

THE MONITOR AND MERRIMACK



Newsletter of the
Greater Hampton Roads Chapter
District 02 – Chapter 03
SOLE – The International Society of Logistics
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From the Chapter Chairman

Happy 50th Anniversary, SOLE – The International Society of Logistics!!!

Congratulations to all!

See out President's and Executive Director's comments on page 4.

June's luncheon and speaker was a great event. We were proud to be able to have a distinguished quest speaker, **Mr. John Sofia, NAVSEA 06**, to present "**NAVSEA Commonality Program.**" The opportunity for the Navy is tremendous as look for opportunities to drive commonality across the enterprise. His presentation is available on our web site or you can contact me.

July's luncheon and speaker is continuing our pursuit of current trends and hot topics in logistics! **Mr. Michael Pasquarett, PMS Project Manager, Naval Sea Logistics Command** will be presenting "**The Future of PMS.**" This topic has been in "All Hands" and several other periodicals. Come hear first-hand from Mike on this hot topic!

Our Chapter business meeting is scheduled for 13 July. See next month's newsletter for meeting minutes.

Charlie Littleton
Chairman GHRC SOLE

Franklin D. Roosevelt: "We must remember that any oppression, any injustice, any hatred, is a wedge designed to attack our civilization."

Coming Events:

Thursday, 30 July

Michael Pasquarett
PMS Project
Manager, NSLCD
Norfolk, NNSY

"The Future of PMS"*

Thursday, 27 August
David Floyd, DAU/SOLE
District 2 Director
**"DMSMS – the Way
Ahead" ***

* Teppanyaki Grill and Buffet
7525 Tidewater Drive, Suite 8
Norfolk, Virginia



Independence for all!

Certified Professional Logistician Corner

The next CPL Exam
will be given in
November 2015

1. Which one of the following statements is true?
 - a. Conceptual design is the starting point for a design project.
 - b. Conceptual design is not an area where logistics should have any input.
 - c. Conceptual design is not concerned with feasibility studies.
 - d. All of the above.
2. A concept differs from a candidate system in that
 - a. a concept is an advanced approach to a solution and a candidate system is a possible solution to a problem.
 - b. a concept is a basic approach to the problem and a candidate system is only a simple configuration.
 - c. a concept is not a solution but a candidate system is a major approach that comes before deployment.
 - d. a concept is a basic approach to the solution of the design planning problem and a candidate system is a particular configuration of a system that is possible candidate for use.
3. The main steps in a feasibility study include
 - a. desired input, undesired output, testing and formulation.
 - b. desired output, undesired output, environmental inputs and intended inputs.
 - c. output, input, strategy
 - d. strategy formulation, output, testing and *environmental controls.
4. Desired outputs are
 - a. the desired outcomes of a system and can include performance outputs, maintenance requirements outputs and systems analysis.
 - b. those that are desirable from the deployment* point of view in the life cycle.
 - c. those that are not needed in the testing phase of a system.
 - d. the existing conditions which affect the design process including facilities, equipment, available personnel, skill level of personnel and those involved.
5. The purpose of a feasibility study is
 - a. to develop a set of useful solutions to meet the needs identified in the disposal phase.
 - b. to develop a set of useful solutions to meet the needs identified in the concept phase.
 - c. to validate the disposal phase life cycle costs.
 - d. to develop new directions for future planning
6. A feasibility study involves the following steps
 - a. Identification of primary needs.
 - b. Needs analysis and situation analysis.
 - c. Synthesis of possible solutions.
 - d. Selection of best possible solutions.
 - e. a, c, and d only.
7. Mission scenario can be defined as
 - a. identification of the prime mission of the system and alternate or secondary missions.
 - b. Identification of the quantity of material to buy.
 - c. selection of the best alternative solution for a person.
 - d. the anticipated usage of the system and its elements over a typical time frame.

Please see answers on Page 3

Near term Calendar of Events

GHRC SOLE

- 30 July 2015 **Michael Pasquarette PMS Project Manager
NSLCDDET Norfolk, NNSY “The Future of PMS”**
- 27 August 2015 **David Floyd, DAU/SOLE District 2 Director,
“DMSMS”**
- 24 September 2015 **Tour of Underway Replenishment Training Facility,
Joint Expeditionary Base, Little Creek, Virginia**
- 22 October 2015 **Howard Nudi, Duke Energy, Nuclear Energy and its
Relationship to Reliability Engineering”**

ASNE

- Dinner Meetings:** **Every 3rd Tuesday, Springhill Suites, Newtown Road, Va.
Beach, (1800-1900 Social Hour); 1900-2030 Dinner and
Program; Reservations: on line at ASNE Tidewater site.**
- 15 July 2015 **SURFMEPP/ASNE-TW Luncheon
Newport News, Virginia**

NDTA

No events scheduled

TASC Tidewater

- July 22' 2015 **Industry Day, [Norfolk Airport DoubleTree by Hilton](#)
11:30 AM - 12:00 PM Networking;
12:00 - 1:00 PM Lunch**

CPL/CML CORNER ANSWERS

Answers			
1	a	6	e
2	d	7	a
3	b		
4	a		
5	b		

PRESIDENT'S MESSAGE***Happy 50th Anniversary, SOLE – The International Society of Logistics!!!***

Fifty years as a non-profit global professional association is quite an accomplishment. While we have changed a lot from our origins in 1965 - and continue to look at changing to meet the environment, we find ourselves in 2015 – we have held true to our original motivation of representing and promoting the totality of the logistics enterprise.

Symposiums and other forms of meetings have seen a tremendous reduction in participation, not just for **SOLE** but for most other non-profit and for-profit organizations as well. The Internet has supplanted print media, yet we are trying to reach out to logisticians in different ways - this virtual newsletter is a prime example. Our certification program is still going strong (and for those of you with CPLs or CMLs – as challenging as ever); and our designation programs (DL, DSL and DML) are averaging a total of over 5,000 awards a year! So, **SOLE** is not what it looked like 50, 30, or even 10 years ago - and will certainly look different 5 years from now. But our advocacy of the body of knowledge of logistics still remains the cornerstone of who we are and what we become. *John J. (Jay) Erb, DML, President*

EXECUTIVE DIRECTOR'S MESSAGE***50 Years of Dedication to the Art & Science of Logistics***

Who would have thought back on 26 January 1983 (when I first joined what was then the "**Society of Logistics Engineers**") that 32 years later I would be wishing all of us "Happy 50th!"? During that time I went from a chapter member, to the 'Chair' of the Free State Chapter (Fort Meade, MD - chapter 02-09, now inactive); to a member of **SOLE's** Awards Board; to a Director-at-Large on **SOLE's** Board of Directors; to the Chairman of **SOLE's** Awards Board; to **SOLE's** Vice President, Finance; to serve as **SOLE's** President (from 1995-1996); and eventually to serve as **SOLE's** Executive Director (since 2001). Along the way **SOLE** could claim a number of "firsts" not only for logisticians, but also for the art and science of the profession, itself. Most recently among them (*i.e., in the last 25 years*) ...

- In 1996 we changed our name to "**SOLE - The International Society of Logistics**" (*up until that point most people thought you had to be an engineer to join!*); and that same year the Department of Labor (DOL) - largely as a result of **SOLE's** input - first established "logistician" as an occupation, as well as laid the groundwork for the identification of the logistics services that - in 2007 - would become the logistics services laid out in the North American Product Classification System (that augmented the 2001-defined Standard Industrial Code).

- In 2004 **SOLE** and its members began an ongoing relationship with and participation in DOL-sponsored initiatives - through their Occupational Information Network (O*NET) - to define the skills, abilities, activities and work context for "logisticians," "logistics analysts," "logistics managers," and "logistics engineers." Even as this is written O*NET is working with us to update those occupational definitions.

- 2005 saw the expansion of **SOLE's** certification and designation programs with the development of both its Certified Master Logistician (CML) program; and the enormously successful Designated Logistician (DL) credentialing programs, both the **SOLE** program and its many customer-specific variants (e.g., Army, Raytheon, Boeing, Global Logistics Council of Taiwan, etc.) With the addition of these programs, tens of thousands of logisticians were provided an integrated path for career development that recognizes logistics proficiency and excellence from entry- to expert- level.

- In 2005 **SOLE's** expertise "went public" with the establishment of the McGraw Hill-SOLE Press. With four volumes published (and still in distribution) logisticians around the globe could add to their reference tools *Quantitative Measurements for Logistics*, *Integrated Logistics Support Handbook*, *Supportability Handbook*, and *Logistics Principals and Applications*.

- 2009 saw **SOLE's** entry into the world of broadcast both with airings on television stations across the US and posting on YouTube of *The Economic Report* feature on the Society.

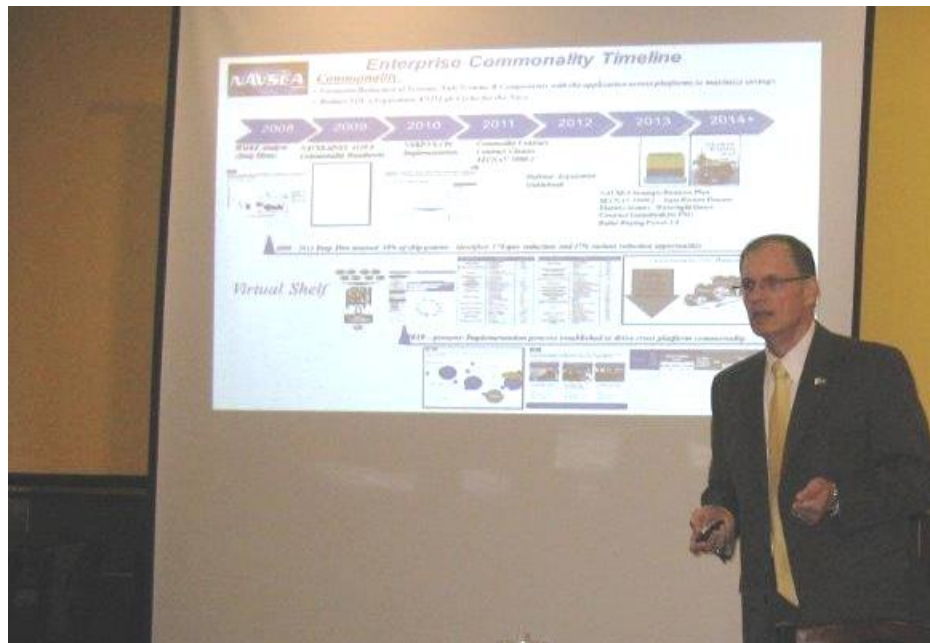
Even as this 'goes to press' **SOLE** is working with a major international publishing house to develop a basic volume on "global logistics" - with an expected 2015-2016 release date. [*More to follow ...*]

... and that can't begin to count the hundreds of 'firsts' in conferences, thought-leader forums, workshops/classes, professional development forums, chapter programs and events, local and international awards, SOLEtter, Logistics Spectrum ... and all of the day-to-day professional development activities and networking that SOLE's members have engaged in since its incorporation on 1 July 1966!

Each and every one of **SOLE's** members and stakeholders - past and present - have remained committed and dedicated to "... the art and science of logistics" and are the reason why "we're still here." With a heartfelt appreciation for and thanks to all of them/you, here's to many more years of firsts! - *Sarah R James, DML, Executive Director and Past President*

Our June 2015 Luncheon

Mr. John Sofia, NAVSEA 06 (Ret) addressed the Commonality Program and its successful ongoing effort to resolve the Navy's plethora of multiple systems such as switchboards, valves, etc. The program seeks to reduce Total Ownership Cost by reducing variation of Navy systems, sub-systems and components, and driving cost out of specifications and standards. John laid out progress to date and estimated savings for selected systems. He reviewed the results of a NAVSEA Commonality Study by system and application to ship class. He then reviewed a 2008 - 2013 Deep Dive assessed 58% of ship systems - Identified 170 spec reduction and 47% variant reduction opportunities and the creation of a "virtual shelf" of common systems. The goal is to maximize commonality across platforms by applying efforts in contracting, people [the shipbuilders, program managers, and Original Equipment Managers (OEMs),] to successfully achieve the potential reduction in Total Ownership Cost in system life cycles. He explained that commonality is a reduction of many parts/systems to fewer, a critical examination of necessary variation, an effort applied at the logical level of design, an effort in part designed to reduce program risk, and a validated approach justified with a business case. He noted that a strategic and tactical plan is being effect to apply the virtual shelf throughout selected systems life cycle. John answered questions from the large group of GHRC members and local DoD members and contractors and accepted the chapter Certificate of Appreciation from our Chapter Chairman, Charlie Littleton.





**Greater Hampton Roads Area Chapter
SOLE – The International Society of Logistics**
present

**Mr. Michael Pasquarete
PMS Project Manager
NAVSEALOGCEN**
Presenting:
“Future of PMS”



**11:30 to 1 PM
July 30, 2015**

**7525 Teppanyaki Grill and Buffet
Tidewater Drive, Suite 18
Norfolk, Virginia**

Please RSVP by contacting our Chairman, Mr. Charlie Littleton at clittleton@LCE.com or phone him at 757-857-1311 (ext: 4203) NLT cob Wednesday, 29 July. The luncheon is \$15.00 cash or check.

Driving Directions: From both east and west on I-64 take the Tidewater Drive Exit north and Turn Left into the Southern Shopping Center area (before the Little Creek Underpass).

Please join us for a highly interesting logistically related tour of facilities and businesses in the Tidewater Area. Spouses and guests, bosses, and co-workers are welcome and you DO NOT have to be a SOLE Member to attend!

Transportation News

Mega-ships dealing worst congestion hand to LA-LB, NY-NJ (Reprinted from IOC online, 2 July 2015)

The arrival of mega-ships is having a profound effect on port operations at all major U.S. gateways, but the biggest impact by far in terms of congestion is being felt in the two largest port complexes, Los Angeles-Long Beach and New York-New Jersey.

'Data explosion' predicted to unlock unused trucking capacity (Reprinted from IOC online 25 June 2015)

Truck drivers may be legally permitted to drive 11 hours a day, but do they? Trucking technology provider PeopleNet reviewed data from more than 200,000 onboard computers used to log driver hours and concluded many drivers don't even come close to that limit

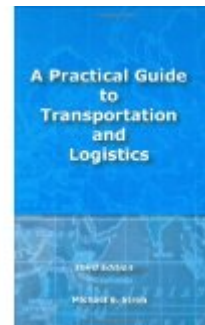
FROM IOC THE EDITOR (Reprinted from IOC online 26 June 2015)

In the latest sign of the Chinese government's effort to reform its state-dominated shipping sector, Beijing will allow [foreign shipping companies registered in the Shanghai free-trade zone](#) to provide coastal service. Of course, there's a catch. The foreign carriers can't ship domestic trade — only international trade — and their vessels have to be flagged in China. Even so, it's interesting that a country often accused of being protectionist of its shipping sector appears more liberal on cabotage rules than the United States with its Jones Act

Container equipment costs hit 10-year low (Reprinted from IOC News online, 2 July 2015)

While container carriers haven't had much to cheer about as spot rates take a beating, they can at least take solace in the fact that equipment costs have hit a 10-year low, according to shipping consultant Drewry.

BOOK REVIEW



[A Practical Guide to Transportation and Logistics](#)

Jun 30, 2006

by [Michael B. Stroh](#)

A Practical Guide to Transportation and Logistics provides an overview of the key elements of business logistics. Written in a clear and straightforward style, this new and expanded third edition is a valuable tool for the student and the front-line manager. A Practical Guide to Transportation and Logistics provides the reader a basic understanding of such topics as: Domestic Transportation, International Logistics, Export/Import Procedures and Techniques, Warehousing and Inventory Management, Logistics Technology Issues, Logistics Outsourcing/Third-Party Logistics and Negotiation Strategies. Additional features include Money-saving tactics you can implement now and Logistics Lore - Real-world stories of relevant logistics issues.

Credentialing program helps service members excel

(Reprinted from Army Sustainment Magazine December 4, 2012 online)

By Keith Desbois, Combined Arms Support Command Public Affairs

FORT LEE, Va. (Dec. 5, 2012) -- The Combined Arms Support Command is responsible for training over 180,000 students annually through 541 courses taught by the Ordnance, Quartermaster and Transportation schools, Soldier Support Institute and Army Logistics University.

The command is helping to increase opportunities for sustainment Soldiers by developing credentialing programs for 27 of its 57 military occupational specialties. One of the ways Combined Arms Support Command, or CASCOM, is supporting professional credentialing of its service members is through the U.S. Army Ordnance School's Allied Trade Specialist (91E) course.

the 19-week 91E course provides training in machining and welding, two highly sought after trades in the civilian manufacturing industry, according to Master Sgt. Alvin V. Beehler, Allied Trades chief instructor.

While learning the skills required for performing their military jobs, students can also advance their professional trade credentials.

The training received during the course is equal to a two-year technical school degree, Beehler said.

The machining portion of the course is based on the National Institute of Metal-working Skills, also known as NIMS, curriculum, which is recognized nationwide as the standard used in the manufacturing industry.

At the start of the course, students are enrolled in the NIMS database. By entering into the database, they begin the credentialing program and by the end of the first week are eligible to receive a national certification in safety. There are a total of five credentials service members can earn by the end of the course.

After passing each section of the course, students have the opportunity to take the NIMS written test online. The 1 ½ hour test is provided before the start of the duty day so as not to interfere with the 91E course schedule.

"Everything we teach is applied towards credentialing, but in the end it all depends on how the student performs as to whether or not they receive the NIMS credit," Beehler said.

Benefits of the credentialing program include increasing the level of professionalism in the force, promotion points and that it could one day help secure a civilian career. The more credentials a service member achieves, the better their chances of advancing in their military career, Beehler added. But whether they remain in service or not, credentialing and technical certifications are important to have.

"I enjoy what I do and I plan to make the Army a career," said Pfc. Jeremiah Johnson, 91E Advanced Individual Training student. "This program will help me to advance through the ranks faster."

Johnson has already achieved two certifications and is waiting to test for two more.

Students are not the only ones to benefit from the program, as the instructors are also encouraged to earn credentials. To date, 95 percent of the instructors are enrolled, with 70 percent having received multiple certifications.

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GHRC Executive Board Officers:

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Long Term 2015 Calendar Greater Hampton Roads Chapter Monthly Schedule

	Business Meeting	Lunch/Tour	Speaker/Topic
July	16 July	30 July	Michael Pasquarette PMS Project Manager NSLCDDET Norfolk, NNSY "The Future of PMS"
August	13 August	27 August	David Floyd, DAU/ SOLE District II Director, "DMSMS – The Way Ahead"
September	16 Sept.	24 Sept.	Tour of Underway Replenishment Training Facility, Joint Expeditionary Base, Little Little Creek, Virginia
October	14 Oct.	22 Oct.	Howard Nudi, Duke Energy, Nuclear Energy and it's Relationship to Reliability Engineering"

U.S. Army's Credentialing Program (Cont'd from Page 8)

The 91E course trains 500 students annually from the Army, Army National Guard, Army Reserve and U.S. Marine Corps. Since the credentialing program began in July, 156 have registered, 106 have passed at least one certification and 25 achieved multiple certifications. Thirty-five more students are getting ready to take the test for additional certificates.

The credentialing initiative is part of a life-long learning program.

"Once the service members arrive at their duty stations, they can continue the credentialing process," said Jack Peters, Metal Working and Services Division chief. "There are a total of 12 credentials to be earned, which would provide the service member with a NIMS Certified Machinist certificate."

A future initiative is to certify the welding portion of the training. Due to the many materials, techniques and types of welding, it is a more complicated process.

"We are working to offer service members in all levels of training, opportunities to earn American Welding Society, or AWS, Level 1 Welder qualifications," Peters said. "Additionally, the Ordnance School is seeking to become an AWS Accredited Test Facility to help them earn welder certification."

The credentialing initiative is in support of a Presidential Task Force on veteran employment opportunities. The task force's focus is on promoting civilian credentialing for service members to enhance their employment possibilities when they leave the military.

Fort Lee's Designated Logistics Program (Reprinted from www.almc.army.mil)

The Demonstrated Logistician Designation Program

Since November 2005, the Demonstrated Logistician Program (DemLog) has awarded over 660 designations to US recipients and over 1,000 to individuals of other nations or defense contractors. The current range of awardees is from sergeant to general officer, and civilians from GS-09 to GS-14.

The US Army Human Resource Command recognizes the designation for inclusion on a soldier's Enlisted Record Brief or Officer Record Brief. There are versions of the program for each US military service and for other nations, each tailored to their specific organizational culture, and all under the careful watch of SOLE – the International Society of Logistics to ensure continuity of overall requirements so that the designation always represents an equal attainment worldwide.

What does it represent? It signifies that the recipient possesses a distinct level of logistics knowledge and demonstrated achievement. Or to say it with jargon, DemLog combines education, training and experience, which is important because: "It shows you have more than just head knowledge. You not only know, but you can do."

The designation cannot be earned simply by studying a few books and then taking a test. Instead, it requires logistics experience in more than one logistics discipline (a primary and at least one other in the areas of maintenance, supply or transportation), called "functional" experience in DemLog parlance. And it requires experience in "enabling" skills such as financial management, contracting, program management, etc. Add to this a lengthy list of military logistics-oriented courses (such as those taught at logistics service schools or the US Army Logistics University) and the attainment of a college

Fort Lee's Designated Logistics Program (Cont'd from Page 11)

degree (or, for the first of the three categories of DemLog, verify that you are working toward a degree), and you have a portrait of the requirements for the designation.

And for many, it creates a sense of professional recognition. To quote a recipient from the Defense Contract Management Agency in Los Angeles: "The [Department of Defense] is so huge that the designation at the end of the name will help others identify us as logisticians."

So, ultimately, what is its purpose? The Demonstrated Logistician Program serves as a credential of the recipient's logistics acumen, so that our leaders may have increased confidence that our logistics missions will be successfully accomplished by "capable hands." And, it identifies you as a professional in the field of logistics, a field that continues to gain in importance commercially and within the Defense community.

The Army Demonstrated Logistician Program is administered by a partnership of the US Army Logistics University and SOLE – the International Society of Logistics.

For more information, a copy of the DemLog application and a guidebook, please go to the SOLE.org web page.

Physical Distribution Management

PREREQUISITES Enrollees must have completed the prerequisite course before submitting their application for enrollment.

- [Defense Distribution Management Course](#)
(Formerly Depot Supply Operations Management Course)
- **CORE COURSES:**
- [Major Item Management Course](#)

- [Army Secondary Item Management Course](#)

ELECTIVE COURSES Enrollees must earn six elective credits in addition to the prerequisites and core courses to complete all requirements. Two of the six elective credits must be completed from the list below. Each of these courses receives one credit, except for the Logistics Executive Development (or the [TLog](#)) and the Operations Research/Systems Analysis Military Applications / Courses, which receive two credits each. Selected courses from other schools may be submitted for review as substitutes for as many as four elective credits. The maximum credit allowed for each college course is two. All courses must be documented and will be reviewed individually. Graduates of the DA Logistics Intern Training Program or the [Intern Logistics Studies Program](#) (8A-F44/551-F38) conducted at Fort Lee meet all requirements for the Physical Distribution Management Certificate Program.

- [Army Maintenance Management](#)
- Basic Environmental Staff (formerly Basic Environmental Coordinators)
- CON 101, Basics of Contracting (DAU) (formerly Fundamentals of Contracting, Contracting Fundamentals and Management of Defense Acquisition Contracts [Basic])
- BCF 101, Fundamentals of Cost Analysis (DAU)
- Decision Analysis (course canceled effective 1 Oct 11)
- Risk Analysis (course canceled effective 1 Oct 11)
- Decision Analysis for Logisticians
- DLA Disposition Services: An Overview (Blackboard dL only)
- [Fundamentals of Defense Supply Chain Management](#)
- [Installation Logistics Management](#)
- LOG 201, Intermediate Acquisition Logistics (DAU)

Fort Lee's Designated Logistics Program (Cont'd from Page 12)

- CON 202, Intermediate Contracting (DAU)
- [Joint Logistics \(or Joint Course on Logistics\)](#)
- [Theater Logistics Planners Program](#) (Formerly Theater Logistics (TLog) Studies Program)
- Logistics Transformation and Change Management (No longer offered at ALU)
- [Manpower and Force Management](#)
- Multinational Logistics (course cancelled effective 1 Oct 11)
- [Operations Research/Systems Analysis Military Applications](#)
- Supply Chain Management Courses presented by Penn State Executive Programs
- Defense Demilitarization and Trade Security Controls Program
- Logistics Assistance Program – Operations
- Contracting Officer Representative

History of Reverse Logistics is at the Core of The Stories of War, Retail, eCommerce, and Automotive Aftermarket Reprinted from [cerasis.com](#) online) by Adam Robinson, 20 Feb 2014

What is the History of Reverse Logistics?



Reverse logistics has been around us for a long time. The history of reverse logistics finds its root from the American Civil War. Of course there would be other literature that records the history of reverse logistics activities even earlier than American Civil War, but these activities were not systematically recorded or widely recognized. To better understand reverse logistics, let's first take a quick look at the important events in the history of reverse logistics.

You can see a lot of the details of the history of reverse logistics in the book of Rogers and Tibben-Lembke's book, [Going Backwards, Reverse Logistics Trends and Practice](#) you can see a lot of the details of the history of reverse logistics in the book of Rogers and Tibben-Lembke's book, [Going Backwards, Reverse Logistics Trends and Practice](#)

1861-1865: The History of Reverse Logistics has Its Roots in the Military

At the end of the [American Civil War](#), General William T. Sherman realized that the nature of his armies' campaign would be a matter of supply and mobility and that his operations through hostile territory would be difficult. He faced the intricate task of supplying his soldiers on the march.

1872: Retail Continues to Drive the History of Reverse Logistics

Today's retail returns issues find their roots in the customer service policy of [Montgomery Ward](#). Montgomery Ward is an American furniture shop established in 1872; their policy was if the customer is not 100% satisfied, they could bring it back for a full refund.

Continued on Page 14

History of Reverse Logistics (Cont'd from Page 13)

1942: War Always Creates Great Logistics Solutions, Automotive Aftermarket History of Reverse Logistics has Roots to World War II

Material shortages during World War II created a need to rebuild automobile parts and started a trend that continues until today. In fact, this had become a \$36 billion business and “90 to 95 percent of all starters and alternators sold for replacement are remanufactured”.

1984: Successful Product Recalls Start Increasing the Use and Adoption of Reverse Logistics

The next major date of interest in the history of reverse logistics is the 1984 Tylenol scare.

Johnson & Johnson along with McNeil Laboratories quickly responded as America watched on the evening news about the “tainted lot” of Tylenol. The rapid response by McNeil Laboratories to get the tainted products off the shelves and quickly replaced by new lots with tamper proof bottles instilled great faith in the American public and set the new standard for reverse logistics.

1991-1996: More Oversight into the Positive Environmental Impact from Reverse Logistics comes in 1991

In 1991, The Federal Republic of Germany passed recycling ordinances in the environmental reverse flow and deployed mandatory recycling programs. Included in these ordinances were provisions for fines and prosecution for violators of the ordinances, and stricter guidelines for the handling and transporting of hazardous materials and responsibilities for recovering hazardous wastes.

The German ordinances led to a 1996 United Kingdom legislation requiring shippers and manufacturers to be responsible for the return and recycling of packing materials. The European Union took this one step farther in 2001 by establishing a goal of 50-65% recovery or recycling of packaging waste. The implication for the rest of the world is that they have to be compliant if they want to do business with the EU.

1998 to 2000s: History of Reverse Logistics Grows into Sophistication and is a More Strategic Application in Business

Reverse logistics didn't catch much attention of the business world until the last decade. In early 90s, the Council of Logistics Management (now the [Council of Supply Chain Management Professionals](#)) published two studies on reverse logistics. The first was written by J. R. Stock which systematically reported on how to set up and how to operate reverse logistics programs. Stock's book also tried to discover the potential of reverse logistics. Rogers & Tibben-Lembke however, presented an extensive collection of various reverse logistics business statistics data categorized by industry types. For example, the magazine publishing industry has the highest reported returns (50%). Magazines have a short shelf life; if they can't be sold out close to the publication/cover date, they have to be returned or disposed. Rogers & Tibben-Lembke also reported that other industries with high average returns include book publishers, catalog retailers, and greeting cards companies. Besides these above mentioned studies, some other articles focus the optimization and management of reverse logistics appeared on the characteristics of reverse logistics for remanufacturing systems around the year 2000.

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History of Reverse Logistics (Cont'd from Page 14)

Although the Council of Logistics Management has already given a definition to reverse logistics, reverse logistics has been evolving since the date it was recognized, as a result, its real definition varies largely on what company or industry segment intended to explain it. Shad Dowlatshahi in his paper titled, [Developing a Theory of Reverse Logistics](#) described a holistic view of reverse logistics with 11 factors. Dowlatshahi further divided these factors into two main categories: strategic factors and operational factors. Strategic factors consist of strategic costs, overall quality, customer service, environmental concerns, and legislative concerns. The operational factors consist of cost-benefit analysis, transportation, warehousing, supply management, manufacturing and recycling, and packaging.

The Rise of eCommerce and the Aftermarket Increases the Formal Use of Reverse Logistics by Shippers

The rise in eCommerce goes hand in hand with the rise of reverse logistics in the history of reverse logistics. As the use of the internet was more commonplace in American households and the rise of multi-channel retailing has increased since the last 2000s and in this current decade, reverse logistics is now a requirement when it comes to eCommerce. The mid-nineties to 2000's saw major advancements in the commercial use of the Internet. The largest online retailer in the world Amazon, launched in 1995 as an online bookstore. Brick-and-mortar bookstores were limited to about 200,000 titles and Amazon, being an online only store, without physical limitations was able to offer exponentially more products to the shopper. Currently, Amazon offers not only books but DVDs, CDs, MP3 downloads, computer software, video games, electronics, apparel,

furniture, food, and toys. A unique characteristic of Amazon's website is the user review feature that includes a rating scale to rate a product. Customer reviews are now considered the most effective social media tactic for driving sales. The company attracts approximately 65 million customers to its U.S. website per month and earned revenue of 34.204 billion in 2010. In 2001, Amazon.com launched its first mobile commerce site.

Another major success story of the dot com bubble was Ebay, an online auction site that debuted in 1995. Other retailers like Zappos and Victoria Secret followed suit with online shopping sites; Zappos being a web only operation.

When one thinks of ecommerce, one often focuses on the cycle that culminates in delivering goods to a customer. But there is an entire leg of the ecommerce supply chain that comes into action after goods are delivered. Enter the world of "reverse logistics." There are several reasons that make reverse logistics inevitable. Here are some of the most common:

- Returns
- Mis-delivered or Undelivered Goods \
- Damaged Goods
- Malfunctioning Goods
- Exchange Programs

Application of Reverse Logistics in the Growing Aftermarket Industry

The U.S. auto aftermarket industry should grow 3.4 percent annually through 2016 to \$263.8 billion, adding \$32.6 billion to the economy, according to a report produced jointly by the Automotive Aftermarket Industry Association and the Automotive Aftermarket Suppliers Association.

History of Reverse Logistics (Cont'd from
Page 15)

Ordinary logistics flows focuses on everything that happens prior to the sale and then between the sale and the point at which the customer has the product in hand. Your product, whatever it is, must be manufactured and then warehoused in preparation for final shipment, or must be distributed throughout a variety of retail channels or other businesses for position in front of the consumer.

Conversely, reverse logistics focuses on the return of automotive aftermarket products for various reasons (usually the same as listed above for eCommerce). Reverse Logistics is really a focus on a lot of core [automotive aftermarket logistics](#) activities. If a part doesn't fit, it must be returned. If the part is damaged, it must be returned. Remember, the aftermarket industry is defined as the market for spare parts, accessories, and components, especially for motor vehicles. Just think of when you have a fixer up project on your own car and how often you've had to return to the autoparts store. That's the same idea with automotive aftermarket reverse logistics!

So why then is automotive logistics seeing a boom in reverse logistics? Well, mainly for the fact the industry is growing, but also, it's quite telling from this quote from AAIA CEO, President, Kathleen Schmatz: "The forecast model demonstrates that despite strong new vehicle sales, historic high gas prices and a flattening of miles driven, our industry is poised for steady growth. Why? The average age of vehicles is 11.3 years, the oldest ever, and the age mix of vehicles continues to favor older vehicles, creating a robust sweet spot for service and repair.

Other terms synonymous to Reverse Logistics are Aftermarket Logistics, Retrologistics, or Aftermarket Supply Chain. The reverse supply chain is also a term used in the industry. RL is not to be confused with forward logistics or getting the product to market commonly known as the forward supply chain. Types of activity common with reverse logistics includes: logistics, warehousing, repair, refurbishment, recycling, e-waste, after market call center support, reverse fulfillment, field service and many others.

Military Logistics HUMOR (Reprinted from http://www.strategypage.com/humor/articles/military_jokes)

On 23 August 1779, the USS Constitution set sail from Boston, loaded with 475 officers and men, **48,600 gallons of water**, 74,000 cannon shot, 115,000 pounds of black powder and **79,000 gallons of rum**.



Her mission: to destroy and harass English Shipping

On 6 October, she made Jamaica, took on 826 pounds of flour and **688,300 gallons of rum**. Three weeks later, Constitution reached the Azores, where she provisioned with 550 pounds of beef and **300 gallons of Portuguese wine**.

On 18 November, she set sail for England where her crew captured and scuttled 12 English merchant vessels and **took aboard rum**.

By this time, Constitution had run out of shot. Nevertheless, she made her way unarmed up the Firth of Clyde for a night raid. **Here, her landing party captured a whiskey distillery, transferred 13,000 gallons aboard** and headed for home.

On 20 February 1780, the Constitution arrived in Boston with no cannon shot, no food, no powder, **no rum, and no whiskey**.

Continued on Page 18

Military Logistics HUMOR (Cont'd from Page 17)

She did, however, still carry her crew of 475 officers and men and **18,600 gallons of water**. The math is quite enlightening:

Length of cruise: 181 days

Booze consumption: 1.26 gallons per man per day

(this DOES NOT include the unknown quantity of rum captured from the 12 English merchant vessels in November).

Naval historians note that the reenlistment rate from this cruise was 92%.

LOGISTICS LESSON LEARNED:
Don't load up with too much water