



# Distribution Center MANAGEMENT

Managing people, materials and costs in the warehouse or DC

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## Transportation

### Rising diesel prices mean you'll need to negotiate hard with carriers

Oil prices are rising sharply, and that unwelcome trend will affect how much you pay for shipping and electricity.

For DC managers, one of the most pressing concerns is a spike in diesel costs. On-highway diesel prices peaked in July 2008 at \$4.76 a gallon, only to plunge to \$2 a gallon a mere eight months later.

#### Dealing with higher diesel prices

- Learn as much as you can about the trucking market.
- Seek bids from multiple carriers.
- Beware of fuel surcharges calculated on percentage increases in diesel prices.

Since hitting bottom in March 2009, diesel prices have steadily risen, reaching \$3.29 in late December, according to the U.S. Department of Energy.

Most observers expect fuel prices to continue to rise as the worldwide economy recovers.

As diesel prices soar, beware of

*(Continued on page 3)*

## Management Strategies

### Advice from your mother can apply to DC management, too

John M. Hill of TranSystems has visited hundreds of warehouses around the globe, and he has found half a dozen quick and easy ways to tell how effectively a DC is run.

His checklist has little to do with the arcana of warehouse management systems or sophisticated slotting models — and everything to do with his mother's rules for cleanliness.

Hill's mom demanded that her kids keep their rooms spotless and

scrub behind their ears, and Hill himself has found that attention to basic details can mean a lot in the DC. So he looks for common-sense signs such as friendly interactions between workers, uncluttered aisles, and dust-free cases and pallets.

"Within minutes, it tells me more about the quality of operations and management than an hour in a conference room," Hill says.

*(Continued on page 5)*



## From the Golden Zone

# Which warehousing system is right for your business?

By Curt Barry

Many warehouses run quite well with order management systems (OMS) or enterprise resource planning (ERP) systems. So how do you decide if you need a warehouse management system (WMS) instead of an OMS or ERP system?

To answer the question objectively, you must analyze your business needs in terms of functional requirements. Then find software and vendors that provide the best fit for your company's current and future needs.

- **Flexible process options.** As a business becomes more multichannel-oriented, product assortment and order profile changes dramatically. Moving into e-commerce has a huge impact on the warehouse because e-commerce is characterized by small orders, different outbound transportation carriers, higher returns, and kitting of unique selections. This order profile is significantly different from the pallet or carton-oriented units most warehouses handle.

The warehouse system must provide a variety of methods to manage different parts of the operation. WMSs can provide these different processes based on a given warehouse, the required functions, warehouse zone, product differentiation, and order profile.

Distribution center managers are being asked to perform multiple tasks requiring a wide variety of flexible functionality. WMS software is separated from OMS and ERP by the flexibility to manage different tasks for different divisions of the business and apply the appropriate business rules and processes.

- **Receiving.** Receiving is where the warehouse processes begin. Effective,

efficient, and accurate receiving sets the watermark for the rest of the warehouse.

Advance shipping notice (ASN) functionality is standard in WMS applications. ASNs let the receiving manager schedule staff and prepare for deliveries before the truck arrives. This knowledge will speed the receiving process and improve the flow of goods to putaway.

Receiving is where specific item information is collected or verified to be used in the item master file for other warehouse functions. Some warehouses set restrictions that require key data to be available and in the file before the receiving process can continue. This forced file maintenance can be difficult to achieve in systems other than a WMS.

- **Picking options.** One key to efficient picking in multichannel businesses is using different picking methods. Because you have product with different cube and sell through, you want flexible picking options. Picking options in WMS packages include single order, batch, wave, cross-dock, and dynamic hot pick.

Options such as voice picking and pick-to-light have also been successfully integrated with most WMS software. One benefit of WMSs is the ability to preview the volume of orders in the queue, giving you the option to select just the volume or type of orders that you want to process. Most systems push orders to the warehouse in batches or dynamically, whereas the WMS model allows the warehouse to direct order selection as needed.

- **Production/Assembly.** In businesses that require assembly or other production processes, you need to plan and track production orders. Most WMS applications provide the ability to track



production tasks and manage component inventory as well as the final assembled products. These functions can range from simple kitting to complex multi-level bills of material.

If more complex assembly or production is needed, it will often be beyond the functionality of other systems. The ability to track component inventory, plan and track labor usage, and track work order status are key functions in most WMS applications.

- **Inventory management.** WMS applications offer advantages over most other systems performing basic inventory control for tracking inventory throughout the warehousing functions and processes. With radio frequency (RF) and the use of bar coded locations and product, the ability to dynamically move inventory from one location to another and the disposition of product in real time gives a more timely and accurate picture of your inventory.

Most order management systems and enterprise resource planning systems will support basic physical or cycle counting capabilities. However, more sophisticated

cycle counting is supported only through a WMS.

- **Labor tracking.** Another area where WMS packages stand out from OMS and ERP applications is labor usage and tracking. If you can't measure individual performance, you can't give feedback on how well workers are performing. WMSs capture and measure staff performance and increase awareness of performance, leading to productivity increases of as much as 10 to 15 percent. WMSs can be an important part of an incentive pay program.

WMSs also let you perform task interleaving to increase productivity by combining multiple operations within a given aisle or zone. The ability to do task interleaving has obvious efficiencies and allows for better overall performance in the warehouse.

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WMS applications offer advantages over most other systems performing basic inventory control.



## Rising diesel prices mean you'll need to negotiate hard with carriers *(Continued from page 1)*

carriers who try to pass on more than their fair share of the increase.

Depending on how they're structured, fuel surcharges can be fair or they can be a costly gimmick, says Ron Grossman, principal of Argee Logistics. Make the wrong call, and you could find yourself paying your carrier hundreds of dollars in surcharges for each bill of lading.

Grossman says you should be especially wary of any surcharge that's calculated as a percentage rather than on a per-mile basis.

"If it's a percentage, there's no logic to it," Grossman says.

George Yarusavage, principal at Fortress Consulting LLC, explains the percentage pitfall this way: Say you're paying a carrier \$1,500 to move a truckload 500 miles, and the base price for diesel in your agreement is \$2. If diesel rises 10 percent to \$2.20, and you've agreed to pay your carrier a surcharge of half the increase, you pay an extra \$75 for the truckload.

But look at the carrier's true cost: If the tractor-trailer gets 5 mpg, the



carrier's cost for 100 gallons of fuel went up by only \$20.

"You paid him a lot more than \$20," Yarusavage says. "That's a trap a lot of people can fall into."

The danger is that rising prices create a profit center for your trucking company and a loss for you.

"Anybody who doesn't go out and do the official bid process is leaving money on the table."

"As fuel prices rise higher and higher, carriers are rewarded with more of a fuel recovery than they're entitled to," he says.

One way to make fuel charges more fair: Insist on a per-mile surcharge rather than a percentage, says Cliff Lynch of C.F. Lynch & Associates.

### Seven ways to cut costs

So how do you mitigate the effects of rising petrol prices? Grossman, Yarusavage, and Lynch offer the following advice:

- **Shop around.** "Anybody who doesn't go out and do the official bid process is leaving money on the table," Grossman says. Comparing prices will help you find savings and areas for negotiation.

- **Know your numbers.** The U.S. Department of Energy tracks diesel prices and posts an Excel spreadsheet once a week. The report includes national averages and regional prices. You should keep an eye on these numbers, Yarusavage says. Pay attention to regional differences. Diesel is cheaper in the Gulf States and more expensive in California and New England. If your DC is in the South, argue to use the government's regional average. If you're in a more expensive market, push for using the national average.

- **Get educated.** To avoid being taken advantage of, learn about the economic forces that move oil prices and about the intricacies of the trucking business. "You should know their business as well as you know yours," Yarusavage says. "Knowledge is power." He suggests turning to groups such as the Warehousing Education and Research Council and the Council of Supply Chain Management Professionals, or taking certification courses offered by the American Society of Transportation and Logistics.

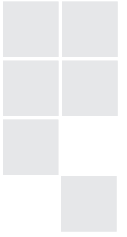
- **Work with your carrier.** Yarusavage says you should try to create a partnership with your trucking company, one that offers a fair deal to both of you. "We don't want the carrier to eat the cost of extra fuel, nor do we want them to make more money than they should," he says.

- **Look for fuel-saving practices in the DC.** As diesel prices continue to rise, expect more pressure from carriers to speed turnaround. That'll mean less idling for trucks.

National diesel prices on the rise again



Source: U.S. Department of Energy.



- **Improve your scheduling performance.** With diesel at \$2 a gallon, using a pencil and clipboard as your scheduling system might have worked. But with diesel prices up by 60 percent, you'll need to stick to your schedules more carefully, and call your carrier if you're not ready for a pickup. Depending on the complexity of your operation, you might need to install a transportation management system. Or you might simply need to make your scheduling sophisticated enough that it doesn't grind to a halt when your scheduling expert is away. "The goal should be to make sure the system works no matter who's on vacation," says Yarusavage.

- **Take advantage of volume discounts.** Lynch says you should negotiate with your carrier based on the volume of business you'll bring. Prices for some fuels, such as propane, are volatile, and the same principle applies there. If you use propane, Grossman says, "lock in a contract for a year or two based on what prices are now. Volume discounts are what you're looking for, and the only way to do that is with a contract."

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## Advice from your mother can apply to DC management, too *(Continued from page 1)*

The six areas Hill examines:

- **People.** What's the mood? Are workers open and pleasant, suspicious and sullen, or somewhere in between? Does personal appearance matter? Does the tour host greet workers by name and converse with them? Do workers receive regular feedback on targets and actual results? A number of warehouses have begun using large electronic displays or scoreboards to keep the team in the game and reinforce winning performance.

- **Housekeeping.** Are work and common areas clean, or are they littered with paper, labels, banding material, and shrink-wrap? Do workers ignore the clutter or stop to remove it? Are the restrooms clean? Are storage and pick locations well marked with easily readable location labels in logical sequence? What about warehouse lighting? Is the facility dark and cave-like? What about glare and dim corners? Excessive brightness or poor light distribution can lead to eyestrain and impact productivity. Properly spaced

lights and lighter-colored walls can help. What about the temperature? Is the DC too cold or too hot? Could better dock seals and ventilation help?

- **Congestion.** Do aisles and dock areas resemble an LA freeway at rush hour? Answering "yes" points to a number of issues, such as poor storage and pick area sizing and layout, and possible improper matching of aisle widths to equipment types and traffic patterns.

Slotting and activity scheduling also play a role here. Hill has lost count of the number of times he has seen pickers wait for others to complete fast-mover picks in the same area. The solution? Spread fast movers across a wider pick front.

- **Golden zoning.** Is most of the picking executed from locations that are positioned at or near pickers' waist level? If not, fatigue and back problems will hurt productivity and increase worker's

This common-sense checklist can tell you more about a DC than an hour-long meeting.





comp costs. Profiling activity by SKU can help deploy fast movers in the golden zone.

- **Slow movers.** Hill uses “the dirty finger test.” While walking through the storage or picking areas closest to the shipping docks, drag a finger across the tops of the stored pallets, cases, or items and check that finger every 10 or 15 feet. The quicker your finger gets dirty, the greater the problem with improper storage of slow-moving materials. Fast movers, not slow, should be located nearest to shipping to reduce travel times and speed trailer turnaround time.

- **Dock safety.** Does the warehouse use proper dock plates and levelers,

trailer wheel chocks, and restraints like the ICC bar that engages the rear impact guard on the back of trailers to prevent movement away from the dock? When lift trucks tip over or fall from docks or when workers are hit by a lift truck or falling load, injuries can be serious and sometimes fatal.

What about dock seals? Are they properly fitted, and do they provide sufficient protection from the elements to ensure a comfortable environment for the workforce? The busiest and most dangerous part of the warehouse is not the place to skimp.

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## **DC Challenge: Picking incentives favor men over women**

### **Solution: Spread fast movers across a wider pick front**

A distributor of greeting cards couldn't figure out why male pickers were out-performing female pickers, and why overall productivity seemed mired in a slump.

The DC had an even split of men and women, and pickers were paid by the piece, so the more they picked, the more they earned.

John Hill of TranSystems went into the DC and quickly spotted the problem: Fast movers were placed in a tight location, and the women were simply being muscled out of the way by larger men.

“The ladies were not earning very much, because the men would come through that three-foot aisle and just blow them out of the way as they were trying to meet their own goals,” Hill says.

The DC manager was convinced that he needed to invest in a bar code system. Hill talked him out of an expensive investment and offered a much cheaper solution — sprinkle the fast-moving inventory throughout a broader area to ease congestion.

“The real answer was staring him in the face.

It was so obvious that he missed it,” Hill says. “If you've got very fast movers, spread them out across a wider pick front, so that people aren't trying to access the same locations all the time.”

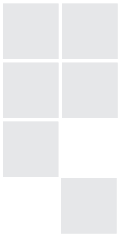
With a modest investment of \$20,000 for more shelves and wider pick aisles, the DC saw pick rates nearly triple. That was because there was no longer a scrum in narrow aisles.

The lesson is clear: Expensive technology might seem appealing, but sometimes the real solution is far simpler.

“Fix the infrastructure first before you begin throwing technology at the issues and challenges,” Hill says.

Another lesson: Make sure your incentives are realistic, and keep in mind the physical limitations of your workers.

In the case of the greeting card DC, Hill says, “Half your workforce isn't even close to meeting its numbers, because they can't get close to the locations to do the picking. The women just could not compete in that environment.”



## Human Resources

# Gen Y's characteristics, quirks pose challenges for managers

If you haven't said it, you've heard it. Kids nowadays have no work ethic and no sense of accountability.

Generation Y, the group of Americans born between 1980 and 2000, has gained a bad reputation from baby boomers. The stereotypes are true in some ways, says Dan Boos, an executive consultant and expert in generational management.

True or not, you have little choice but to hire members of Gen Y. They're 70 million strong, and as boomers begin to leave the workforce, Gen Y will take up the slack.

"You're going to have to live with them," Boos says. "You're going to have to hire them, and you're going to have to learn to motivate them."

Members of Gen Y aren't selfish, Boos says, even though they've been labeled with that tag. It's more accurate to say that they're self-centered — they're showing up for work not with a mindset of sacrifice and toil but to do something they find enjoyable and meaningful.

Alas, Gen Y isn't exactly flocking to jobs in warehouses. Only 2 percent of material handling managers are in their 20s, Boos says.

"They're not that interested in material handling environments," he says. "Everything in their world is technology-based, and if they don't sense they're on the cutting edge of things, they'd rather not participate."

That makes recruiting 30-and-under workers into DCs a challenge. And don't think that just because you understand workers in their 30s that you know Gen Y.

"They're uniquely different than Generation X," Boos says.

And they're very much different from boomers. While boomers are defined by their work, Gen Y approaches work much differently. They're looking for employers to adapt to their needs, and if they sense a bad fit, they're quick to leave.

"Your attachment to work is much greater than theirs," Boos says.

Generation Y's worldview has been shaped by a different approach to parenting, one that has stressed encouragement over cut-throat competition.

"Everybody gets a trophy, everybody makes the team. Everyone is treated equally despite talent," Boos says. "If you take cause and effect out of play, then think of how hard it is to motivate somebody, and to manage them."

Boos offers the following advice for recruiting and retaining Gen Y workers:

- **Expect to do some remedial training.** Gen Y is adept at technology, but they're lacking in interpersonal skills

### Taking the good with the bad

The advantages and disadvantages of Gen Y workers, according to Dan Boos:

Pros	Cons
Multitaskers	Impatient
Research-oriented	Skeptical
Tech-savvy	Blunt, expressive, indiscreet
Unbiased	Entitled
Paradigm breakers	Cause and effect are disconnected



and in life skills such as showing up for work and managing their checking accounts.

- **Expect to be challenged.** Members of Gen Y are used to questioning authority and will question your rules and processes until you've proven that they make sense.

- **Start praising them right away.** Members of Gen Y expect to advance quickly. And if you want to keep them,

you'll be patting members of Gen Y on the back more than any other group you've managed.

"Your arm is going to fall off with this group," Boos says.

- **Offer rewards and flexibility.** While members of Gen Y want to be rewarded, they don't necessarily want money. They value time off and flexibility in scheduling.

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## Material Handling

### Cross-docking could reduce your inventory with no cost

Wal-Mart, Target, and other large companies long have used cross-docking as a way to reduce inventories and speed deliveries.

**"This can cost you zero dollars to implement."**

There's nothing new about cross-docking, but Frank Camean, president and chief executive officer of 4Sight Supply Chain Group, says it's a solution that's too often ignored by DC managers.

"It's an area that's often overlooked — because it's easier said than done," Camean says. "Yes, it requires detailed planning and collaboration with vendors and partners, but the advantages and cost savings are significant."

The benefits of cross-docking are obvious. A shipment comes in and instead of putting away all the inventory and then picking it, you cross-distribute the product to be shipped immediately. This eliminates double handling and reduces labor costs — and the best news is that you might be able to do it for free.

"This can cost you zero dollars to implement," Camean says.

However, you must determine how cross-docking would affect your purchasing, order management, transportation, and information technology. Say, for instance, you have a shipment of 1,000 units and nine customers that need 100 units each.

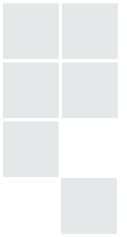
"You have to be able to flag those 900 units as cross-distributions," Camean says. "If your IT systems can't support that, then you'll have to pay for enhancements."

Other obstacles can include code-date restrictions, aging of product, and lack of space on the dock to set up a door for every customer.

If you have 30 dock doors and you're distributing to 100 customers, cross-docking can get complicated. You could perform the cross-docking in shifts, or you could allocate lanes in the warehouse for each customer.

"It can be done," Camean says. "You just have to figure out how."

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## Management Issues

# Warehouse uses common-sense steps to cut paper use by 23 percent

Exel's 400,000-square-foot DC in Parkersburg, WV, slashed its use of paper by nearly a quarter and saved employees time, too.

In 2008, Exel set a goal of cutting paper use by 25 percent. It started the effort in earnest in 2009, holding a two-day workshop and taking suggestions from employees.

Paper-saving ideas came from both Exel's warehouse and office operations. Warehouse employees recommended digitizing dispatch logs and streamlining invoicing. Office employees suggested sending emails instead of faxes, printing only when necessary, and using both sides of the paper whenever possible.

Instead of using paper dispatch logs, Exel employees now put the logs on Access or Excel, says Sherri Christopher, health, safety and environmental manager at Exel's Parkersburg DC.

Another area of savings came in bills of lading for shipments. Instead of printing

one bill for every order, Exel workers began printing just one master bill for every shipment. With a typical truck leaving the DC with as many as 10 orders, that practice saved quite a bit of paper.

In Exel's offices, employees now save half-used paper and print on the back. They also no longer get fax confirmations for documents that successfully went through.

While Exel didn't meet its goal of cutting paper use by 25 percent, it did achieve a 23 percent savings, which the company says kept 152 tons of trash out of landfills. For its efforts, Exel also won a 2010 WasteWise award from the U.S. Environmental Protection Agency.

"The less paper you have to put through the process, the less time you have to spend handling the paper," Christopher says. "It's saving not only paper but also labor."

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## Trends

# Tough economy means scrutiny for warehouse costs

Millions of dollars a year in operating expenses separate North America's priciest and cheapest places to run a distribution center.

Running a hypothetical 175,000-square-foot warehouse with 75 hourly employees costs \$12.6 million in Silicon Valley but only \$7.4 million in Sioux Falls, SD, according to an annual study of distribution center expenses by The Boyd Co. of Princeton, NJ.

The Boyd Co. studied 50 markets in the U.S. and Canada and DC operators can take a few lessons from the results. The most expensive areas are in California and the Northeast, while the cheapest areas are in spots such as Louisville, KY, and Greenville-Spartanburg, SC.

The study found some eye-opening differences. The average hourly wage for warehouse workers is \$18.24 in San Jose, CA, but only \$12.53 in Sioux Falls. And



[DistributionGroup.com](http://DistributionGroup.com)

To see a summary of The Boyd Co.'s annual DC cost report, go to [www.DistributionGroup.com](http://www.DistributionGroup.com) and click on "Web Extras."



electricity would cost \$660,672 a year in Silicon Valley but only \$299,148 in South Dakota.

John Boyd, head of The Boyd Co., says rising oil prices have made it more expensive to operate a DC. The company changed its methodology from last year's study, however, so it's hard to compare costs to the 2010 study.

"We see a significant spike in distribution costs this year, and that's being driven by energy costs," Boyd says.

While DCs can renegotiate shipping

contracts to remove some of the sting of rising diesel prices, electric bills tend to be non-negotiable.

Boyd says distribution companies have grown increasingly interested in green energy, although that push is driven as much by branding as it is by cost.

Meanwhile, Boyd says the economy's tepid recovery means companies increasingly are putting costs under a microscope. Revenue growth is elusive, so cutting costs remains a priority.

"With fuel and shipping rates projected to spike significantly in 2011, comparative costs for factors like labor, property taxes, energy, and real estate are under the site selection microscope like never before," Boyd says.

Of course, some operations need to be near ports in high-cost areas. And moving a DC is such a headache that companies often are reluctant to do so. But being saddled with high operating costs can put a company at a competitive disadvantage for years.

While a DC likely is in no position to move thousands of miles simply to save some money, Boyd points to examples where costs matter.

California's Inland Empire has exploded as a distribution hub because it's cheaper than Los Angeles. Running a DC in Los Angeles costs \$12.1 million a year, while the same operation in the Riverside-San Bernardino area would cost only \$10 million.

Boyd's cost estimates include a variety of expenses: nonexempt labor costs for material handling, packing, light assembly, and administrative support workers; industrially zoned land costs; new warehouse construction costs; electric power costs; natural gas costs; real estate property taxes; and transportation costs.

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"We see a significant spike in distribution costs this year, and that's being driven by energy costs."

## Where the deals are — and aren't

The Boyd Co. analyzed the cost of running a DC in 50 markets in the U.S. and Canada. Annual costs are based on a 175,000-square-foot distribution center with 75 employees.

### High-cost markets

San Jose/Sunnyvale, CA	\$12.6 million
Orange County, CA	\$12.19 million
Toronto	\$12.17 million
Los Angeles	\$12.14 million

### Medium-cost markets

Orlando	\$8.47 million
Dallas-Fort Worth	\$8.43 million
Atlanta	\$8.41 million
Salt Lake City	\$8.37 million

### Low-cost markets

Greenville-Spartanburg, SC	\$7.78 million
Omaha, NE	\$7.77 million
Louisville, KY	\$7.69 million
Sioux Falls, SD	\$7.42 million

## ■ Body language dos and don'ts

Whether you're communicating with workers on the floor or making a boardroom presentation to your bosses, how you speak can be as important as what you say. If you're trying to get people to pay attention to your message, body language is crucial, says Sharon Saylor, author of *What Your Body Says (and how to master the message)*.

She offers a few nonverbal dos and don'ts:

- *Don't hem and haw.* It's natural to pause when you speak — it gives you a chance to breathe. But take care not to fill the silence with um, ah, uh, you know, and other sounds.
- *Don't use the fig-leaf pose.* By placing your hands over the groin, you make yourself look small and timid.
- *Use hand gestures systematically.* When we use only words to convey our message, we require listeners to pay close attention to what we say.
- *Keep your hands by your sides.* Don't put them in your pockets or

behind your back. And don't cross your arms.

- *Maintain eye contact.* Imagine a triangle with the base below the listener's eyes and the peak of the triangle at his mid-forehead. Keep your eyes in the middle of the triangle to maintain a professional contact.

## ■ Amid "supply chain talent crisis," here are skills you need

The supply chain is facing a management "talent crisis," according to a new study by the MIT Center for Transportation & Logistics.

Surprisingly, the skills gap has little to do with technical savvy — and everything to do with soft skills such as communication and creative thinking. Here are the skills that make managers stand out:

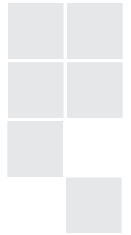
- *Seeing the big picture.* You need to know the numbers without getting bogged down in them. With the supply chain so reliant on numbers, the ability to see past them is crucial. Creative



[DistributionGroup.com](http://DistributionGroup.com)

To see MIT's report on the supply chain talent crunch, go to [www.DistributionGroup.com](http://www.DistributionGroup.com) and click on "Web Extras."

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problem solving is just as important as knowing the numbers.

- *Navigating in a fog.* “Extreme uncertainty has become the norm,” the MIT study says. This environment of ambiguity requires the traits of adaptability and “learning agility” — the ability to take what you’ve gleaned in the past and apply it to new, confusing situations.

- *Multilevel communications.* For many managers, technical proficiency is the easy part. Making a presentation to a divisional president is another matter. The abilities to build relationships and understand the needs of others are crucial skills.

## ■ Amazon negotiates tax breaks for Tennessee DCs

Amazon.com will invest \$139 million to build two warehouses in Tennessee. The DCs will create as many as 1,400 jobs.

For the DC in Chattanooga, Amazon gets a local property tax abatement worth \$10 million over 11 years. For the DC in nearby Bradley County, Amazon receives a 50 percent property tax abatement for 10 years worth about \$2.4 million. Amazon also negotiated for Tennessee to pay for roads and other infrastructure.

## ■ DC shooter kills worker after argument

Shortly after he was fired from his job at a toy warehouse in Columbus, OH, an 18-year-old man returned to the DC and fatally shot a coworker in the parking lot, police said.

The latest instance of violence at a DC happened in early December. The shooter and his 20-year-old victim had been arguing over a woman. Both were temporary, seasonal employees of the warehouse, which is operated by Exel

Logistics and fills online orders for Toys R Us. Police locked down the facility for four hours after the shooting.

Violence has marred a number of DCs recently. In September, a worker at an Americold Logistics facility in rural Nebraska shot and wounded three coworkers and then killed himself. And in August, a truck driver at a beer distributor in Connecticut fatally shot eight coworkers and then killed himself.

## ■ Rising diesel prices could spur hybrid trucks

Rising fuel costs and stricter emissions regulations mean that hybrid engines could move from passenger cars to commercial trucks.

While the hybrid market has yet to achieve significant sales, Pike Research predicts hybrid truck sales will rise from 9,000 vehicles in 2010 to more than 100,000 in 2015.

“Payback periods on hybrid drivetrains are improving for medium and heavy-duty truck classes, particularly as oil prices continue to rise,” says senior analyst Dave Hurst. “An increased focus on efficiency and regulatory compliance among fleet managers, combined with a variety of new models being introduced by truck manufacturers, will lead to substantial growth in this market over the next five years.” **DCM**

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