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October

RUSCA & SUPPLY CHAIN

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Rutgers University Supply Chain Association



RUSCA

Rutgers University Supply Chain Association



Shaping the world's future Supply Chain leaders

What is RUSCA?

RUSCA or the Rutgers University Supply Chain Association is the main Supply Chain Management organization at Rutgers-New Brunswick. The organization was founded six years ago and is entirely student-run with the counsel and mentorship of Professor Eugene Spiegle. RUSCA hosts information sessions, site visits, and case competitions with companies. Just this year, RUSCA has added to its vast schedule some fundraising events, a mentorship program, and last but not least, our newsletter.

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“600 million pounds of candy is estimated to be bought this year...

How does it get there?”



Supply Chain: Far from Shallow on Halloween

By: Brandon Daley (RU Class of 2019)

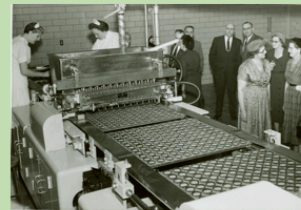


It is that time of year again. October means Halloween and Halloween means a dedicated supply chain of candy. Each year, millions of Reese's peanut butter cups and chocolate M and M's are placed into the pillowcases of children worldwide. An estimated 600 million pounds of candy is estimated to be bought this year in the coming weeks leading up to America's spookiest holiday (CS Monitor). But how exactly does it get there? And by what means? The steps are more complicated than what meets the eye.

1. IT'S ALL IN THE INGREDIENTS



2. PIT STOP AT THE FACTORY



4. CLEARING THE SHELVES



3. STORED AT STORES



Picture Sources:

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1. It's All in the Ingredients

To get an idea of where candy comes from, it's best to look at the ingredients. Take Reese's, for instance. Reese's is composed, among other things, of chocolate, peanut butter, sugar, and salt. But if you look even closer the chocolate can be broken down into cocoa, and then even further into cocoa beans. These cocoa beans are commonly exported from countries like Ghana and regions like south Asia (Cadbury). The milk solids from chocolates also come from cows. The peanuts from the peanut butter are commonly acquired from Peru or Brazil. On the surface, candy may seem

very simple, but if you crack it open, the details are ultimately more intricate than anticipated. In order to ensure the continuous supply of these raw materials, scrupulous management of supplier relationships is required, whether regional or global. Strong relationships ensure a continuous supply on the back end as well as a competitive advantage over others.

2. Pit Stop at the Factory

The factory is where the real magic happens. For Reese's, milk is first taken out of milk tanks by workers later to be combined with sugar. Next, the milk is pasteurized to make it thicker once it is combined. Then, the workers combine the peanut butter with chocolate (including the milk and sugar) after they harden the chocolate (YouTube). Finally, the chocolate is packaged and stored away later to be shipped off by the Hershey Company. It is very easy to miss some of these steps, but they are undoubtedly critical to fulfilling our satisfaction come October 31st.

3. Stored at Stores

Companies are under contract to sell the goods (in this case candy) of another company. This is how both the supermarket and the candy company both come out on top. The candy is delivered via truck or plane depending on location to various supermarkets worldwide, big and small. These places range from behemoths like Wegman's to small establishments like Seven Eleven. Regardless of the store, this candy needs to be stored and there is no better outlet than a supermarket.

4. Clearing the Shelves

At the final stage, consumers flock the store to purchase their favorite Halloween treats, not just to give out to little kids, but also to hoard for themselves. After all, when did a little candy corn do any harm? At this point, once the candy is purchased and transferred into the hands of the consumer, the process is done and the supply chain's objective is complete.

What Does Lenovo Group Procurement look for in Employees?

By: Kriti Sinha (RU Class of 2019)

Procurement is the process of purchasing and acquiring goods and services from the supplier. By extension, Global Procurement is when the organization acquires and manages goods and services it needs from all around the world. John Zapko, the Vice President of the global procurement area in Lenovo, offers his insights in the article, *The World of Global Procurement*, on the challenges of global procurement, the significance of talent that comes along with procurement, and the personality traits of employees



The image shows the Lenovo logo, which consists of the word "lenovo" in a bold, blue, italicized sans-serif font. The letters are closely spaced and have a slight shadow effect, giving it a three-dimensional appearance.

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"How to Make Milk Chocolate Peanut Butter Cups." *Instructables*. Autodesk, n.d. Web. 7 Oct. 2015. <<http://www.instructables.com/id/How-to-make-milk-chocolate-peanut-butter-cups/>>.

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who specialize in procurement within supply chain management. It is important for students to be mindful of the skill set and personality characteristics needed in order to enter a career in supply chain management, particularly within the procurement field.

John mentions that one huge problem he sees affecting the procurement process in the company is hiring individuals with the talent needed to engage in procurement's responsibilities and managing the supplier-bases. Managing the supplier bases or supplier based management entails thorough negotiation with suppliers, continual relationship building with the suppliers, and lastly coming up with innovative ways to leverage from each other's strengths. He also mentions that this type of talent needed from individuals is very hard to receive and attract. Thus, the ability to engage in these relationships and to fully understand and analyze the procurement process is what employers are looking for in Lenovo.

Global complexity is a major factor in increasing the demand for procurement talent. John emphasizes that Lenovo employers are looking for individuals who "really understand the procurement role, [and who has the] experience in delivering professional procurement activity (Handfield)." Furthermore, he mentions that being able to manage new emerging suppliers is a key skill that Lenovo looks for in its employees, particularly in emerging markets.

In summation, John recommends that the aspiring procurement professional be familiar and well educated in areas such as spend management, building supplier bases, and negotiation. Essentially, to work in any business related field whether it is as a procurement professional in supply chain management or any other dynamic role, it is important for individuals to have both analytical and interpersonal skills in order to climb up the business ladder.

“Being able to manage new emerging suppliers is a key skill that Lenovo looks for”

Source:

<http://scm.ncsu.edu/scm-articles/article/the-world-of-global-procurement-john-zapko-vp-of-global-procurement-lenovo>

Megaships in the Shipping Industry; a Mega-Mistake?

By: Jamie Kim (RU Class of 2016)

Every year, Christmas seems to arrive a little earlier. Advertising for the holiday season appears even before Thanksgiving, encouraging consumers to start the heavy buying season as early as possible. Globally, this usual peak in demand from European and Asian markets has been lacking. The slowdown of the global economy is to blame. The drop of China's stock market and Europe's current weak economy has resulted in low demand as manufacturers and logistics managers prepare for the holidays. All aspects from the chain of distribution prepare for the high demand anticipated during the holiday season. The introduction of megaships in the shipping industry is an example of increasing logistical capacity along the supply chain, which after all, may not be necessary this year.

Current trends in logistics and transportation have been moving towards utilizing container ships with the greatest capacity possible. For example, container ships have grown enormously with "some 40% larger than the biggest ships were less

than 10 years ago (WSJ).” Ocean shipping capacity is increasing at a faster rate than demand is, leaving shipping companies in hot water.

Following forecasted demand, companies, like China-based Cosco Holdings Co., have invested in the purchase of these mega-ships. Cosco ordered 11 of these megaships to compete with major shipping companies like Maersk. The steep investment made into these megaships is at risk with falling demand. Some shipping lines have allied with each other as a response to the scale of these newer ships and reduced the services they require. As a result, the shipping companies have suffered financial consequences from these actions. This creates an overcapacity issue, estimated to be 30% in ocean shipping.

The recent effects of the global economy on logistics and transportation have made the interrelatedness between the two very clear, and the losses the industry will suffer as global economic health deteriorates. However, this does not determine the long-term condition of the logistics industry since the global market only continues to grow in the long run. Santa might have less to deliver this year, but these megaships will be much needed in the near future.

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On Trucks: The Issue of Transporting Our Goods

By: Sophia Zhou (*RU Class of 2018*)

Trucking companies are facing difficulties adapting to the extensive demand in today’s day and age. Steven Dutro, trucking mergers specialist and managing director of Transport Capital Partners, speaks to one of the many demands these companies are facing. He states, “It simply takes more manpower, technology and capital to operate a truck line than it did even a few years ago (WSJ).”

Not to mention, costs for shippers are rising. Consequently, it has been a struggle attracting new drivers, which ultimately forces companies to offer sign-on bonuses or to raise pay. In most cases after the bonuses are received, truckers take it and leave immediately. In addition to the burdens from truckers’ expenses are rules capping emissions, new regulations, and limitations on drivers’ hours. As a result, in the last two years hundreds of trucking companies have gone out of business. According to analysts cited from the Wall Street Journal article, *Trucking Makes a Comeback but Small Operators Miss Out*, if the smaller trucking companies are completely obliterated, this can raise costs for shippers if overall capacity is reduced. When costs are raised for these transporters, we as consumers will feel pain as our wallets are drained of the extra costs incurred in the shipping and handling section.

Here’s the thing, retail sales and factory outputs have been on the rise and more freight needs to be hauled along highways. Also, the operating and maintaining of truck engines have become more demanding. New skill sets require technology-savvy workers to come in the field. A two-year associate degree in diesel technology and a study in computer technology or engineering meets the minimum to work as a commercial vehicle technician. Doug White, Vice President of fleet maintenance for armored car

“It simply takes more manpower, technology, and capital to operate a truck line than it did even a few years ago”

Sources:

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service claims, “It’s no longer just a matter of being able to turn a wrench and remove and replace a part . . . It’s the ability to operate computers and do things like efficiency diagnostics (WSJ).” To get an idea of how complex the work is, John Goralski, manager of fleet maintenance education for FedEx Freight, compares the radar system on tractors to the systems used in commercial and military aircrafts. Companies continue to research automation, robotics and other advanced technologies to employ to their trucks. Despite the innovations, truck operators point out that not enough value is placed on *this* type of profession as a society. Essentially, this perception of the industry prevents recruiters from competing effectively for young tech-savvy talent, while also complicating the cost structure in the attempt to retain existing employees.

New Jersey Blood Services
A Division of New York Blood Center



ESTÉE LAUDER



RUSCA EVENTS

What has RUSCA been up to this past month? The following are events RUSCA has held during this past month of September, as well as those we will intend to host for the upcoming October. Each information session highlighted the company's internal structure, culture, strategy, philosophy, and last but not least, employment opportunities for our fellow RBS students. Each event concluded with the chance to network with the respective recruiters and representatives.

October Events listed as follows:

10/2/2015	NJ Services Blood Drive
10/7/2015	AT&T Information Session
10/14/2015	Bechtel Information Session (<i>Partnered with Engineers Without Borders</i>)
10/15/2015	PNC Information Session (<i>Partnered with ALPFA</i>)
10/26/2015	NFI Industries Information Session
10/28/2015	Church & Dwight Information Session

Upcoming Events for November:

11/9/2015	Estee Lauder Information Session
11/11/2015	Sunteck Transport Information Session

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 intermediary 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?

E-mail: rusca.rbs@gmail.com

Follow our **Instagram**: [rusca_rbs](https://www.instagram.com/rusca_rbs)

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