

Kathleen A. Martz

Environmental Protection Specialist
SmartWay Transport Partnership
U.S. Environmental Protection Agency



Kathleen A. Martz currently serves as a supply chain technical recruiter for SmartWay's Product Development and Implementation Team. She has served in a variety of positions within SmartWay, including Team Lead for the Partner Account Managers, who assess Partners' data collection methodologies and processes.

During her earlier years at EPA, Kathleen helped initiate an agreement with Natural Resources Canada, to collaborate on numerous projects, including conferences and workshops. The goal of the collaboration was to raise awareness of the economic and environmental benefits of more fuel-efficient strategies among U.S. and Canadian trucking fleets.

When Kathleen served on SmartWay's Data Analysis and Technical Assessment Team, her on-site visit interviews culminated in best practices guidance for businesses that need to calculate carbon footprints for transportation supply chains. Her efforts also led to improvements in SmartWay's electronic tools.

Ms. Martz is a graduate of Lawrence Technological University in Southfield, Michigan.





SmartWay: What is it?

***SmartWay is an innovative public-private partnership
--market-driven and voluntary***

- ***To help companies improve their transportation supply chain efficiency***
- ***To move more tons-mile of freight with fewer emissions and less energy, for less money***
- ***To help companies gain a competitive edge because they can track, compare their year-to-year performance and benchmark themselves with others***
- ***To enhance their corporate image and create value for shareholders***
- ***It's easy. Simply enter data about your operations in a free, downloadable tracking and assessment tool.***



Rick D. Blasgen

President and chief executive officer of the Council of Supply Chain Management Professionals (CSCMP) in Lombard, Illinois, USA.

Blasgen began his career with Nabisco, and became vice president, supply chain, at Nabisco in June 1998, then vice president supply chain for Kraft in June 2002. He joined ConAgra Foods in August 2003 as senior vice president integrated logistics.

Furthering a number of company's supply chain management programs and initiatives has given Rick a solid foundation for his role at CSCMP where he has responsibility for the overall business operations and strategic plan of the organization. His efforts support CSCMP's mission of leading the supply chain management profession through the development and dissemination of supply chain education and research.

Blasgen was recently designated by the US Department of Commerce to serve as the Chair of the Advisory Committee on Supply Chain Competitiveness (ACSCC) providing the Administration advice and counsel on issues and concerns that affect the supply chain sector. He is a member of Northwestern University's Transportation Center Business Advisory Committee and a past chair of the Grocery Manufacturers Association Logistics Committee. Blasgen is a graduate of Governors State University, earning his degree in business administration and majoring in finance.



CSCMP – What We Deliver

EDUCATION

**CAREER
RESOURCES**

CONNECTIONS

NETWORKING

RESEARCH

Visit CSCMP.Org

Global Comparison of Logistics Expenditures

Economy

Higher Output--GDP
Better use of resources
Multi-use Infrastructure

Businesses

Market Access
Market Integration
Cost Efficiency

Consumers

More Goods and Services
Wider Availability
Lower Prices/Income

U.S.

8.2% GDP

Asia 17% GDP

China 18% GDP

Europe 13% GDP

India 13% GDP

Japan 11% GDP

Mexico 14% GDP

Top Trends and Challenges

- Globalization. Growing complexity and pressure of dealing with global partners, suppliers and competition. Culture and geopolitical issues.
- Multi Channel Madness!
 - **Macy's, FedEx, UPS, Wal-Mart, etc.**
- Big Data – How big is too big? How do we scale?
- Increasing “near shoring” manufacturing

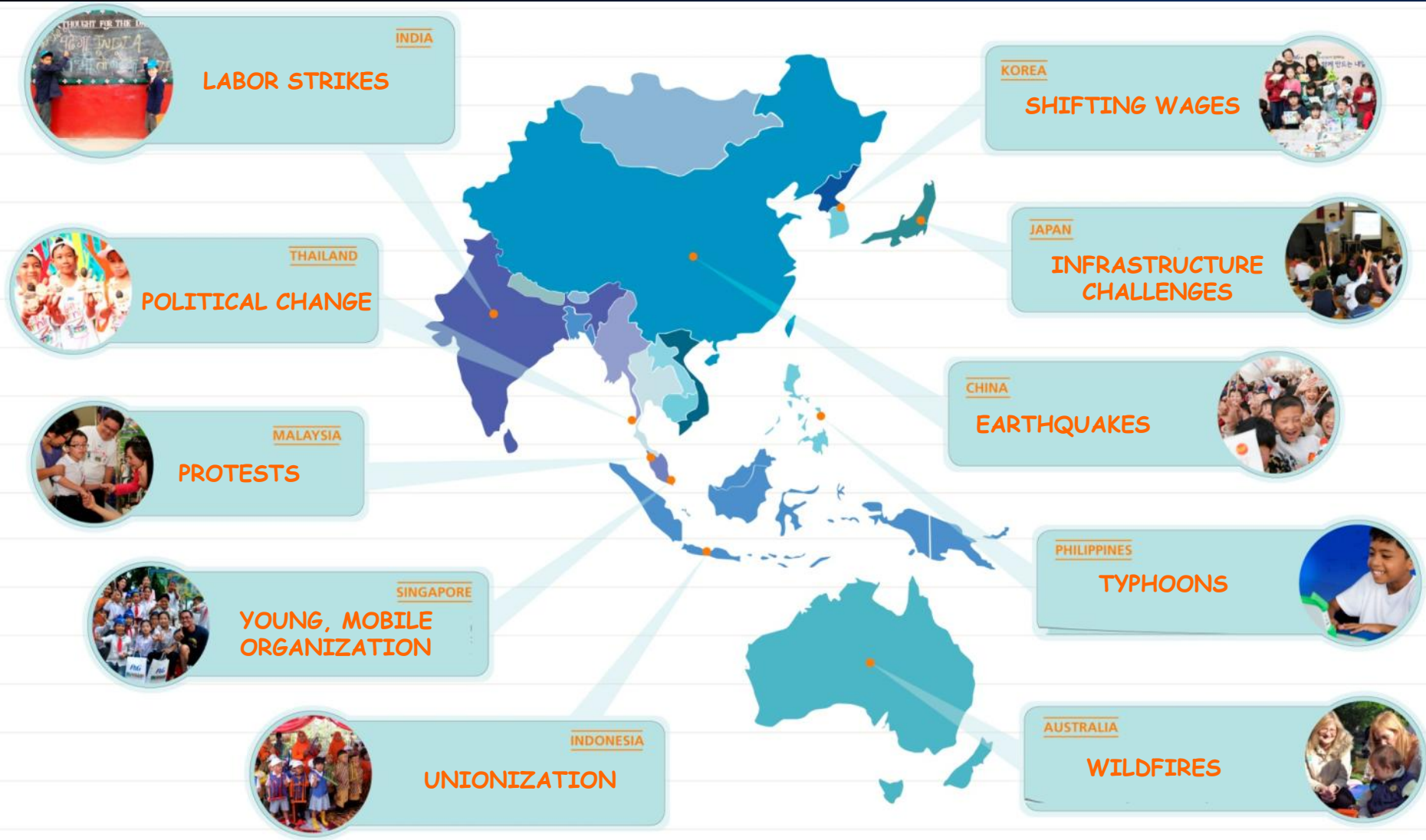
Top Trends and Challenges

- Need to update infrastructure
- Risk Management & Sustainability
- Focus on workforce and automation – traditional 8 hour workday still make sense?
- Energy - Natural Gas reaches a tipping point
- Rise of Amazon
- Resilient supply chains

Why is Risk Management important?

- Asia is 4X more likely to be affected by natural disasters than Africa, 25X more likely than Europe or North America
- 7 major cities classified as extreme risk are all in Asia
- Floods have become 3X more frequent in the past 30 years
- 152 Million people in Asia are vulnerable to natural disasters every year!

Challenge as a Way of Life



So, what do we do?

Examine the infrastructure

- Number of Distribution Centers
- Location
- Configuration – Speed, Flexibility

Move fixed costs to variable - ZOG

Invest – people, technology, process – or be left behind!

Collaborate – it's not an option

Emerging (Emerged?) Supply Chain Trend

Collaboration

Emerging (Emerged?) Supply Chain Trend

Collaboration – “To cooperate with an enemy that has invaded your country”

Relationships are critical

The essence of SCM is collaboration – it is not an option.

- involves all key participants
- working toward common goals.

Absent collaboration, the supply chain will be nothing more than a collection of firms, each following their own pathways.

What are the skill development needs of companies today?



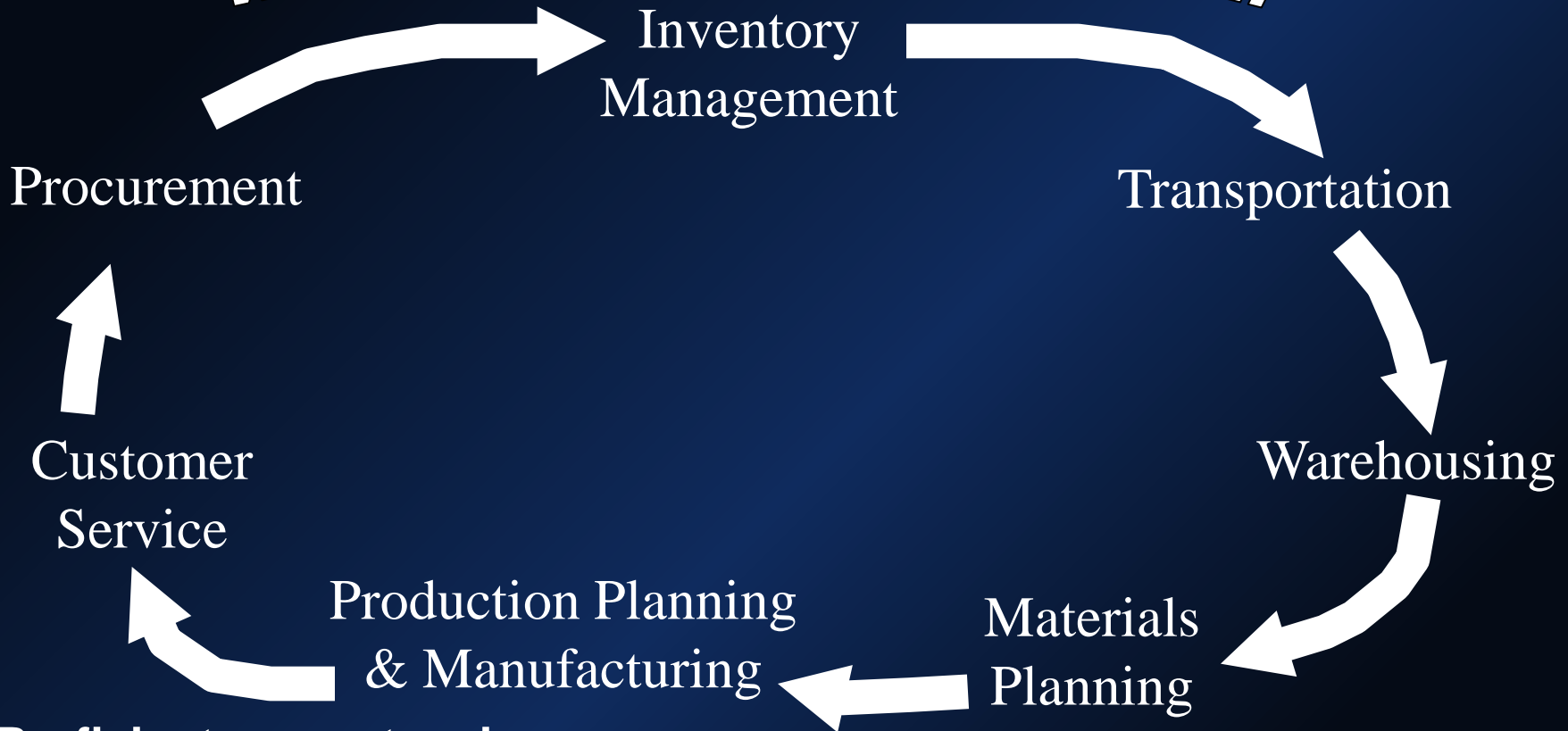
- Leadership
- Collaboration
- Communication
- Teamwork
- Multi-cultural perspective
- Relationship management
- Creativity & Innovation

- Forecasting and planning
- Project management
- Problem solving
- Modeling
- Data analytics
- Technology



The Future of Supply Chain Professionals

Work within the Supply Chain



Proficient competencies

- › Technical
- › Managerial
- › Leadership

Must have excellent interpersonal skills

Ability to sustain collaborative relationships

Summary

- This discipline is a corporate necessity, yet can be a growth vehicle – a revenue generating engine.
- We improve the financial position of companies and economies.
- Our stature and credibility is increasing.
- Supply chain professionals need to develop cross functional skills and a global mindset to maximize opportunities in the world.
- To prosper, to tackle these challenges, to take advantage of the opportunities, we need to work closely together!

Thank you!

Rick Blasgen

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Drew Cullen

VP Fuels & Environmental Affairs

Penske

Drew Cullen is Vice President – Fuels and Environmental Affairs for Penske. His areas of responsibility include fuel and energy purchasing and management, alternative fuels, utility management, environmental compliance, waste disposal and telecommunications for over 1,000 North America locations.

Cullen also held the title of Vice President -- Environmental and Telecommunication Services for Penske. Upon joining the company in 1995, he has served in a variety of capacities for Penske Truck Leasing, which includes: Manager of Facility Compliance Engineering, Director of Environmental Services and Director of Environmental and Telecommunication Services.

Before joining Penske, Cullen was employed by a leading civil and environmental engineering consulting firm, working on the evaluation, design, and construction of water, sewer, storm water and remediation systems.

A registered professional engineer in California and Massachusetts, Cullen earned a bachelor's degree in civil engineering and a master's degree in environmental engineering, both from The Pennsylvania State University.



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Penske Business Focus

A broad range of services across the supply chain

Over 215,000 Vehicles

1,000+ Facilities in North America

20,000 Associates

International Operations

Truck Rental



Contract Maintenance



Full Service Leasing



Integrated Logistics



Value-Added Services Intensity

- 40,000 units nationwide
- Newest trucks in the industry
- Business and Do-it-yourself moves

- Highly trained technicians
- Fleet maintenance reporting and forecasting
- Billing notification process

- Comprehensive Fleet Management
- Guaranteed operating costs
- Fleet budgeting accuracy

- Supply Chain Solutions
- DCC; DCM; TM; LLP; PS; FB
- Global Reach

CUSTOMER VALUE



Penske works hard to not only recruit efficient, environmentally conscientious companies into SmartWay, but I know that Penske's team also nurtures those relationships. How does Penske do that?

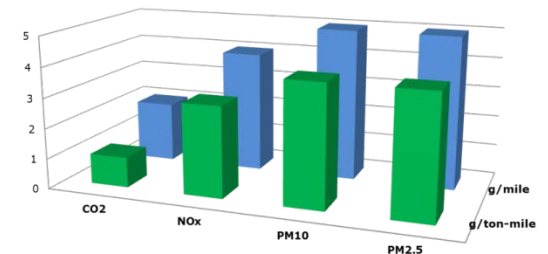


Penske as a Sustainability Partner

- ❑ Commitment to Improve Environmental Performance
- ❑ Investment in Technology and Equipment
- ❑ Route Design and Optimization
- ❑ Emission Reductions
- ❑ SmartWay



SmartWay Carrier Rating
Pollutant Specific Performance Levels















What critical factors do you feel Shippers and Logistics companies need to have for flexibility across your network and keep the freight moving?



Carrier Sourcing and Management

Compliance Monitoring Criteria

	On-Board	Daily	Monthly
<i>Operating Authority</i>			
<i>DOT Safety Rating</i>			
<i>Insurance Limits</i>			
<i>SMS BASICS Scores</i>			
<i>Financial Stability</i>			
<i>Security Watch List</i>			
<i>W-9</i>			

Carrier Profiling and Selection

- ❖ **Contacts**
- ❖ **Fleet size**
- ❖ **Modes - Van/Reefer/Flatbed**
- ❖ **Geography**
- ❖ **Customers & Contracts Served**
- ❖ **Certifications/Capabilities**
 - ✓ **SmartWay**
 - ✓ **C-TPAT**
 - ✓ **Hazmat**
 - ✓ **ISO Certification**

Carrier selection based on compliance to strict standards AND capabilities...

Will you tell us what being a part of SmartWay has meant to Penske Logistics?



Penske and SmartWay

2013
Affiliate
Challenge
Award
Winner

2013
Excellence
Award
Winner

2014
Affiliate
Challenge
Award
Winner



Beau Gentry

Director of Transportation
Menlo Logistics



Biography:

-Started career in finance

- Small Business Consulting and Finance
- Hedge fund management

-Began working in the trucking industry

- Accounting/Driving for asset based carrier
- Warehousing experience
- Tradeshaw experience

-Moved to ConAgra Foods

-Started at to Menlo nine years ago

- Started in transportation operations
- Held various roles in operations, account management, analytics, and procurement

-Currently responsible for:

- Transportation Procurement
 - Multiple Mode Sourcing
 - Supplier Relations
- Transportation Analytics

Con-way[®]



Menlo[®]
WORLDWIDE LOGISTICS



Con-way[®]
FREIGHT



Con-way[®]
TRUCKLOAD

Supply Chain Management

Founded: 1991
2012 revenue: \$1.7 billion
€1.3 billion
Employees: 6,500
Geographic scope: 5 continents
Non-asset based

LTL Transportation

Founded: 1983
2012 revenue: \$3.42 billion
€2.5 billion
Employees: 18,000
Geographic scope: North America
Trucks: & Trailers 32,750

Truckload Transportation

Founded: 1951
2012 revenue: \$636 million
€470 million
Employees: 3,600
Geographic scope: North America
Trucks: 2,700 Trailers: 8,000

Lean processes are built into the Menlo culture, how do analytics and SmartWay carrier data help Menlo make supply chain decisions?



- Route optimization by mode, service level, etc.***
- Modeling capabilities***
- Carrier sourcing***
- Customer savings and sustainability initiatives***

When you perform services for supply chains and take miles out of their system, your team can detail the cost savings and use SmartWay data to detail the environmental benefits too, correct? It seems like those are mutually dependent goals, do you agree?



- Yes, absolutely***
- Modal changes and warehousing changes will have cost and environmental impact and both can be detailed by using the data***

You and Penske are both advocates for SmartWay, what do you tell your new non-SmartWay customers about the benefits of being a SmartWay partner?



- Easy way initiate environmental improvement within the supply chain***
- Ability to add visibility and leadership in the sustainability space***
- Access to data and analytics***
- Not difficult or time consuming***

- *Today's key points*
- *Send in your questions*
- *If your question went unanswered, please email or call me.*
- *Link to audio and slides will be posted on our website in three to five days*
- *Check back on our website: www.epa.gov/smartway in September for another SmartWay 10 event!*

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