivity throughout the supply chain, in:

- Receiving
- Putaway
- Replenishment
- In-store retail
- Mobile field service
- Virtually any picking methodology
- Slotting replenishment

As part of its software suite, Intelligrated offers labour management software with a variety of tools to increase labour efficiency. The Intelligrated GoalPost® labour management software (LMS) tracks performance, forecasts workforce requirements and fosters a culture that incentivizes productivity, self-management and continuous improvement.

Extensive performance data and analytics allow operations to incentivize high-performing employees and identify new



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techniques to implement with the rest of the workforce, improving retention and increasing overall productivity. For new or temporary labour, GoalPost evaluates employees based on training curves that account for time in the facility and projected improvement. This leads to earlier identification of strengths and weaknesses, and enables supervisors to intervene with coaching as necessary.



Of course, for true supply chain success, operations must take a holistic approach to the supply chain. Intelligrated's voice and LMS solutions integrate seamlessly with the rest of its software suite and automation lineup, working together to increase efficiency and build smarter, more productive distribution and fulfillment operations.

With best-fit solutions backed by total lifecycle support, reliable project execution and a company-wide commitment to deliver on promises, Intelligrated looks forward to solving more manufacturing and distribution challenges in 2015.

Advertorial

Are you ready to run a better business with voice?

As we finish 2014 and make plans for 2015, we are all reviewing our organizational goals and team objectives to get an accurate pulse of the business. If you are still asking, "What else should we do to improve our worker performance and efficiency? What else can we do to make a good team better? How can we make 2015 our most successful year ever?" I believe we have the answer.

Continuous improvement requires continuous review and consideration. Honeywell is committed to help you find ways to go beyond the status quo and make your efficient business even more successful. We do that by providing you with the most trusted and deployed voice solution in the world. Honeywell's smart and innovative technology solutions are designed to make your DC operations run more efficiently – streamlining worker processes to gain greater workforce productivity.



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Honeywell

Even the most successful DC operations continue to look for ways to fine-tune their organization. Honeywell Vocollect voice is the most trusted and deployed voice technology in the world – in fact, we have more installations than all of our competitors combined. Our award-winning portfolio includes the industry's only voice and scanning solution.

We'll enable you to gain greater insight about your workers' performance and help find ways to simplify their tasks. Together, we'll evolve your workforce from capable... to confident.

Are you ready to run a better business with voice?

If so, give us a call today at +1.412.349.2515, or visit www.vocollect.com.



Supply chain solutions for temperature sensitive products

VersaCold is Canada's largest provider of supply chain solutions for temperature sensitive products. Operating throughout Canada and with services extending into the United States as well as globally we work closely with our customers to provide specific solutions for their temperature sensitive products. Whether it be increasing revenue, improving product quality, reducing capital or improving the bottom line, VersaCold has the resources.

Our consultative approach begins with understanding our customer's needs. Through the use of advanced supply chain modelling tools we can optimize and configure the ideal solution. Through ongoing reviews we work closely with our customers to establish continuous improvement goals and recommendations.

Cold Chain assurance is a critical part of any solution. As part of our team of resources we employ team members with deep backgrounds in food safety and food science as well as other specific safety and compliance resources.

Technology and information is a key enabler to any supply chain. We deploy world class WMS and TMS applications with full EDI connectivity, temperature reporting & monitoring, report customization and recall support to name a few.



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President & CEO

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VersaCold
LOGISTICS SERVICES

Through our five operating divisions we are able to provide a range of services from a single element to a fully outsourced solution. Our divisions include:

VersaCold Transportation Solutions

- LTL (frozen and refrigerated)
- TL (frozen and refrigerated)
- Dedicated Contract Carriage

VersaCold Transportation Management Solutions & 4PL

- Intermodal TL (frozen, refrigerated, ambient)
- Domestic & cross border TL & LTL (frozen, refrigerated, ambient)
- Transportation Management & Freight Brokerage
- Fully managed supply chain solutions (4PL)

VersaCold Third Party Logistics

- Dedicated facilities
- Dedicated Contract Carriage
- Fully Integrated Logistics Services

VersaCold Logistics Solutions

- Frozen and refrigerated warehousing
- Value-added including treating, packaging, processing & labelling
- Reverse logistics & recall management
- Cross docking
- Inventory management

VersaCold Distributor Services

- Specialized Distributor of frozen and temperature sensitive food products
- Marketing support & merchandising
- Inventory planning & replenishment

Advertorial

KPMG Supply Chain & Operations

In a continuously changing market environment, supply chain management is one of the cornerstones of an organization's performance, providing competitive advantages the company needs to succeed. Long considered cost centers, supply chains are now strong differentiation drivers and an integral part of corporate strategy.

KPMG's Supply Chain professionals can assist you with the full range of process, technology and people change levers essential to building a durable competitive advantage through these key services: Supply Chain Transformation, Distribution Network Optimization, Integrated Business Planning, Lean Operations, Technology Enablement, and Change Management.

Recognized for their in-depth knowledge of operations, supply chain and logistics, our professionals have extensive experience in industry and advisory services. With the ability to leverage KPMG's extended team around the world, they serve Canadian, American and international companies of all sizes, both private and public.



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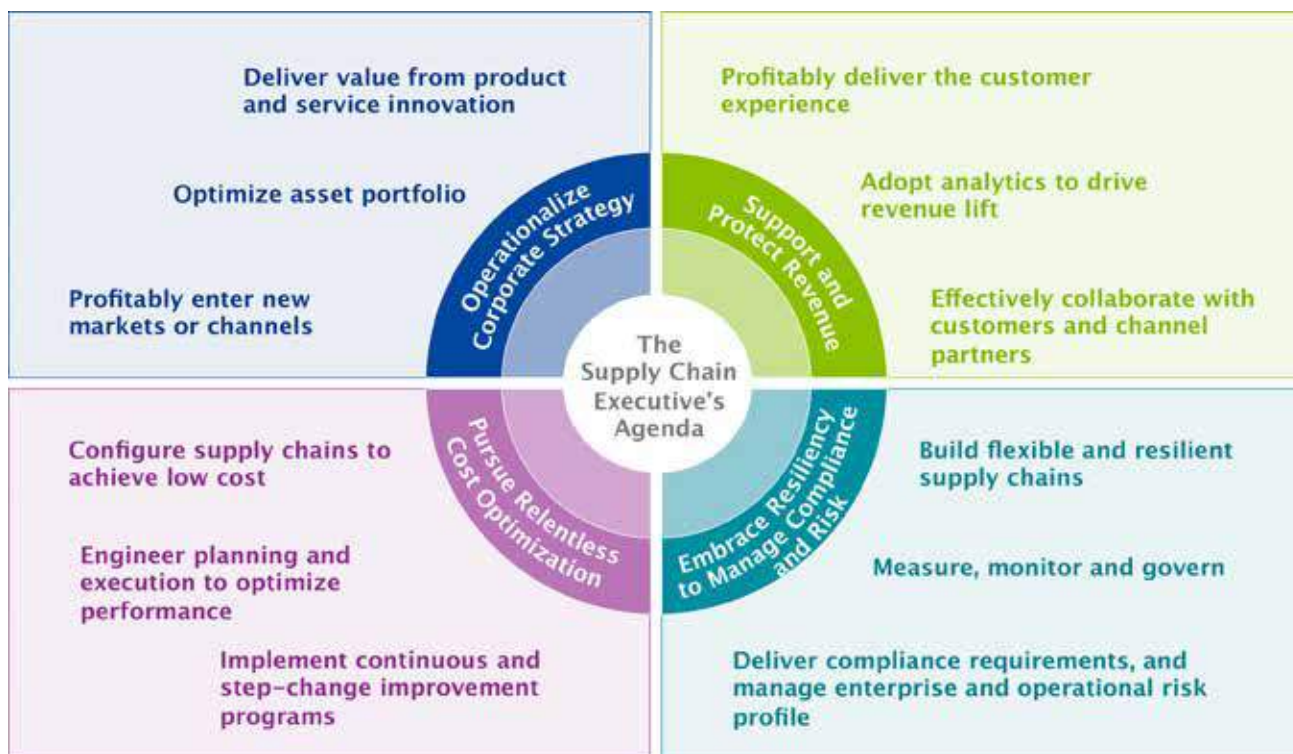
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How we are different

- Experience of leading supply chain and operations transformations in companies around the world
- Global reach; we are where you are
- End-to-end supply chain transformation capabilities
- Measurable P&L and operational performance impacts
- Global Supply Chain and Procurement Centers of Excellence
- Proprietary tools and strategic technology relationships

Our mission is to support the Supply Chain Executive's agenda



Customer-centric innovation at Air Canada Cargo

In 2015, Air Canada Cargo has its sight fixed on customer-centric innovation. The airline is in expansion mode and we're taking full advantage of new aircraft, capacity upgauges and new routes.

But air freight is all about speed and efficiency, and while there are opportunities for us in network expansion, we're also focused on using innovation to maximize efficiencies and create value for our customers. In this regulation-heavy industry, improving the processes we control to deliver improved service, and reduce costs, is critical.

Moving Forward with Mobile Technology

Mobile technology is changing how we do business. Our mobile app is popular with customers, allowing them to track shipments and receive notifications. We also use mobile technology to enhance and streamline our own processes. We developed iRamp and iLynx, two pieces of mobile technology, to maximize efficiencies in our warehouses.

iRamp is a dispatching tool that manages how freight is run from the facility to the aircraft, and allows us to monitor where the vehicles are at all times. It sends notifications right to the vehicles when freight is ready to be picked up on the ramp.

iLynx puts our full operating system on an iPhone or iPod in the form of an app, and right in our employees' hands – they can scan containers or air waybills right in the warehouse. It can also provide real-time information about shipments. It's currently deployed for import functionality in Montreal, Toronto and Vancouver. In 2015, we'll be rolling out to all our stations with full import and export functionality.

Both applications have had a significant, positive impact on productivity and service levels, and customers get an immediate benefit. And as an added bonus, our employees like working with the tools – they're fun.



Lise-Marie Turpin,
Vice-President, Cargo

**AIR CANADA
CARGO** 

Innovative Solutions

iRamp and iLynx are operational innovations that benefit our customers in multiple ways. We're also constantly innovating at the commercial level. We must ensure that our service offering can grow along with, and even anticipate, the demands of the marketplace.

For example, this year we asked our customers for feedback about our AC Cool Chain solution, looking for ways to enhance it. As a result, we introduced Dupont™ Tyvek® Air Cargo Covers as a value-added option for perishable shipments originating from select stations. We've been very pleased with the result of the covers and will be extending their availability in 2015.

The marketplace is increasingly asking for – and expecting – real-time tracking information about shipments in transit. GPS tracking devices are being used more frequently by shippers who want maximum visibility for their high-value or sensitive shipments. To meet this demand, we recently announced the approval of several GPS tracking devices for use on our aircraft.

These initiatives - the DuPont™ Tyvek® Air Cargo Covers and GPS tracking devices – are examples of the type of customer-centric innovation we're embracing in 2015. We want to open doors for our customers, facilitate their access to technology and opportunities to grow their businesses.

www.aircanadacargo.com



Advertorial

TFT takes visibility and accountability to new levels for 2015!

In 1989 TFT Global Inc. started as a small quality sort company in Tillsonburg, Ontario with one location and a handful of employees. Today TFT is a global full-service Third-Party Logistics provider with 8 locations, flexible service offerings, and over 200 employees. The most impressive point is that they are still growing and prospering in today's economic uncertainty. If you ask what they attribute their long-term success to they will reflect on their core principles of Passionate People, Responsible Growth, and a Solid Reputation. Underneath all that lies the true secret to their business... exceeding their customers' expectations and ensuring transparency to those clients. This allowed them to reach a level of trust that far exceeds the competition.

Any company can offer quality containment and logistics services, but TFT's niche is their priority to "listen" to their customers and incorporate "customer needs" into high-level business plans year after year. Not only do they have the ability to develop software in-house that is fully customizable and that can communicate with ease with their customers' systems, but they have a dedicated Progressive Development team who solely looks at ways to increase efficiency, reduce liability, and improve service through technology. Today TFT leads the way in the distribution industry with privately-developed customer portals that offer a direct interface with OEM production



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systems at a higher level than any of their competitors. This interface results in live-reporting systems. They have been designed to allow their customers real-time data regarding inventory levels, min/max alarms, cube utilization, route schedules, and more.

Obvious are the benefits real-data can bring to a client's ability to ensure proactive and productive decisions within their business, but live-reporting tools hold TFT accountable, as a service provider to their own performance more than any KPI or written procedure. It isn't about whether or not a mistake will happen because we know it will at all levels within all parties and all departments of a supply chain. What is critical is the transparency of such issues to avoid a financial impact and ensure "all hands are on deck". Even more valuable is the aftermath of being able to perform true root-cause analysis with objective documented information and prevent future occurrences. In addition to holding accountability to a new standard TFT can use this information to improve their own internal communications across departments.

Moving forward TFT is bringing this level of technology to the Quality Services side of their business. Their new Vantage software has been fully implemented in all locations as of October 2014. 2015 brings live containment sort data, reject counts, billing information, and onscreen work instructions to the hands of every client with internet accessibility. Performance metrics are incorporated into their reporting tools which can be customized to each client and industry. TFT is eager to see the impacts on their KPI's for 2015 and will continue to challenge their processes under this new software for further efficiencies along the way. Bring on the New Year!

Specialists in supply chain recruiting

We concentrate exclusively on recruitment within supply chain, leveraging the extensive industry experience of our seven-member team. Simply put, as drivers of success for numerous transportation and supply chain companies, our team has learned firsthand what kind of skills, experience and personality it takes to fill critical positions. We operate confidentially and effectively from inside the industry.

We are transportation and supply chain industry experts

All of our associates gained substantial career experience in the supply chain or transportation industry before joining Reimer Associates as recruiters. Their background gives them – and the entire Reimer team – unprecedented knowledge to satisfy our clients' recruitment needs. There is simply no substitute for having worked within the industry when seeking to fill industry-related positions. Our experience gives us not only credibility with clients, but with passive candidates with whom we have developed relationships with over many years.

Our intelligent database grows continually

Our database of qualified candidates numbers tens of thousands and grows each and every day. We expand this resource through constant research and headhunting within the industry, using social media, industry associations, personal one-on-one networking, advertising, and responding to numerous referrals that come our way. In addition to working from our database, we identify specific companies to target in every new search, to ensure our clients receive the best possible slate of candidates. Because we stay so close to the pulse of the industry, and our research is fresh and relevant, we fill searches in days instead of weeks or months. That's a great benefit to our clients.



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REIMER
ASSOCIATES
Specialists in Supply Chain Recruiting

Our process works for you

Because of our extensive and up-to-date supply chain database, in addition to our laser-like targeting, we can develop a broad list of candidates to be interviewed. Our interviewing and reference-checking skills are well honed and highly professional. Before presenting a candidate to you, we conduct thorough personal interviews that incorporate significant behavioural questioning. We have selected all Reimer associates on the basis of their substantial people skills and their ability to sort through multiple candidates, so they're highly proficient at developing an outstanding short list. We see each personal interview as an important interaction. And because we have all hired dozens of people in our previous industry careers, we've never forgotten the importance of each new person to our client's organization. In addition, our extensive industry knowledge and connections often allow us to reach beyond the supplied references so we can speak candidly with people who are familiar with the candidate. We see our exhaustive reference-checking as the final confirmation or rejection of our short list of candidates.

You can count on us for the long haul

Our reputation for taking our work seriously and delivering outstanding value to our clients is well known within the supply chain industry. We pride ourselves on having developed long-term relationships with some of the industry's most well-respected companies. We look forward to working with you!

Advertorial

SSI Schaefer designs and implements efficient warehousing solutions.

SSI Schaefer is dedicated to providing our customers with Dynamic Storage Solutions designed specifically for semi-automated warehousing applications. Our creative and analytical approach along with our keen attention to detail makes us very successful.

By customizing each solution to specific customer storage and operational requirements, we offer our customers turnkey solutions at a premium ROI. These are the key elements that set Schaefer apart from our competition.

Considering today's trend of minimizing the footprint for storage and operations, the requirement for developing new and advanced storage solutions increases exponentially. That includes the need for efficiency in labour management. By changing the paradigm from "man to goods" to "goods to man", Schaefer's semi-automated storage solutions address customers' demands for efficient and yet not fully automated systems which function successfully now and will continue to do so in the near future.

Today, an increasing number of small and medium-size companies are seriously considering the implementation of semi-automated storage solutions. Schaefer Dynamic Storage Solutions are a perfect fit thanks to their scalability.

Our DSS product line includes VLM Logimat, an automated storage and retrieval system, a newly developed AutoCruiser conveyor and a E-Pick, Pick-to-Light technology. All three warehousing systems are designed for efficient storage and fast, accurate picking of small and medium parts. Mobile Pallet Racking and the Deep Channel Storage Orbiter are exclusively designed for condensed pallet storage. Each



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storage and retrieval solution has a unique application which is specifically tailored to the needs of our customers.

SSI Schaefer is proud to provide complete service, from data analysis and consulting, to complete manufacturing of all storage technologies-including plastic and steel containers-to installation and service. The Schaefer team is dedicated to delivering superlative customer solutions.

Schaefer's Dynamic Storage Solutions can operate in a stand-alone configuration or can be seamlessly integrated with a customer's WMS. When integrated with other logistics equipment they can become fully automated storage and retrieval systems.

Schaefer is an internationally recognized leader in the material handling industry with a presence in over fifty countries providing custom-tailored solutions for small and very large operations with diverse complexity. Our core belief is that we can provide the most effective and efficient storage and operations solutions; we have built our reputation on more than 70 years of experience in doing just that.

Contact Schaefer today for a turnkey solution that our team will design specifically to suit your company's unique storage and logistics needs.



Konstant – Where customer focus is built in

The Econo-Rack Group Inc., better known as Konstant/RediRack/Econo-Rack and TechniRack, has been designing efficiencies for the warehouse storage market through innovative products and services for the past 27 years.

Canadian and U.S. customers know they can rely on our racking and shelving solutions engineered to fit specific, customized warehouse environments. But Konstant's commitment to customer success doesn't stop at smart design. Konstant is continuously striving to set new technology benchmarks for the industry as a whole, redefining what it means to be truly "customer-centric".

The organization invests heavily in integrated technology to improve the end-to-end experience for customers. From material handling requirements to installation, the process is supported by customized digital tools created to maximize the customer experience.

DigiDetail

This is an interactive, tablet-based product and services demonstration tool equipped with a self-updating, customer segmentation database. The system selects products appropriate to the customer's requirements and intelligently displays the most relevant content in an auto-configured, interactive presentation. Sales experts use DigiDetail in the field to ensure customer visits are efficient, informative and productive, without offering solutions that are inappropriate for the customer. Seeing is believing, and DigiDetail allows the customer to visually see how Konstant's products and systems work so they can make an educated decision.

AKCESS

This automated customer survey system prompts Konstant/Redirack customers to evaluate sales interactions and logistics solutions. Customer feedback is paramount in the



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KONSTANT

Company's strategy, and AKCESS ensures every customer is offered the opportunity to provide commentary to improve the process. Every survey is taken seriously, with digitally driven action plans to ensure a prompt customer response to any identified area of opportunity.

Inquiry Systems

Sales reps stay on top of customer projects and developments with the help of Inquiry Systems. Integrated with the customer database, these tools alert reps to orders, shipping, deliveries and other important events through automated notifications systems. Customers can expect to be informed throughout the buying process with a well-connected account manager at the wheel.

These advancements are the direct result of the visionary leadership of Kevin Squires (VP of Business Technology) who understands that Konstant's dedication to pushing the envelope in customer-centric systems isn't accomplished with technology alone. Bringing over 23 years of Pharmaceutical experience to bear, Kevin Squires has introduced innovative, ground-breaking systems and practices to the industry, and with the help of a proactive management and technology team, he has ensured that the organization continues to keep one goal in mind – making sure the customer is the primary focus.

The industry leader in warehouse storage solutions was built on a foundation of tireless commitment to customer satisfaction, smarter working practices, hard work, dedicated staff and management vision; technology has simply helped us take that commitment to the next level. Technology has also helped increase efficiencies and decrease costs which are passed on directly to the customer!

For more information on how Konstant/RediRack can help you with your warehousing storage needs, please contact us at (905) 337-5700.

Active International

It seems every day the business world is becoming more competitive.

Technological advances, flat markets, new competitors, nervous consumers and global uncertainties all impact Canadian organizations.

You're likely finding in your own business that the difference between a profitable year and one that is not can be found in small variances in line items (often in inventory, capital equipment and real estate).

Companies can't afford to keep assets on the books that aren't contributing to the bottom line.

Everything (and everybody) needs to produce at a high level to ensure an organization's continued success.

Historically companies have liquidated stale assets (like inventory and old capital equipment). However, balance sheets suffer; liquidation typically recovers only one-third of an asset's original value. It's no wonder many Fortune 1000 companies are embracing corporate trade as a strategic tool to maximize value on such assets.

Why leading brands use corporate trade

In the era of innovation, consumer goods brands find themselves in a constant state of beta with new product development. And with a continuous cycle of 'new and improved', comes the cost and supply chain implications of transitioning from one sku to another.

As much as we all wish for a crystal ball, even the most successful companies can't predict all market variables, leading to slow inventory turnover.

Many leading companies around the world are planning for inventory risks using corporate trade as a safety net. Excess inventory sitting in your warehouse, or outdated factory machinery incurs carrying costs, causing you to take a loss on your books.

Using corporate trade is one way you can recover that loss, while driving cost savings in other areas of the business.

A rapidly growing industry

Corporate trade is thriving. Over the past 30 years, new corporate trade providers across North America have entered the market in order to meet demand from companies that want to remain competitive and profitable.

How it works

- Once you've identified an underperforming asset or inventory you no longer need, a contract is



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negotiated with your corporate trade provider, who buys your assets at full value for trade credits (they are typically recorded as a prepaid expense)

- They re-sell your assets into channels approved by your company (or you can choose to manage that re-sale transaction yourself).
- Your business uses the trade credits with cash to purchase advertising space, business travel, research, 3pl, and more
- The result is realizing the full market value of your asset through a reduction on business expenses over time

Whether you work in supply chain, finance, sales or marketing, delivering target EBIT to company shareholders is everyone's top priority.

In all likelihood your organization is faced with untapped opportunities, and challenges that can be overcome by including corporate trade into your supply chain strategy.

Active International Canada has set the standard for corporate trade for close to 30 years. During that time we've executed thousands of successful transactions, helping companies meet their bottom line commitments.

To learn more, contact us for an assessment.



Internet of things in the supply chain

Making the Unknowable Knowable

Gartner predicts by 2020 over 26 billion devices will be connected through the Internet. But what does that mean for the Supply Chain Industry?

Two words: Greater Visibility.

IoT (Internet of things) will go places that humans can't reach and shouldn't by virtue of cost and safety. This means it will be filling gaps that are known blind spots in your supply chain. For example, there is often a time gap between the arrival of a trailer and when it actually gets unloaded. You may think that the truck arrives when the first scan is recorded, but a sensor can actually tell you when the trailer docks and when the doors open.

For me the "holy grail" of inventory management and the real promise of IoT are truly knowing how many resources go into moving an inventory from one location to the next. Unlike our manufacturing counterparts, who have the knowledge of exactly how many machine cycles, material, time, and labour go into making a finished product, the warehouse manager can only tell you how much labour and time go into a typical inventory transaction.

Missing from the analysis is the material handling equipment used to move that product around. No surprise that when the production manager asks for a new piece of machinery she can tell the CFO exactly how much more output or energy savings the new machine will conserve. On the other hand, the warehouse manager can only say he needs a new fork lift truck from its recent record of repairs. Guess who wins the capital request?

IoT will level the playing field by giving the supply chain manager the tools to measure the amount of resources both in terms of humans and machines when it comes to every inventory move. One of the key tools that will be coming to our aid is an inexpensive device called a Bluetooth Beacon. These beacons are in reality small computers to



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VIASCANQDATA

the extent that they have processors, power supplies, and Bluetooth radios. They are not like the Bluetooth devices of the past, which typically took up to a minute to establish a connection. Connectivity happens in seconds and these devices last up to four years in the field.

At ViascanQdata, we will be starting three beacon pilots to track the location, speed and direction of fork lifts and other material handling equipment in the warehouse. When paired with the warehouse's inventory transaction data, we will uncover a treasure trove of new metrics and analytics.

Some of the insights we'll be able to provide our pilot project participants will include:

- Output by equipment type
- Output per linear foot of travel
- Location of assets
- Equipment utilization by function
- Equipment Utilization percentage

If you want to learn more or see the results of our pilots please contact me.

And here's my prediction: Gartner is wrong on the 26 billion – it will be much more.

Scanners On!



Advertorial

3D Storage Solutions RX Pallet Rack protects your investment – today, tomorrow...

Planning and sourcing a new or retrofitted Distribution Centre or Storage Warehouse can be a daunting challenge. There are numerous essential factors to take into consideration; space utilization, workflow process efficiency, labour productivity, future scalability and yes, the resounding factor most often heard- cost.

No one should argue that pallet racking capital costs are immaterial in the construction of a warehouse storage system; however, a case can be made for subsequent replacement and maintenance expenses associated with the pallet racking system. Wherever there are fork lifts, there will be pallet racking damage.

3D Storage Solutions has developed RX pallet racking (Figure 1) with Tubular profile that will greatly mitigate the inevitable expensive replacement, repairs and decommissioning attributed to pallet rack damage. Open section standard roll-formed rack just doesn't withstand the rigors of day to day operations in the warehouse storage environment.

Superiority belongs to the strongest, safest pallet rack. By strongest we not only mean load bearing, but strength to withstand impact and torsional forces (Figure 2). The upright steel column is the backbone of any pallet rack system. None can compare to 3D Storage Solutions exclusive closed tubular column which has 200 times more resistance to torsional forces than comparable open channel columns found

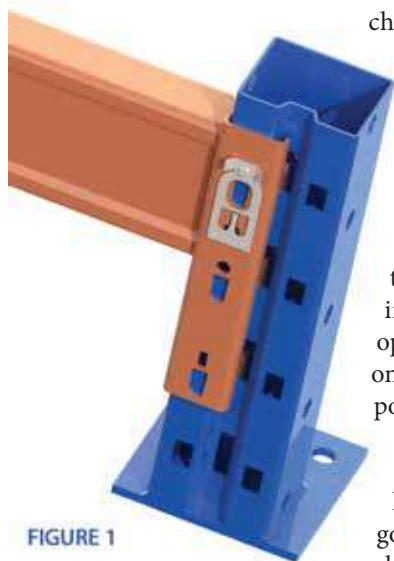


FIGURE 1

in ordinary pallet rack. This tubular column also has much greater resistance to fork truck impact.

Combined with tubular X bracing instead of standard open channel diagonals on the uprights, the 6 point beam connection combined with a superior spring locking clip and you've got the very safest pallet rack money can buy.



Paul Haggett, Principal

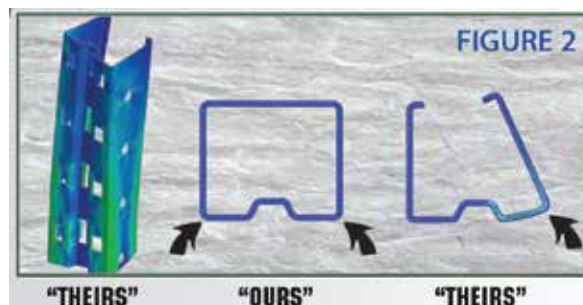
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3D STORAGE SOLUTIONS LIMITED


Speaking of cost, 3D Storage Solution pricing is comparable or less in cost to standard open channel pallet rack.

RX Pallet Racking Features

Strength and Greater Impact Resistance - Any engineer will confirm the fact that a tubular column is stronger than an open section column. A closed column also increases torsional resistance more than 200 times over any relative open shape. All 3D RX columns, beams, horizontals and diagonals are tubular. That's superior pallet rack!

Damage Resistant Tubular X-Bracing - 3D Storage Solutions frame x-bracing provides support in both tension and compression. Closed tubes reduce catch points for pallets and loads when loading and unloading, and are cleaner than open backed channels.

When purchasing your pallet rack storage system, think safety, think product damage, think liability and think peace of mind. Then contact 3D, and we'll help you design a pallet racking system that meets all of your warehousing needs.

Destuff-IT™ Unloaders & Restuff-IT™ Loaders

A Better Way to Handle Container Contents

Destuff-IT™ Unloaders and Restuff-IT™ Loaders are unique in the market place. Used by workers tasked with manually handling product into and out-of containers and trailers. They are unique solutions that optimize worker and conveyor position from floor to top of container.

First launched by Engineered Lifting Systems & Equipment Inc. (ELS) in 2009, these machines have undergone continuous improvement for enhanced performance, reliability and features. They are currently being used in warehouses, distribution centers and third party logistic organizations in several countries. Benefits of the machines include: productivity gains, increased efficiencies and reduced worker injuries.

Dr. Steve Lavender of the University of Ohio is currently conducting an ergonomic study focusing on the benefits of both the Destuff-IT™ Unloader & the Restuff-IT™ Loader. The study measures and qualifies ergonomics and efficiencies. It is being conducted in selected industry sites in Ohio, USA.

Case Studies for several Destuff-IT™ units have been developed and customers have been very willing to share their results with ELS. These studies assist in not only understanding real numbers relating to investment returns, but also highlight ELS's wide customer base. "As far as unloading at inbound docks, it is realistic to achieve a 900/hour or higher case rate", says Richard Kat, VP of Sales & Marketing for ELS. This has a significant effect on all productivity for the distribution centre team, impacting scheduling, storage, facility docks and floor space allocations.

In a client testimonial about a Destuff-IT™ installed August 2014, David Hart (Production Manager) commented, "I honestly mean this when I say, this is



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ELS VP Sales & Market

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the best investment we have ever made in the QA and Receiving area, and I have been with the company for 26 years! We absolutely love it! I honestly think that we can unload a container in 1 hour once we really get the hang of it. Our normal unload time is right about 3 hours the way we were doing it [pre-Destuff-IT™ installation]."

As a result of increased interest and growing sales, ELS is expanding manufacturing capacity to accommodate demand. "For more than 4 decades, our company has been part of Waterloo Region (Ontario, Canada)", said Kat. "We are committed to our products, customers and employees. We are excited to expand our facilities again and look forward to continued success in the years ahead."

ELS has attended supply chain and logistic tradeshows for the past three years to showcase these innovative products and gain insight into market demands. In 2015 ELS will again attend Promat in Chicago, IL and will be exhibiting the most current model of Restuff-IT™, a machine that has bi-directional capabilities.

Upcoming webinars related to product description, ROI calculation and other topics relating to the Destuff-IT™ will be available as listed on www.destuffit.com.



Advertorial

Is it the brains, or is it the brawn?...

What Keeps Frazier Customers Coming Back?

Actually, we know it takes just the right mix of both - the brute strength and durability of our 100% structural steel storage systems and, more importantly, everything else that stands behind the steel; almost 65 years of system design, engineering, testing and implementation expertise, channeled to solve your toughest storage and material handling challenges. THIS is what keeps Frazier's customers coming back.

From standard pallet rack to complex pick modules and AS/RS installations, Frazier Industrial helps each customer develop the most cost-efficient solution to maximize space and achieve optimal productivity. Customers throughout the U.S. and Canada benefit from Frazier's extensive support teams across sales, design, engineering and project management, each providing comprehensive expertise from early concept development to system installation, including:

- Advanced System Design & Engineering
- Strategic National Manufacturing
- Material Handling Systems Integration
- Project & Site Management
- National Installation Teams
- After Sale System Support

Flex Manufacturing Saves Time and Money

Frazier provides a superior product at a competitive price by relying on a highly productive network of U.S. and Canadian "mini-mills" and strategically located fabrication facilities. This allows us to deliver material as quickly as possible to any geographic region. Frazier has 10 manufacturing plants strategically located throughout North America as well as our Canadian Sales/Logistics offices in Vineland, Ontario.

Frazier Storage Systems

- Selective Pallet Rack
- Drive-In/Drive-Thru
- Multi-Level Pick Modules
- Automated Storage & Retrieval Systems
- Glide-In® Push-Back Rack
- Pallet Flow
- SelecDeck® Carton Flow
- Rack Supported Buildings
- Deep Lane Pallet Mole® Shuttle



Semi-Automated, Deep Lane Pallet Mole - Water Bottle Production facility

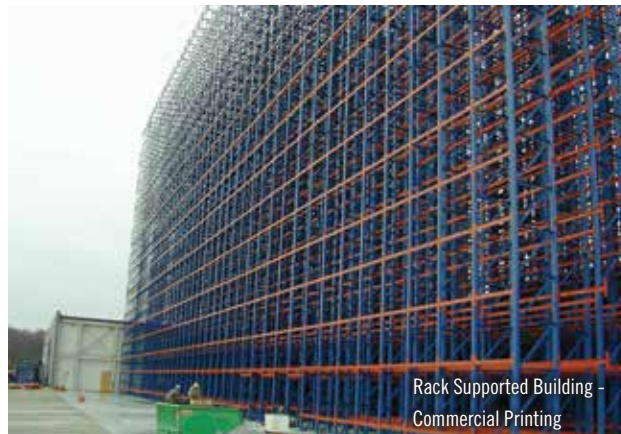




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General Manager

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"We equip our company with the tools needed to provide the highest quality products, delivery and service," says Dan Garside, Canadian General Manager, Frazier Industrial Company. "Our investment in manufacturing technologies, product development and in our expert staff has helped Frazier provide the best in custom storage solutions across all business sectors."



Rack Supported Building - Commercial Printing

Specialized Applications by Industry

- Beverage
- Manufacturing
- E-Commerce
- Automotive
- Food Processing & Dist.
- Cold Storage
- Retail • 3PL/Warehousing
- Pharmaceutical



High-Bay VNA System - Cold Storage/3PL Facility