

The Piedmont Triad Aerotropolis

The East Coast Center for Global Logistics




This "thing" called Logistics

What is "Logistics", why is it "the" most critical function in business today?

Why should students be exposed to the career opportunities in "logistics"?

What is this "logistics" stuff anyway?




"Logistics professionals manage and coordinate activities in this global pipeline to ensure an effective and efficient flow of materials and information from the time a need arises until it is satisfied and beyond."

"Organizations spend over \$1.4 trillion on logistics each year. Up from \$678 billion in 1990. That is nearly five times the combined annual revenues of General Motors, IBM and Procter & Gamble. Worldwide, more than \$2.1 trillion is spent annually on logistics and the amount will grow with the continued expansion of the global marketplace."

"55-60% Of A Companies Bottom Line Are Spent On Logistics And Supply Chain Issues. Within The next 10 years Over 70% Will Be Controlled By Logistics And Supply Chain Divisions."

"A reduction of just 5% in total distribution cost can have the same profit impact as a 30% increase in sales."



Logistics and Distribution

"Logistics is the universal thread or "pipeline" that plans and coordinates the delivery of products and services to customers all over the world."





Logistics and Distribution

Logistics – the second largest employment sector in the United States – offers excellent salaries, opens doors, and provides advancement opportunities to the prospective manager. Logistics managers are in such great demand that both US News and World Report Career Guide and Working Women magazine have cited logistics as a hot career track.

Dispatcher.....24k – 35k	Freight & Cargo Inspectors.....42k – 63k
Expediting Coordinator.....27k – 44k	Storage & Distribution Mgrs.....47k – 83k
Material Moving Supervisors.....28k – 45k	International Logistics Mgrs.....49k – 100k
Freight Analyst.....28k – 52k	Inventory Planning & Control Mgrs.....46k – 105k
Transportation Coordinator.....29k – 43k	Transportation Mgrs.....46k – 111k
Cargo & Freight Agents.....30k – 43k	Director of Logistics.....85k – 221k
Customer Service Mgrs.....35k – 70k	VP of Logistics.....165k – 450k

"Of all the major sectors of our economy, transportation and logistics offer the highest paid jobs in the nation." Rodney Slater, US Secretary of Transportation




Logistics and Distribution

Key Skills

- Science – Physics
- Math - Analytics
- Technology – Systems, Software
- Geography
- English – Writing, Languages
- History – Cultures

Soft Skills

- Teamwork
- Telephone Etiquette
- Interpersonal Relationships
- Decision Making
- Negotiating/Influencing
- Flexibility
- Attention to Detail
- Work Ethic
- Change/Project Management
- Meeting Deadlines
- Conflict management
- Presentation Skills
- Generational Differences
- Communication
- Attendance



Logistics & Distribution Sectors

(3PL) Third Party Logistics	Rail Road
(3PL) Third Party Logistics Mega Carrier	Security / Law Enforcement
Air Freight	Trucking – General
Banking	Trucking – 3PL – Warehousing
Courier	Trucking – 3PL
Federal Government	Trucking – HHG
Heavy Haul / Heavy Lift	Trucking – Multi
Information Technology	Trucking – Reefer
Land Planning	Trucking – Tank HazMat
Legal	Trucking – Furniture
Manufacturing / Distributing	Warehousing
Ocean Freight	Warehousing – Distribution
Packaging	Warehousing – 3PL
Port Authority (Ocean)	Warehousing – Reefer
Publishing / Distributing	Warehousing – HHG
	You name it, we got it.....



Piedmont Triad Region Logistics & Supply Chain



Piedmont Triad Partnership Initiatives

PTP's U.S. Department of Labor **Workforce Innovation in Regional Economic Development (WIRED) Grant**

- Focused on **regional economic transformation** by (i) identifying and leveraging unique competencies and (ii) aligning economic and workforce development at regional level for global competitive advantage
- Piedmont Triad proposal highlighted **four industry clusters** where significant employment growth was projected: advanced manufacturing, creative enterprises and the arts, health care, and **logistics and distribution**
- Piedmont Triad proposal also contained strategies to **engage regional leaders** to identify and support regional initiatives to **reverse region's economic decline**; **Furnishings, Life Sciences and Global Logistics** are identified as three world-class differentiating regional strengths
- **Global Logistics Task Force** was created to evaluate the Piedmont Triad's global logistics cluster; UNC-Chapel Hill professor Jack Kasarda was hired to assist in the evaluation



Why Logistics & Distribution?

- Multimodal Transportation advantages
- Major current distribution facilities and growing
- 23% projected increase in Logistics jobs in NC 2007-2017
- One of top 25 fastest growing industries in NC
- 11 Colleges and Universities, 9 Community Colleges all looking at logistics curriculums
- FedEx Air & Ground Hub
- Extensive current and growing highway system
- Strategic location in the Atlantic Coast area





Piedmont Triad Region's Key Assets

Location

- Midway Between NY and Florida; Between Atlanta and Washington DC
- Over 1/2 of US Population Within 650 Miles
- 70% of US Population Within 2 Days By Truck
- Within 5 hours of 3 major US East Coast Ports

Infrastructure

- 5 Interstate Highways
- FedEx Mid-Atlantic Hub
- Major transportation/logistics companies (Old Dominion, FedEx Ground, UPS, USPS, New Breed, others)

Piedmont Triad Region's Key Assets, cont.

Piedmont Triad Airports

- Piedmont Triad International Airport
- Smith Reynolds Airport
- Other Regional Airport Assets

Workforce

- Workforce of over 800,000
- Significant workforce experience in manufacturing, transportation, distribution, and logistics

Education

- Eleven 4-year colleges and universities
- 9 community colleges
- 17 Public School Systems
- Most College's have curricula and degree programs in complementary fields
- New Center for Global Logistics (consortium of 2-year and 4-year higher education institutions let by Guilford Technical Community College)



Piedmont Triad Region's Aerotropolis Initiative



Aerotropolis, Airport City, & Regional Cluster

Aerotropolis

- Derives from the Greek term Polis, or city-state
- A term to describe a **region** whose economy is directly and significantly connected to its airport through airport-linked businesses and industry clusters
- Key is collaborative regional infrastructure/land use planning to maximize economic return on investment and aesthetic standards and avoid haphazard development

Airport City

- Densely concentrated economic activity proximate to and directly interconnected with an airport, with multiple land uses similar to that seen in a municipality
- Development can include office, manufacturing, distribution, retail, convention, entertainment, hospitality, recreation, and other types of land uses

Transportation, Logistics and Distribution Cluster

- The network of interconnected enterprises in the 12-county region that support the Piedmont Triad's differentiating world-class competencies in the manufacture and movement of goods to and from East Coast markets




Vision

The Piedmont Triad Aerotropolis is a **regional** economic development initiative to **create jobs and investment** in the Piedmont Triad and across the state of N.C. by (i) leveraging the region's world-class logistics competencies and assets, and (ii) positioning and branding the **Piedmont Triad as the Center for Global Logistics on the United States East Coast.**



Context for Aerotropolis Vision


- Piedmont Triad's legacy strengths as manufacturing, transportation and logistics center for companies manufacturing and distributing products to East Coast markets
- FedEx 1998 announcement selecting the Piedmont Triad for Mid-Atlantic hub positions the region as a potential Aerotropolis
- Other regional transportation assets (e.g. UPS and U.S. Postal Service distribution center, major transportation companies, 3PL's, distribution centers and other logistics companies)



First Kasarda Report—Logistics Can Drive Economy


Leveraging Piedmont Triad International Airport and other Regional Assets for Piedmont Triad Regional Competitive Advantage (June 2007)

"Given the Piedmont Triad's logistics and other assets to be soon reinforced by the FedEx Mid-Atlantic hub, the Region has a propitious opportunity to create a world-class, differentiating competency in multi-modal air logistics that can strengthen its traditional manufacturing economy and attract new economy industries such as microelectronics, pharmaceuticals, medical devices, and aerospace equipment. Indeed, the Piedmont Triad's confluence of location, interstate highways, PTI and its new FedEx hub provide the Region competitive advantage that can help brand the Piedmont Triad nationally and globally in the same way that RTP and research have branded the Raleigh-Durham-Chapel Hill area and financial services have branded Charlotte. **Beyond branding, the Piedmont Triad's combination of logistics assets give the Region true economic advantage (its unique selling proposition) that can have the potential to drive the creation of tens of thousands of new jobs across the entire 12-county region.**"



First Kasarda Report, cont.—Collaboration Critical

"This will not likely happen, however, under the present city-county centric planning and action paradigm that predominates in the Piedmont Triad Region. **To compete nationally and globally, all jurisdictions in the Piedmont Triad must work together as a unified entity reflecting the reality that the Region is, in fact, a single market economy. This involves planning, developing and marketing the Region as a whole to create integrated multi-modal infrastructure and economies of scale, and to coordinate actions to maximize the regional brand and long-term benefits to individual jurisdictions.** For example, without established protocols between jurisdictions, companies choosing to locate in the Piedmont Triad will likely continue to play the cities/counties off one another to the detriment of the local jurisdictions, their tax bases, and ultimately their citizens."



First Kasarda Report, cont.—Collaboration Critical

"In point of fact, there is little doubt that an Aeropolis in some form will emerge and grow around PTI. The critical question is: will it emerge and grow in an intelligent manner so that development is economically efficient, aesthetically pleasing, and environmentally sustainable, bringing jobs and an improved quality of life to residents of the entire Piedmont Triad Region? Or will it emerge and grow in a spontaneous, haphazard, unsightly, and ultimately unsustainable manner as has occurred around so many commercial airports in the U.S. to date, which will substantially impede the potential benefits not only to areas proximate to PTI but to the entire region?"



Second Kasarda Report

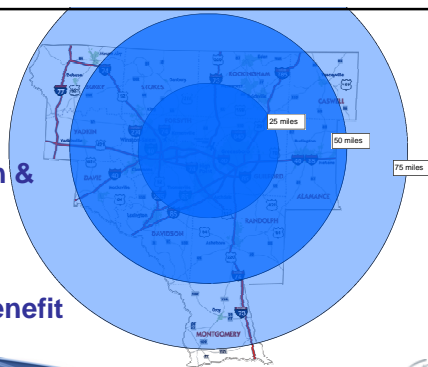
The Piedmont Triad Aeropolis Plan: From Guidelines to Implementation (August 2008)

Key Conclusions

- The Piedmont Triad **possesses all the ingredients for a world-class Aeropolis:** location, multimodal infrastructure; integrated telecommunications; commercial support and knowledge support.
- Aeropolis development **will complement and not compete with downtown development or needed development in other parts of the Piedmont Triad region.**
- **Airport planning, urban planning** (including regional infrastructure planning), and business site planning **must be integrated.** They cannot be done independently of each other.
- The **ultimate objective** is to make the **Piedmont Triad Region Airport City** and the greater **Piedmont Triad Region Aeropolis** economically efficient, aesthetically pleasing and environmentally and socially sustainable.



The Entire Region & State Will Benefit



Supporting Regional Organizations

Piedmont Triad Partnership

- Piedmont Triad Partnership Aeropolis Leadership Board provides coordination, facilitation, direction and oversight
- PTP coordinates regional branding and marketing

Piedmont Triad Center for Global Logistics

- Collaboration of regional 2-year and 4-year higher education institutions to provide education and training resources for logistics and distribution cluster (employers, workers and students)

Piedmont Authority for Regional Transportation

- Coordinates regional transportation planning

Piedmont Triad Airport Authority

- Plans and implements "inside the fence" facilities/improvements and interface with neighboring jurisdictions (Guilford County, Forsyth County)

Smith Reynolds Airport (Airport Commission of Forsyth County)

- Plans and implements "inside the fence" facilities/improvements and interface with neighboring jurisdictions (Forsyth County)

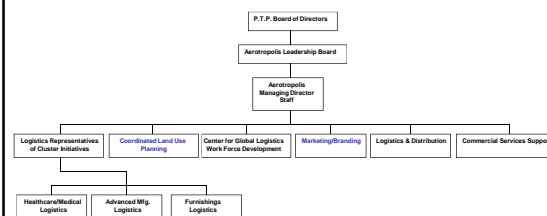


Stakeholders Critical to Aeropolis Success

- Elected officials (federal, state, and local)
- Land use and transportation planners and developers
- Economic development and Chambers of Commerce allies
- Educators
- Work Force Development Boards
- Service providers (e.g. financial, legal, real estate)
- Industry representatives (e.g. manufacturers, distributors, 3PL's, trucking, rail, port)
- General public
- Students
- Piedmont Triad airports (e.g. PTI, Smith Reynolds, Burlington, Lexington)
- Media
- Other Piedmont Triad cluster participants: advanced manufacturing, creative enterprises/arts, furnishings, health care



Piedmont Triad Aeropolis Board Basic Organization Chart



So...



To Reiterate;

55-60% Of A Companies Bottom Line Are Spent On Logistics And Supply Chain Issues. Within The next 10 years Over 70% Will Be Controlled By Logistics And Supply Chain Divisions.

Questions?

