



PACIFIC MOUNTAIN
LIMITED LIABILITY COMPANY *Logistics*
ONTARIO, CALIFORNIA 91761

Southern California Association of Governments

Goods Movement Subcommittee Meeting October 29, 2012



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Warehousing Operation Challenges 2012

B.J. Patterson
CEO/President

PACIFIC MOUNTAIN LOGISTICS, LLC

BOARD MEMBER – DISTRIBUTION MANAGEMENT ASSOCIATION



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PACIFIC MOUNTAIN LOGISTICS

A Customer Centric 3PL

With customers ranging from the Fortune 100 to small and medium sized companies, as well as, start-ups.

Third Party Distribution Freight Brokerage Consulting Services



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A very different warehouse





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	<u>1992</u>	<u>2012</u>
▶ Service	Three weeks	Three Hours
▶ Size of Orders	Pallets	Eaches
▶ Information	48 hrs.	48 minutes
▶ Technology	Pick Tickets	Voice Pick



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Impact of E-Commerce





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▶ Warehouse Design

- Fewer loading doors
- Higher clear height
- More employee parking
- GPS, RFID, high speed sortation, sensors, Robotics

▶ Workforce Evolution

- Movement of retail worker to logistics worker beginning
- Logistics worker more productive per sales \$
- Highly trained “Supply Chain Technicians” in demand
- NSF National Center for Supply Chain Technology Education addressing issue



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- ▶ **Growth of the e-commerce market**
 - US Department of Commerce: 2011 e-commerce sales grew 16.1% to \$194.3B in 2011
 - Forester Research: e-commerce now makes up 6% of retail sales growing 10% annually to \$279B by 2015

- ▶ **Multi-Channel Fulfillment- Supply Chain Strategy Evolution**
 - Smaller more frequent orders, less truckload volume
 - Retail direct to residential doorstep skipping bricks & mortar
 - “Click & Collect” orders sent to retailers for customer pick up



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Challenges to Modern Warehouse Operations





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Challenges

- ▶ Labor
 - Trained to handle technology
 - Willing to multi-task
 - Clerical personnel (PC/Communications Skills)
- ▶ Huge investments sophisticated equipment technologies
- ▶ Public perception and impact on Talent Attraction
- ▶ Regulatory environment, AQMD, NIMBY, development lawsuits, taxation, city code variations



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Competition from Panama Canal?

Cost vs. Time vs. Control vs. Reliability
All Water vs. Land Bridge



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Why is this important?

Jobs!



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How much \$\$\$ can I make with a Career in Logistics?

- ▶ Logistics Worker averages \$46,665
- ▶ High School Graduate can earn \$100k within 10 yrs.



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Questions????