Six Trends That Define Gravity

Cost Cutting Commitment

+ Supply chain management is an organized and systematic attack on inefficiencies
+ The recent economic conditions increased everyone’s desire – and opportunities – to cut expenses
+ 3rd party objectivity and impartiality
+ One-time savings are easy; focus on long-term methods of increasing productivity
Short Staffed, No Supply Chain Savvy

- University curriculums have improved SC perspective, but many students lack real-world skills and industry knowledge
- Many organizations are reluctant to add FTEs and cannot fund additional training
- Transportation/logistics and supply chain are often viewed as non-core, “cost center”
- Retaining top talent is viewed as problematic
Supply Chain Visibility and Reporting

+ IT is required for visibility, but most firms are unwilling to commit CapEx
+ Many systems enhancements have been postponed – lack of funds, adequate ROI
+ The level of systems’ functionality exceeds the capabilities of many users
+ Capturing the data is one issue; analyzing and interpreting are the truly critical skills
Green / Sustainability

+ Once a “check off” for RFIs / RFPs, this has resumed its former level of importance
+ Great interest and focus upon practices that create savings while eco-friendly
+ Many businesses have good intentions but lack resources, talent, and practical ideas
+ Key challenges: determining metrics and demonstrating progress and ROI
Emerging Opportunities

+ Mixed messages about economic recovery lead to uncertainty and caution
+ How to capture rebound without committing unnecessary resources?
+ Tough lessons of 2009 have companies rethinking many “standard practices”
+ Most companies have not had to deal with ‘L’ and ‘W’ shaped trends

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Compliance / Risk Mitigation

+ Dynamic legislative action and regulatory environment cause “pins and needles”
+ Expected increase in US exports is an opportunity, but a call for more information
+ Dynamic, extended supply chains make it difficult to stay current with suppliers
+ A case for baskets
+ How often do you measure SC risk?
Thank You