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## The State of Trucking Capacity

The ever-volatile trucking industry leaves plenty of room for guesswork on capacity, rates, and strategies in 2015.

Truck capacity—or lack thereof—has been the bane of many a shippers' existence for the past several years. Whether it's the driver shortage, weather interruptions or regulations, there is always something affecting capacity in a negative way. Shippers pay the cost in terms of slower delivery and bigger bills.

So what's the current state of trucking capacity? What's the near future look like? And what's the best strategy for shippers in 2015?

The long and short of it is that capacity will remain tight. But it's not all gloom and doom, and shippers can take steps to ease the way, and potentially the bills, with the right approach.

### A look back

Before moving forward, it's always worthwhile to look back. When it comes to the end of 2014, trucking capacity definitely exhibited its habitual tightness. According to Jonathan Starks, director of transportation analysis, at FTR, capacity hovered around 98 percent. "Fortunately, there were no adverse impacts (i.e.: weather) to push capacity into a danger zone like we had last winter," he observed.

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## Learning Software

### Is it the extra piece your company needs?

If you've been through any type of software implementation, especially a big one like WMS, you know that the learning curve can sometimes be steep. It can be frustrating at best, and slow down your ROI at worst. That's why software vendors have developed a new crop of tools—called learning management software (LMS)—to provide some relief. Is it the missing piece of the puzzle?

Stephanie Crowe, senior director of global learning and development at Manhattan Associates, an LMS provider, thinks it just might be. "Warehousing and logistics is a hands-on field, so learning has naturally been as well," she explains. "But now technology has advanced to a point that you can experience true-life scenarios through software."

This, coupled with several other factors, is what's driving the development and adoption of this breed of software. Also at play: Logistics jobs are more technology enabled than ever before, says Crowe. And: "Leaders in supply chain today want to know what folks can do and how they are doing it. This helps reduce the risk of new software implementation."

**continued on page 4**

# LMS





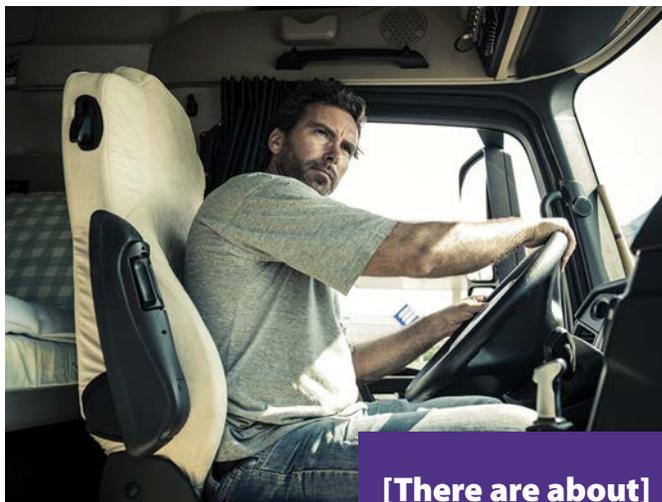
## The State of Trucking Capacity *continued from page 1*

Rosalyn Wilson, senior business analyst at Parsons, agrees that things were a “bit tight” but says that the situation was far from critical. One thing that helped, she says, is that the traditional kick off to the holiday season—Black Friday—was pushed back much earlier this year. “Holiday sales began early this year and many companies had high inventories beginning in the summer in anticipation of this and other concerns,” she explains. “We just didn’t have any major issues to cause a tipping point last year.”

Still, several factors played a role in that 98 percent capacity mark, says Starks. One is solid economic growth. “There was a four percent growth in truck loads in 2014,” he points out. “Combine that with a truck market that struggles to add more drivers, and you get a tight capacity situation.”

Another issue has been conservative carrier management. “They didn’t really try hard to add much capacity back into their networks at first,” says Starks. “Now they are trying but need more enticement—bonuses, wages—to make it happen.”

Also affecting capacity was a port-based issue, that of a shortage of chassis capable of moving ocean containers. “Ocean carriers are no longer providing the chassis due to FMCSA (Federal Motor Carrier Safety Association) regulations, so fleets have had to take over,” explains Wilson. “Many of these chassis had been out of order or in poor repair and they weren’t ready to go when that change came down. So carriers spent a lot of time sitting in line waiting to pick up containers only to have chassis unavailable.”



**[There are about 20 different regulations... that could have a negative impact on the driver shortage beginning in 2016.]**

Since truckers are paid by the miles and not the hours, this was not an incentive to truckers, who right now could use some to grow their numbers. “Companies are working on a solution, but it’s not going to happen overnight,” says Wilson. “It’s difficult to sell the idea of investing in chassis that are only engaged for part of the year. There isn’t a holistic approach to it right now.”

### About that driver shortage

The truck driver shortage has plagued the industry for years now and according to Wilson and Starks, it isn’t going away any time soon. In fact, it very well might get worse before it gets better, say the two industry watchers. “Drivers are the number-one concern for 2015,” says Wilson. “You’ve got baby boomers retiring and not much interest in younger age groups to enter the industry.”

According to Starks, the driver shortage significantly worsened in 2013 and has held at a high level throughout 2014. “The industry is short 200,000 drivers,” he says. “We see no significant improvement on the horizon if economic growth continues in 2015. And, we see reason for additional concern after 2015 when more regulations start coming into play.”

Specifically, Starks says that FTR has about 20 different regulations on its radar screen that could have a negative impact on the driver shortage beginning in 2016. Two of the big ones are the speed governor rules and electronic log rules, both of which could serve as a big deterrent to potential drivers considering entering the job market.

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Wilson says that when it comes to regulations, Congress needs to look at the costs as a whole. "We can't make regulations in a vacuum," she says. "It's going to be interesting to see how it all unfolds."

The industry isn't sitting back and letting the driver shortage grow, however. The American Trucking Associations (ATA), for instance, has pledged that its members will hire 100,000 military veterans over the next two years as part of the U. S. Chamber of Commerce Foundation's "Hiring 500,000 Heroes" campaign. The effort focuses on assisting veterans returning to civilian life with career opportunities.

The ATA plans to submit a proposal to the FMCSA that would help smooth the way for veterans to become truck drivers by allowing states to administer the written knowledge exam for commercial learners' permits to out-of-state drivers.

Going hand-in-hand with the effort, J.B. Hunt has pledged to hire 10,000 veterans by 2020. The carrier has been recognized as a Top 100 Military Friendly Employer by G.I. Jobs, with a rank of seventh overall. It hopes to utilize that ranking to attract veterans to its openings. Only time will tell if these efforts have any lasting impact on the shortage.

## Rates

When capacity is tight, rates tend to go up, which is exactly what's been going on from late 2014 into 2015. "We're seeing rates starting to move," says Wilson. "At mid-year, things began to rise quite a bit."

Factors impacting rates, she says, include the fact that industry has to invest more in maintenance and the need to increase labor rates in order to attract drivers. "I wouldn't be surprised to see rates go up as much as 15 percent over 2014 rates," she said.

Starks says that there are two main segments that FTR tracks when it comes to truck rates: contract and spot. "Spot pricing surged last winter when capacity was overwhelmed by the harsh weather," he explains. "Pricing held up pretty firm until the summer. Since then, spot pricing has moderated but still remains well above prior year levels: up double digits according to recent reports from Internet Truckstop."

Contract pricing, on the other hand, operates on a much longer lag, says Starks. "As such, pricing in that sector has been more stable—stabilizing at about four percent gains for much of 2014," he says. "While spot pricing has moderated, we expect contract pricing to further increase in 2015."

**continued on page 5**

SIDEBAR:

## HOS Updates

Congress is known for changing its mind, scrapping plans and starting over, but perhaps nowhere has this been more apparent than with the trucking Hours of Service (HOS) rules. Even the longest standing senator probably has lost count of the many iterations of these rules, but the trucking industry and its customers must stay on top of them.

In the final days of the 2014 session, the Senate passed a spending bill for fiscal year 2015. Part of that bill is an amendment that changes the parts of the contentious 2011 HOS ruling. Specifically, the amendment sets aside two provisions of the HOS:

1. That drivers are required to take a 34-hour rest break only once every seven days.
2. These hours of break time would require that two of those breaks occur between 1 a.m. and 5 a.m. on two consecutive days.

Instead, the 34-hour rest cycle would remain, but with the easier-to-follow requirement that drivers be limited to 10 hours of daily driving. Drivers would also have to take a 30-minute break within the first eight hours of consecutive driving.

In the meantime, the Federal Motor Carrier Safety Administration (FMCSA) will conduct a study to see if the changes are justified according to science and economics.

Proponents of the changes argue that by loosening the rest-hour requirements, the trucking industry would be able to free up capacity. The argument is that forced rest in the middle of the night places more trucks on the road during heavy commuting periods, slowing their progress. Without the restrictions, drivers can be more productive. Proponents argue that this could have a positive impact on rates, as well, at least to the extent that it may slow down hikes.

The FMCSA is expected to take until 2017 to complete its study. According to trucking consultancy FTR, this would align with the amount of time the productivity boost would last due to the changes in the ruling.





## Learning Software *continued from page 1*

For instance, if you have a DC that employs a good deal of seasonal help, you know that this population can sometimes be a bit of a gamble with proper software use. “These seasonal employees can potentially cause havoc with the efficiency of your systems,” says Crowe. “If you have learning software that allows you to gauge what your folks know before they are hands on with your WMS, for instance, you can reduce the risk involved.”

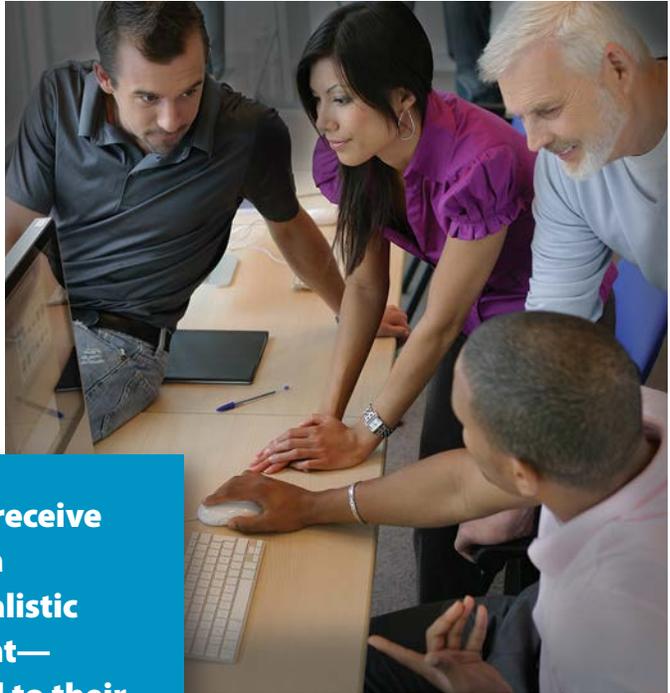
There are other reasons to consider this type of learning tool, as well. “The number of folks working on the DC floor has gone down in recent years,” Crowe points out. “You want to leverage your labor costs, which means that you must cross train your employees. You can use this software to help here as well.”

**Employees receive training in a virtually realistic environment—one tailored to their exact environment...**

### LMS in action

How does LMS work, exactly? In most cases, employees access an online portal that provides interactive training. Employees receive training in a virtually realistic environment—one tailored to their exact environment—so that they get a “real feel” for how their company’s actual applications operate. Most systems incorporate some video training and images to assist in learning. Companies can design the systems to use their own terminology, too, making it extremely site specific.

After taking time to learn the system, the LMS takes users through a series of tests to determine if they are ready to go live with the real system. The tests will identify gaps in learning so that end users can go back and hone those skills. If the user looks ready to go with the system, the software then allows managers to track employees so that they can get solid feedback on end user efficiency.



Crowe says that the LMS is extremely scalable. “We match the tools to the application,” she says. “Some folks on the floor aren’t going to participate in training solutions, so we build the LMS accordingly. We can find the right fit for everyone.”

This means that the LMS fits the application based on size, the type of training needed, whether or not cross training is involved, and other drill-down factors. The result is a customized product, both in scale and in price.

In terms of price and ROI, Crowe says that both are associated with the objective measures of the business outcome desired. “For instance, if you want to multiply the value of a subject matter expert by training other folks in that area, some of your value comes from not being so dependent on that one employee,” she explains.

The bottom line, however, is that LMS can drastically cut your training time, improve error rates, and slash time invested in documentation preparation, says Crowe. “You can use a small amount of LMS capacity and still get a big ROI,” she says. “It’s much faster than learning a system from scratch.”

She adds that the entire point of the software is to make systems easier for the end users. “So if that complicates things, you shouldn’t use it,” she explains. “But in most cases, you’ll come out ahead for using it.”

*Stephanie Crowe, Manhattan Associates, [www.manh.com](http://www.manh.com)*

# LMS

“Note that these are rates excluding fuel surcharges,” he points out. “The big drop in fuel costs will significantly change the total spends for shippers as we head into 2015.”

## Capacity and strategy moving forward

It’s not all gloom and doom, however. Starks says there is reason for some optimism when it comes to capacity in 2015. “Despite our expectations for continued economic growth, we actually expect truck capacity issues to lessen just a bit during 2015,” he says.

There are two main reasons for this, says Starks. “One, growth in services is improving, which is good for economic growth but does little for truck services,” he explains. “Second, and more importantly, the recent change to the Hours of Service rules (see sidebar, page 3) included in the end-of-year budget bill from Congress does help the situation by freeing up drivers earlier than regulations allowed.”

Given all that, what’s a shipper to do in 2015 when it comes to its trucking strategy? Wilson’s advice: “If contracting with trucking companies, focus more on availability than on rates,” she suggests. “Many trucking companies are trying to improve for drivers, so look at shippers with long turnarounds. Be choosy.”

Wilson remains optimistic that technology will help improve scheduling and relations between shippers and trucking companies. “More shippers are going to appointment-based software, which will help,” she says. “Technology is important and should be involved in improving conditions.”

Starks says that the decrease in fuel costs will come into play as well. “Shippers need to be careful about how they review and structure their rates,” he says. “Total spend is likely to be up only a little but base rates—excluding fuel surcharges—are still going to be higher.”

Aside from dollars, says Starks, a shippers’ best strategy is to remain committed to a collaborative engagement with carrier partners. “Capacity may loosen a little in 2015, but it will still be historically tight,” he points out. “Shippers that can find ways to empower their carriers to be more productive will reap the rewards of having additional capacity available when they need it.”

Wilson says that the economy as a whole will play a role in how costs and strategies shape up as well. “We expect to see continued growth in the economy,” she says. “It won’t always be a straight upward path, but it will be improving. Consumers are getting back into play, which leads to demand for product delivery, but interest rates will also rise.”

Starks agrees, but says that there is uncertainty. “The recent growth could be another head fake like we’ve seen too many times in this recovery,” he explains. “The underlying fundamentals seem solid, but this recovery is getting long in the tooth. The first half of the year should be pretty good, but the second half has more risks.”

Fuel costs have the potential to play the dark horse. “We expect them to be down in 2015, but a big jump is not impossible,” Starks points out. “Managers like stable costs because they can better manage their budgets—big swings are harder to deal with.

“With the economy starting to hit on all cylinders, there is the potential for a big surge in freight demand during 2015,” he says. “This would put truck capacity at its limits and lead to shortages of equipment and big increases in rates, starting with spot rates.”

While the crystal ball offers some answers, in other words, only time will tell for certain what 2015 will hold. 🌟

Jonathan Starks, FTR, [www.ftrintel.com](http://www.ftrintel.com)  
Roselyn Wilson, Parsons Corporation

**“More shippers are going to appointment-based software, which will help. Technology is important and should be involved in improving conditions.”**

—Roselyn Wilson





# Pathway to Leadership

Define critical traits, skills and proficiencies necessary to build your cadre of effective leaders.

Individual leadership qualities and performances are routinely on display whether one is leading or participating on a team project, supervising/managing a functional department, or issuing a strategic directive from the executive suite. Yet, what is most troubling is that according to consensus, including those in rank-and-file positions on up to top management personnel and those in between, is that good or exceptional leadership is in short supply, even AWOL, in many instances.

This sense can be gleaned from newspaper headlines and business publication articles, and confirmed by consultants, advisors, and trainers, especially those who have an extensive leadership development practice. For example, Chelle Stringer, owner-president, OCM, LLC, Albuquerque, NM, shares, "Several of my clients are in the midst of a leadership crisis." She notes that the employees in these organizations frequently use terms such as, "the current lack of leadership," and "nonexistent leadership" to explain the performance of the organization.

Further, Regina Clark, executive director, Creative Performance Solutions, LLC, Goshen, NY, explains, "There are so many examples of people in leadership positions who behave badly. Today's workforce wants to be able to trust their leaders."

And, adamantly, Roxi Bahar Hewertson, CEO, Highland Consulting Group, Inc., and [AskRoxi.com](http://AskRoxi.com), Brevard, NC, describes the current state of leadership, globally, as "being in severe crisis because truly effective leadership is rare, edging on extinct." There are lots of people who have authority, power and titles in every enterprise, profit and non-profit, in all industries, yet there are "very few people who are actually leading their people and organizations effectively," she concludes.

## Acknowledging the need

First the bad news: "Leadership today is far too much about gaining status, popularity, money, power and not enough about inspiring and developing people or creating a healthy culture and future that builds and sustains a company, our communities, or our world," maintains Hewertson.

Today's norms tell us it's OK to be a "lousy leader of people as long as you get the required bottom line results," she continues. "Of course, the best way to sustain great results is through great leadership, but we seem to have forgotten that foundational truth." Quality leadership practices and results are rarely measured, and in fact, may be punished if the bottom line results aren't seen to be big enough or fast enough. "Today, the norm for too many institutions and companies is that the end justifies the means," she observed.

Stringer concurs, based on encounters at almost all of her engagements: "All levels of leaders articulate the need to increase profitability by moving from reactive to proactive processes. Directors and staff agree that preventing problems is far less costly than fixing problems. Leaders challenge their directors and managers to be proactive.

Too often, this motivating slogan becomes empty rhetoric. When directors present innovative and cost saving risk mitigation strategies to their leaders, their ideas fall on deaf ears. They often are told to focus on addressing the fires that are burning in their departments.

“The leaders profess the need to be proactive, yet they reward reactive, fire-fighting behavior,” Stringer observes. “They give attention to addressing the immediate, urgent problems. The chasm between what is said and what is done has lasting implications.”

But there is good news according to Hewertson: “There is a growing awareness that the old ‘leadership’ paradigms are not working, are not sustainable, and have gotten us into a huge mess in every possible way.” More small and mid-size organizations are seeking to find ways to strengthen their leadership “bench” with better human resource processes and expectations for emotional intelligence competencies.

**“Leadership** today is far **too much about gaining status**, popularity, money, power and **not enough about inspiring and developing people** or **creating a healthy culture** and future that **builds and sustains a company**, our communities, or **our world.**”

– Roxi Bahar Hewertson

The key is always going to be each person’s motivation—and it has to be for the right reasons, she offers. “If they want to be a leader for status or money, then they will likely fail. If they want to lead because they love to see others succeed, help them develop and like to work with teams, then bring them on,” Hewertson encourages.

“It isn’t ‘new’ per se, but emotional intelligence is finally getting the attention it deserves,” she expresses. “Emotional intelligence competencies are indeed critical and must be integrated into the leader’s behaviors, decisions and actions. The most critical is self-awareness, and without it, people simply do not improve, learn about their effectiveness or grow very much, if at all.”

The disastrous economic results of failed leadership are impossible to ignore anymore,” according to Hewertson. “Fortunately, that has begun to raise serious and ongoing questions about how to prevent future ‘train wrecks in my company.’ The tricky bit,” she acknowledges, “is having the wisdom and courage to make the long term investment that is necessary for culture change and skill development.”

### Probing leadership alternatives

The most important quality of a leader, according to Stringer, is the willingness to take on the role of a leader and all that it implies. She explains: “Both authority and influence drive culture. It is defined by the top leadership, and then disseminated through the organization.”

An indicator of an effective culture is the congruence of leadership actions in the direction of the company, the look and feel of the organization, and the expected behaviors of employees, she explains. The leader is the person who is ultimately responsible for driving the culture, and the effectiveness of the leader is influenced by his or her acceptance of this responsibility, says Stringer.

Hewertson agrees: “Create a culture, starting at the top where highly effective leadership is rewarded.” That means people do not get to lead other people until and unless they have the skill sets and have proven they have the emotional intelligence to be in charge of others’ lives and work. Further, she offers, “we need to get rid of ineffective leaders and allow them to be rewarded as individual contributors in their field of expertise, which clearly isn’t leadership.”

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"We need technical career trajectories that are status laden and as attractive as becoming someone's boss" she maintains.

While there are universal traits that a leader must possess, Stringer notes there are also traits that vary in importance depending on the leader's level in the organization. Specifically:

- **Charisma.** The value of charisma increases with the leader's level in the organization. At the highest level, charisma is critical. For example, charisma is very important for a CEO and COO, but less important for a department director.
- **Technical understanding.** The closer the position to the actual work performed, the greater the need for technical understanding of the work.
- **Visionary/influence direction of the business.** The closer the position to the actual work performed, the value of determining the vision and goals decreases. However, the desired skill transitions to the ability to motivate and manage the employees.

Clark, meanwhile outlines her "Seven C's of Leadership," which describes the individual traits effective leaders must have. Among them: competence, commitment, courage and having impeccable character. "We want leaders who do the right thing," she says.

Effective leaders also need to be connected: connected to key individuals, to their workers, to their stockholders and to the community they serve. "Leaders need to take the initiative to make strategic connec-

tions," Clark maintains. "Today that connection can be made in person or online."

Leaders also must champion change. Change is inevitable and constant, and the rate of change has increased over the past few decades. Leaders need to be adaptable, flexible and champions for others on their team.

Today's leaders also need to be outstanding communicators and they need to be comfortable communicating in a variety of ways. "We expect our leaders to share their point of view in a timely fashion, and some of them use social media," she notes. "Social media is not going away and leaders need to learn how to embrace new communications strategies quickly."

Smart phones, texting, constant access to e-mail and social media have greatly increased access to information. "Millennials, as well as other groups of people are accustomed to being able to find out what they want to know within a few keystrokes or even by asking Siri," explains Stringer. "This necessitates a shift in the way leaders must think about disseminating information throughout the organization and to also be more forthcoming about the information they do share."

## Controlling the desired "ripple effect"

"There are problems, pressures and pain points that plague managers at every level, and most of them are solvable," maintains Hewertson. "Understanding that each and every leadership choice you make has some kind of a 'ripple effect' throughout your team and organi-



**"Leaders** need to be **adaptable,** **flexible** and **champions** for others on **their team."**

– Regina Clark

The **leader** is the person who is **ultimately responsible** for driving the **culture**, and the **effectiveness** of the **leader** is influenced by his or her **acceptance** of this **responsibility**.

– Chelle Stringer

zation at large is critical to your success.” As leaders you need to know how to ensure that the ripples you make have the intended impact, whether it’s running meetings, handling conflicts, making confident decisions, or instituting needed changes in the workplace, she advises.

There are four core tenets of leadership that, when mastered, best ensure the desired “ripple effect” that can revolutionize the way one leads and succeeds, according to Hewertson. They include:

- **Personal mastery.** “It’s imperative to discover exactly who you are as a leader and draw on your strengths to influence others—to know and grow the leader within,” she explains. Personal mastery is discovering who you are as a leader, your purpose, values and vision. Also how you affect others, your style, preferences, strengths and challenges. “It all starts with you,” she encourages.
- **Interpersonal mastery.** A powerful leader has excellent communication and people management skills that engage, motivate and inspire employees. These leaders know how to listen deeply and communicate effectively with others, how to constructively provide feedback (including to one’s boss) and how to manage conflict successfully.
- **Team mastery.** “The most successful leaders harness the power of group dynamics to build stronger, more productive teams,” she explains. No matter why a team

is formed or who is on the team, the “not to’s” of building and maintaining effective teams do not vary. Leaders who want to succeed need their teams to succeed. Teams are made up of individuals, and it takes awareness, attention, time and skill to get the best out of your teams—and it’s worth every ounce of investment when done well, she shares.

- **Culture and systems mastery.** Take the lead in assessing your organization and make the changes you need to succeed on every level, Hewertson recommends. “To understand leadership we must understand the cultures operating around us because culture affects us much like the air we breathe, and it is almost as important to our well-being.” An organization’s espoused values may or may not reflect the real operating culture of the organization. “You need to know, not guess or project, what the culture really is and how it actually affects your people and overarching business results,” maintains Hewertson.

## Challenges to be resolved

Hopefully, the old ‘top-down,’ ‘my way or the highway,’ and ‘Caesar rules’ style of leadership is falling out of favor. It certainly is no longer useful or relevant, if it ever was,” argues Hewertson.

“What is still true and probably always will be, is that we will have people who are our ‘bosses’ and there will be some form of hierarchy in our organizations,” she continues. “We need structures to work within and we need to know who is making what decisions. We need leaders who are trustworthy, and who inspire and influence their people far more than they exert power and control.

“We need leaders who seek and listen to the wisdom of their people as they guide their organizations to greatness. These needs have never changed and probably never will.”

The question, asks Hewertson, “Will we grow and reward our leaders to have these masteries, emotional intelligence and wisdom or will we continue to reward short term gains over long term success?” 

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## Words of Wisdom

Do you sometimes get the feeling after reading articles about leadership and employee training that the experts may as well add “performs miracles on demand.” As a practical matter, WERC offers the following “nuggets of wisdom” from present and past *WERC Sheet* articles and Conference presentations. As WERC members, readers can still access the original articles and presentations online at [www.werc.org](http://www.werc.org) for more ideas on how to work those miracles.

### Towards an effective culture

(November/December 2014 *WERC Sheet*)

Consistency of culture is a differentiator of strong versus weak culture. Inconsistency appears two ways: first, when norms and standards are different for different groups within the organization; and second when norms and standards change frequently. “Both of these types of inconsistencies create a culture that negatively impacts employee outlook, focus and productivity,” according to Chelle Stringer, OCM, LLC.

Stringer explains that culture becomes a strong influence when three conditions are in place:

- The desired outcomes are shared among all levels of the organization
- The culture is intentionally monitored and driven to achieve these outcomes
- The policies, processes, resource distribution, communication, technology utilized, recognition and reinforcement, and leadership decisions are aligned toward that shared outcome

A healthy culture creates a group of high-performing individuals aligned to a common goal, according to Ken Porter and Ruth Lund of LEGACY Supply Chain Services. Specifically, within the LEGACY culture:

- **Strong vs. weak.** Intentional, measured with systems in place to improve, grow and protect it.
- **Positive vs. negative.** The right balance of financial stability, customer focus and being the best.
- **Nurturing vs. smothering.** The infusion of servant leadership, integrity and making a difference at LEGACY brings a level of outward, selfless leadership with the intent of equipping others to achieve their full potential.

According to Wendy Pigorsh, “The values and attitudes of Murphy Logistics’ leaders and employees serve to form our corporate culture. ... The Murphy culture, she notes: Defines the experience employees have every day at work, the experience customers and vendors have working with us as partners and the experience the visitors and community surrounding our facilities have associated with having us as neighbors.

Critical components of the Murphy culture include:

- Clear, open, honest, consistent communication throughout the organization.
- Employees are empowered to “right the ship.”
- Trust—allows people to speak the truth without fear.
- Consistency and integrity in practices and policies.
- Consistency and integrity in behavior of leaders.

### Know What Employees Want

(From *WERC Conference 2014*)

ProLogistix conducts an annual “Warehouse Employee Opinion Survey” and often presents the results at the WERC Conference—as they will in Orlando. Results from the 2013 survey include:

- The top three most important elements for those looking for a warehouse job are pay, job security and enjoying the work.
- The top choice regarding how pay increases are earned is overwhelmingly “based on each individual’s work performance.”
- In this survey, 26% of respondents had less than a year of service and 40% had 1 to 3 years’ experience.

### Skills for Logistics Leaders

(*WERC Conference 2014*)

Catherine Cooper, president, World Connections, is an accomplished speaker and acknowledged logistics leader. In her 2014 Conference presentation (also on the schedule for 2015), she translated business leadership into practical applications using real-world examples focused on logistics. Here are her five main points:

- 1. Manage expectations:** always have a Plan B and be prepared to outline it if needed.
- 2. Define success:** do not over-promise; practice innovative thinking about how to do “it” better.
- 3. Communicate clearly:** speak your audience’s language; translate facts, data and stats into meaningful information. Avoid just throwing data or vague business speak at your team.
- 4. Connect then lead:** be genuine with others and lead by influencing rather than just using your power of position.
- 5. Demonstrate cognitive control:** watch your responses to news and suggestions; ask questions to fully understand and give yourself time and space to process information.

Catherine also recommends the book *Start With Why: How Great Leaders Inspire Everyone to Take Action* by Simon Sinek, who writes that leaders are those who foster, encourage, facilitate, vision and coach.

# At WERC

Here are some things to keep you up-to-date on what's happening at WERC.



## Logistics Insider: People, Process and Technology

This three-part, quick-hit video series allows you to tune in at your convenience for valuable thought leadership from industry experts on how to optimize people, process and technology to make 2015 your best year yet.

**Part 1: People:** Our experts explore how an HR strategy can help Operations meet service and profitability goals, the role of a labor management system, and which HR management styles and themes have the greatest impact on employee performance, market share, and profitability.

**Part 2: Process:** The panel reviews critical metrics defined by WERC (the Warehousing Education and Resource Council), discusses best practices for measuring and benchmarking performance, and outlines the best ways to apply your findings for meaningful impact.

**Part 3: Technology:** Offers insight into how to leverage technology to enhance the performance of your people and process, identify which investments offer the greatest return, and forecast the ways in which technology will evolve over the next three years.

*To register for the series (produced by Kronos), complete our online registration form at [www.werc.org](http://www.werc.org).*

### The panel:

**Dr. Karl Manrodt** is a professor of logistics at Georgia College & State University and the director of the Master of Logistics and Supply Chain Management online program.

**Malysa O'Connor** is global practice director of the logistics group at Kronos Incorporated and has spent more than 15 years in the workforce management and human capital management field.

**Michael Mikitka, CAE**, is chief executive officer of the WERC, which provides its members with education, research, and services to improve the performance of logistics within their organizations.

## Interested in lending a hand at conference?

Volunteers are needed to assist on-site at the WERC conference with registration and facility tours (May 3-6 in Orlando, FL). If you would like to volunteer, please complete and submit the online form available at [werc.org/helpwerc](http://werc.org/helpwerc). Volunteers will be contacted in March with further information. Direct questions to Angie Silberhorn, Conference Director at (630) 990-0001 or [asilberhorn@werc.org](mailto:asilberhorn@werc.org).



## WERC Volunteers for a Worthy Cause

WERC's 2015 Winter Board of Director Meetings were held in early February, in Scottsdale, Arizona. WERC Board and WERC staff took a break from their schedule to volunteer at St. Mary's Food Bank Alliance in Phoenix, known as the world's first food bank.

WERC Board President, Paul Avampato (Vice President of Customer Service & Logistics, North America at Mondelez International), along with Vice President, Sheila Benny (Executive Vice President at Optricity Corporation) and the rest of the board and staff, gladly participated at St. Mary's volunteer program by assisting in the sorting and boxing of over 25,000 lbs. of canned and packaged goods.

"The afternoon at St. Mary's Food Back was enjoyable," WERC CEO Michael Mikitka said, "especially knowing that the time spent was for such a great cause."





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