



## Congratulations to the 2015 NASSTRAC Award Winners

NASSTRAC was pleased to announce the 2015 award winners at this year's Shippers Conference & Transportation Expo. Read on to learn more about this year's winners. We congratulate and thank each of them for their service to the transportation industry and NASSTRAC.

### Member of the Year Award

The Member of the Year Award recognizes logistics professionals who have demonstrated personal leadership, commitment and dedication to the industry, as well as to the association. One award is presented to an individual qualified as a regular member; a second award is presented to one qualified as an associate member.

### Member of the Year

Gregg Sayers, Vice President, Logistics, GNC

### Associate Member of the Year

Brent Hutto, Chief Marketing Officer, Truckstop.com

### Joe Cutrona Award

The Joe Cutrona Award recognizes individuals who showcase a tireless commitment and dedication to advance NASSTRAC throughout their entire careers and to advancing the transportation industry.

Doug Easley, Vice President of Business Development, Treadwell Logistics

### President's Award

The President's Award is presented to a company or individual who has gone above and beyond in their support of NASSTRAC and the transportation industry.

Jack Holmes, Former President, UPS Freight

### From Our Winners...

**How did it feel to receive an award in front of your peers?**

*"Extremely humbled and incredibly surprised. I had absolutely no idea I was going to receive [the Member of the Year award] until I heard my name called. To be recognized in a room full of talented transportation and supply chain peers and mentors was an experience I will never forget."*

Gregg Sayers

*"I am very humbled and honored to be named the Associate Member of the Year with NASSTRAC. Truckstop.com is dedicated to being involved in all aspects of the transportation industry — especially with shipping. That's where it all begins in the freight life cycle. We want to be involved with the shipper, and we want to be able to provide the best products and service possible to allow those shippers to succeed. That's why our association with NASSTRAC is so important. That is what it's all about."*

Brent Hutto



NASSTRAC Chairperson Chris Norek (left) presents Brent Hutto (right) with the Associate Member of the Year Award.



NASSTRAC Executive Director Gail Rutkowski (right) presents Jack Holmes (left) with the President's Award.



NASSTRAC Chairperson Chris Norek (right) presents Gregg Sayers (left) with the Member of the Year Award.

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# Focus on Education



*By Gail Rutkowski,  
NASSTRAC  
Executive Director*

One of the most challenging parts of my job is to understand your needs as

NASSTRAC members and how we can fulfill them. We hear that you are always in search of educational opportunities that will help you do your jobs better and more efficiently. But there doesn't seem to be a consensus over what those education topics should be and how best to provide that education.

Here at NASSTRAC, we try to offer a variety of learning opportunities to our members. First, our Annual Conference has a history of providing timely and comprehensive industry education that is second to none. If you haven't been able to attend, let us help you sell conference attendance to your senior management. Our conference website provides downloadable instructions for justifying attendance and provides an ROI analysis template.

Second, we are in our eighth month of holding the NASSTRAC View, our monthly gathering of shippers who connect virtually in an open forum to discuss topics of interest to everyone. This has been described by our attendees as the best opportunity to sit around a table with some of the top shippers in this country discussing issues and possible solutions to your everyday problems. Why aren't more shippers taking advantage of this amazing (and free) benefit? Better yet, suggest a topic around an issue you are struggling with and get input from your colleagues to help you.

Third, NASSTRAC has recently entered into an arrangement with Penn State's Executive Supply Chain Program. Penn State has been named one of the top supply chain

## NASSTRAC Educational Opportunities

- Annual Conference
- NASSTRAC View
- Professional certificate in supply chain operations from Penn State offered at 20% off for NASSTRAC members

programs in the country. A Gartner study in a recent issue of "Supply Chain Management Review" says that, over the next two years, the improved use of metrics, better responsiveness and flexibility, and more acute decision making by operations teams will be key in driving performance.

A professional certificate in supply chain operations from Penn State will grow your career and increase the value you bring to your organization. You must take three courses to earn your certificate (a total of 10 courses are offered throughout the year). Among the courses offered are Strategic Procurement and Purchasing, Forecasting and Inventory Management, Fulfillment Operations Management, Transportation Operations and Sourcing, and Introduction to Supply Chain Analytics.

I have the privilege of joining another NASSTRAC member, Chris Norek, as a faculty leader at the Transportation Operations and Sourcing course. The next offering of this course will be in November 2016. We will send an email with all the details, but here is the good part: Mention that you are a NASSTRAC member and **you will receive 20 percent off the program fee.** The program fee includes tuition, materials, lodging, meals and access to recreation facilities.

Finally, we are always open to hearing from you about any ideas you may have to help improve your membership experience,

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# Analytics: Getting Past the Hype to Create Value



By Brian Gibson,  
NASSTRAC  
Education Advisor

Analytics is the topic du jour in the media, your organization and, likely, your meet-

ings with supply chain partners. There is perhaps no bigger buzzword in business today, other than perhaps “big data,” which Dr. Langley and I discussed in *NewsLink* Edition 4, 2014. And when there are buzzwords, the hype is soon to follow.

The challenge with any buzzword or strategy of the moment is to cut through the fog and determine what value can be derived from analytics. During this process, you need to be wary of two types of individuals who can skew your perspective. Watch out for the eternal optimist who believes that anything is possible with analytics and looks to deploy it everywhere. Also, be wary of the pessimist who thinks that analytics is a new name for statistics and has limited relevance to solve transportation challenges.

**With a bit of training, you can blend your extensive transportation knowledge — a keen understanding of the data, KPIs and goals — with basic proficiency in analytics and technology. This allows you to deploy the self-service analytical tools embedded in Excel, supply chain software and enterprise resource planning systems.**

Your challenge is to avoid both the inflated expectations and disillusionment perspectives to become an analytics realist. The realist recognizes that opportunities exist to achieve transportation productivity improvement and cost reduction using analytical tools. The realist takes ownership of these opportunities and doesn't treat analytics as someone else's responsibility. Active engagement with your organization's number crunchers or analytics center of excellence is necessary. And, the realist understands the need to build fundamental data skills. They are necessary to take an active role in defining requirements, creating analysis plans, crunching data and interpreting results.

Being able to use analytics to proactively drive transportation and supply chain excellence sounds like a tall order. However, you don't have to become a data scientist or a technology expert. Rather, you need to find the sweet spot where domain knowledge, IT capabilities and analytical skills intersect. With a bit of training, you can blend your extensive transportation knowledge — a keen understanding of the data, KPIs and goals — with basic proficiency in analytics and technology. This allows you to deploy the self-service analytical tools embedded in Excel, supply chain software and enterprise resource planning systems. Your goal is to interpret the data — something that the data scientists may not be able to do — and use the insights to drive stronger decision making.

## Essential Individual Skills

To achieve proficiency in transportation analytics, you need to pursue three skills. The first is data mining, or the ability to logically manage and manipulate data to convert it into information. This involves collecting, cleaning and organizing the vast

mountains of transactional scans, dashboard results and process feedback into a usable structure for analysis. You must learn to assemble a logical data set and ask the right questions to derive information-rich results. That means graduating from simply sorting data to using query tools that can categorically summarize data in a manner that provides clear insights.

Once you have learned to consolidate and distill the data, you need to build analysis skills. Data analysis focuses on generating knowledge and those “aha” insights to support forward-focused planning. To glean the valuable insights from the data, you need to learn and practice a three-step analysis process:

1. Investigate the data mining results to uncover pertinent facts and issues for your situation. Dive into the data to study key segments, recognize patterns and identify relationships.
2. Assess the situational impact of those facts on your operations — that is, understand how the data mining results affect transportation performance.
3. Target your resources and energies toward performance improvement. Prescribe strategies and recommendations based on your critical assessment and your transportation domain knowledge.

The final analytical skill is data visualization. You need the ability to quickly share your analysis with key stakeholders because their buy-in drives acceptance of your recommended transportation strategies. To gain their support, don't bury stakeholders with reports and spreadsheets. Instead, learn to use content-rich images like trend charts, heat maps and dashboards to quickly boost situational awareness and provide the call to action. Many business analytics packages

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# Could Overtime Rule Changes Affect Your Operations?



*By Ben Gann,  
NASSTRAC  
Director of  
Government  
Affairs*

On May 18, the Department of Labor (DOL)

announced a final rule that will dramatically increase the number of employees eligible for overtime pay. The rule increases the salary level under which full-time, salaried employees qualify for overtime pay from \$455 per week (\$23,660 annually) to \$913 per week (\$47,476 annually). The new rule takes effect on December 1. The motor carrier exemption was left unchanged as part of the new rule.

In addition, the threshold will automatically adjust every three years and will be based on the 40th percentile of average earnings for salaried workers in the lowest wage census region, which is currently the South. This means the DOL will next increase the threshold levels to take effect on January 1, 2020, and post the new salary levels 150 days in advance of the effective date (August 1, 2019). The White House estimates that the threshold will increase to \$51,000 in 2020.

As part of the new rule, 10 percent of the salary threshold for workers not classified as highly compensated employees (HCEs) can be met by nondiscretionary bonuses, incentive pay, or commissions, provided these payments are made on at least a quarterly basis.

The Obama Administration estimates the new rule will extend overtime protections to 4.2 million more Americans who are not currently eligible under federal law, and boost wages for workers by \$12 billion over the

next 10 years. Employers from a variety of sectors have disputed this, arguing that it will force more employees to be converted from exempt to nonexempt without increasing annual wages. In addition, it will reduce flexible work arrangements and opportunities for advancement.

As previously mentioned, drivers and other safety employees are exempt from the new overtime pay requirements as part of the motor carrier exemption. In order to qualify for the exemption, the employee's duties must include the performance — either regularly or from time to time — of safety-affecting activities on a motor vehicle used in transportation on public highways in interstate commerce. Employees who qualify for the exemption must perform such duties as a driver, driver's helper, loader or mechanic.

An employee who has not made an actual interstate trip may still meet the exemption requirement if the employer is shown to have an involvement in interstate commerce and the employee could, in the regular course of employment, reasonably have been expected to make an interstate journey or could have worked on the motor vehicle in such a way as to be affecting safety. The motor carrier exemption does not apply to drivers of motor vehicles weighing 10,000 pounds or less.

Although the overtime rule does not apply to most commercial truck drivers, shippers will see the rule impact workers in a variety of roles, including administrative, warehousing and distribution, and inside sales.

Employers should continue to focus on the duties test, which was not changed, to determine whether a worker is exempt or nonexempt. Three criteria must be met to

claim a so-called "white collar" exemption: (1) the employee must be paid on a salary basis not subject to reduction based on quality or quantity of work ("salary basis test"); (2) the salary must meet the applicable threshold amount ("salary level test"); and (3) the primary job duty must involve work associated with executive, administrative or professional employees ("standard duties test").

It is important that companies take steps to comply with the rule by identifying exempt positions where employees earn less than the threshold and decide whether to increase the salary above the new threshold. Employers moving workers from salaried exempt to hourly nonexempt must also determine if benefits for those affected will change as part of the reclassification.

In March, the House of Representatives and Senate introduced legislation that would delay the Overtime Rule. The Protecting Workplace Advancement and Opportunity Act (H.R. 4773, S. 2707) would halt the changes to overtime pay eligibility criteria and require the DOL to conduct a comprehensive economic analysis on the impact of mandatory overtime expansion to small businesses, nonprofits and public employers.

Dozens of groups, such as the U.S. Chamber of Commerce and the National Retail Federation, continue to seek a legislative remedy limiting or repealing the changes to the Overtime Rule; however, shippers and other transportation industry companies should take steps now to ensure compliance when the new rule takes effect on December 1. ●

# Talking Logistics with Nick Matuck



*Nick Matuck has been in the transportation industry since, he says, “day one.” Armed with years of experience in this ever-changing industry, Matuck has spent the last four years at Shorr Packaging Corp., based in Aurora, Illinois, where he serves as director of corporate 3PL warehousing and logistics.*

*We spoke to Matuck about the challenges he’s facing in the transportation industry, why he joined NASSTRAC earlier this year, and words of wisdom for his peers.*



Shorr Packaging Corp's newly constructed corporate headquarters opened in Aurora, Illinois, earlier in 2016.

## What is your toughest challenge today and how are you overcoming it?

We do a lot with e-commerce customers to support their fulfillment centers around the country. This omnichannel-type delivery that a lot of retailers are adapting to has been a challenge for how we do business. For example, we deal with a large retail company that we used to ship to all their regional distribution centers. Now we are

starting to ship directly to their stores so they can ship e-commerce from their stores directly to their customers, versus their distribution centers — a different business model than shipping to their centers. The challenge for us is that, instead of going into a large e-commerce center, now you’re dealing with stores and hours of operations, docks or no docks, and the shipments are smaller. We’re shipping to longer distances than we did

**We repositioned inventory within our network closer to where their groups of stores are, so we’ve spread it out a little more across the country, but we’ve had lower freight costs because now we’re closer to the stores.**

before, and then there's the idiosyncrasies of shipping to a store that just has a small back room.

We've adapted by moving inventory, so now we have higher inventory costs but lower freight costs. We repositioned inventory within our network closer to where their groups of stores are, so we've spread it out a little more across the country, but we've had lower freight costs because now we're closer to the stores.

**Part of your company's mission is to "identify opportunities to take cost out of packaging and put value in." How do you do this?**

We have a proprietary process that we use with all the new rules for small packages — all the new dimensional rules and the factor for small package pricing that the small packaging industry has come out with. We have a packaging automation group that works with customers to develop more efficiently sized packaging for their products to have less waste and less packaging material. We've helped customers to "right size" that carton to be more efficient in their packaging, which decreases their freight costs and packaging costs.

**Shifting gears to your membership, why did you join NASSTRAC and what are you looking to get out of it?**

It was through networking the last couple of years; NASSTRAC has a lot of good publicity. I talked to carriers and colleagues

**NASSTRAC has a lot of good publicity. I talked to carriers and colleagues and NASSTRAC got some very high marks on the education and the carrier support and setup. I decided that it was time to change based on all that good information and networking.**

and NASSTRAC got some very high marks on the education and the carrier support and setup. I decided that it was time to change based on all that good information from networking. And I was very impressed with the conference in April.

I'm always trying to keep up on new things in the industry that are out there and networking is extremely important. If you have a lot of people supporting the association, there's an opportunity to network with all those folks.

**Do you have any words of wisdom about logistics to share with your fellow members?**

Keep up with industry trends or legislation that will affect transportation distribution. The networking side is very important. I probably learn more from networking with folks than anywhere else. ●

**shorr** | packaging corp.

**Fast Facts about Shorr Packaging**

Shorr Packaging Corp. is a national provider of packaging solutions for high-volume shippers. Working with customers to reduce damage and labor, while increasing cube utilization and customer satisfaction, Shorr has been helping customers to "pack smarter and save money" for over 90 years.



**Make your voice heard by writing for NewsLink!**

If you're interested in contributing an article, email Jaclyn Patulo at [jpatulo@nasstrac.org](mailto:jpatulo@nasstrac.org).

# Recruit Better People, Faster



By J. James O'Malley, Partner, TalentRISE

A quick scan of recent statistics regarding the industry's talent supply might have you reaching for an antacid — or two. With overall unemployment rates dropping post-recession and with boomers retiring, many are finding it increasingly more difficult to attract, recruit and retain talent. While we've long heard about driver shortages — the trucking industry needs to hire an average of 89,000 drivers per year for the next 10 years, according to the American Trucking Associations — the reality is that virtually every link in the transportation supply chain is under stress.

Consider the following points:

- The supply chain industry will need to fill about 1.4 million new jobs between 2014 and 2018, according to Fortune.
- Two-thirds of supply chain executives say recruiting senior leadership for the director and senior director levels is difficult. Only 45 percent of supply chain and 40 percent of procurement executives say they are extremely or very confident that their supply chain organizations have the competencies they need today, according to the 2015 Supply Chain Survey by Deloitte Consulting.

Beyond the numbers, it's clear that the right kind of skilled talent is also in short supply as the industry undergoes significant changes and becomes more complex. Given that the state of talent will directly result in missed opportunities, what actions can you take now to recruit the best talent to fill the seats you need

to fill as quickly as possible? Here are four overarching recommendations:

## 1. Monitor the state of your workforce

Make sure that someone in your organization has accountability for your overall workforce exposure as well as the skills to constantly assess your talent risks. That individual also ideally "owns" workforce and succession planning and monitors key metrics, including your retention rate, rate of retirements, and compliance and potential pipelines of new talent by drilling down into the data for each function. Additional responsibilities include monitoring your rewards structure to be sure it is competitive.

The individual in charge of workforce risk assessment ideally should be your HR leader. I've seen this work well in many companies when the HR leader has the skills and the strategic vision to understand how to go about assessing workforce risk. If, however, you do not have this skill set internally, or your HR leader doesn't have time to focus on this challenge, reach outside of your business for expertise to objectively assess your end-to-end

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recruitment strategy within your key locations and markets.

## 2. Enhance your employment brand

Let's face it: The industry has a bit of an image problem. As the Transportation & Logistics 2030 survey by consulting powerhouse PwC states, "Transportation and logistics as a sector isn't viewed as attractive by most job seekers — when it's considered at all. Many transport jobs are considered to be low-paying dead-ends. Higher skilled logistics roles with good pay and advancement potential don't even make the radar screen of many talented graduates." There are dozens of ways, too many to explore in this article, to make your organization a more desirable place to work. By doing so, you will become much more competitive in achieving your hiring goals.

## 3. Allocate adequate budget to Human Resources

Each day that a key position remains unfilled is another day without revenue coming in the door. Sometimes, HR functions are so focused on "saving money" in their recruiting budgets that they fail to realize that frugality can have the opposite effect in terms of opportunity loss. Here's what I've learned from having worked inside supply chain and logistics companies: It's generally far better to fill an open position with the right person than to scrimp on salaries and resources to find those people in order to save a few dollars.

## 4. Hire the right recruiters

Businesses need to ensure that its recruiters are, in fact, capable of finding and assessing the qualifications of the individuals they recruit. It is absolutely critical that those who lead the recruitment function have the right people in place — with the right training — to do their jobs. In any business, the recruiters need to understand the technical

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## A Focus on Education

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educational or otherwise. Please let us hear from you. Contact me at [grutkowski@nasstrac.org](mailto:grutkowski@nasstrac.org) or 312-673-4783.

Let us help you become a hero in your organization by taking advantage of these education opportunities. ●

## Analytics: Getting Past the Hype to Create Value

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contain these data visualization tools to help you deploy the “picture is worth a thousand words” concept.

### Required Organizational Capabilities

Certainly, these three skills will make you more valuable to the organization and they can also make your organization more effective. Analytics allow companies to move beyond the historical data and descriptive analysis that tell you what happened last week, last month or last quarter. That’s good, factual information, but it does not provide future-focused insights to support decision making.

To become more proactive users of data analytics, transportation companies need to pursue three advanced analytical capabilities. The first is diagnostic analytics that are used to understand why results happened or didn’t happen. A doctor uses medical tests to detect why someone is ill, and then identifies a logical remedy. Likewise, your company can diagnose why delivery failures occur, and then choose a corrective response.

Another advanced set of tools called predictive analytics help organizations anticipate what will happen in the future. A meteorologist uses tools to study weather patterns to create tomorrow’s

forecast. Similarly, your company can analyze transportation demand patterns, relationships and causal factors to predict how much service capacity will be required at various times and locations.

Finally, prescriptive analytics help the most innovative companies pursue optimal future performance. Increasingly, professional sports teams use descriptive, diagnostic and predictive analysis results to craft prescriptive game plans. Your company should do the same: Use multiple types of analytical tools to drive network optimization.

Collectively, these analytical tools empower transportation companies to build data-driven models for testing and decision support. The tools also support real-time performance improvement. And, the advanced tools drive the development of novel solutions that promote competitive differentiation.

Analytics are essential to the success of companies across the supply chain and their transportation professionals who manage the flow of freight. The ability to effectively translate terabytes of unstructured data into insight and action leads to greater performance consistency, customer satisfaction and organizational growth. Developing these skills will position you to drive organizational success — and boost your career prospects in the process! ●

## Recruit Better People, Faster

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requirements for all the jobs they recruit for. If you are hiring forecasting and inventory management specialists, for example, your recruiters need to understand what specialized skills, knowledge and experience those roles require within the context of your company. Too often, rookie recruiters tasked with sourcing critical roles actually have little idea of what those jobs entail. Experience really does count!

### As good as your talent

Every industry leader knows that while systems and technology are critical to running your business, you are ultimately only as good as your talent. Your team is the backbone of your reputation and your reputation is what brings in the revenue. That’s why it’s clear that a focus on recruitment is so critical. By taking these four steps, you will be well on the way to improving the quality, quantity and speed of your recruitment. If there ever was a time to act, the time is now. ●

*For more than 25 years, J. James O’Malley has developed talent acquisition solutions to ensure that leadership talent aligns with changing business needs. O’Malley focuses on clients’ executive leadership challenges by leveraging his passions for executive search, on-demand recruiting, workforce planning/analytics and executive coaching. He can be reached at [jimomalley@talentrise.com](mailto:jimomalley@talentrise.com) or 312-878-4104.*

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