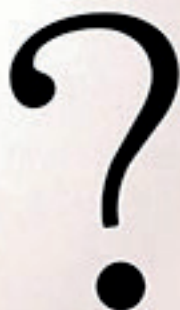




Logistics and Supply Chain Strategy Q&A Series 2017



This Q&A was created in association with the **3PL & Supply Chain Summit, taking place this June 16-18 in Chicago.** Many of the executives featured in this and subsequent Q&As will all be at the event, be sure to join us to determine the supply chains future.

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President



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Ed Feitzinger,

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Amazon



What is your growth strategy going forward, and how will you distinguish yourself from competitors?

At Amazon, what we focus on is our customers.

We will continue to look for ways to delight customers in the areas we know they love – fast delivery, great prices and vast selection.

Describe the one most important strategy decision you made in the last 18 months.

Much of my internal strategies, as I'm sure you can appreciate, I'm not able to elaborate on. What I can say is that we focus every decision at Amazon on our customers and work backwards from there. Hiring great talent—individuals who also have the same relentless focus on the customer—is a priority for us.

Where do you see the biggest opportunities for your supply chain?

We will continue to build capacity in the supply chain to supplement the capacity we receive from third-party suppliers. This is exciting for customers as in some cases this is fueling lower costs, faster delivery speeds and later order cutoff times.

Where do you see the biggest threats for your supply chain?

We've been building in order to increase capacity for our customers – we'll continue to do so.

How are you driving innovation in your supply chain?

We're willing to invest in innovations that support customers whether that's technologies like Amazon Robotics or building out more of our own supply chain to increase capacity through leasing our own dedicated network of air cargo planes, for example.

What level of automation would you say you currently have within your supply chain? i.e. how automated are your warehouses, manufacturing and other operations?

We've worked on many innovations to support automation in our supply chain. We're on our eighth generation of fulfillment center and each generation utilizes more and more technology whether that's machine learning, Amazon robotics or advanced algorithms that support customer delivery, to name a few.

What new and emerging technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

We are certainly excited about our Prime Air operations, our drone delivery service. We have a great team working on it and recently made our first delivery to a customer in the U.K.



Bill Goodgion,
President,
Ascent Global Logistics



What is your growth strategy going forward, and how will you distinguish yourself from competitors?

Since 2008, we have acquired seven companies within Ascent Global Logistics. The original strategy was to acquire well-run, profitable companies with a strong cultural fit that enhanced or expanded our service offerings, solutions and geographic reach; while providing a synergistic benefit through a partnership with our parent company. We would largely allow those acquired companies to operate independently and we would support them where we could by implementing best practices and helping them with cross-selling across the enterprise.

We were successful in our original strategy, but over time it became clear that the real power is how we bundle those solutions, pool our resources and integrate systems/processes to make it easier for customers to engage us and for us to execute on our solutions.

At Ascent Global Logistics, we don't really consider ourselves as just a 3PL or a transportation "broker". We are a full service global logistics provider with a powerful suite of domestic freight management, international freight forwarding and retail consolidation solutions to offer clients. We believe in investing in technology to empower and enable our people, but still believe that personalized service, skills, expertise and relationships matter. That is why it is important for us to provide our clients with unique insight into their business through continuous education and on-going collaboration with them. This is what will help them drive cost reduction, productivity and efficiency improvements over the long-term

Describe the one most important strategy decision you made in the last 18 months.

Probably our most important strategic decisions that accompanied our rebranding is the restructuring and integration of our domestic freight management sales organization. What was originally four different sales organizations selling four different solutions, is now a single sales organization supporting all of our domestic freight management solutions. All of our sales people are trained and equipped to be able to support clients who need a carrier optimization, transportation management or a customized solution. We are now organized by 1) strategic accounts, 2) business development, 3) inside sales, and 4) our agent network. We had to work through various compensation plans, account assignments, territories, and legacy-company processes. While we envision long

term economies of scale through the integration, our goal was not cost-reduction and therefore, we wanted to ensure that all sales people had a role in the new sales structure. We are now starting to see traction with this strategic decision as customers find it simpler to work with us and sales people see that they have more tools and opportunities for growth.

How might President Trump's policies impact the logistics industry?

Probably still too soon to fully grasp the changes that might be coming. I am not sure we know what is sabre-rattling versus true intent to implement new policy. President Trump appears to have some unorthodox vies on international trade and as logistics providers, we really need to be prepared for anything to occur. Changes in trade policy, regulations or tariffs could potentially lead to companies shifting suppliers, trading with other countries, or using other modes of transport. Therefore it is important to have a global logistics partner that has the scale, a variety of solutions to offer, can be flexible enough to quickly accommodate changes and keeps clients informed/educated on regulatory changes. Now, more than ever the expertise of logistics providers is needed.

A nice segue...Do you see an anti-globalization movement taking hold? If so, how will this impact global logistics?

The election of Donald Trump and Brexit are already examples of the anti-globalization movement taking hold. Hopefully as evidenced by the recent victory of Netherlands' Prime Minister Mark Rutte's center-right party over populist Geert Wilders' Party for Freedom, that it will be somewhat short-lived. Every four years in the U.S., trade is front and center within our political rhetoric. This last election obviously was quite different with Donald Trump in the mix. Globalization has been under assault by both the "left" and the "right". While protectionism makes for good politics, it is bad economics. There is this misguided view that a country that imports more products than it exports is somehow uncompetitive. Unfortunately, when an economy is faltering it is quite easy to draw people in emotionally that trade deficits are bad, manufacturing has been killed by globalization and that foreign outsourcing hurts a domestic economy. "Protectionism" and "us against them" worldview however, is not the answer to increasing people's standards of living and will only slow growth and innovation. Policy that helps reduce or remove trade barriers throughout the supply chain should be embraced. The most important things for logistics providers and importers/exporters to do are 1) stay informed 2) get involved to help shape regulatory reform and 3) build contingencies by identifying possible alternative suppliers domestically and in other countries.

Start-Ups: Is the market becoming saturated? Will there be a tipping point where incumbents (existing logistics companies) will need to catch up?

I don't think the market is too saturated for start-ups. The market is highly fragmented and there is an opportunity for quality service providers to carve out some space and gain market share from existing providers. I am not sure about a "tipping point" but existing logistics companies are no different than any other business. They must evolve or face extinction. Customer expectations are increasing and logistics companies have to continue to add value for their clients.

Where do you see the biggest opportunities for 3PLs?

Technology. But I view it a little differently. I do not see technology in and of itself as the differentiator. As I mentioned previously, I view technology as a means of enabling and empowering our people. Technology deployed without the right strategy does not create disruption.

Where do you see the biggest threats for 3PLs?

Technology. In two ways. First, clients that fall into believing that technology alone can solve their problems and rush to implement some software when really a 3PL can better serve their needs. Second, there will be 3PLs that refuse to adapt to using technology to their advantage.

How do you ensure that strategic relationships are maintained despite a very competitive market-place and pressures to keep prices rock-bottom?

It all starts with discovery and the solution design. You have to understand your clients business and what their long-term strategy is. Cost reduction is a given but we want to invest the time up front to understand their value drivers. It may sound novel but we also focus on our daily interactions with our clients. We want our people to talk with our clients and not just email them. Build relationships, ask questions, and offer insight. Then, we follow with formal business reviews to discuss our performance and talk about strategy.

Customers look to their 3PLs as a source of innovation. How are you helping your customers innovate?

It is really all about helping clients optimize their supply chains. We have numerous solutions that address different problem areas. We have a variety of solutions that help clients with rate, route, mode and carrier optimization. We can provide them with deeper levels of business analytics. We can assist with trade and regulatory compliance. By helping them improve and enhance their supply chains, they are able to focus their energy on their key strengths- creating, marketing and selling new products.

What new ground-breaking technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

We are watching all of these technologies closely but have not implemented any as of yet.

What new ground-breaking technology will have the biggest impact on your operations in the next 5-10 years? (3D Printing, AI, Blockchain, Drones, Driverless Vehicles, etc.)

Longer-term possibly all have some level of impact, but in the short-term I find blockchain most intriguing. I wouldn't say I am sold quite yet, but I am investing time researching and talking to others to better understand how we might use in our business environment. With all "disruptive" technologies it is easy to jump on the bandwagon and want to believe the hype. In the end, it is about cost effective results. I am interested to see how the partnership between Maersk and IBM to provide real time exchange of events and documents to numerous parties really improves things. I also understand that WalMart is in the middle of a pilot project to track and trace pork produce in the U.S and pork in China. If truly successful, it is possible that there could be numerous applications that I envision could drive improved efficiencies in our communications with customers and service providers.



Mike Buseman,

Chief Global Logistics and
Operations Officer,

Avnet



What is your growth strategy going forward, and how will you distinguish yourself from competitors?

Avnet designs, builds, supplies and delivers solutions that enable customers to get their products to market anywhere in the world. Our vision is to be the undisputed leader in design chain and supply services, through a focus on four strategic areas: our talent, our design chain and supply chain services, and being best in class at procurement.

Avnet is creating a unique business model and differentiated offerings that will put the company at the forefront of the digital transformation, impacting the entire technology supply chain. Avnet is focused on helping customers design, build and deliver technology products in any region of the world, from prototype to mass production.

Describe the one most important strategy decision you made in the last 18 months.

Avnet has made several strategic decisions in the last year. Core to our new strategy is Avnet's acquisition of Premier Farnell. The combination of Premier Farnell and Avnet's components business creates a truly unique distribution model that supports customers at every stage of the product lifecycle. By pairing our deep expertise in large volume broadline distribution with Premier Farnell's specialization in proof of concept and design, we can offer true end-to-end solutions that accelerate a customer's time-to-market and moves their products seamlessly from prototype through to volume production.

Further to this, Avnet also acquired Hackster Inc., underscoring our commitment to helping start-ups bring their ideas to market. The addition of Hackster's online platform will enable users to accelerate their hardware knowledge and time-to-market.

Additionally, Avnet has entered into an agreement to sell its Technology Solutions business to Tech Data. The sale of this business provides Avnet with immediate opportunities to focus on our core strategies and scale our business, ultimately delivering greater profitability to our shareholders.

Avnet also saw several key changes to its leadership team in the past year, beginning with the appointment of Bill Amelio as CEO. Avnet's leadership team is poised to help the company transform into a premier global electronics leader, positioned to support customers at every stage of the product lifecycle.

How might President Trump's policies impact the logistics & supply chain industry?

We live in a dynamic geopolitical environment, and we're not sure yet how President Trump's policies will affect the global supply chain. It is our job to be agile and forward-looking, and ensure we have capabilities in place to help our customers deliver their products when and where needed, despite any changes to the geopolitical landscape. For example, as global trade becomes more complex, customers and suppliers will increasingly rely on supply chain partners to help ensure compliance with the evolving laws and regulations in countries around the world. A team dedicated to global trade compliance, along with a robust system of management, can help ensure early detection and resolution of compliance issues to avoid risks, delays and unnecessary costs.

A nice segue...Do you see an anti-globalization movement taking hold? If so, how will this impact global logistics?

As a global company, Avnet is watching the landscape very closely. We're consistently examining the impact of global change on local markets and are prepared to respond to the impacts of the geopolitical landscape so that we can continue to service our customers.

Where do you see the biggest opportunities for your supply chain?

First, Avnet will execute on our core electronics distribution business. As one of the world's largest distributors of technology, Avnet's extensive portfolio of services provides a single source for value-added solutions. These solutions include design and supply chain services, device programming and product assembly, supported by transportation and trade compliance solutions, that help our customers improve time to market and create a competitive advantage for their products.

Next, we see additional growth opportunities across four segments – IoT, embedded, digital, and the Maker Market. There is tremendous change in the electronics industry, and we see these value-based businesses as strong opportunities. They complement our legacy volume-based business well and are core to fulfilling our vision.

And finally, by joining Avnet's legacy business with our recent acquisitions of Premier Farnell and Hackster, we are able to better focus on the early adopters. These are the individuals who have an idea they want to take to market. Avnet is creating an end-to-end ecosystem, whereby we're helping our customers design, build, supply and deliver products to market anywhere in the world.

Where do you see the biggest threats for your supply chain?

The world is changing quickly, and we anticipate implications of the geopolitical landscape. We're closely monitoring the effects on the supply chain, and we have capabilities in place to ensure our customers will be able to deliver product when and where they need to.

Additionally, we continue to see increasing complexity in the supply chain. Our customers are experiencing increasing urgency to compress time to market, while maintaining a tighter focus on the balance sheet. Working capital is becoming just as important as unit price. Further, we're seeing customers and partners reduce their internal capability as they focus on margin enhancement. To meet these challenges, they're increasingly turning to one global solutions provider who can construct solutions more cost effectively.

How would you define your supply chain, product driven vs consumer driven? What effect has having a consumer-driven supply chain had on your operations?

Historically, Avnet has had a product-driven supply chain. While we remain committed to the product focus, Avnet is rapidly adapting to a more consumer-driven supply chain. Through our acquisitions of Premier Farnell and Hackster Inc., we are able to retain our legacy volume-based business while extending into new areas like the Maker Market.

How are you driving innovation in your supply chain?

Avnet drives innovation in the supply chain in three key areas. First, we are constantly assessing our network to ensure we provide the best total cost solution and service to help our customers design and build technology products in any region of the world, and efficiently deliver them to their end destinations.

Next, we are partnering with Arizona State University's School of Computing, Informatics, and Decision Systems Engineering. We're working with students on capstone projects to help assess warehouse automation, data collection and industrial engineering. Further, we're cultivating and developing talent, and some of these students are coming to work for Avnet upon graduation. We're also taking key learnings from the capstone projects and incorporating them to improve the efficiency of our facilities.

Third, we are investing in hardware and software to better leverage our technology. This includes enhancements to our transportation management systems (TMS) or package management systems (PMS), warehouse management systems (WMS), warehouse automation solutions, and global trade compliance solutions. This technology is helping to greatly improve supply chain efficiencies in both established and emerging markets around the globe.

What level of automation would you say you currently have within your supply chain? i.e. how automated are your warehouses, manufacturing and other operations?

Our software tools, such as our warehouse management, ERP and trade compliance systems, are automated, as are our programming and integration systems. These automated systems are sophisticated models for the organization and can be leveraged across our warehouse operations. We're applying this technology where appropriate throughout our facilities.



Raanan Cohen,

CEO,
Bringg



Tell us a little about your company.

Bringg is the leading customer-centric logistics solution for enterprises, with retail, eCommerce, restaurant, manufacturing and 3PL customers in more than 50 countries including some of the world's best-known brands. Our powerful SaaS platform enables companies to match Amazon's logistical excellence in terms of operational efficiency and customer experience, streamlining the way they deliver goods and services to create the perfect experience for everyone - from their headquarters to their people in the field and all the way to their customers.

Tell us a little about yourself/your background.

I am a seasoned entrepreneur, previously founding MobileMax and leading it from concept to multimillion-dollar international sales and IPO. I am also a happily married father of twin girls and two boys, as well as an avid sports addict who has completed numerous marathons and triathlons including ironman and ultra-marathon distances.

What are the 3 biggest challenges the industry is going to face in the next 5 years?

The main challenges that the industry faces are more general than specific, as well as interconnected and by now unavoidable. First, the industry must accept that after working in a certain way for quite a few years, there are now new rules to the game that pose enormous challenges to the entire supply chain. Second, the industry must realize that the solution will come from the same source that caused the new rules to evolve in the first place – technology and the possibilities it brings. Third, the industry must embrace innovation like never before or risk being left behind. Companies across all sectors of the industry must quickly shift their focus from traditional processes over to innovative strategies and technologies that allow them to start playing by the new rules and keeping up with the demands of the new market landscape.

Is there a tipping point where tech-driven logistics companies are going to start to out-strip traditional logistics providers in terms of size and revenue?

Considering the three factors mentioned above, this tipping point is inevitable and coming fast. We've all seen the large financing rounds going into logistics-related companies. Once we see more and more acquisitions of tech companies, we'll know that the industry has realized that it has reached the point of no return.

What has been your biggest challenge for achieving growth?

Our main challenge is not sales or industry exposure, as much as it has been finding highly qualified talent. There is a land rush right which means that the true stars are getting multiple offers from the best companies out there and we have to fight for them since one of our core values is that we never compromise on quality when it comes to our employees.

We have found that logistics doesn't sound as "sexy" to candidates as some more techie markets, but we have two pitches that help in our hiring processes as much as they help us close multimillion dollar sale deals. First, just mentioning the names of our enterprise customers, most of which we still can't be mention in writing other than Coca-Cola. Second, saying that we help companies achieve Amazon-level excellence always gets people's attention, especially those looking for an interesting "brainy" challenge.

What are the main reasons your customers select your service?

Everyone knows Amazon as a private customer and/or a professional competitor at some level or another, and they all know the changes they've brought about in our industry. So, as mentioned above, it's not difficult to get people to understand the value and the tangible benefits our platform offers such as operational efficiency and customer experience. The disruption to the industry has already occurred, we can help them recover from it so that they can remain relevant.

Once we add in the names of our enterprise customers and the multiple use cases for which they've used Bringg, the business case becomes even more obvious, as does the competitive edge it can create for them. Moreover, we've designed our solution to be as flexible and scalable as possible so that even the largest enterprises can be up and running in a matter of weeks after integrating it into their existing systems.

What companies should the industry watch closely over the next few years?

All those smaller tech-focused companies that the industry previously tended to ignore should now be on everyone's radar before it's too late. Most of the companies in the logistics industry that offer innovative technology solutions (as opposed to services) are still in the process of winning over the early adopters. But in the next year or so many of these offerings will transfer over to the mainstream as case studies indisputably prove their benefits.

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

Customer-centric may be in our product description but it is also integral to our mission statement and to the way we run the company. Although our product is also relevant for mid-market companies, we've structured our operations around the needs of enterprise customers such as global courier companies, large 3PLs, brand-name CPG companies, large restaurant chains, and international retailers.

This means that our we've put together logistics experts and global operations teams that can handle any enterprise-grade requirements and challenges. The same goes for our technology which is a robust platform that can scale to accommodate enterprise levels of data, as well as our customers' security and privacy needs. This level of focus distinguishes us from our startup competitors who are typically focused on the lower end of the market, and from the in-house "competition" we encounter with companies that are looking to build out their own systems.

Thoughts on how President Trump's policies will impact the logistics industry?

It's not yet clear exactly which of his policies President Trump will (or will be able to) implement so it's a bit early in the game to try and predict their impact on the industry. That said, this is such a dynamic time in terms of global geopolitics that companies should restructure their operations to be as flexible as possible in terms of available resources and their cost effectiveness, so that they can easily scale up or down based on their time-specific needs and external demands.

A nice segue...Do you see an anti-globalization movement taking hold? If so, how will this impact logistics?

Although this does seem to be happening in places, it's too early to tell if it's a sustainable movement with a serious long-term impact. But, as noted above, logistics service providers and customers alike need to address this possibility before it becomes too late for them to quickly pivot by adding agility and resilience to their operational structure.



Jérôme Lorrain,

COO Ground/Managing Director of
North American Cluster,

CEVA Logistics



What is your growth strategy going forward, and how will you distinguish yourself from competitors?

Our aspiration is to be the logistics provider of choice to solve and operate difficult supply chains, recognized for operational excellence, while maintaining a top five position in Contract Logistics and top ten position in Freight Management. CEVA shall be recognized as a resilient service provider with a balanced portfolio (business lines, industries, geographies) with global network coverage but also an agile company characterized by anticipation of customers' and market developments, customer intimacy and fast, high quality. We believe that to have a successful overall global growth strategy, we will need to focus on maintaining the right level of local presence and understanding of our customer and employee base.

Achieving this aspiration leads us to a two-phased approach. In the short term, CEVA's focus is to leverage our internal potential, expanding profitable margins notably through a dedicated attention to certain geographies, the implementation of the excellence program and a relentless focus on operational improvement as much in support functions as in the business lines.

Building on a strengthened foundation, we then intend to pursue our strategy growing top-line and further expanding margins based on the following pillars:

- ▶ Increase share of existing customers' logistics spend
- ▶ Win new customers in specific industries and geographies
- ▶ Position ourselves as thought-leaders in the logistics industry

Describe the one most important strategy decision you made in the last 18 months.

Under our new CEO, CEVA restructured the global management framework of the organization into a new operating model. Prior to this change, the company was led by a global board of management made up of C-level functional leaders, and the business was operated in three global regions (Americas, Europe, and Asia) and with oversight from three regional presidents. In the new structure, the company was reorganized into sixteen distinct operating clusters, all reporting into the CEO, but each having an assigned sponsor from a member of the global board of management. In addition, CEVA created roles of product line COOs, one for Contract Logistics services, one for Air and Ocean services, and one for Ground services.

The idea behind the new global structure is two-fold: the new product-based COO leadership each has global oversight for product-line strategy, including standardization of operating processes and technologies, performance measurements, and pricing; the sixteen cluster leaders are responsible for executing this strategy, with the primary focus on overall cost-management and service/performance in their respective clusters. The overall theory is that smaller clusters (versus the previous three global regions) allows leadership to have less responsibility but increased accountability for cost and performance. With each cluster leader having a board-level sponsor, the company reduced a layer of management, which allows for faster access to C-level senior management for decision-making and strategy execution. Overall, this strategy has been well-received within the company and with customers, and it has started to drive the results expected from the change. In fact, several of CEVA's competitors have seen this model to be effective and have implemented similar structures.

How might President Trump's policies impact the logistics industry?

CEVA does not have an official position related to any policies that are supported by any particular political party or specific national leadership administration. As a global organization, we must be resilient to any changes in political landscapes, which can certainly influence global trade policies and which may ultimately affect supply chain activities. As it relates to the new administration's potential impact on the overall logistics industry, these positions and policies are in early formation stages and likely need more time to develop before any speculation can be translated into predictable impact.

A nice segue...Do you see an anti-globalization movement taking hold? If so, how will this impact global logistics?

While recent trends in global trade have certainly shifted somewhat toward increased regionalization of supply and demand, the logistics industry will most likely shift to a new normal with a different balance of global/local than in the past couple of decades. A true anti-globalization movement is less likely to gain traction, as opposed to more specific strategies that countries will develop to blend increased consumer demand in their markets, along with continued investments in manufacturing capabilities within regional geographies. Trends have shown that low-cost sourcing in less expensive labor markets, while initially attractive on a manufactured cost-per-unit basis, have since been offset by increased costs of global transit and risks associated with longer lead-times and travel distances to move product. Companies are likely to evolve their planning more around new levels of total landed cost calculations, but in accordance with continued political influences by the major trade nations around the world.

Start-Ups: Is the market becoming saturated? Will there be a tipping point where incumbents (existing logistics companies) will need to catch up?

Start-ups will continue to evolve, as the market remains wide-open for new entrants, but more specifically ones with unique capabilities in niche segments. Supply chain technology companies which continue to build new capabilities will likely have a widespread impact, as their tools will support a wide array of companies, and they have virtually unlimited potential to sell and implement their products and services. Supply chain operating companies, such as third-party logistics and freight-forwarding firms, are likely to focus more on regional execution and specialized capabilities, especially in evolving consumer-driven distribution models (such as e-commerce) and new sectors (such as healthcare and consumer goods). It is more likely to be the case that these niche companies will be acquired by larger, incumbent firms to fill white-space capability gaps, but the larger firms will need to continue to invest in their own adaptation to the market and development of new capabilities.

Where do you see the biggest opportunities for 3PLs?

Global companies will continue to lean towards 3PLs to provide flexibility in space and transport capacity, especially with trends in regional consumption of nearly all products in the evolving e-commerce space. As global markets evolve more into regional production and consumption models, consumers will continue to have fast expectations for order-to-delivery levels, which will require manufacturers and retailers to position their inventories in more regional-based supply chain networks. The 3PLs who have invested in regional real estate and who have excellent execution capabilities for warehousing and transportation – as well as flexible commercial models - will see the growth that continues to be available with this new market demand.

Global companies and those with multiple-service capabilities and who can offer an integrated, yet flexible solution to customers, will also have advantages in growth. Regardless of regionalization trends, companies who can provide demonstrable, multi-segment operating capabilities, with proven processes and reliable technology platforms, and who can truly perform on a global basis, will likely continue to have advantages in the marketplace. Both Fortune 500 blue-chip companies and smaller market entrants will continue to rely on outsourced expertise to help them facilitate global trade – and those 3PLs who have true execution capability will drive the growth for themselves.

Where do you see the biggest threats for 3PLs?

In direct contrast to what is stated above, 3PL companies who do not adapt to consumer-based market changes, those which do not drive regional distribution models, and those which are not of superior process and technology capability – will fall behind those 3PLs who can perform in these ways.

Beyond the competitive-competence issues in the 3PL marketplace, the single biggest threat continues to be that of the evolving-insourcer. Historically, the companies who insource the management of their supply chains, particularly those who do it well, have tended to be those firms who have business models for which logistics services have a direct impact to customer facing markets. (Consumer retail companies are the best example of this. The retail segment has traditionally led the insourced supply market by driving advancements in warehouse operations, inventory deployment strategies, and end-to-end technology solutions to deliver visibility and compliance in their supply chains. Automotive companies have also tended to lead advanced supply chain practices, but largely through outsourcing models.) In today's supply chain management marketplace, there are increasing capabilities available to companies in the forms of human talent and technologies, both of which manufacturers, distributors, and other shippers have access to, which they are increasingly tapping into to bring these capabilities in-house.

In-sourcing strategies are well-supported today by three unique factors: Higher education, 3PL industry alumni, and advanced technologies. An increasing number of universities have supply chain and logistics curriculums and many companies are sourcing fresh talent from these programs for both entry-level and mid/senior level roles in their firms. The talent market also has a growing number of persons who have worked for 3PLs and freight-forwarding companies in their past and these individuals can bring skills and competencies to the other side of the table and support firms' insourced management needs. Finally, the evolution of supply chain toolkits, either as stand-alone systems or ERP-integrated logistics platforms, both in terms of functionality and cost, have made it easier for insourced companies to leverage the capabilities of these systems and operate better in-house supply chain departments.

One additional threat worth mentioning involves the labor market for professional commercial vehicle drivers in the US. It has been well-publicized in recent years that a looming driver shortage may challenge shippers and carriers for their ability to support increasing ground transportation requirements. The fading generation of persons interested in driving as a profession has not been replaced equally by newer generations, although the demand for driving services has continued to rise. The gap between supply and demand for drivers will continue to force wages to increase, thereby either eroding margins for carriers or increasing costs for shippers. This trend will need to be closely monitored by 3PLs, so that they can manage their business accordingly and to set the right level of expectations for customers in establishing competitive market pricing.

How do you ensure that strategic relationships are maintained despite a very competitive market-place and pressures to keep prices rock-bottom?

The answer has an oversimplified explanation. Strategic relationships between shippers and 3PL partners are based on two fundamental factors: Superior service execution for value-based fees by the 3PL, plus senior-level personal relationships between key executives by both firms. Poor performance and/or non-value based pricing can be show-stoppers for developing or maintaining strategic relationships. Yet solid performance and/or competitive pricing alone, without top-

to-top relationships, are unlikely to yield long-term transformational engagements. Finally, mutual investments within the partnerships, both in financial and time-based work-streams, are required to build joint programs that can keep companies strategically engaged over the long haul.

CEVA conducts regularly meetings with our key customers, in the format of Monthly or Quarterly Business Reviews which allows us to review performance, but more importantly to discuss joint business planning and to further develop our collaboration efforts with our customers. In addition, CEVA hosts a VIP-customer forum once per year for senior managers from our select customers, during which we engage in overall strategy concepts in supply chain, global economics, and other business-impacting topics. Usually, we involve third-party speakers or moderator from various economic think-tank or market-intelligence firms to add factual color to these sessions.

Customers look to their 3PLs as a source of innovation. How are you helping your customers innovate?

Historically, we have driven innovation for customers by developing operating capabilities to move work from insourced to outsourced environments. Outsourced component-subassembly support of manufacturing or vendor-managed inventory (VMI) programs are examples of this. Similarly, CEVA was a market pioneer with the development of a global end-to-end supply chain management software platform and control tower network capability, which of course many competitors have since replicated with similar business models.

CEVA's focus on innovation now come in some new areas of focus: Global organizational consistency for operational performance and measurement, along with advance operational and execution capabilities.

Regarding global capability, CEVA has a unique operating model for our global Contract Logistics product line, which is organized around the following six elements: Safety, Single-Touch Processes, Speed, Slotting, Standardization, and Simplicity. Our global CL COO had organized this global platform around these elements, with a specific sector-driven approach led by operational executive across our major sectors in Automotive, Industrial, Consumer Retail, Technology, Energy, and Healthcare market.

Innovation comes in the execution of the global framework, which is organized around standardized processes, technology platforms, and KPI measurements, which are now being driven on a global basis. As CEVA continues to drive forward with this strategy, we believe that we will lead the 3PL Contract Logistics market as a global provider with proven consistency of operational performance on a world-wide basis. We believe that driving this capability will allow for our customer to be able to leverage CEVA's services in ways that will allow them to operate outsourcing models with more global consistency, which will allow our customer to make faster and more adaptable business changes when they need it – in turn driving much greater ease-of-use in global outsourcing.

What new ground-breaking technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

CEVA has work-streams underway to integrate new technologies into both existing and new operations that we run for customers. Currently we are focused on Goods-To-Man automation, VisionWare tools, and Drones. We are in the early stages of developing these strategies, but are at the stage where we have determined specific technologies to deploy, and we are underway with vendor selection and will be driving pilot programs in existing operations over the course of 2017.

What new ground-breaking technology will have the biggest impact on your operations in the next 5-10 years? (3D Printing, AI, Blockchain, Dones, Driverless Vehicles, etc.)

As stated above, given our early stage of development of these capabilities, we have yet to determine the degree to which these will have an impact on our business model. There is a great deal of speculation in the market today, as there always tends to be with advancements in technology. Very often the investments required are not necessarily offset by the space and labor savings, so we are mindful of the need to ensure that we find the balance between investment and labor to drive the right level of ROI.



Frank Guenzerodt,

President & CEO,

**DACHSER USA Air
& Sea Logistics**

DACHSER
Intelligent Logistics

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

Dachser USA's growth strategy follows our 2020 plan, which includes meeting our goal of having 25 US locations in various cities in an effort to best serve our customers. One way of distinguishing our company has always been to follow the old saying of "think global, act local."

Customer service on a local level is very important and helps drive growth. Any company can transport goods from point A to point B, but Dachser goes beyond that by developing customized supply chain solutions for our clients. Having more locations in the US ensures that we are working with customers on a local level to create complete supply chain management solutions.

Describe the one most important strategy decision you made in the last 18 months.

Dachser USA upgraded from a local operational system to Dachser's global system. Implementation of the global system is still ongoing in some regions, however; the technology provides us with the visibility that's needed to view all modes of transport, in all locations.

How might President Trump's policies impact the logistics industry?

It is difficult to answer this question at this point in time. No one really knows and we will need to wait and see.

A nice segue...Do you see an anti-globalization movement taking hold? If so, how will this impact global logistics?

No, not at this time. There are more independent foreign policy changes, but that doesn't amount or add up to a full scale anti-globalization movement. Recently, we have seen more nearshoring and reshoring efforts in many countries. In the last few years these moves have helped companies keep production costs down and ultimately help shorten the supply chain.

While I don't think an "anti-globalization movement" is taking place, it is hard to find any industry that is truly domestic. Globalization will always be a part of any large industry. For example, if you look at the industrial or automotive industry, you will find that regardless of the location of corporate headquarters, parts and services are obtained from all over the world.

Start-Ups: Is the market becoming saturated? Will there be a tipping point where incumbents (existing logistics companies) will need to catch up?

I do not believe that the market has become over saturated with start-ups. Starting a logistics company is very cumbersome and complex. Before someone could successfully break into the industry they would need to acquire a number of licensees and have deep knowledge of trade compliance and the rules and regulations in effect.

However, there are some companies focused on continued IT and tech development that may impact logistics companies down the road. These companies are looking to commoditize the transportation business which would certainly lead to modifications in logistics.

Where do you see the biggest opportunities for 3PLs?

A true win-win situation is when there is a close integration and partnership between the customer and their 3PL provider. Dachser continually integrates visibility into the customer's supply chain and other value added services, so we are seen as more than just a transportation or warehouse provider. IT is another big opportunity where integration can optimize and streamline labor costs for our customers.

Where do you see the biggest threats for 3PLs?

The commoditization of transportation and retail services could be a threat. Large online retailers like Amazon are already moving in this direction; it may not be long before others follow in their footsteps.

How do you ensure that strategic relationships are maintained despite a very competitive market-place and pressures to keep prices rock-bottom?

Given the competitiveness of our industry it is important for us to ensure that we are working with our clients, focusing on ways to best optimize their supply chain. At Dachser, we make sure to schedule regular development and review meetings with both our vendors and customers, and work with them as partners. I always say that good business is done between people, not companies.

Customers look to their 3PLs as a source of innovation. How are you helping your customers innovate?

Regularly implementing and updating technology at Dachser, has allowed us to help our customers by eliminating the paper flow and becoming completely transparent. Additionally, we constantly review and optimize means of transportation to help maintain costs and ensure the timely functioning of supply chains.

What new ground-breaking technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

To date, these technologies haven't had much of an impact on our business.

In some European cities we have to use electric or compressed air delivery vehicles in an effort to comply with the environmental regulations. Since we focus on larger cargo transport, we have not had the need to explore delivery systems such as drones for small parcel or residential delivery.

What new ground-breaking technology will have the biggest impact on your operations in the next 5-10 years? (3D Printing, AI, Blockchain, Dones, Driverless Vehicles, etc.)

I believe we are going to see a lot more driverless vehicles as that technology develops and improves over the next 5-10 years. As previously mentioned -- while we are in the transportation market, we are not focused on smaller or residential deliveries and although this changes the landscape of logistics as a whole, it really won't have a direct impact on our operations.

On the fringe of SCM, 3D printing may have an impact on some of our clients. The parts industry may see a shift, since small or replacement parts could be printed in the destination country where it had previously been imported.



Jill Marcotte,

CSCO,
Dealer Tire



What is your growth strategy going forward, and how will you distinguish yourself from competitors?

We will distinguish ourselves from our competitors by continuing to provide a high value integrated solution which combines high fill rates, frequent predictable delivery service, product offering customized by individual customer, best in class technology solutions, and a world class consultative sales and training organization focused on the needs of our customers.

Where do you see the biggest opportunities for your supply chain?

Our supply chain leverages strong, accurate collaborative forecasting and supply outage prevention in a volatile supply environment, providing high fill rate combined with predictable frequent delivery service levels. Leveraging new innovative multi-product, co-loading fast delivery solutions can increase service to our customers, while lowering our transportation costs.

**How would you define your supply chain, product driven vs consumer driven?
What effect has having a consumer-driven supply chain had on your operations?**

Having a consumer-driven supply chain has required extensive product planning, forecasting and supplier collaboration to insure high fill rates, while optimizing inventory turns. In order to be customer-driven, we remain flexible and responsive to new delivery and storage needs. We also provide inventory planning solutions and fast delivery for our customers to ensure they have the correct inventory for consumers, while minimizing their inventory investment.

What level of automation would you say you currently have within your supply chain? i.e. how automated are your warehouses, manufacturing and other operations?

Our supply chain is relatively manual, given the bulky nature of our product and our frequent JIT small order delivery size minimizing the impact of automation.

What new and emerging technology will have the biggest impact on your operations in the next 5-10 years? (3D Printing, AI, Blockchain, Drones, Driverless Vehicles, etc.)

Unique delivery options will have the greatest impact on our supply chain delivery system.



Mathew Elenjickal,

Founder and Chief Executive Officer,
FourKites



Tell us a little about your company.

Trucking and transportation is a \$700 billion industry that serves as the backbone of global commerce, delivering 10 billion tons of freight across the U.S. every year. Businesses and consumers rely on goods to be shipped on time — increasingly in days rather than weeks — yet the complex and fragmented nature of trucking infrastructure poses a problem for shippers looking to track products as they move along their supply chain.

FourKites is re-shaping the logistics industry for real-time transparency and efficiency. FourKites provides comprehensive real-time tracking and supply chain visibility solutions across transportation modes and digital platforms. Using FourKites, blue-chip shippers and 3PLs can share the same, real-time shipping location and status information - from more than 45 onboard GPS/ELD systems used by fleets to individual owner-operator smartphones and flip phones. FourKites saves time and money across the transportation spectrum. Best of all, nothing falls through the cracks.

Tell us a little about yourself/your background.

I spent 7 years in the enterprise software space working for market leaders such as Oracle Corp and i2 Technologies/JDA Software Group. I've led high-impact teams that implemented logistics strategies and systems at P&G, Nestle, Kraft, Anheuser-Busch Inbev, Tyco, Argos and Nokia across North America, Western Europe and Latin America. I was installing transportation management softwares at big shipping companies, and learned that many of these companies couldn't track their goods once they got on a truck. We have a lot of legacy systems - 40 year old technology - that are managing an almost trillion dollar industry, making it ripe for change and modernization. This presents a huge market opportunity for someone who can be disruptive and deliver value, which is what inspired me to found FourKites in 2014.

Describe the one most important strategy decision you made in the last 18 months.

In October we announced our \$13 million Series A funding led by Bain Capital Ventures. We're using the funding to integrate more data sources into our tracking platform, expand internationally, and cover additional transportation modes such as LTL, rail, intermodal, and ocean. In addition to investing in our core platform,

we're also building new applications that harness the rich data its platform collects to drive efficiency in customers' supply chain operations. And we need innovative people to help us! We're hoping to hire over 100 people in the next year, and I know the audience is filled with hundreds of great candidates, so I want to direct them to FourKites jobs page and join us on this incredible journey we've started.

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

FourKites uses mobile, cloud, and analytics software to provide real-time tracking across millions of freight loads, helping improve supply chain efficiency for shippers that spend as much as 5% of sales and 33% of profits on transportation. The platform uses FourKites' proprietary technology and its network of 45+ partnerships with GPS-enabled electronic logging device providers (ELDs). FourKites revenue comes from shipping companies, whom we offer a subscription based plan for ELD tracking, and cell phone tracking for the trucks which do not have ELDs installed yet. So, by eliminating inefficiencies and reducing their spend on things detention hours and late fines, we can provide a large ROI.

We are the only scalable tracking platform built with large shippers and 3PL's in mind. While our current tracking competitors are designed for small brokers who need to track an important load or two, we are designed to track entire fleets for shipping companies, like big box retail chains, to enable full supply chain visibility, which is increasingly becoming a standard. The cost of our tracking is at the shipping company's expense, rather than the independent freight broker or driver.

We've already built an impressive client roster that includes global enterprises such as three of the top 10 food manufacturers in the US, two of the top 5 food distributors, one of the largest specialty apparel retailers, one of the largest office supply chain stores, and three of the top 10 logistics service providers. These companies have deployed the FourKites solution to get arrival times, real-time status, and proactive alerts for all their active shipments. Sharing that information with internal and external stakeholders throughout the supply chain, customers have drastically reduced the hours and dollars spent on disjointed communications and delayed updates. We just completed our Series A financing and we're growing rapidly, already expanding to rail and intermodal tracking. Here are some stats I can share:

- ▶ More than 16,000,000 loads tracked so far
- ▶ More than 950,000 location pings processed every day
- ▶ Over 70 million requests per month
- ▶ 13000+ active users
- ▶ 20000 CarrierLink app downloads
- ▶ 10000+ app-less subscriptions
- ▶ 49+ ELD integrations
- ▶ 60% tracked by ELD, 20% by Location Files, 8% by CarrierLink and 12% by app-less

What are the 3 biggest challenges the industry is going to face in the next 5 years?

- ▶ Tightening capacity – Smaller companies are going out of businesses putting an even greater strain on a tight capacity
- ▶ New regulations- ELD Mandate and Food Safety Modernization Act
- ▶ Competition from giant companies like Uber and Amazon

Is there a tipping point where tech-driven logistics companies are going to start to out-strip traditional logistics providers in terms of size and revenue?

The challenges I mentioned in #5 are all going to push the industry over that tipping point very soon.

What companies should the industry watch closely over the next few years?

- ▶ FourKites, of course.
- ▶ Small brokerages and carriers who may close or be absorbed by larger companies who have a handle on the challenges in #6

What new ground-breaking technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

Driverless vehicles and drones, definitely. Companies that begin using those are going to need a platform to aggregate and analyze the data from old, current, and future technologies, and FourKites is ready.

What new ground-breaking technology will have the biggest impact on your operations in the next 5-10 years? (3D Printing, AI, Blockchain, Drones, Driverless Vehicles, etc.)

AI, especially advances in predictive analytics and commands, are going to drastically increase efficiencies in our platform, leading to an event greater ROI for our customers.



Zvi Schreiber,

CEO,

Freightos



Tell us a little about your company.

Freightos is making global trade frictionless by providing an “Expedia”- like online marketplace for international freight shipping. Freightos has built freight rate management and instant pricing/routing capabilities for many of the biggest 3PLs in the world. Last year we launched the Freightos Marketplace, where shippers instantly compare and book international freight quotes from dozens of forwarders. In just five years, Freightos has grown to a 140-person company with offices around the world, multiple Fortune 500 customers and over \$30 million dollars in funding. And we have the world’s biggest database of freight rates including ocean, air and land.

Tell us a little about yourself/your background.

Way back I did a PhD in computer science and studied some math and physics. But for many years now I’ve been an entrepreneur, primarily focused on creating software startups - one of which was acquired by IBM. At one of my previous companies, my personal experience with shipping from China to the US and Europe on a regular basis was a nightmare; it took days to get pricing and was impossible to compare multiple logistics providers. When that company was acquired by GE, I decided to start a new company that would bring freight online.

Describe the one most important strategy decision you made in the last 18 months.

As Freightos grew, we slowly began to accumulate more and more air, ocean and trucking freight data. Within a few short years, we found that our international freight rate management platform was managing in excess of 250 million freight price points - the largest freight rate database in the world...and more than sufficient to power a global freight index.

Since Freightos’ mission has been all about transparency, we found ourselves at a crossroads. On the one hand, the standard global freight indexes cost thousands of dollars to access for each seat - potentially a lucrative source of revenue. On the other hand, a freight index wasn’t at the core of our strategy. After a long and hard debate, driven both by the fact that we believe that transparency in pricing (and, yes, the marketing visibility benefits as well), we decided to launch the Freightos International Freight Index for free. And I haven’t regretted it for a second.

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

Freightos' technology, data and customer base within the industry is unparalleled by other logistics startups. Our technology is being used by 90% of the Top 25 3PLs, as well as Fortune 500 shippers, while our marketplace is already being used on a regular basis by thousands of shippers. Freightos aims to succeed by helping industry players, not disrupting them. Deep integration with major players, patent-pending pricing and routing technology, and a vision for freight digitalization play a central role in expanding Freightos' market share. And right now, there is no real competition for a global neutral marketplace in international freight.

What are the 3 biggest challenges the industry is going to face in the next 5 years?

- ▶ **New Logistics Players:** Capital-rich tech players like Amazon and Alibaba are increasingly eyeing the comparatively low-tech freight industry. With the ability to bring both technology and customers to market, this could redraw the logistics map.
- ▶ **Breakneck Digitalization:** Large industries change slowly. The obstacle to industry digitalization used to be technology; that barrier has been eliminated in the last five years. The industry's culture then became the largest obstacle. As more executives realize that avoiding the benefits of digitalization can imperil their future, there will be a rapid dash to move processes online. Implementing complex technology across huge companies is a profound challenge.
- ▶ **Volatility:** Better information flow, a more connected global economy and complex supply chains introduce far more volatility into freight pricing, supply and demand. 2016 was a slow year for global trade but global shipping rates fluctuated rapidly. Being able to rapidly adapt to changes will be imperative.

How might President Trump's policies impact the logistics industry?

As I told CNBC, protectionist policies may have the intended negative impact on global imports to the US but will also harm US exports. . The result could impact the millions employed by ports, as well countless others employed in trucking, customs, technology and more and could harm an already weak shipping sector. But of course we don't know how much of a trade war to expect - we have to wait - nervously - and see. At the end of the day, American consumers are highly addicted to Asian products and will hopefully restrain protectionism.

Is there a tipping point where tech-driven logistics companies are going to start to out-strip traditional logistics providers in terms of size and revenue?

I hope we never reach the point. Traditional logistics players can read the tea leaves as well as other companies. It may have taken time but there is growing awareness of how important this is; the result will be that traditional logistics providers will become tech-driven. Just see how Kuehne and Nagel or Delta Airlines now offer price quotes right on their home page. And the ones that don't digitize? I don't expect we'll be seeing that much in the next ten years.

What companies should the industry watch closely over the next few years?

Innovation tends to come from the outside because newcomers are willing to break norms. Amazon, Alibaba and Uber will definitely introduce wild-cards into how global freight works. Logistics leaders that have shown they aren't afraid of tech-empowered logistics - like Kuehne + Nagel, Hellmann Worldwide Logistics and Panalpina should also be tracked. And Freightos, of course. There's a lot of exciting things going on ahead.

What new ground-breaking technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

I still think that twenty years from now, freight will still be moved in containers. Autonomous ships and trucks reduce cost but don't transform the industry. Drones do transform last mile delivery for small items but don't impact freight much. 3D printing could eventually be highly disruptive but that's a long way off. Blockchain could replace physical bills of lading although simpler solutions like eAirway bills could also work. For the next decade, the big disruption is data. A digital supply chain, with information seamlessly flowing from carriers to forwarders to shippers, has the potential to have an incredible impact on global trade as a whole, with benefits like variable pricing, live track-and-trace, online booking and more. Coupled with drones, we're talking serious efficiency and serious savings.



Yone Dewberry,

SVP Supply Chain and Procurement,

Land O'Lakes

LAND O'LAKES, INC.

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

Our growth Strategy is to continue to build our branded value added line of products while taking advantage of our unique farm to fork position.

Describe the one most important strategy decision you made in the last 18 months.

In an industry where the big are getting bigger our decision to merge with another very successful Ag company, United Supplier, has provided us scale and capabilities that have benefited both organizations

Where do you see the biggest opportunities for your supply chain?

We see the biggest opportunities in the areas of increased collaboration with our strategic and progressive customers and suppliers. Technology advancements are allowing us to share data, find the overlaps in strategy and, create an easier way of doing business. We will soon see the physical and information boundaries of our partnered supply chains start to blur, with more focus on how to create the most value for the consumer.

How would you define your supply chain, product driven vs consumer driven? What effect has having a consumer-driven supply chain had on your operations?

For Land O'Lakes, it must be both. The consumer is rapidly evolving. Consumer choice in how they interact with our value chains is becoming increasingly important. Everything we do, must start with consumer back. however, we must work within the constraints of our products. Like most commodity or agricultural companies, we have significant seasonal supply and demand imbalance, by-products, and short shelf life products. We need to setup strategies to balance the pull from the consumer and push from the source. We are transforming our supply chain mentality from what does it cost to what is required to meet the consumer's needs.

How are you driving innovation in your supply chain?

We are driving innovation in our supply chain by focusing in on the customer and what is required. We ask our teams to not only think outside of the box but to think that there is no box. We have also changed our implementation philosophy to one of pilot everything small but fast – perfection is the enemy of progress. Learn and tweak as we go along. Understand when the pilot idea will not work and end our pilot fast. Or, think how to scale it fast across businesses and geographies.

Are you experiencing difficulties hiring the right talent into your supply chain?

A survey we conducted in spring 2016 found that only three percent of college grads and 9 percent of Millennials surveyed have or would consider a career in agriculture. At the same time, the USDA reports that 20,000 jobs in agriculture and agribusiness go unfulfilled each year. Our challenge – which we have embraced – is to focus on attracting the next generation of workers to join us in “feeding human progress.” We have embraced that challenge and evolved the way approach our talent acquisition and we have since had great success recruiting and attracting talent to our organization.



Diego Urrutia,

CCO,

Loadsmart

LOADSMART

Tell us a little about your company.

Loadsmart is a technology enabled freight broker. Our objective is to introduce transformative technology in order to re-imaging the truckload shipping cycle.

Tell us a little about yourself/your background.

Investment banking background. Got involved in technology / logistics via fundraising. Saw a tremendous opportunity and decided to go all in!

Describe the one most important strategy decision you made in the last 18 months.

Slow things down, turn down customers and focus on creating a 10X product. Focus on the friction, don't scale without product market fit, we don't want to be a traditional freight broker.

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

You need to add value to customers and make things easy and simple for them. You need to go where they hang out, don't make them leave their existing platform to use yours. Make their lives easier, not harder. Leverage our instant pricing & booking capability.

What are the 3 biggest challenges the industry is going to face in the next 5 years?

I like to think of them as opportunities. This industry will be disrupted for the benefit of carriers and shippers. All stakeholders will demand velocity and transparency - folks that don't embrace technology to address this need will be disrupted. With newly available data, the old way of doing business will no longer suffice. People will need to work smarter and make data driven decisions.

How might President Trump's policies impact the logistics industry?

We see it as a positive. He seems very bullish on trucking and de-regulation so we see his policies as beneficial.

Is there a tipping point where tech-driven logistics companies are going to start to out-strip traditional logistics providers in terms of size and revenue?

We like to think there will be plenty of space for numerous players. If things are done well, like in any industry, the company will improve and add value. Look at Amazon, vs Walmart, both great companies but one provides more value for shoppers, hence its growth.

What companies should the industry watch closely over the next few years?

Loadsmart ;)

What new ground-breaking technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

Access to more and better data.



Spencer Askew,

CEO,

Teknowlogi



Tell us a little about your company.

We are a logistics technology company focused on delivering on-going business value, high quality customer service and support, and a predictable pricing model to all of our customers. Our team is comprised of some of the smartest minds in the industry, and our mission is to leave the logistics industry in a more technologically advanced state than we found it. (more to come on how we plan to accomplish this in the main stage keynote at the conference)

Tell us a little about yourself/your background.

Prior to entering the transportation and logistics industry I worked in the e-procurement technology industry and following a successful exit of that company, I began providing consulting services to several Fortune 500 companies with a primary focus on process consulting and business process management consulting. I have been an industry entrepreneur since 2005 focusing on both logistics services and logistics technology. Live in Atlanta Georgia, Scratch golfer, avid wakesurfer, very competitive generally speaking.

What are the 3 biggest changes/developments that are going to impact logistics in the next 5 years?

- ▶ Software advancements (we will be introducing some industry leading solutions during the conference on mainstage)
- ▶ Hardware advancements enabled by software logic (drones, driverless trucks, etc.)
- ▶ Continued consolidations and rollups

What are the 3 biggest challenges the industry is going to face in the next 5 years?

- ▶ Aging workforce
- ▶ Willingness to Adopt & Adapt to continued change and technology advancements (we as an industry have typically been slow to adopt and adapt to better methods – this poses on going challenges as we advance away from being a fragmented industry to an autonomous industry)
- ▶ Driver Shortages & Capacity Constraints

Is there a tipping point where tech-driven logistics companies are going to start to out-strip traditional logistics providers in terms of size and revenue?

It is possible. We have already started experiencing tech-enabled logistics companies expanding their size and scale at a much more rapid pace than the traditional logistics providers who have been slower to embrace technology advancements and automation.

What has been your biggest challenge for achieving growth?

Getting companies to advance beyond the “do nothing” syndrome can be quite challenging at times, but as companies have begun to embrace better methods and more advanced platform capabilities this has become less and less of a challenge.

What are the main reasons your customers select your service?

We take a business value approach with our Teknowlogi solutions to enable our customers core business goals and objectives. In addition, our customers typically comment on our ease of implementation, platform functionality, how affordable and predictable our pricing is, and how responsive our support team members are.

What companies should the industry watch closely over the next few years?

Amazon will continue to become more and more relevant across multiple areas of our industry. We plan on driving thought leadership and next gen technological advancements that are very easy for the entire industry to consume. More to come on this during the conference.

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

We plan on showcasing and presenting to the industry these items during the conference

Thoughts on how President Trump’s policies will impact the logistics industry?

We do not have any comments on this topic at this time.

A nice segue...Do you see an anti-globalization movement taking hold? If so, how will this impact logistics?

We believe our industry is greater and much larger than any one individual or movement. With continued infrastructure advancements, continued expansion and usage of the IoT (internet of things), software and automation advancements; we see the continued globalization of our industry over the next several years getting stronger and stronger.



Tom Sanderson,

CEO,

Transplace

TRANSPLACE
The 3PL & Technology Company

What is your growth strategy going forward, and how will you distinguish yourself from competitors?

We will continue our double-digit organic growth through our North American market leading positions in managed transportation services and cross-border trade solutions. Our proprietary technology, diverse and extensive customer base, and focus on talent, as well as process improvement distinguish us from competitors. Additionally, we will continue our successful acquisition strategy, having acquired seven companies in the last seven years.

Describe the one most important strategy decision you made in the last 18 months.

Expanding our capabilities in Mexico and Canada through two strategic acquisitions – Laser Forwarding and Lakeside Logistics.

How might President Trump's policies impact the logistics industry?

Tax reform and regulatory relief should help us break out of the sluggish sub-two percent GDP growth rate of the last eight years. Faster economic growth will mean greater company growth opportunities but tighter transportation capacity, so logistics providers will have to be on their toes to serve customers. Any slowdown or reduction in the H-1B visa program for engineering and software talent will hurt our industry. Trade tariffs and protectionism, if implemented, will offset the positive impact of tax and regulatory reform and could plunge the world back into recession.

A nice segue...Do you see an anti-globalization movement taking hold? If so, how will this impact global logistics?

I believe we will avoid the damage of a strong protectionist movement. Mexico is the second largest export market for US products. Machinery, vehicles, and fuels exceed our agricultural exports to Mexico. We can't afford to cut our exports, and that is what will happen with retaliatory tariffs. I do believe we will see a greater opening of foreign markets to U.S. goods and services that will help our balance of trade challenge.

Start-Ups: Is the market becoming saturated? Will there be a tipping point where incumbents (existing logistics companies) will need to catch up?

The market will never be saturated with start-ups. The brutally efficient world of competition will quickly drive out of business those companies that are not adding value while simultaneously making the winners extremely wealthy. Technological advances are often easy to copy or adopt. Building scale is much harder even if you have good technology.

Where do you see the biggest opportunities for 3PLs?

Bringing customers a combination of proprietary technology and business process outsourcing expertise that saves the customer money and improves service levels to their customers.

Where do you see the biggest threats for 3PLs?

The threat of manufacturers or retailers deciding that transportation management is a core competency. Thankfully, most see buying, making and selling products as their core competency.

How do you ensure that strategic relationships are maintained despite a very competitive market-place and pressures to keep prices rock-bottom?

Continuously showing customers the value that you are providing. That value has to include both cost reduction and service improvement in the particular way that each customer measures those key factors. Helping a customer save money is not synonymous with charging them a low price.

Customers look to their 3PLs as a source of innovation. How are you helping your customers innovate?

We have a formal release of our proprietary TMS once per month, with smaller releases in between. In a pure SaaS model, every customer instantly has access to every new capability we develop, whether that is new optimization engines, better business intelligence and analytics, or an easier-to-use UI. We love to help our customers win supplier of the year awards from their customers through innovation in service excellence.

What new ground-breaking technologies (3D Printing, AI, Blockchain, Drones, Driverless Vehicles etc.) are/is having the most positive impact on your operations?

In the longer run, driverless vehicles will have the greatest impact on freight transportation. We will start to see controlled applications over the next 3 to 5 years, but it will be decades before we see wide-spread adoption. Today, AI and predictive analytics has a very positive impact on making systems forward looking rather than rearview mirrors.

What new ground-breaking technology will have the biggest impact on your operations in the next 5-10 years? (3D Printing, AI, Blockchain, Dones, Driverless Vehicles, etc.)

Driverless vehicles is the long-run and permanent solution to the truck driver shortage.

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- ▶ Joanne Wright, VP IBM Supply Chain, **IBM**
- ▶ Yone Dewberry, SVP Supply Chain & Procurement, **Land O'Lakes**
- ▶ Darrell Edwards, Senior Vice President and Chief Supply Chain Officer, **La-Z-Boy**
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- ▶ Ryan Miller, VP Global Ecommerce Strategy, **Rakuten**
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About Teknowlogi:

Teknowlogi is the SaaS based platform that **automates** processes throughout the shipment lifecycle, provides **visibility** to all relevant data elements throughout the shipment lifecycle, **centralizes** data exchange via our API integration methods (middleware / black box for all shipping modes), and **standardizes** business processes via our workflow based rules engine.

Teknowlogi will bring efficiency and automation to your organization, maximize productivity, improve operations, and eliminate the swivel chair technology of old.

Hear from **Spencer Askew, CEO** at the **Supply Chain Summit: Chicago** to find out what Teknowlogi can do for your business.

For more details visit the event website - <http://events.eft.com/scsc/>