



*Industry sees a greater need for graduates with detailed experience*

# TEACHING 'HANDS-ON' LOGISTICS

By William B. Cassidy



## *and knowledge as supply chains shift gears in an economic recovery*

**COMPANIES THAT CUT BACK** recruiting efforts as the economy slid into recession are beginning to think about hiring again as a recovery begins to take shape.

Logistics and supply chain management skills will be in high demand, experts say, as businesses look for the expertise they need to deal with changes over the past two years in the economic and regulatory environment. Those include increasingly complex rules surrounding trade, changes in overseas sourcing strategies, transportation-driven corporate sustainability goals, a weakened carrier base and other issues that could translate into added pressure on overall costs for large and small businesses.

There's a lurking problem, however, for manufacturers, retailers and others needing to strengthen slimmed-down logistics and transportation departments. Despite the proliferation of supply chain programs and courses at colleges and universities across the U.S., and the growing field of talented graduates with four-year and advanced degrees in logistics and supply chain disciplines, many businesses have a difficult time finding employees with the right skills to fit the required jobs.

"For about three years now, we've heard shippers saying they cannot find new employees with relevant supply chain expertise," said Jim Butts, senior vice president at C.H. Robinson Worldwide, a \$7.6 billion third-party logistics company that works with about 35,000 shippers in a variety of global industries.

Although today's graduates are well-educated, "many shippers would say these students don't have enough experience within any particular industry," Butts said.

It's a conflict between the need for students to master broad theories to tackle global procurement and supply chain problems and to learn the industrial details in execution that vary between industries and companies. It's the difference between learning the art and learning the craft.

"It's hard to understand what logistics, transportation and supply

chain management mean in a specific organization because they can take so many variations," Butts said. "Working at a 3PL like C.H. Robinson is very different from working in the supply chain department at a major retailer or manufacturer, and that's substantially different from working at a carrier. And then there are big operational differences between different carriers and different modes."

To be truly valuable to potential employers, supply chain graduates must be street smart as well as book smart, to understand not only how global supply chains work but how to execute and take the actions that make them work at shipping lines, railroads, forwarders and trucking companies.

"We can teach them all the fundamentals, but ultimately this generation is only going to succeed if they understand the context," said Bill DeWitt, associate dean of the Loeb-Sullivan School of Business at the Maine Maritime Academy. "We need to have a new generation coming out of the logistics schools that knows how to make things work when they hit the ground."

That demands a new level of cooperation and investment by industry and academia, DeWitt said. When it comes to training talent, "I think the industry has gotten complacent in looking at the next generation, and investing in it," he said. That investment is critical if "you want operational people to run terminals, to get involved on the hands-on side of the business."

Many transportation and logistics companies invest a lot of time and money in education, from offering internships to endowing chairs at universities to even running their own in-house executive training academies, as A.P. Moller-Maersk does through its Maersk International Shipping Education program.

DeWitt believes these efforts should be much more widespread, however, especially among those businesses struggling to recruit and keep logistics talent. "I'm a little disappointed that corporations aren't stepping up to the academic plate," he said.

That doesn't necessarily require the enormous resources of a

Maersk; even smaller trucking companies could send a truck and driver to visit a campus, or invite students to tour a less-than-truckload terminal or truckload carrier dispatch center. And the earlier that happens in a student's logistics studies, the better.

"A truck driver came to campus one time and he was surprised when the students asked him about a thousand questions," DeWitt said. It was quite a useful experience, he said, for students who may someday be directing fleet operations or working with motor carriers at a shipper or logistics company. In fact, one of DeWitt's former students at the Maine Maritime Academy took a job in private fleet management with a major retailer — a long way from the sea. "The students here want to go into the hands-on side of the business," he said.

C.H. Robinson is heavily involved in supporting logistics education. Butts serves on the advisory board for the University of Michigan's supply chain program. He and other executives attend college job fairs to recruit graduates and interns and visit classrooms as guest speakers.

"We think it's important," Butts said. "Not only do you build your organization from the good people that you get, it's a good way to contribute to the industry."

He thinks the nation's logistics schools are doing a good job, but notes that today's students are exposed to a huge and growing volume of information.

"When I visited Elmhurst College in Illinois, the students there all had laptops and had Googled my name before I even arrived in the classroom," he said. "They get a lot of information today, but they have a harder time with the context."

One of the most important contributions a company can make is to establish a clear career path for logistics candidates, Butts said. "If you look at the way many shippers are set up, many of them



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look at supply chain and logistics as a cost center, and their big concern is to reduce costs and keep them at a minimum," he said. "That often comes at the expense of what good job candidates might view as a career path."

Those careers may lead candidates away from shippers to third-party logistics suppliers such as C.H. Robinson. "Economic conditions over the past year meant many companies couldn't hire new people and had to reduce their personnel, so they came to us," Butts said. "We spend a lot of time and resources making sure that employees have reasonable career paths and compelling futures."

There will be plenty of opportunity for those dedicated to careers in logistics. DeWitt points to a growing "generation gap" in the transportation field. "We have a lot of very experienced, strong managers and executives in transportation who are moving out; they're at the end of their careers. I don't know that we have enough operational knowledge in the generation coming behind them that we need."

The good news is the downturn in the economy heightened the focus on the importance of transportation and logistics in the supply chain. "Where in the past it was perhaps more casual, now there's a real drive to it," DeWitt said.

That's pushed in part by new sourcing strategies that increase the need for experienced hands in domestic transportation in the U.S. "The execution piece can be pretty challenging," he said. "You have to have somebody who understands that business." **joc**

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# HIRING FREEZE STARTS TO THAW

*Industry job market shows signs of freeing up, but the road to full recovery is just beginning*

By Bill Conroy and Susan Dvorch

**THE NEW YEAR** has brought shades of optimism for the transportation and supply chain industry. While the overall U.S. job market is pretty flat, with unemployment hovering in the 9 to 10 percent range, we see some signs of life in our corner of the world. With more goods finally moving, and with record financial losses and the mass purging of staff presumably behind us, job recovery in transportation will continue, albeit at a glacial pace.

Recruitment firms are a good barometer of the economy and employment picture. Here are the trends we're seeing in the industry:

## **IMPROVED CONFIDENCE FROM EMPLOYERS**

There seems to be a stronger trend toward backfilling vacant positions. A year ago, in the heat of the stock market tumble and employment malaise, positions remained on hold almost indefinitely and companies more often than not opted not to follow through with hiring. Fear permeated staffing decisions. Doing nothing was the chosen course of (in)action.

Staffing is still at bare-bones levels, and employees are arguably overloaded. There has been modest earnings improvement for many companies in the goods movement business, and the

## ABOUT THE SALARY SURVEY

The 8th Annual Journal of Commerce Salary Survey was conducted by Shey-Harding Associates, a Seal Beach, Calif., executive recruiting firm that primarily serves the maritime transportation industry, and Tyler Search Consultants, a Ramsey, N.J.-based executive recruiting firm for the logistics, supply chain management and transportation industries. Tyler also has offices in New York; Boston; Birmingham, Ala.; Atlanta; Albany, N.Y.; and Miami.

## TREADING WATER

From junior clerks to senior executives, salaries among transportation workers vary widely. Though the level of responsibility is a key component, other variables play a major role, including location and transportation sector. This table represents a range of average salaries, in thousands of dollars, for a broad cross-section of the ocean shipping industry.

Position	Salary Range
Clericals (junior).....	45-55
Clericals (senior) .....	55-70
Controller .....	75-95
Customs Broker.....	60-80
Dispatcher .....	45-65
Distribution Manager.....	50-70
Equipment Control Mgr. ....	60-80
Human Resources Mgmt.....	Entry: 75-85 Mid: 110 Top: 175
IT/E-Commerce (Sr.).....	90-120
IT/E-Commerce (VP).....	130-150
Logistics Manager (Operations).....	80-100
Logistics Sales Exec. (International).....	80-125, plus commission
Maintenance & Repair Supervisor .....	55-70
Marine/Vessel Planner.....	80-95
Marine Superintendent.....	65-85
Marine Operations.....	150-170 (VP/Managing Director)
Marketing Manager .....	60-80
Operations Management .....	70-100
Pricing, Rates, Traffic Analyst.....	45-80
Purchasing Manager .....	60-80
Safety and Security Manager .....	90-125
Sales General Manager .....	130-155
Sales (Inside/Sales Coordinator).....	45-65
Sales Manager .....	85-115
Sales Manager (Regional).....	100-130
Sales Representative (Sr. or Key Accounts).....	85-120
Sales Representative.....	70-100
Sales-Senior VP .....	170-190
Sales-VP.....	140-160
Supply Chain Manager .....	75-95
Terminal/Station Manager.....	75-125
Warehousing Manager .....	55-85
Yield Management.....	75-100

Source: Shey-Harding Associates, [www.shey-harding.com](http://www.shey-harding.com)

earnings outlook for many of the publicly traded firms are reflected in higher share prices. This is encouraging news. While companies are still cautiously optimistic about taking on the expense of new hires, we've turned the corner, and positions are starting to be backfilled.

tually absent, but we expect the trend will reverse toward the end of 2010. For now, the service and carrier sectors are looking for sales and business development professionals — hunters — who will land the big accounts to help their bottom lines.

Top performing salespeople will

**While companies are still cautiously optimistic about taking on the expense of new hires, we've turned the corner, and positions are starting to be backfilled.**

Still, we are not seeing additions to staff. Few hiring managers want to go through the arduous and dangerous task of submitting a business plan, along with projected return on investment, to get permission for additional headcount. New job creation will likely take some time.

## SUCCESSFUL SALES PROFESSIONALS IN DEMAND

Openings on the operations side of the logistics service and carrier sectors are vir-

always be highly sought-after in most any industry, in any economy. We hear a common theme from carriers and logistics service companies: They want a current, active book of business. So someone currently employed in a similar capacity will have the advantage when negotiating an employment and compensation package.

The problem is leaving a job (stable or not) for the promise of greener pastures in a tumultuous economy. Unless the company makes a compelling reason and offer, sales professionals are staying put.

## INSIDE THE SALARY SURVEY

*Some things to consider when looking at the 2010 edition:*

### All numbers are base salary.

Small and large companies are grouped together. Large, Fortune 1000 firms will warrant the higher end of the salary range because of larger budgets, volume and headcount responsibility. Small companies are defined as having less than 100 employees. Midsize companies are defined as having less than 500 employees. When looking at the numbers, a good rule of thumb is to break the range into thirds, with the highest salary in the Fortune 1000 community, the small companies at the low range and the rest somewhere in the middle.

Director-level and above positions usually enjoy healthy bonus potential and stock incentives at publicly traded companies.

A hiring manager or HR executive should look at these numbers as the replacement value of an employee, not a level to which they will have to bring a longtime employee.

If you are with a company longer than four years, you are likely receiving 0 to 4 percent annual salary increases unless you move to the next grade level.

### Summary:

Salaries in the corporate sector are experiencing tremendous downward pressure. The single most important factor in salary negotiations is still the individual's current base salary. If you are unemployed, your only leverage is to say no and walk away from a lowball offer. The advantage has shifted to the employer side as fewer positions are available. Newly created positions have diminished.

## Defining the Jobs

**TRADE COMPLIANCE.** Responsible for ensuring all exporting and importing is done within the proper regulatory guidelines and trade agreements for the corporation and its foreign subsidiaries.

**DISTRIBUTION PROFESSIONAL.** Handles the flow of materials and product into and out of a warehouse. Responsible for prompt, efficient flow of product to customer or company facilities. Proficient with warehouse management systems. Works closely with warehouse manager and transportation team for optimum scheduling, production and cycle counts.

**INVENTORY PROFESSIONAL.** Manages inventory levels and trends to minimize carrying costs. Coordinates with purchasing and logistics managers to optimize company accessibility and customer availability.

**SUPPLY CHAIN PROFESSIONAL.** Involved in every segment of the business and supply pipeline: purchasing, production, planning, forecasting, transportation, warehousing and distribution. This multifaceted position encompasses and manages the other jobs in this list.

**MATERIALS MANAGER.** Works closely with the manufacturing and purchasing departments to ensure pieces, components and raw materials needed to make the product are delivered reliably and the production line is consistent.

**PURCHASING/PROCUREMENT PROFESSIONAL.** Handles the buying activities for the company. Sources and negotiates best terms with suppliers. Works with the manufacturing and material departments to ensure the right amount of product arrives on time.

**TRANSPORTATION PROFESSIONAL.** Handles relationships with carriers, forwarders, brokers and 3PLs. Responsible for the movement of product any time, anywhere.

**WAREHOUSING PROFESSIONAL.** Responsible for all activity with a specific warehouse or a group of facilities.

## TWO CANDIDATE POOLS, TWO PERCEPTIONS

From a company's perspective, there are two types of job seekers in today's environment: the currently employed "passive candidate" and the "active candidate." The former has not been on the market and is difficult to lure away from his or her current position. The "active candidate" pool consists of two segments: employed and actively looking, and the unemployed in transition and seeking a new company to call home.

There are typically disproportionately more unemployed candidates submitting resumes for advertised job opportunities as well as simply sending their resumes to a company's career center via their Web site.

In-house staffing professionals are always creating ways to tap the passive marketplace of top performing talent from their competitors, either through trade associations, LinkedIn, college alumni organizations, social networking sites or direct solicitation. The resumes and credentials of active talent will usually find its way to a hiring or HR manager.

It's always difficult to entice the employed top performer who sees advancement opportunities at his or her current company. Obviously, companies

realize there are many high performers who, through no fault of their own, find themselves unemployed because of corporate bankruptcies and mass layoffs.

Unfortunately, the unemployed, even if only for a few months, are often at a disadvantage during compensation negotiations. The employed have a revenue stream that allows them to leverage their current job into the compensation equation.

## BOOMERS, GEN X, Y

Baby Boomers, many having served in strategic and executive corporate roles in their recent jobs, will continue to have the most difficult job search. There are so few positions with so many applicants — including talented Gen X and Y professionals — whose compensation history may be a deterrent to future employers in these lean times. Employers are unlikely to upgrade positions or consider executives willing to downsize to management or staff positions for the sake of getting their feet in the door.

For now, getting interview "face time" with hiring managers remains a significant challenge for job seekers. If your most recent background is not a bulls-eye for their needs, you won't even get a courtesy response to your resume submittal.

## WHAT THEY EARN: FORWARDERS, BROKERS, 3PLS

■ Average annual survey for international forwarders, customs brokers and logistics providers, in thousands of dollars.

JOB DESCRIPTION	REGION	2010 SALARY RANGE
<b>LICENSED CUSTOMS BROKER</b>		
	Northeast.....	68-84
	Southeast.....	50-81
	Midwest.....	55-83
	Northwest.....	50-78
	Southwest.....	55-84

### BRANCH MANAGER

Northeast.....	70-92
Southeast.....	55-87
Midwest.....	60-86
Northwest.....	55-75
Southwest.....	55-81

### REGIONAL MANAGER

Northeast.....	91-128
Southeast.....	80-109
Midwest.....	80-108
Northwest.....	65-111
Southwest.....	82-118

### GM/VP/EXECUTIVE

Northeast.....	96-138
Southeast.....	80-120
Midwest.....	89-127
Northwest.....	85-118
Southwest.....	88-127

### SALES REPRESENTATIVES

Northeast.....	63-88
Southeast.....	55-85
Midwest.....	65-88
Southwest.....	66-85

Source: Tyler Search Consultants, [www.tylersearch.com](http://www.tylersearch.com)

Don't be insulted. Companies simply don't have the time or human capital to respond to everyone.

## CREATIVE RECRUITMENT AND SELECTION TACTICS

Many companies don't post job openings because of the overwhelming and unmanageable quantity of applicants who respond, most of whom are not qualified for the particular position. Companies frequently use resume databases from job boards to cherry-pick candidates. These days, the vast majority of formal first interviews are by phone, and with the HR departments.

Once they have a viable pool, companies are saving money and narrowing the list of

## WHAT THEY EARN: EXECUTIVES

■ Salary range for executives at importers/exporters, manufacturers and distributors, in thousands of dollars.

JOB DESCRIPTION	REGION	2010 SALARY RANGE
<b>CUSTOMS COMPLIANCE</b>	Northeast.....	120-195
	Southeast.....	105-188
	Midwest.....	112-180
	West.....	110-170
<b>WAREHOUSE/DISTRIBUTION</b>	Northeast.....	110-178
	Southeast.....	93-171
	Midwest.....	112-180
	Northwest.....	92-171
	Southwest.....	110-178
<b>INVENTORY</b>	Northeast.....	121-172
	Southeast.....	91-130
	Midwest.....	90-144
	Northwest.....	88-123
	Southwest.....	112-168
<b>MATERIALS MANAGEMENT</b>	Northeast.....	128-182
	Southeast.....	107-170
	Midwest.....	111-155
	Northwest.....	100-147
	Southwest.....	128-185
<b>PURCHASING PROCUREMENT</b>	Northeast.....	120-183
	Southeast.....	110-188
	Midwest.....	109-191
	Northwest.....	99-168
	Southwest.....	120-190
<b>TRANSPORTATION/LOGISTICS</b>	Northeast.....	110-188
	Southeast.....	105-173
	Midwest.....	112-171
	Northwest.....	96-158
	Southwest.....	120-176

## WHAT THEY EARN: MID-LEVEL MANAGERS

■ Salary range for employees in middle management roles at importers/exporters, manufacturers, retailers, distributors, in thousands of dollars.

JOB DESCRIPTION	REGION	2010 SALARY RANGE
<b>GLOBAL TRADE COMPLIANCE</b>	Northeast.....	80-145
	Southeast.....	85-128
	Midwest.....	80-130
	West.....	83-140
<b>WAREHOUSE/DISTRIBUTION</b>	Northeast.....	75-127
	Southeast.....	75-120
	Midwest.....	72-112
	Northwest.....	79-107
	Southwest.....	80-115
<b>INVENTORY</b>	Northeast.....	70-124
	Southeast.....	60-100
	Midwest.....	60-109
	Northwest.....	55-90
	Southwest.....	61-92
<b>MATERIALS MANAGEMENT</b>	Northeast.....	88-120
	Southeast.....	72-108
	Midwest.....	73-97
	Northwest.....	62-97
	Southwest.....	87-110
<b>PURCHASING PROCUREMENT</b>	Northeast.....	84-122
	Southeast.....	76-114
	Midwest.....	70-107
	Northwest.....	61-99
	Southwest.....	65-120
<b>TRANSPORTATION/LOGISTICS</b>	Northeast.....	80-110
	Southeast.....	60-94
	Midwest.....	68-104
	Northwest.....	60-90
	Southwest.....	70-108

truly committed and qualified candidates in variety of creative ways. One company asked short-list prospects for a senior sales position to create and submit a DVD presentation. Candidates were to answer specific job and organizational suitability questions and offered an opportunity to showcase their presentation and creative skills. Expenses for candidate travel went from seven to four candidates, and the company ended up with prospects who were invested in the process by taking the time and effort to respond to the request.

This is a rare and unusual request by a company, but it underscores a point: Companies, like a sports team, create a selection playbook for a reason. If you want to be part of the team, you go along or you go home.

Embrace the challenge, be flexible, and graciously and quickly respond to any request, no matter how atypical.

## RELOCATION TO SMALLER JOB MARKETS

Relocation is still prevalent, but in a different form than in better economic times. Many of our client companies are relocating up to 30 percent of new hires, but they're being placed in smaller job markets and cities where qualified talent from the same industry is less readily available. Larger, more densely populated employment markets still have strong talent pools, and companies can find what they need without paying hefty

relocation tabs that can top \$75,000.

Companies will not consider interviewing candidates that indicate they will cover their own relocation expenses. Those scenarios are awkward and bad business for all involved and almost never work out.

So keep the faith. We are on the upward curve of the market swing. As painful as it's been the past two years, the rebound will be as good as any we've seen. **joc**

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