

North Central Illinois Logistics Council
Meeting Minutes
October 15, 2009

PRESENT: Becky Clinard, Christine Dahm, Tim Fonderoli, Pam Furlan, Ray Gatza, Cindy Kulas, Debb Ladgenski, Joel Lent, Kevin Lindeman, Pete Nelson, Elaine Novak, Marcus Knuckles, Boyd Palmer, Mike Reidhl, Dianna Schuler, Louie Sekula, Tom Spelich, O.J. Stoutner

CALL TO ORDER: The North Central IL Logistics Council members were welcomed to IVCC by Ray Gatza. Ray Gatza then introduced Marcus Knuckles of Panalpina, Inc., who presented -

“Identifying Logistics Opportunities Today to Help You Survive Tomorrow and Thrive Next Week”

A look at today – We all have to do more with less, Reduction in Force, but this can be an opportunity even though we are experiencing risk and difficult times:

- Some of this we can control and some we cannot. You don’t neglect your career, you do what you can (Continuing education, read technical publications, clubs, webinars – all of these increase your value as an employee).
- Study and understand your processes. Make time to truly take a fresh look at your processes and consider why people come to you. Consider what it is that you do best.
- Seek assistance from experts – meet with vendors, ask questions, compare price and service, not just price.
- Improve communication with customers – ask what they like best about your company.

A look toward tomorrow – Hiring freezes will likely remain in place, you will have to continue to get by with the staff you have in place today, but these things can be opportunities:

- Open doors to technology – what processes can you automate? Change to lower cost?
- Improved relationship with customers – Did you act on their feedback? Focus on their core needs?
- Improved relationships with service providers - Adopted best practices? Automated? Cross-trained? Changed supply chain?
- Use opportunities now to plan for the future.

“Panalpina at a Glance”

- Corporate figures 2008:
 - o Worldwide No. 3 in air freight
 - o Worldwide No. 4 in ocean freight
 - o 500 own offices in over 80 countries
 - o 14,000 employees
 - o Founded in 1895 (100+ years of innovation)
 - o USD 7,693 billion net forwarding revenue
 - o USD 208.8 million EBITDA
 - o USD 98.7 million net earnings
 - o Listed at SIX (Swiss Stock Exchange)

Vision – *Our business is Global Supply Chain Management.*

We deliver compelling solutions that provide value to all customers – every time.

Panalpina LCL Services

- Panalpina is among the top 3 global leaders in the forwarding industry in the market segment uploading more than 1,000,000 Revenue Tons of LCL ocean freight in 2008.
- Panalpina operates more than 340 dedicated point-to-point Consolidated Container Services worldwide each week. Many connecting to our extensive RFS network around the world and our strategic LCL hub locations.
- To minimize the potential delays and complications of working with LCL co-loaders, Panalpina has implemented a policy of aggressively developing our own-controlled LCL boxes currently servicing over 15,000 point-to-point locations worldwide, supported by guaranteed sailing schedules, flexible routing and transparent pricing.
- LCL is a network product – Panalpina has the network.

Logistics Services

In the U.S., we currently operate approximately 2.3 million square feet of warehouse space at 35 locations including subcontracted stations. Our service offerings include a wide range of value-added activities.

- 40% of our Warehouses can be considered traditional storage warehouses
- Over 50% are actively engaged in distribution activities
- High level of expertise in Consolidation and Break-Bulk activities
- Nearly 25% engaged in sophisticated activities such as Just-In-Time
- Services offered include: Satellite Hub Operations, Direct Shipment/Merge in Transit, Procurement/Order Management, Supply Chain Management, Warehousing & Distribution, Optimized Distribution Models, Vendor Managed Inventories, Pick Pack/Customization, Regional Distribution Centers, Return Material Authorization Centers

Chicago at a Glance

- Business unit in operation since 1983
- 100,000 sq. ft. of warehouse space in state-of-the-art facility built in 2005 with 32 dock doors, high-rise racking, and 28 ft. ceilings
- 30,000 sq. ft. of office space
- Airfreight gateway
- Full security system with CCTV's and HVC cages
- State-of-the-art supply chain management and IT systems
- C-TPAT and TAPA-A compliant
- ISO certified and TSA approved CCS Facility
- 100+ experienced staff on call 24/7
- Automotive, Hi-tech, and Chemicals transportation experts.

Chicago Services

- Air and ocean – export and import

- Consolidation (Air and Ocean)
- Charter – air, on-board courier, and counter-to-counter, as well as JIT delivery
- Customs brokerage and in-bond services
- Supply Chain Management and Logistics
- Cross-docking, warehousing, and distribution
- Packing, kitting, crating, and palletization
- Shippers insurance and proof of delivery
- Quality control checks, as well as management reports and metrics
- Bar-coding, inventory control, stock status location, and FIFO

The presentation was concluded and the speaker was open to questions:

- Mr. Knuckles was asked, based on his scope of contact, what we are missing in the IL valley that could help us expand? Mr. Knuckles responded that he does feel it is a matter of what we are missing, but rather that we need to get the names out there more. For example, Marcus recommended the Midwest Foreign Commerce Club as a group that we should connect with.

Business Meeting

- Pilot Program – DVDs are available after the meeting to anyone who wants to stay after the meeting for training.

Open Discussion

- Pam Furlan asked of the members present what their current workforce challenges and training needs are. Ray Gatza replied that there is a significant lack of computer skills and database experience (formulas, spreadsheets, etc.) A comment was also made that there will be a one-day excel workshop at the Uptown restaurant on November 19, from 9 a.m. – 4 p.m. Christine commented that, as a realtor, she comes into contact with a lot of people out of work who lack the awareness of what jobs are out there. She suggested that perhaps the DVD could be available to more average Illinois valley citizens who maybe misunderstand what the logistics industry has to offer – we need more awareness. Pam followed up by stating that we should consider making the DVD available at IVCC, other local companies, on the website, and then match this with a listing of those companies that are actually hiring right now.
- There was discussion of the strike at Ottawa High School. It was noted that the council should most likely plan to skip Ottawa High School this year with the pilot program.
- Kohl's is closing their distribution center in WI and bringing those stores to Ottawa. They are relocating 250 families to our area. There was follow-up discussion regarding the strong workforce, work ethic, family structure and culture in our area and that this move by Kohl's to relocate these families here speaks well of our area.
- Seneca Project – There were questions regarding the status of this project as it could have a huge impact on our area. No one present could give a definitive update, but a few attendees volunteered to seek out answers and report back to the council at a later date.
- The January meeting will be a follow-up meeting with IVCC Economics Professor, Abhijeet Bhattacharya. We will meet in the new Truck Driver Trainer Center building on east campus so there will be more convenient parking during this cold weather month.

- Member recruitment – How can we get more membership from the logistics industry? There was a lot of general discussion around the idea of doing a mailing of some type that included an invitation to attend and also a summary of some of the highlights, speakers, topics, “What you missed”, and sort of a review of the past year for the council.
- Pam announced that the Dale Broadway Community Leadership Award was recently awarded to Ray Gatza.

The meeting was adjourned at 9:10 a.m.

Evaluation RESULTS
North Central Illinois Logistics Council
October 15, 2009

	Rating Scale				
	<u>Excellent</u>	<u>Above Average</u>	<u>Average</u>	<u>Below Average</u>	<u>Poor</u>
<u>Overall Content</u>					
Degree to which your objectives and/or Expectations were met	5 5	4 8	3	2	1
Degree of usefulness in your job	5 4	4 7	3 2	2	1
<u>Presentation</u>					
Marcus Knuckles, Panalpina, Inc. “Identifying Logistics Opportunities Today to Help You Survive Tomorrow and Thrive Next Week”	5 9	4 4	3	2	1
<u>Meeting Facilities</u>	5 7	4 5	3	2	1

What did you like best about the program? >Getting insight into logistics industry >Great infor anyone can use >Applicable to any workplace, not just logistics >Good info of area and things we can do to grow business in this IV area >Nice to find out about what Panalpina does. Also open discussion was great. Great Meeting >Great info for self evaluation >

Do you have any suggestions for future speakers? If so, please provide names and contact information, if available.

>Joel Lent – LentkoProducts office Supplies Savings Program.
 >Maybe get speakers from the major companies in the area such as, Pilkington, Kohl’s, etc. to come and present their businesses... from the transportation perspective. Then they will then see value in our group, which will encourage their involvement.

Do you have any suggestions for future topics? If so, please list the topics that you are most interested in.

>Could there be an update on what logistics realtor specialists are currently looking for specific to Illinois Valley? >

Are there any changes or improvements you would suggest for our meetings? Yes No **9**

If so, what? _____

Would you be willing to share best practices at your company? Yes No

If so, your name, company & phone: _____