Issue 12 | 2017

March

RUSCA & SUPPLY CHAIN

Rutgers University Supply Chain Association

Catering to Our Consumption

End customers drive supply chains: their needs and wants dictate how companies formulate their strategies and run their operations. Being able to satisfy these desires efficiently and effectively involve many challenges. In this issue, our articles discuss how events in the food industry, international trade and manufacturing, and e-commerce logistics are impacting how supply chains are serving the end customer. In addition, please find more information below on upcoming events and General Meetings that RUSCA will be hosting this semester.

RUSCA is now corporately sponsored by J.B. Hunt!

For RUSCA-specific events, see page 10

For previous newsletter editions, visit
http://rutgersrusca.weebly.com/newsletter.html

Jessica Lee | Editor

Newsletter Formatted by:
Michelle Fu

Event Recap: General Meeting - Professional Workshop

During our first General Interest Meeting of the semester, RUSCA VP Maya Chacko held a Professionalism Workshop that covered creating an elevator speech, networking at career fairs, and following-up after career fairs and interviews. A resume critique was held after the presentation. Below is a recap of some of the tips that were provided at the meeting:

CREATING AN ELEVATOR SPEECH

What is an elevator speech?

A conversation, or an ice breaker, that can lead into a deeper dialogue about the functionality and speciality of what you and the company can offer. It's an overview of your knowledge, skills, and accomplishments.

How long should it be?

The key to an elevator pitch is length: the pitch should last as long as a typical elevator ride, or about 30 seconds. A longer pitch risks losing your audience's attention, while a shorter one may leave out important details.

What should be included?

- Introduce yourself: name, university, year, and major
- Background information: past work experiences, interests
- Skills you have gained from these experiences and relate it back to what you can offer the company

NETWORKING AT CAREER FAIRS

Before

- Research your target employers ahead of time
- Make a list of questions you want to ask your target employers
- Update your resume to make it relevant to your target employers

During

- Always shake hands, make eye contact, and smile!
- Demonstrate enthusiasm, confidence, and interest
- Introduce yourself briefly and professionally

• Ask the questions you have prepared
• Listen attentively, take notes if needed, and ask for business cards and brochures
• Always thank employer representatives for their time
• Ask for their contact information

After

• Send thank you notes to representatives at your target companies

FOLLOWING-UP

• Email the recruiters the same afternoon or the next morning
• Subject line should be a simple "Thank You"
• Start your email with "Hello" and end with "Best Regards" or "Sincerely"
• Keep it to the point!
• Make it personal: bring up something you talked about while networking
• Make sure you have an email signature

RESUME CRITIQUES

• Start off descriptions with power words
• Highlight only the most relevant experiences and skills
• Quantify your experiences with numbers
• Use short but descriptive bullet points
• Keep your resume reverse chronological
• Keep it one-page, one-sided
• Do not use personal pronouns
• Save your resume as a .PDF

What are some power words I can use?

Accelerated	Accomplished	Achieved	Analyzed
Co-authored	Collaborated	Conceptualized	Consolidated
Coordinated	Created	Delivered	Demonstrated
Designed	Developed	Directed	Drove
Eliminated	Engineered	Ensured	Established
Executed	Facilitated	Formulated	Generated
Identified	Implemented	Initiated	Instituted
Instructed	Introduced	Jump-started	Launched
Maintained	Managed	Maximized	Minimized
Motivated	Orchestrated	Oversaw	Pioneered
Redesigned	Reduced	Restructured	Secured
Shaped	Simplified	Spearheaded	Strengthened
Targed	Upgraded		

For more information on our General Meetings, see **RUSCA Events** of this Newsletter for more details. We hope to see you there!

Please reach out to RUSCA if you have any questions at **rusca.rbs@gmail.com**.

Organic: the Present and Future of Foods

BY: CHRIS DOYLE

The world's industrial food giants are at crossroads. As Nestle CEO, Mark Schneider, recently stated, deflationary trends and fundamental shifts in consumer food preference have left the company and many others scrambling for ways to stay relevant and boost sales.

One major shift in food preference has been the organic foods movement: a movement that has steadily gained ground on the more prevalent processed foods. While a large share of today's organic market deals with fruits and vegetables, organic snacks and packaged foods have shown consistent sales growth and staying power. In 2015, sales of organic snacks were \$2.3 billion, "more than triple the level of just 10 years ago," while 2015 sales were "up almost 14% from 2014" (OTA).

Such trends have not gone unnoticed by the large industrial food conglomerates, and neither have the estimated \$18 billion loss in market share among these larger food corporations to smaller competitors according to CircleUp, a company specializing in connecting private equity firms with food startups (Gasparro, Startups). Organic foods are the real deal. In fact Kellogg's has been acquiring organic foods companies for some time, most notably, Kashi, back in 2000. At first, Kashi continued to operate independently in La Jolla, California. However, in 2008, Kellogg made moves to further integrate Kashi into their larger operations by moving the company to their Battle Creek, Michigan headquarters and introducing GMO and non-organic ingredients into Kashi products to envelope Kashi into Kellogg's existing channels, markets and products. This decision made "it difficult for Kashi to keep pace with rivals and [reduced] its ability to understand what customers wanted". By 2013, Kashi experienced a 21% decline in revenue, leading Kellogg to move Kashi back out to California and grant them operating independence again (Krigsman).

The trials and error Kellogg went through with Kashi is a stark reminder to fellow food conglomerates that they must adapt to the fundamental changes in the industry and not the other way around. As Founder and CEO of CircleUp, Ryan Caldbeck, said, "it's hard…to step out of what they've been locked into for 60 or 80 years" (Gasparro, Startups). That lesson gained from their experience with Kashi is especially pertinent with Kellogg's venture-capital fund, Eighteen94 Capital, investing \$4.2million into Kuli Kuli, a company serving up organic, moringa-based snacks made from a type of tree found in Asia, Latin America, and Africa. Similarly, General Mills' venture-capital fund, 301 Inc., is investing \$6 million, on top of a \$3 million investment one year

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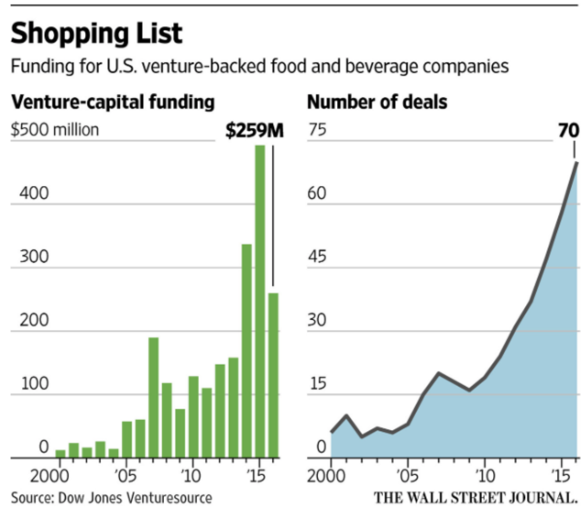
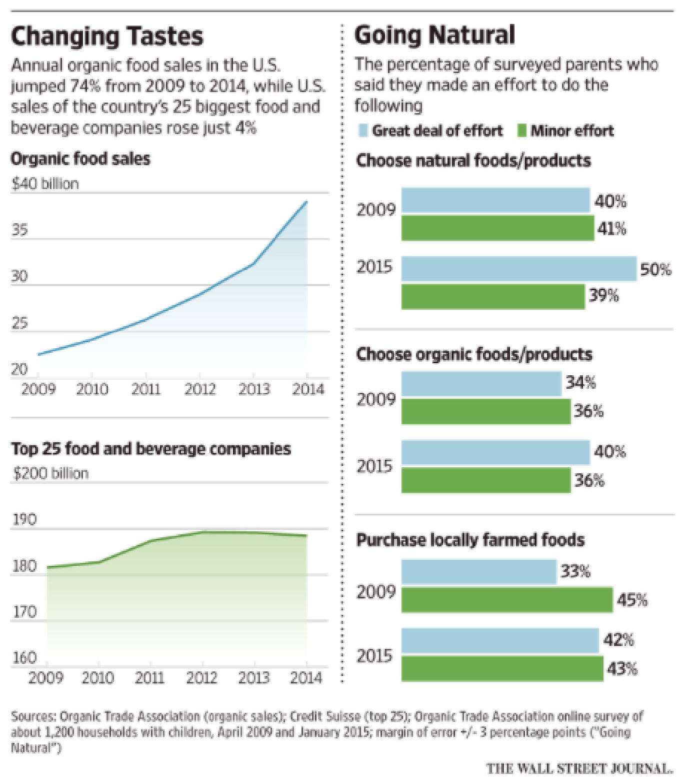
"One major shift in food preference has been the organic foods movement: a movement that has steadily gained ground on the more prevalent processed foods."

ago, into Rhythm Superfoods, the maker of organic kale chips and broccoli bites in flavors such as "zesty nacho" and "garden ranch."

Kellogg and General Mills are not alone with Campbell Soup and Tyson dedicating a total $275 million into their respective in-house venture funds. Companies are looking elsewhere as the market becomes highly competitive and saturated, low inflation keeps prices down, and the aforementioned shift in consumer preferences continues to hinder sales growth. Such conditions prompted Kraft Heinz to submit, before withdrawing 48 hours later, a $143 billion bid for Unilever, viewing it as an opportunity to expand Kraft products outside the United States from which 70% of its sales originates (Chaudhuri, Gasparro and Steele).



"These large food companies have two choices: buy or build (Gasparro, Fresher Rivals). Either buy the competition and invest in the subsidiaries making the products customers want, or build existing products to fit current demand…"



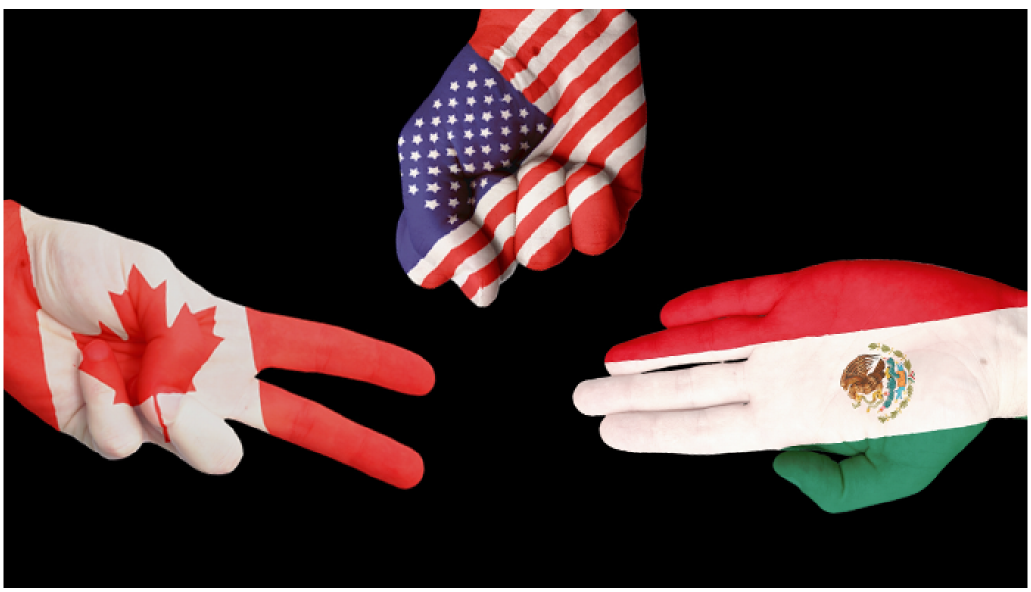
These large food companies have two choices: buy or build (Gasparro, Fresher Rivals). Either buy the competition and invest in the subsidiaries making the products customers want, or build existing products to fit current demand, as Kraft Heinz did in removing artificial coloring from its mac-and-cheese meals and introducing a greater variety of ingredients. These decisions should not be exclusively finance-driven, but instead should prioritize embracing the paradigm shift that small and dynamic organic food companies have successfully adapted to. When companies do so, financial returns and company growth will ultimately follow.

Trump on NAFTA: Not A Fair-Trade Agreement

BY: BRANDON DALEY

What would happen in a world with fewer vegetables lining grocery stores? With college students cutting down on coffee? With children sporting T-shirts that have been tagged domestically? These changes may be subtle, but this is a world without NAFTA, or the North American Free Trade Agreement, and it is a world Donald Trump seeks to employ.

Upon taking the oath of office, our 45th President has expressed the need to tweak the contingencies of the long-standing accord. But why would he need to do so? NAFTA has been family for twenty-two years. In that time, it has brought better cohesion among the United States, Mexico, and Canada by heartening cross-border relations that allow trade to flow easily. As a testament, trade between these countries has increased 267%, from $291 billion dollars in 1993 to $1.1 trillion during the past calendar year (Rio Grande Guardian). Offshoring supply chain responsibilities to these countries has also provided employment opportunities: the agreement has stimulated 14 million jobs of cheaper labor without experiencing major efficiency losses (U.S. News). Despite these benefits, however, it appears President Trump is opposing NAFTA on the basis of "Making America Great Again."



Trump's quarrels against NAFTA revolve around Mexico. On January 26th, the sitting President tweeted that our $60-billion-dollar trade deficit had been "one-sided" from the beginning (Markets Insider). Our friends on the border were taking advantage of us. Now, the question is, what does he plan to do about it?

First, President Trump would require Mexico to end its value-added tax (VAT), because this tax perpetuates the cycle of outsourcing to Mexico (The Balance). The VAT tax is a federal sales tax imposed on transactions to other countries' firms or consumers. It works as a one-way stream, meaning it is only levied when other countries export to Mexico. Thus, if American companies

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"His plans to then use these taxes to fund construction of a wall, which is questionable in its ability to halt drug trafficking, illegal immigration, and potential "bad hombres", is unprecedented."

were to outsource business operations to south of the U.S.- Mexican border and were to sell goods to Mexico, they would be pardoned with no tax, which is the exact thing Trump is trying to avoid.

Second, the President would see an end to the Maquiladora Program. A Maquiladora is a factory in Mexico that is run by a foreign company and manufactures goods and exports them to the company's country. The Maquiladora Program was created in 1965 with the intent of providing cheap labor for American businesses and boosting Mexican employment (TeamNAFTA). American businesses can run factories in Mexico at cheaper costs and export these goods back to the U.S. Given the aforementioned VAT tax, what upsets Trump most is the fact that these exports are entirely free.

So far, the President has rooted small, yet powerful movements. For instance, on January 3rd, President Trump called out General Motors for shipping parts to Maquiladoras in exchange for finished products of the latest Chevy Cruze. Ford, in fact, was planning construction on a new $1.6-billion-dollar factory on Mexican soil, but quickly altered plans upon hearing the President's threats: "Make in U.S.A or pay big border tax!" Several hours later, Ford CEO Mark Fields invested $700 million dollars into one of its Michigan plants, the biggest benefactor being domestic workers and 700 new American jobs (Duggan).


Donald J. Trump
@realDonaldTrump
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General Motors is sending Mexican made model of Chevy Cruze to U.S. car dealers-tax free across border. Make in U.S.A.or pay big border tax!

6:30 AM - 3 Jan 2017

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While such a move back into the U.S. can boost employment opportunities for Americans, it is important to note that not all American businesses currently have the supply chain capabilities to redirect operations back into the U.S. And although American businesses will have to adapt their supply chain strategies, Trump's plans to charge a 20% tax on Mexican imports violates the soul of the North American Free Trade Agreement: fair play (Forbes). His plans to then use these taxes to fund construction of a wall, which is questionable in its ability to halt drug trafficking, illegal immigration, and potential "bad hombres", is unprecedented. By fully implementing these actions, the U.S. would lose a major trading ally. And if Mexico refuses to pay, it would be indirect contributions from U.S consumers that pay for the wall. Truth be told, Trump's actions will not "Make America Great Again," and I hope he is aware of that.

XPO Logistics: A Success Story in the E-Commerce Era

BY: MIRANDA WEI

XPO Logistics reported strong financial standing for the year 2016. The company suffered from loss in 2015 but it has been profitable for three consecutive quarters now, with revenues rising by 10% to $3.68 billion . In addition, XPO has made several big strategic moves in the last few years, including acquisition of other logistics companies and targeting large retailers with rising online sales (Smith). What makes XPO successful and stand out from its competitors? Chief Executive Bradley Jacobs gave readers some hints.

XPOLogistics

First, the company takes advantage of the tailwinds of e-commerce through providing tailored service to clients that have emergent needs in online sales delivery. There is a surge of demand for door-to-door delivery because of the rapid growth of e-commerce. XPO's specialization in freight brokerage, warehouse management, less-than-truckload delivery helps to attain clients, like IKEA and Zara, who are developing their online sales segment. Plus, the company aims at enhancing end-customer experience with home delivery and excels in last-mile logistics for heavy goods. For example, Mr. Jacobs mentioned that "…XPO has a large 'white glove' delivery service specializing in bulky and heavy items, such as furniture, which consumers are increasingly purchasing online" (Smith).

Second, cross-selling has been the driving force of XPO's revenue. "The company, which has made a series of high-profile acquisitions in recent years that include trucking companies in Europe and the U.S., said the cross-selling of new services to existing clients is contributed to 10% of its revenue growth in its most recent quarter" (Chao).

Third, the company worked on improving its performance through increasing operative efficiency and generating more cash. Mr. Jacobs attributed

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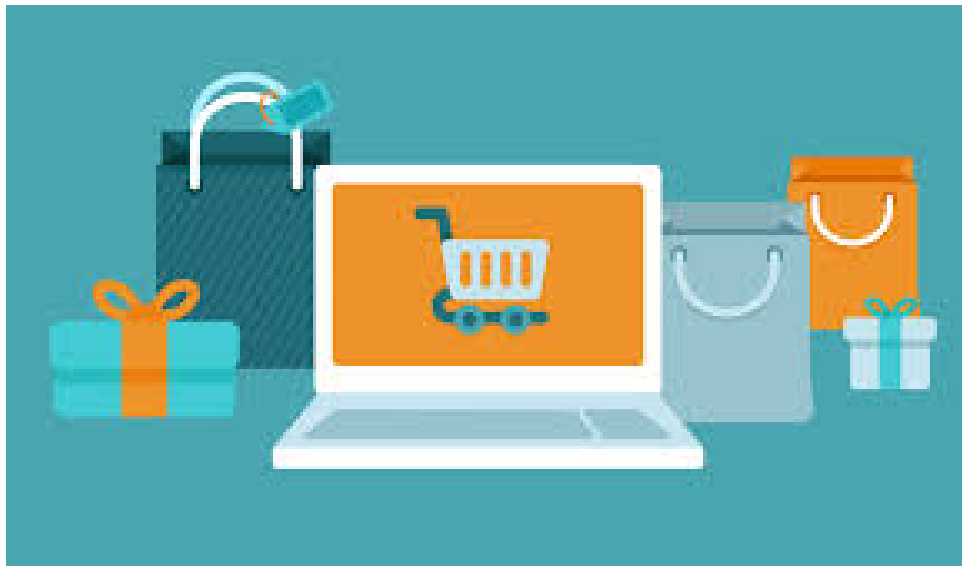
"XPO's specialization in freight brokerage, warehouse management, less-than-truckload delivery helps to attain clients, like IKEA and Zara, who are developing their online sales segment."

XPO's success in part to both cost cutting and savings from automation in several areas.

The XPO case is cheerful for the logistics industry. However, readers should be aware that transportation companies are facing serious challenges, one of which is from the fast-growing e-commerce market. It's shown that "for Q4 2016, $109.3 billion was spent online, marking an 18% increase versus the same quarter in 2015" ("E-commerce"). Consumers demand convenience and they want products to be delivered quickly to their doors. Hence, "the rise of e-commerce, which has up-ended the delivery expectations of virtually every product-centric industry, manufacturers now live in the same environment that their retail customers have long toiled in–the world of 'get it to me now, or I'll take my business elsewhere'" ("Self-driving"). Home delivery sets higher standards for trucking companies compared to the traditional way of warehouse-store delivery.



"The XPO case is cheerful for the logistics industry. However, readers should be aware that transportation companies are facing serious challenges, one of which is from the fast-growing e-commerce market."

These challenges also bring great opportunities. Logistics companies are pushed to streamline processes and increase efficiency. They seek help from advanced technologies to improve service level and create value for clients. For instance, Markus Voss, COO and CIO of DHL Supply Chain, stated that"spending on connected logistics solutions is expected to more than double between now and 2020, and many logistics providers, including Deutsche Post DHL Group, have already begun to explore internet of things[, or IoT,] applications in their supply chains, including everything from enhanced asset tracking to driverless delivery vehicles" ("DHL"). This big logistic corporation has entered into a partnership with Huawei in some important IoT technology projects.

In general, under the pressure of growing demands and higher expectations, logistics firms must create innovative solutions and implement profound strategies in order to compete in the market, one in which players much constantly adapt and evolve to maintain the relevancy of their supply chains.

RUSCA EVENTS

The following are events that RUSCA will be hosting in March, as well as the General Meeting schedule.

Upcoming Events for March and April:

3/23: Growing Our Business
With: Phi Chi Theta
Econ Society
Theta Tau
Industrial Engineering

3/25: Microsoft Excel Program Start Date

4/8: RBS Open House

4/12: United Nations Site Visit

General Meeting Schedule:

Every other Monday, 9:30pm
at Livingston Campus - Tillet Hall Room 103B

3/27: SCM Case Competition Workshop

4/10: Scheduling Advice:

4/24: Green Sustainability in Supply Chain

RUSCA's Mission Statement:

To inspire our RBS students into learning more about Supply Chain Management and its opportunities, as well as to serve as an inter-medi- ary organization on behalf of the RBS student and support the student in the pursuit of a successful internship, co-op, or full-time offer, most especially for our Supply Chain majors.

Want to know more and stay up to date with RUSCA events?

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