

Positive Attitudes and Strong Relationships: Key Tools for Success

Food Shippers of America Meets for Annual Conference

Who better to talk about collaboration and teamwork than the first quarterback to win four Super Bowls in a row? When Terry Bradshaw addressed the 62nd Annual Food Shippers of America Conference last month in Orlando, Florida, he told the group that he started out on his journey “the same as all of you – I’m a firm believer in hard work. I’m the middle kid who dreamed about being great, about being special.” But you get there, said Bradshaw, “if you persevere, if you don’t mind failure, if you don’t mind being intercepted...when you’re knocked down, when your business is being regulated too much, when your profits go down.”

Bradshaw regaled the audience with stories of his 14 seasons with the Pittsburgh Steelers, demonstrating how it takes everyone on the team to make the play. “No one gets there alone,” he told the group. “And we really get somewhere in life when we learn to trust people. I know I’m dependent on others.”

This year’s theme was “Positive Attitudes and Strong Relationships: Key Tools for Success.” At 1,150 attendees, the 2017 conference was FSA’s largest, said outgoing FSA President Diane Van Wagner, The Dannon Company. Shippers, carriers and receivers are always working to realign and get to the next level of collaboration, said Van Wagner. “This is the place to do that, and to take it back to our companies.”

Moderator David Domencic, senior manager of transportation procurement for ARMADA, and panelists Ryan Harrington, director of intermodal sales for Prime, Inc.; Cori Purrington, director of transportation for ES3; and Ethan Richardson, manager of transportation procurement for Nestle, all agreed that true collaboration is about keeping the lines of communication open with regular meetings and, most of all, trust.

Rather than just carrying a single load, said Purrington, “we want to go beyond that, to look for alternative things to benefit both companies. You may think you don’t have a common goal, but maybe you do. We found it really comes down to building that foundation of trust and transparency. It’s important for both sides to hold each other accountable.”

Navigating through new mandates and regulations continues to concern shippers, receivers and carriers alike, particularly the electronic logging device (ELD) mandate, which goes into effect in December.

“We circle back with our carrier base and encourage them to be proactive and come to us and tell us what it means to them, said Richardson. “We have our own fleets as well, so we can share our thoughts. If we have best practices, we want to share them.”

Said Harrington: “We’ve increased our trailer ratio since ELDs. And it’s made us a better carrier, a safer carrier.”

As the driver shortage continues to plague the industry, all agreed that keeping drivers happy is key. “Something as simple as having a clean restroom for a driver – those are the areas where we like to partner,” said Purrington.

“Our number one goal is to keep the driver happy,” agreed Harrington. “They’ll point out to us which customers they may have trouble loading and unloading for. In a collaborative relationship, those are some of the conversations we are having on monthly calls.”

Nestle wants to be a shipper of choice, said Richardson. “We want to know what drivers are saying about Nestle. If there’s something good in one location and we can replicate it in another, we want to do that.”

While everyone on the panel had their own preferences for communication methods, all agreed that it is critical to tailor communication to the individual.

Millennials are used to technology and a quick response, said Harrington. But, he added, “You need to show them who their audience is.”

“You may have the illusion that you have a relationship through email and snapchat,” said Purrington, but you probably won’t have that person when you need them. There’s nothing like the one-on-one personal meeting.”

A regular – and a favorite – at FSA’s annual conference is Food Marketing Institute’s Mike Sansolo, who brought his food industry update to the group.

The food industry, he said, is being challenged daily to demonstrate its relevance in a changing world. “In business we are confronted with things we can’t see coming. The iPhone is only 10 years old, and 10 years ago there were 522 apps, including email and text. Today there are 2 million apps. Ten years ago Chobani started rolling out product. Now its Greek yogurt has changed a category.”

These changes, he pointed out, are coming from new competitors like Aldi and Whole Foods; new intermediaries like Blue Apron and Amazon; and market disintermediation, like farmer’s markets and Instacart.

To stay relevant, he said, the industry will have to understand the “why” of the shopping trip. “Our shoppers are connected in ways they never have been before. We now have to engage them before, during and after the purchase.”

Food shippers survived after Sears and Roebuck and Walmart revolutionized the shopping experience, said Sansolo, and although the logistics and challenges will only continue to grow more complex, “we’ve gotten really creative before and we’ll need to do that now. Bring in different people from different parts of your organization, including different generations.”

“Food Shippers of America Gives Back” presented Feeding America, Second Harvest Food Bank and American Logistics Aid Network with donations, which were presented by Diane Van Wager, outgoing FSA president.

Moderator Noel Perry, principal at Transport Fundamentals LLC, led a panel discussion titled “The New Logistics Era: Disruptive Forces Ahead,” including panelist Jake Killgore, multimodal transportation manager for MillerCoors; Steve Raetz, director of research and market intelligence for C.H. Robinson; Michael Sansolo, FMI; and Erick Mann, sourcing manager, Starbucks Coffee Company.

The group discussed some of the hurdles facing the industry, focusing on four topics: the economy, the relationship between the supplier and the shipper, technology, and trends in retail and their implications for supply chains.

The lingering effect of a recession in its seventh year, commented Sansolo, has been the lack of spending so long into recovery. People are still trying to keep their food bills down, he said.

The industry is relatively recession-proof, said Perry, because “we all need to keep eating. But all of you are competing for access to assets and parts of the industry that are negatively impacted by a downturn.”

On the subject of the driver shortage and capacity, Raetz said: “This group has an opportunity to eliminate some of this waste. We can offer capacity back to the marketplace – a participatory element between the shipper and carrier.”

Bestselling author and speaker Tim Sanders talked to attendees about relationship power and how to create and maintain real connections.

“We’re all in the business of solving problems, no matter what it says on our business card. The solutions will come from the edges of the supply chain.

“If you harness the power of deep relationships throughout your value chain and bring people together around a shared vision, you can achieve rapid problem solving,” he said.

One cultural habit all world class organizations have in common is collaboration, continued Sanders. “People will want to be a part of the solution when, for instance, there’s a delivery problem later and you have already developed a spirit of collaboration.”

He explained the “power of four unique perspectives” concept, which says that every time a new perspective is added, the ability to solve problems is increased exponentially.

Sanders also talked about the importance of mentoring, recounting his own experience as a mentee. His mentor gave him “homework,” and when they met, Sanders always did most of the talking. When Sanders asked why, his mentor said, “That’s how I stay relevant!” This kind of mentorship, explained Sanders, allows you to keep talent. It’s important to your business because the best time to build relationships is before you need them.”

John Larkin, CFA, managing director of research, Stifel Financial Corporation, offered an economic update and a look at how the economy impacts future trucking and logistic trends.

Among the realities driving these trends:

- e-commerce (All growth in retail is coming from e-commerce. By 2020 it is estimated that 15 percent of all retail will be in e-commerce, with Amazon commanding half.)
- last-mile deliver
- distribution of population
- shift in demographics (later marriage, less homeownership, etc.)
- less manufacturing employment because of automation
- energy self-sufficiency
- rationalized tax code
- technology-driven changes
- revitalized military
- fewer superfluous regulations
- improved health care
- improved standard of living
- healthier lifestyles
- shift toward fresher, high priced tasted

“U.S. Transportation Capacity – What’s Next” included a panel discussion moderated by ATA’s Chief Economist and Senior Vice President Bob Costello. Among the industry experts participating were Kevin Abbott, vice president of truckload, CH Robinson Worldwide; Mike Cafarelli, vice president of network and sales, Swift Refrigerated; Zack England, Coo, CR England; and Kelly Stoeckigt, director of transportation, Johnsonville Sausage.

The average age of drivers at Swift is 47, said Cafarelli, who added that 45 percent of their need is because of upcoming retirements. “We’re aggressive (in hiring),” he said. “Our turnover is below average – the driver is our biggest customer.”

Stoeckigt reported that Johnsonville has enough equipment for 20 drivers, but it currently has just 16, having lost four to retirement.

All agreed that the cost of recruiting new drivers has skyrocketed. So the name of the game, said Abbott, is drivers and the ability to offer them more sustainable jobs and a good balance of time on the road and time home.

The next big leap, said England, will be autonomous trucks, which will be an important step toward capacity.

“I think we’ll see that first, agreed Cafarelli,”then platooning. The technology is happening so fast it’s hard to put a timeline on it. It’s hard to keep pace, but a lot of our trucks are already equipped with these necessary components.”

Costello predicts the industry is decades away from taking the driver out of the vehicle. England agreed: "It's not a solution to the driver shortage."

FSA Conference App

This year's app, which for the first time included live Q&A participation throughout the conference, was a hit and enabled attendees to stay connected in real time. The app also included a list of attendees, agenda, event alert notifications, general conference guidelines, and speaker and sponsor listings.

- More than 750 logged-in attendees and more than 1,000 total users
- Attendees spent more than 105,000 minutes using the app
- More than 81,000 points of engagement (actions taken by users) within the app by users
- Live polling participation polling (see graph)
- Live Q&A for panel sessions
- Attendee section to connect with others was most popular section; more than 6,500 contact shares and 13,500 contributions to this section

John J. Murphy Scholarship

Once again FSA celebrated the industry's next generation with its John J. Murphy annual scholarship awards. To date, a total of \$104,500 has been awarded to deserving young students and professionals pursuing careers in supply chain.

This year, Devan Gerard Dunneback, Nestle Purina, received the top award: \$7,500.

Runner-up was Dana Jutte (Parent: Dana Jutte, Danone North America), who received \$5,000.

Tied for third place and a \$4,000 scholarship were: Jamie Anderson (Parent: Janine Anderson, ConAgra Foods) and Lauren Sinik (Parent: Steve Sinik, Cargill).

Fourth place (\$3,000) went to Megan Sinik (Parent: Steve Sinik, Cargill); fifth place (\$2,000) was awarded to Rylee Shrump (Parent: Tom Shrump, ARMADA); and sixth place (\$1,000) went to Coleen Jutte (Parent: Danone North America).