DC VELOCITY

BY DC VELOCITY STAFF

THE RAINMAKERS

thoughtleaders

the rainmakers

For our 2011 Rainmakers, success isn't just about fame and fortune. It's also about making a contribution to the logistics field and advancing the profession.

SOME MEASURE SUCCESS BY SALARIES AND TITLES. OTHERS USE A DIFFERENT yardstick altogether. Take the 15 professionals selected as our 2011 Rainmakers, for example. When asked about their proudest professional accomplishments, two spoke of their advocacy work on behalf of green business initiatives. Another mentioned the satisfaction of knowing he had earned—and retained—the respect and friendship of colleagues despite his taking the occasional unpopular stance. Yet another cited his long-term involvement in various professional organizations.

So who are these Rainmakers and how were they chosen? As in the past, *DC Velocity* selected the 2011 Rainmakers in concert with members of the magazine's Editorial Advisory Board from candidates nominated by readers, board members, and previous Rainmakers. This year's selections represent many different facets of the profession: academics, practitioners, military logisticians, consultants, and vendors. But as the profiles on the following pages show, they're united by a common goal of advancing the logistics and supply chain management profession.

If you'd like to nominate someone for our 2012 Rainmakers report, please send your suggestions to *DC Velocity's* editorial director, Peter Bradley, at peter@dcvelocity.com.

Christopher J. Kane

HIS OFFICIAL TITLE IS CHIEF STRATEGY officer for the third-party logistics firm Kane Is Able, but Christopher Kane may be better known as an evangelist. For the past few years, he's been out spreading the gospel of collaborative distribution, a model in which two or more suppliers to the same retailer share distribution resources. For instance, rather than operating their own DCs, the suppliers might centralize their inventories at a warehouse controlled by a third party. The 3PL would then consolidate goods from multiple—often competing—suppliers into full truckloads for shipment to the retailer's warehouse.

The practice is not only a money saver, says Kane, it's also "planet-saving." By sharing loads, companies can improve efficiencies and reduce the number of trucks on the road.

While sharing freight capacity and co-locating inventory are not new concepts, Kane says they haven't gained much traction with those who could benefit the most: small and medium-sized manufacturers that don't have the volume to ship in full truckloads. "Collaborative distribution levels the playing field for mid-tier companies because it allows them to gain scale without size," says Kane.

Q Was there an event or "aha moment" that convinced you of the importance of sharing distribution infrastructure?

A In July 2008, when the price of oil hit $145 a barrel, my phone began to ring. The callers were customers looking for ways to deal with this crippling cost burden. At the same time, I was reading reports from Capgemini and others on the "supply chain of the future" and the potential for collaborative strategies. So I started exploring how supply chain collaboration could be applied to consumer packaged goods (CPG) distribution—a prime focus of my company.

The numbers told the story. There were staggering benefits to be gained if we looked beyond incremental changes to the current model and moved to a new model for CPG product distribution—one based on companies' sharing a common infrastructure. They say necessity is the mother of invention. It was really our customers' pain that drove us down this path.

Q Say a company is interested in starting down the path of collaborative distribution. What's a good first step?

A Start by asking yourself some key questions. First, what do you want to gain from collaborative distribution? Keep in mind that your company might be a better candidate for this than you think. For instance, we've brought together companies, one with heavy freight and another with lightweight freight, to consolidate loads in order to economically cube out trailers.

The second question is, is your organization comfortable with the idea of a collective distribution strategy where control is shared? Success in collaborative distribution requires cooperation, data sharing, and trust—with retailer partners and with fellow manufacturers, even competitors.

The third question is, are you willing to commit resources to make it work? Collaborative distribution is not a push-button strategy. It involves process change, which means it will take people and time to work out the details.

Q How is collaborative distribution different from freight consolidation?

A The key difference is that collaborative distribution seeks to drive the collaboration upstream in the supply chain. Manufacturers need to store goods with other companies, perhaps even competitors. Retailers need to coordinate purchases so that orders from multiple buyers arrive on the same day in full truckloads of blended goods.

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