Freight & Logistics Symposium
Success of Supply Chain in the Public and Private Sector
Tim Thoma

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- 25 years experience in Intl Logistics
- BA International Business / German from UST
- Lifelong resident of the area
Northern Tool & Equipment

- Multi-channel retailer with HQ in Burnsville
- Manufacturing facilities in Ningbo, China and Faribault, MN
- Importer of finished goods as well as manufacturing components
- Three U.S. Distribution Centers
Supply Chains

- Can be very simple – pipeline, barge
- Also can be complicated – restrictions and requirements
- Most somewhere in between
- End points and distance impact efficiency
- All require public and private sector support
Mode of Transport

- Domestic truck – usually shortest and fastest transit, mainly private sector influence
- Domestic Air – normally longer distance and more public sector involvement
- Import Air
- Import ocean
Trucking

- Private enterprise performing a service
- Operates on public roads
- Great trucking companies are only as good as the roads under their tires
- Tolls + fuel taxes – user fees that support infrastructure
- Hours of service regulations – more trucks on the roads
Air Freight / Air Courier

- Airlines are mainly private enterprises
- Airports are public infrastructure
- Limited options based on locations of airports
- Growth and expansion normally funded through user fees
- Roads and truckers still needed for final delivery
Ocean Freight

- Shanghai – new port facility
- Carrier solvency concerns
- Ocean carriers increasing vessel size faster than ports can adapt
- Big swings in capacity – rate fluctuations
- Publicly owned infrastructure – slow to change
- Panama Canal & Suez Canal
- East Coast port limitations – currently dredging to meet future vessel growth
Private Sector

- Freight providers – Airlines, Ocean carriers, truck
- Service providers – Forwarders, Customs Brokers, 3PL
- Software – PO management, warehouse management
- Automation – paperwork replaced by EDI
- More visibility earlier in the process
Public Sector

- Roads, Highways, inland waterways
- Ocean ports and Airports
- Regardless of primary transportation mode, most supply chains terminate with a road delivery
- Expansion driven by projections – may or may not be accurate
Hybrid – Public / Private

- Railroads – Alameda corridor, Greer, SC inland port, logistics parks
- Airports – need airlines to be successful
- Ocean ports – need terminal operators to work ships