



become more proactive at promoting supply chain as a career at the high school and college levels. Efforts are under way to raise the profile of the profession, but these programs need to become more widespread. Finding the talent to fill supply chain positions will be a top issue in 2011.

## Nn



### NATIONAL RETAIL FEDERATION

**MATT SHAY**  
PRESIDENT AND CHIEF EXECUTIVE  
[www.nrf.com](http://www.nrf.com)

**JUST AS WE** saw in 2010, we fully

expect 2011 to pose challenges and opportunities for the retail industry. Our hope is for the U.S. and global economy to continue to recover from the worst recession in recent history. Although consumers have accumulated some spending power, they still lack confidence. Until we see improvement in unemployment, it will be difficult to sustain any real momentum in sales. Retailers will be cautious as they proceed in 2011, paying close attention to economic indicators throughout the year.

Given the numerous challenges retailers faced in 2010, many were able to make adjustments to their supply chains to remain competitive and even make themselves stronger. Uncertainty in 2011 will again challenge retailers' supply chains. We expect capacity and pricing issues to impact supply chain operations in the coming year. We also anticipate new regulatory burdens, including potential changes to trucking hours of service, implementation of the Comprehensive Safety Analysis 2010 in trucking and potential regulations impacting air cargo security.

While we face this uncertainty, expectations remain high from cus-

tomers and investors that retailers are nimble enough in their supply chain operations to mitigate any potential disruption or uncertainty they may face. These potential disruptions are vastly different and more complex than a few years ago. Expectations are to plan for these challenges in a cost-neutral manner with the same amount of resources.



### NATIONAL RETAIL SYSTEMS

**RAYMOND WISNIEWSKI**  
PRESIDENT AND CHIEF OPERATING OFFICER  
[www.nrsonline.com](http://www.nrsonline.com)

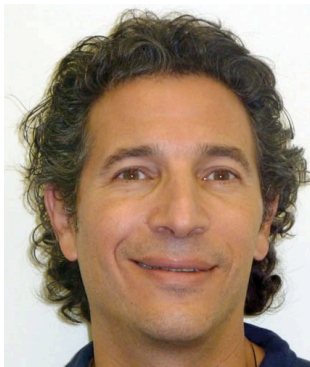
**THE MORE THINGS** change, the more they stay the same. This old proverb tells us that turbulent changes often cement the status quo. That seems like a perfect description of the logistics world heading into 2011.

Amid all of the economic upheaval we experienced over the past two years, so much of the fundamental reality in what we do as logistics service providers for retailers and manufacturers has stayed the same. Yes, the market has shifted in many ways. Retailers are managing inventory levels tightly and asking manufacturers to take more responsibility in reducing costs in the supply chain. That has placed more pressure on logistics service providers to deliver for their customers.

However, the basic elements of delivering quality, cost-effective logistics services remain much the same. Can you deliver the goods when you say you can, at the cost that you say you can? Can you do that for me today, and can you do that for me in the fourth quarter when capacity is tight – when I really need it?

This fall, like every fall before it, we received numerous calls from

retailers that couldn't get capacity when and where they needed it. The trucking provider that quoted a rate in April was now charging double that or did not have capacity. It appears capacity will be tight in the U.S. market in 2011. Will customers work more closely with logistics providers to avoid sharp fluctuations in cost and allow for long-term optimization? Or will it be more of the same?



### NEW YORK/ NEW JERSEY FOREIGN FREIGHT FORWARDERS & BROKERS ASSOCIATION

**DAVID A. SCHLENGER**  
PRESIDENT

[www.nynjforwarders-brokers.org](http://www.nynjforwarders-brokers.org)

**THE JUGGLING ACT** between supply chain security and trade facilitation, coupled with today's economic reality, will evolve in 2011. U.S. Customs and Border Protection has implemented the Importer Security Filing rule in a way that focuses more on informed compliance than enforced compliance.

Going forward, however, there will be more enforcement of non-filing and late filing of the data elements. CBP will begin to issue financial penalties, along with the automatic security exams and delayed releases presently in place, if all necessary information hasn't been provided.

The ISF rule focuses on the ocean model, but as international threats appear in a variety of modes, the logistics industry will have to adjust to changing global security procedures.

Our role is to educate customers and supply chain partners on how to keep the flow of goods moving without delay and to facilitate a secure supply chain. The best logistics service providers will be the ones able to keep in step with the fluctuations and demands of the global marketplace.

Although we are faced with effectively balancing security and trade, we are guardedly optimistic about the international trade economy in 2011. It is imperative that enough capacity is available to ensure competitive rates. The industry must continue to evaluate capacity and rate issues prevalent in Asia-U.S. ocean trade last year to enhance our economic revival.



### NYK LOGISTICS (AMERICAS)

**KAZUO ISHIZUKA**  
PRESIDENT AND CHIEF EXECUTIVE  
[www.nyklogistics.com](http://www.nyklogistics.com)

**MORE THAN EVER**, our customers are asking third-party logistics providers to partner with them to address the challenges of managing a global supply chain when the elements affecting supply chains seem to shift significantly on an almost monthly basis.

The major shift we see from the marketplace is a reconsideration of where materials and manufacturing may be most effectively sourced. Shippers and consignees are seeking ways to shorten the length and the complexity of their supply chains to lessen the potential impact of this increased variability and volatility.

Variability in capacity, transit times, pricing and other elements make mid-term planning and budgeting difficult. Because the inability to predict many

of the changes in these critical areas is expected to continue, shippers are looking for 3PL capabilities that are more nimble, innovative and controllable from origin to destination.

Simultaneously, the shipper and consignee's determination to reduce inventories and safety stock and to improve total landed cost require predictable transit times and costs.

Those goals tend to run in direct contrast with current market forces, however. The 3PL is called upon to provide the solutions allowing these seemingly conflicting elements to coexist. It is these changing variables and the customer's determination to maintain some level of predictability and control that is driving 3PL behavior, investment and organizational restructuring.

It will be the challenge that will separate the more proactive and flexible 3PLs from the more traditional providers.

## Oo



**ORACLE**  
**GREG SMITH**  
INDUSTRY DIRECTOR FOR  
FREIGHT AND LOGISTICS  
[www.oracle.com](http://www.oracle.com)

**THE GLOBAL ECONOMIC** recovery will gain momentum in 2011, leading to increased manufacturing output, retail sales and global freight flows. We will see two growth scenarios in play – slow growth in developed economies and strong growth in the "BRIC" economies and the developing economies. Managing transportation costs and stream-

lining supply chains will become critical as crude oil production peaks in 2011 and the world prepares for an era of higher fuel costs.

For information technology consumers (manufacturers, retailers, logistics service providers, government), stronger revenue and profit in 2010 will mean more room in IT budgets in 2011 for long overdue modernization initiatives.

---

### 2011 WILL SEE CONTINUED INNOVATIONS FROM INFORMATION TECHNOLOGY SUPPLIERS.

---

Linking and automating processes, such as quote-to-cash and procure-to-pay, will gain momentum. Companies will move from manual to electronic connectivity to synchronize supply chains.

To increase fleet utilization and lower transportation costs, enterprises will use their transportation fleets to move loads for partners and even competitors.

Enterprises will also merge domestic and international transportation management platforms to enhance compliance and better utilize assets and procured capacity.

2011 will see continued innovations from information technology suppliers. Hardware and software will be engineered to work together, driving quantum leaps in performance and lowering overall computing costs.

Cloud computing will gain momentum as enterprises outsource hosting and management of their software and increase their use of infrastructure-as-a-service to manage peak demand for computing and storage. Enterprises will be able to choose the cloud computing architecture that best fits their needs.

Future industry leaders will be companies that develop the flexible, scalable and industry standards-based IT architecture that will allow them to rapidly adapt and grow with changing market conditions.