

# Supply Chain Innovation & Outsourcing Trends

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- + About C.H. Robinson Worldwide, Inc.
- + Transportation market conditions and the supply chain
- + Critical Supply Chain Issues
- + Innovation is Imperative
- + Supply Chain Innovation
- + Outsourcing @ Its Best
- + Q/A

- + Global 3PL & technology leader
- + 100+ years of industry expertise
- + Worldwide network of over 235 offices
- + 7.5M shipments across the full spectrum of transportation modes
- + 35,000 customers in a wide range of sizes and industries
- + 47,000 qualified contract carriers
- + Publicly owned and traded on NASDAQ (Symbol: CHRW)



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# What did the recession expose?

- + Transportation market conditions and the role it plays on your supply chain:
- + Pricing
- + Capacity
- + Right Size
- + **The supply chain...**
- + Firm yet adjustable
- + Robust with execution
- + Examine it
- + Challenge it

# What did the recession expose?

## +Intermodal / Rail

- + On time
- + Capacity
- + Flexibility



## +Over the Road

- + On time
- + Capacity
- + Pricing
- + Seasonality / National Disasters



- + Flexibility with Down Size Insulation
- + Capacity with knowledge
- + Flexibility with commitment

- + **SERVICES –**
- + **Savings** – sustainable savings rather than short term
- + **Expertise** – importance of having or working with global supply chain experts
- + **Responsiveness** – ability to capitalize on changing market circumstances
- + **Visibility** – reluctance to spend on IT, training
- + **Integrity** – safety, security, brand enhancement & IP protection
- + **Compliance** – risk mitigation, protection of information
- + **Empowerment** – enabling your providers to perform to your expectations
- + **Sustainability** – fulfilling “green” initiatives throughout the supply chain

- + Outsourcing
- + Creativity
- + Disruptive Technology
- + Continuous Improvement
- + Innovation
- + Core Competency

- + *Innovation* – noun
    - + something new or different introduced: **numerous innovations in the high-school curriculum.**
    - + the act of innovating; introduction of new things or methods.
  - + Innovation – verb
    - + **verb (used without object)**
    - + to introduce something new; make changes in anything established. – **verb (used with object)**
    - + to introduce (something new) for or as if for the first time: **to innovate a computer operating system**
- Dictionary.com

- + The importance of innovation for most is obvious, but the path is unclear
- + How much time do you as an executive spend on “innovation”?
- + How much of a priority does your organization make to innovation?
- + How much of your company’s value-add and success depends on innovation?

- + It is hard work with variable results
- + How to handle implementation?
- + Who “owns” innovation for you?
- + Innovative approaches usually require “spanning” multiple functions
- + Few people have innovation “credentials”
- + “Voice of the Customer” connection

- + Many possibilities – most supply chain configurations are new and emerging
- + Emotional barriers still exist – NIH, trust
- + Innovation is creating intellectual property; who owns it, who benefits
- + Organizations address culture fit, but rarely consider alignment on innovation
- + How do you measure innovation ability?

- + Address the issue in RFIs/RFPs
- + Identify those areas in your organization where innovation is needed and welcome
- + Establish a process to generate innovation
- + Assign innovation as a responsibility to a senior leader who can get traction
- + Encourage risk-taking, creativity, and 1<sup>st</sup> time mistakes as learning opportunities

- + Converts many fixed costs to variable
- + Engages resources to establish competitive advantage
- + The core competency question
- + The realities of competition
- + Supply chain and the price of defense
- + Solves “career path” “non-core” concerns

Thank You