

Maritime Economic Development Workshop
San Diego, CA
February 21, 2014

Employing Effective Supply Chain Logistics to Attract Customers

Mark Richards
Principal

AWI / Associated Warehouses
&

Dr. J. Lee Hutchins, Jr., PE, AICP
Director Freight Logistics & Planning
AECOM Transportation

Traditional View of Supply Chain



What is a Supply Chain?



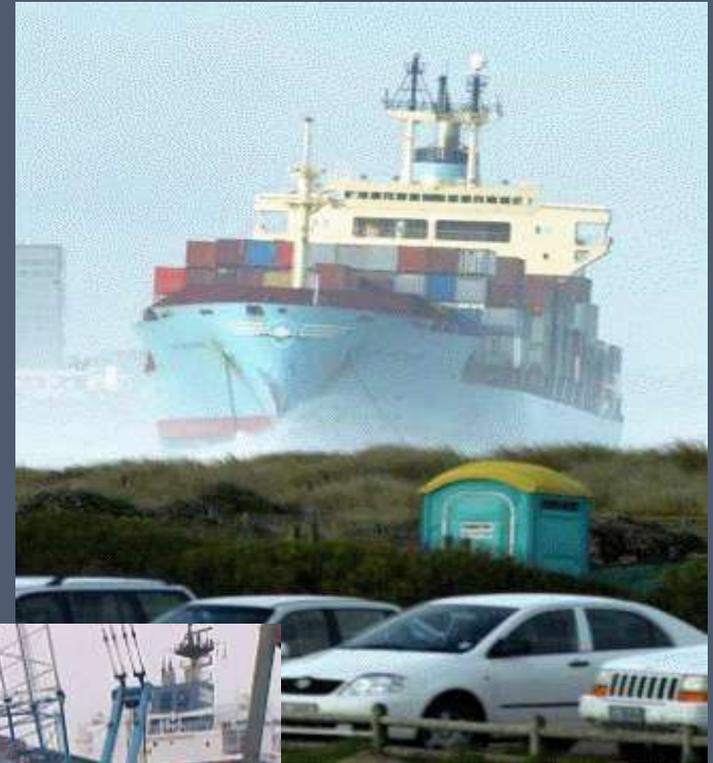
When Supply Chains Work Well

Wal-Mart's supply chain management success is improving productivity in the United States:

The effects of the company's supply chain innovations on the retail industry led to a 3.1 percent decline in overall consumer prices.

Consumers spent \$263 billion LESS than they would have if Wal-Mart were not around! That translates to \$895 per person, or \$2,329 per household.

When Supply Chains Don't Work So Well



SCM Has Strategic Profit Impact

A study by Georgia Tech showed that a company's stock price drops 8% when the company experiences a glitch in its supply chain.

A study at Miami University of Ohio showed that when a company adopts a new supply chain innovation the company's stock price increases.

A study by Bain & Company showed that companies employing sophisticated supply chain methods enjoyed 12 times greater profit than companies with unsophisticated methods.

Wall Street: New found respect for SCM. In one SCM MBA program in the US, 21/32 grads received job offers from Investment Banking firms because of the importance of SCM to their clients.

What does this all mean?

- **CEO / CFO's** - discovered the power of *Supply Chain Management*.
 - **Wall Street**
 - Watching industry dynamics
 - Logistics industry represents almost 10% of the economy
- **Supply Chain Risk Management is critical** – think about recent events, middle eastern uprisings, Suez Canal, Japan, Thailand, Sandy, etc.
- **3PL's – Significant growth**

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mark@awiLogistics.com