

A SPECIAL SUPPLEMENT TO:

**Logistics**  
MANAGEMENT

**SUPPLYCHAIN**  
MANAGEMENT REVIEW



**MODEX** 2012

SOLUTIONS THAT  
MOVE SUPPLY CHAINS

**(AM)**  
(AFTER MODEX)

# New show, new city, new solutions

By Supply Chain Group Staff

**Held for the first time ever, Modex 2012—the nation's newest expo for materials handling, supply chain, and logistics solutions—threw open its doors in Atlanta on February 6 at The Georgia World Congress Center. (continued)**

The event hosted more than 20,000 visitors to the trade show and educational conference, and was sponsored by the Material Handling Industry of America (MHIA).

Spread over four days, attendees found more than 586 exhibitors covering 180,000 square feet; three keynote speakers discussing all aspects of supply chain management; 70 show-floor educational seminars; and no less than 30 different educational sessions and networking events presented by 17 different co-located partners.

The Modex 2012 conference featured

leading-edge topics in manufacturing, distribution, and supply chain management, exploring subjects such as the impact of the Panama Canal expansion to sustainability, security, and visibility.

In addition to learning more about the big picture in supply chain, Modex 2012 attendees discovered new equipment solutions to streamline operations and improve visibility, maximize efficiency and flexibility, cut costs, and speed time to market.

“Participants came with very specific objectives and with buying plans in hand,” says George Prest, CEO of

MHIA. “They know that investing in the latest supply chain equipment and technology is the key to building and maintaining their competitive edge.”

According to Prest, the inaugural Modex met, and in many cases exceeded, exhibitors’ and attendees’ expectations. “Attendees were impressed with the wide range of equipment and systems solutions and education offered at Modex, and exhibitors expressed satisfaction with the quantity and quality of attendees,” he added.

## Day 1 Keynote:

# To secure future, CSCMP head says logistics industry must make its voice heard

In his show-opening keynote address, Rick Blasgen, CEO of the Council of Supply Chain Management Professionals (CSCMP), expressed optimism for the future of domestic logistics, emphasized the urgent steps that must be taken to secure that future, and hailed the materials handling industry as a key driver of the ongoing economic recovery.



**Rick Blasgen, CEO of the Council of Supply Chain Management Professionals (CSCMP)**

“The supply chain is the shock absorber managing the difference between what is planned and what actually happens,” said Blasgen. “We facilitate a lot of what happens in our economy and we don’t get a lot of credit for it. We need

to get out and tell our story.”

In his 25-year career in supply chain management, Blasgen said he has seen the discipline become not just a corporate necessity, but evolve into an essential growth vehicle for nearly every organization. According to Blasgen, logistics spending in the U.S. totaled \$1.2 trillion in 2011, constituting 8.3 percent of GDP. In 1980, logistics accounted for 17.9 percent of GDP. Blasgen credited vastly improved supply chain efficiency for the decline.

Of last year’s \$1.2 trillion, transportation costs accounted for \$768 billion, he said. It’s a highly physical business, said Blasgen, and one that is dependent on increasingly inadequate infrastructure. “The U.S. needs a national transportation policy,” he said. “That much is glaringly obvious.”

Blasgen said that the management of transportation will be a focus in 2012, followed closely by access to capacity, continuing efforts by shippers to outsource, and a gradual shift to a ‘truckers’ market.”

But most importantly, said Blasgen, is that current supply chain leaders challenge and educate the industry’s young generation. “The supply chain will be run by technically savvy people with a penchant for innovation,” said Blasgen. “If you’re new to this industry, go work on the third shift in some distribution center. It will help you immensely.”

**Day 2 Keynote:**

**New Panama Canal enhances global connectivity**

In 2014, the Panama Canal will celebrate its centennial. It will also celebrate the opening of the expanded Panama Canal, according to Alberto Aleman Zubieta, CEO of the Panama Canal Authority and Day 2 keynote speaker

The new locks, which are currently under construction, will expand the canal's ability to handle ships nearly three times the size of current ships—an estimated 14,000 containers versus 5,000-container capacity today—and double the throughput capacity of the canal.

More importantly, said Aleman, the expanded canal and the logistics capabilities of Panama can serve as the logistics hub of the Americas. “Panama is the only port with terminals in two oceans,” he said. “It is just 80 kilometers from ocean to ocean and we have more port cranes in Panama than Chile, Mexico, and Brazil.”

In that sense, he added, the new canal is not so much about capacity, but connectivity. “You can use Panama as a platform to connect the Americas and the Caribbean,” he said. “That is important if you want to conquer those markets and expand your supply chain and your procurement capabilities.”

To take advantage of the new canal, Aleman added, the U.S. must think about investing in its transportation infrastructure, including expanded ports, new rail capacity, and improvements in our highways. For instance, only the ports in Virginia and New York can presently handle the larger ships that will come through the canal.

“What concerns me is how long it takes to do these types of projects and that they are not now being done in the U.S.,” Aleman said. “You must realize that you are in a globalized economy. If you do not do it, someone else will. If you don't capture those markets, someone else will.”



**Alberto Aleman Zubieta, CEO of the Panama Canal Authority**

**Day 3 Keynote:**

**Global trade awareness important to businesses of all sizes**

Donald Ratliffe, executive director of the Georgia Tech Supply Chain and Logistics Institute, illustrated the global relationships between logistics and trade at his Modex keynote address on the morning of Day 3.

Ratliffe outlined the change over the past 40 years in materials handling, from a focus within the four walls to its current impact on logistics on a larger scale. The ongoing paradigm shift, he said, is driven by the individual organization's need to understand global trade dynamics.



**Donald Ratliffe, executive director of the Georgia Tech Supply Chain and Logistics Institute**

He presented global trade data indicating a marked trend toward regionalization over the past decade that has been driven by the relationship between capital, inventory, and time in transit. “In some cases

we've been too smart,” said Ratliffe. “The focus on ‘lean’ has become near-zero inventory, which is alright until you have any kind of hiccup, at which point you've actually increased you risk.”

And because each government throughout the world is both an essential trade partner and potential paperwork nightmare, Ratliffe emphasized the need for the public sector to become more educated about and more invested in improving the realities of logistics.

“You listen to any politician talk about logistics and it doesn't take long to realize they don't have any idea what they're talking about,” said Ratliffe. “The U.S. doesn't have the government infrastructure to support export in the way that most other big exporting countries do. We've relied on the private sector to handle it.”

Ratliffe also echoed Alberto Alemán Zubieta, CEO of the Panama Canal Authority and Day 2 keynote presenter, in highlighting the shortcomings of U.S. port capacity. That said, he added, port capacity improvements will require additional focus upstream and downstream to avoid a conflict between bigger ships and better service.

“We've got a big built-in disadvantage that is based mostly in logistics,” said Ratliffe. “We have the capability to export more stuff, but we're just not focused on doing it.”



## Modex 2012 Product Highlights

### Warehouse control platform offered as complete system or by component

For control of material flow, orders, wave picking execution, and automated machine control, Intelligrated offers InControlWare warehouse control system is offered. Engineered to efficiently manage machine and operational resources, the software

increases facility capacity and lowers distribution costs through optimized workflow, equipment usage, and order fulfillment. It is scalable and may be integrated as a complete system or by individual area

component manager, including order, route, pick, carousel and crane. The user interface provides visibility into operations, orders, inventory, fulfillment and machine performance, along with extensive reporting. **Intelligrated**, [www.intelligrated.com](http://www.intelligrated.com).

### Mini-load cranes move 660-pound loads up to 78 feet

Providing an automated shelf solution for containers, boxes and trays, SSI Schaefer Systems' SMC 2 and SMC 2 XL twin-mast mini-load cranes use a closed lifting trolley to hold two standard, or one large, piece of load-carrying equipment. The machines access heights up to 39 feet or 78 feet respectively for high payloads and greater throughput. Load-carrying equipment includes combined telescopes, grippers, and pulling fixtures for containers or trays, and box and package grippers. Due to low clearance requirements, the devices optimize space and feature extremely stable

masts with very high torque resistance. New drive technology enables the transport loads up to 660 pounds due to a mast reinforcement strut—guided through a recessed groove—that prevents vibration. **SSI Schaefer Systems**, [www.ssi-schaefer.us](http://www.ssi-schaefer.us).

### Mobile, on-demand label printing/computing station ready to roll

For efficient inventory management and related tasks in warehouses, distribution centers, and manufacturing facilities, the Mobile Powered Workstation from Newcastle Systems offers on-board power to run a computer, a high-volume label printer, and other devices simultaneously, creating a fully mobile label printing/computing station. Generous shelf space provides room for products and other items. With 6-inch rubber swivel casters and no cord trailing behind, the workstation can be easily rolled and positioned for optimal productivity. The casters can be locked for stability once the workstation is in place. All models have a load capacity of 500 pounds. The unit's rechargeable battery offers integrated, seamless power for up to 12+ hours of normal use. **Newcastle Systems**, [www.newcastlesys.com](http://www.newcastlesys.com).

### Extended piece picking functionality featured

Dematic introduced extended picking functionality of its goods-to-person order fulfillment solution for piece picking, or RapidPick, on the show floor. "Last year at ProMat we introduced a one-to-one solution that allows an order selector to pick from one SKU position into one order position," said John Baysore, president and CEO of Dematic North America. "Our extended functionality allows an order selector to pick to multiple order positions." A typical configuration, he added, might be one SKU position to 6, 12, or 24 order positions. However, the modular design of the solution allows the end



user to configure the pick station with the quantity of order positions that is most productive for their application. In addition, the system now includes the ability to handle cartons of varying sizes in addition to totes. **Dematic**, [www.dematic.com/na](http://www.dematic.com/na).

### Next generation of agile, ultra reliable electric lift trucks

The next generation of agile, productive, and ultra reliable electric lift trucks where showcased on the floor. Leading the way in ergonomics and performance, Yale Materials Handling Corp.'s ERC-VA series is among the most productive and highly durable electric lift trucks on the market. New features and updates include: newly designed, industry-leading operator compartments and comfort; 16 percent more floor space; relocated multifunction displays that ensure enhanced visibility and precise pallet control; improved brake pedal layout; auto Deceleration Systems which reduce operator fatigue; and steel hoods that provide for maximum battery service access. **Yale Materials Handling Corporation**, [www.yale.com](http://www.yale.com).

### Ergonomic advances on new cost-effective trucks touted

Noting an increase in customers who prefer short-term leases, Hyster has released a line of more cost-effective IC trucks. The product lineup of versatile lift trucks reinforces the company's range of application-specific flexibility and industry-leading ship-to-shelf

**Modex 2012 Product Highlights** *(continued)*

capabilities. "We're trying to get the right truck to the right customer," said Jonathan Dawley, president of Hyster Distribution. Hyster showcased new four-wheeled trucks with the exact same

performance and turning profiles of a three-wheeled truck. The addition of the fourth wheel disperses bumps on the travel surface for improved operator comfort. Hyster, [www.hyster.com](http://www.hyster.com)



**▲ Use vertical space for storage, goods-to-person picking**

For goods-to-person picking that increases efficiency and productivity, Kardex Remstar offers its line of dynamic storage solutions includes vertical lift modules, horizontal carousels, vertical carousels, mobile shelving, and integrated software. From receiving and order processing to replenishment and cycle counting, the technologies save floor space and increase accuracy. The equipment eliminates wasted walk and search time to increase productivity up to 66 percent, while reducing floor space requirements by up to 85 percent by using vertical storage space. Kardex Remstar, [www.kardexremstar.com](http://www.kardexremstar.com).

**Full line of integrated, automated material handling systems offered**

A full line of integrated automated storage/retrieval systems, automatic identification products, conveyors, order picking systems, RFID, sortation equipment, software and systems integration services are offered to assembly and production facilities, warehousing and distribution center operations. Knapp Logistics Automation specializes in semi- and fully-automated order fulfillment and assembly systems that focus on high speed/high volume each picking. Benefits include a reduction in order cycle times, a decrease error rates, optimized inventory and lower operating costs. Knapp Logistics Automation Inc, [www.knapp.com](http://www.knapp.com). □



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