

The 2015 FSA Conference marked the 60th Anniversary of the organization. The event was held at the J.W. Marriott San Antonio Hill Country resort with a sold out attendance.

This year's Conference included a "Ladies of Logistics" afternoon tea on Sunday as well as a First Time Attendee reception allowing different groups to have smaller venues to meet and talk with other participants.

On Monday, the official kickoff for the Conference began with an inspiring presentation by Captain Chesley Sullenberger who piloted the U.S. Airways flite 1549 and safely landed in the Hudson River in 2009 following a bird strike on his aircraft. Sullenberger spoke of the need for true leaders to always lead by example and turn adversity into opportunity. He stressed core values and personal and professional integrity. Sully shared that a leaders worst enemy can be an individual's ego which can "wall you off from collaborating with others". He stated that many U.S. corporations were "over-managed but under lead" and said that a leaders duty is to show people where the company is going, how to get there, what an individual's role is in getting there and how you'll know when you've accomplished the goal.

The 5th Annual John J. Murphy Scholarship was presented by FSA's Chairman of the Board, Larry Cooper. This year's winner was Kathryn Hildebrand, receiving \$5,000.

This year as a new segment of the agenda, the Planning Committee inserted three 15 minute "Supply Chain Industry Informational Facts" presentations. In advance of the Conference opening, all attendees were encouraged to install the FSA 2015 Conference APP and use it for various purposes (attendees, seating assignments, agenda overview etc.). Questions (with multi-choice answer options) for the Supply Chain Facts segments were on the APP, and attendees filled out their responses prior to the presentations. Then, as each segment was presented, we showed the audience views and responses to questions on 1) carriers, 2) technology and 3) both shipper and receivers.

Session Two was moderated by Michael Regan, Chief Relationship Officer, Tranzact. The session was titled "Are You Really "being A Shipper Of Choice". His panelists included Derek Leathers, President & COO, Werner Enterprises, Robert Voltmann, CEO of Transportation Intermediaries Association, Geoff Turner, President, Choptank, and Diane Van Wagner, Director Distribution and Transportation, The Dannon Company. This group offered the perspective of a public asset carrier, a 3PL, the TIA and a shipper. With truck assets down 12% from peak and length of haul miles down 25% since 2007, the discussion centered around issues facing trucking and how it affects shippers. With the imbalance now existing between loads and trucks, freight characteristics can shape "who gets the truck". The discussion covered "good customer/bad customer" and what components cause a shipper to be one or the other. And regulatory hurdles ahead (EOBR, sleep apnea etc) will only cause the challenges to worsen. The discussion was lively and allowed all parties to share their views on how to attract and retain good capacity in the tight market.

FSA's outgoing President, Paul Kramer, presented the local Food Bank and Feeding America with FSA's donation for 2015. And, FSA Golf Chair, Kevin Lynch, announced winners of the Sunday (weather challenged!) golf tournament.

A separate luncheon was held for all attendees from sponsor companies along with Conference speakers and FSA officers, Board and Conference Chairs

Session three featured Mr. Adrian Gonzalez, President of Adelante SCM, speaking on “Past Performance is No Guarantee of Future Results: Why Innovation Matters in a Fast-Changing World”. Adrian spoke of the critical need to drive innovation and process improvement within your company. He discussed the history of once strong companies like Motorola and Polaroid, and their fate as smaller more nimble competitors overtook their market dominance. He spoke of the fact that companies have been succeeding in spite of poor technology and visibility, making them vulnerable. Adrian talked of the “clock speed” of industry getting faster, and the rate of change, competition, regulations will continue to be faster in the future. He stated that the number one challenge of supply chain executives in the future will be keeping up with the rapid pace of change. He also challenged the audience to ask whether they were a “company of yesterday or a company of tomorrow”. To be the latter, we’ll need to make smarter decisions faster, place risk management into our DNA, and be predictive versus reactive on supply chain issues. And as for talent in companies, we’ll need to invest in hiring, training and retaining the very best. The people will be adaptable, flexible, willing to learn, have good communication skills, be critical thinkers with analytical and problem-solving and decision making ability.

Session four was a panel moderated by Thom Albrecht, CFA, Managing Director, BB&T Capital Markets. His panel was titled “Receivers: Which of the 3C’s Will You Choose? Chaos, Confusion or Cooperation?”

Thom’s panel included Marty Steinmetz, Vice President, Strategic Partnerships, U.S. Cold Storage, Brian Stoufer, Senior Director of Transportation, ConAgra Foods Consumer & Private Brands, and Bob Walmsley, Transportation Planning Manager, Publix Super Markets, Inc. The group explored reasons why a receiver can be deemed “good or bad” by the carrier community, and what the critical components are that make up the scoring. Questions were asked on how to gain and maintain quality capacity as it continues to tighten, and how a company or location can address and adapt to the necessary changes. All agreed that being labeled a “receiver to avoid” is costly, and that the necessity to changes ahead is vital.

Session five was an update from Bob Costello, Chief Economist & Vice President for American Trucking Association. Bob discussed the most current economic data and its effects on logistics related industries. He gave an upbeat view of 2015 and 2016, with a forecast of GDP going to 3% and 2.7% respectively. With housing starts up 17.1%, personal spending up 4.8% and factory output up 4%, it appears we’ve got a solid footing to produce a good year in the economy. The only catch at this point is personal incomes are not keeping pace. But, Bob said due to demand, this will change in coming months. While some view the first quarter as soft on truckload freight, Bob stated this is normal for the time of year. On the other hand, he stressed that the critical level of driver shortage (“bad as it has ever been”) along with increasing demand for truck services will result in increased revenues (RPM) for truckers. Bob discussed the spot market for trucks last year and how it destroyed many company budgets on freight spend. With the tightness of trucks, he suggested that driver pay will continue to rise, along with driver benefits, and the possibility of double digit increases is very real.

Monday evening featured a five-star meal and included a combination of entertainment from The Three Waiters along with comedian Tammy Pescateli who kept the audience laughing!

Tuesday started with a very moving and inspirational presentation by Alison Levine. Alison drew on her background experience on Wall Street as well as summiting the world's tallest peak, Mount Everest, as she addressed leadership in today's fast-paced business environments.

Session Seven featured Paul Newbourne from Armada Supply Solutions who moderated a panel including Tyson Foods, Naturipe and McCain Foods. The group session theme was "How To Gain Better Access To Capacity While Managing Rate Inflation Through True Collaboration Between Carriers and Shippers". The panel addressed the value of collaboration between both shippers and receivers with the goal of a win-win relationship versus winner/loser. The topic of "customer of choice" was addressed by each of the panelists as well as what the key carrier priorities are in managing their business. Freight dynamics are broad, with the downside components being detention and overall inefficient use of truck capacity. Paul stressed that shippers need to have their carriers view their freight as the most productive and efficient freight in their mix.

- Lori Lammers of Tyson Foods said they have increased their efforts to address being carrier friendly and place significant focus on score carding. And, they do not bid their freight.
- Rick Burden from Naturipe shared that his company places heavy reliance (90%) on asset carriers now, pays invoices in seven days, and have been addressing TONU, deadhead and wait time/pay
- Charles Penrow of McCain Foods shared that their version of "CRM" is carrier relationship management. They perform RFP's every three years, reward performance and hold 360 degree carrier reviews

An overall consensus of the group was expressed on the critical need to become a shipper of choice, and knowing what it takes to get there.

Our final Session Eight featured Michael Sansolo whose presentation was titled "END OF STATUS QUO – WHAT DO YOU DO NOW"? Michael addressed three areas that are causes of change now for the transportation industry:

- Industry demands
- Demographics
- Regulatory

Michael stressed that businesses that win and succeed are those who are best at adapting and show flexibility. He touched on generational change, and discussed the fact that Millennials cannot be managed like previous generations.

The Conference wrapped up with incoming President Diane Van Wagner, Director of Transportation for The Dannon Company inviting the audience to provide input on the event via our APP or off the website survey. As the 2016 Co-Chair team of Ed Ruhe and Steven Stein prepare to take over, feedback from this year's participants will aid in the development of next year's agenda. The 2016 Conference will be held February 28-March 1 at the J.W. Marriott Desert Springs resort in Palm Springs, California.