

**February
2009**

**University of
Illinois at Chicago**

**Fall/Winter 2008
Events**

- Career & Internship Fair ~ November 5, 2008
- Special Professor Profile: Kazuya Kawamura
- Executive Education Questionnaire



New Center Phone Number

We have a new
phone number!

312-350-9360

Please make a
note of it and give
us a call if you
have any ideas or
suggestions for the
Center.

Thank you!

The Center for Supply Chain Management and Logistics

A Message from the Director

Managing in Tough Times

By Dr. Anthony Pagano

With the economy heading down, the credit crisis continuing, and calls for bailouts of states and industry, it is important for business to consider how to best manage in such a difficult environment. Along with the mortgage crisis, the backdrop for all of this economic turmoil was the precipitous rise in oil prices, peaking last summer. The increase in oil prices has forced many businesses to reconsider their business model. This includes examining alternative modes of transportation, use of energy efficient vehicles, near outsourcing, and re-examining the tradeoff between holding inventory and transportation costs. Now that oil prices have significantly dropped, it is important to continue this re-examination. Oil prices are very volatile. Both demand and supply for oil are relatively insensitive to changes in price. This means that a small change in factors underlying either supply or demand can result in very large swings in price. The relatively low gas and oil prices of today will be short lived. As soon as the world economy recovers from the recession, prices will rise again.

Business needs to take advantage of this respite in oil prices to plan for the future. In the past, there has been excessive focus on maximizing inventory turns. While this can reduce inventory costs, other supply chain costs need to be examined to see how these costs change as inventory turns increase. This includes transportation, product sourcing, production, and customer service. In addition, businesses need to focus on implementing technological improvements such as RFID and better forecasting techniques. It is time to focus on reducing costs, becoming more efficient and reducing sub-optimal behavior. Businesses that use this time wisely will be the real winners as the economy improves.

Monica Pearo Graduates

Our graduate assistant, Monica Pearo has graduated with her MBA. Monica has done a really fantastic job in helping to develop the Center. She is a true professional. Monica is graduating in very difficult economic times, but she has the experience and expertise to do well even in this environment. We wish Monica all the best!

CONTACT US:

For additional information or to become a partner of The Center for Supply Chain Management and Logistics, please contact: UIC Center Director, Dr. Anthony M. Pagano at (312) 996.8063 or the Center phone: (312) 350-9360. Please visit us online: <http://www.supply-chain.uic.edu>

The Center for Supply Chain Management's Career & Internship Fair



On November 5, 2008, the Center for Supply Chain Management and Logistics hosted a successful internship and career fair panel for students in the Colleges of Business Administration, Engineering and Urban Planning and Public Affairs in the Student Center East building on campus. The panel was attended by 4 major Chicagoland corporations: **UPS, Kraft, Caterpillar and Target.**

UPS, a global provider of integrated logistics and supply chain solutions, gave an excellent overview of the company's various career opportunities. UPS moves 6% of the U.S. GDP, serves more than 200 countries around the world, employs 425,300 workers and has been around for over 100 years. They are one of the largest customs brokers in the world, both in volume & number of employees. Key industries include: High Tech, Automotive, Industrial Manufacturing, Healthcare, Retail & Consumer Goods.

Caterpillar Inc. spoke about their rotational programs. The *Logistics Professional Development Program (LPDP)* is a program that focuses on supervision, inventory management, operations administration, packaging, commercial activity and global planning for a diversified client portfolio. At the completion of the three-year Logistics Professional Development Program, logistics professionals' graduate placement is in the Logistics division of Caterpillar Inc. Additionally, CAT presenters spoke about the *Engineering Rotational Development Program*. The purpose of the ERD Program is to begin the development and training of the next generation of Caterpillar's technology leaders. The

program provides highly capable engineers with experience in product engineering, manufacturing and supply chain development over a 15-month period. These rotations offer a broad exposure to Caterpillar, provide cross-functional job experiences and include valuable networking opportunities with all levels of Caterpillar leadership. Approximately 300 college graduates begin the program each year.

Chenille English, Executive Team Leader of Operations at **Target**, presented a company overview, and spoke about the company's high need for Store Executive-Lead positions as well as Logistics analysts for various store needs. The greater emphasis of her presentation was based upon Target's innovation process for product designs. From the drawing board, to the store shelves, Target's products are designed for uniqueness, high-quality, and affordability. The presentation also touched on Target's sustainability practices. It was interesting to note that four Target stores in Chicago are sheltered by a "green" roof, partially or completely covered by hardy plants (typically sedums) growing in a thin layer of soil. These green roofs filter air pollutants, absorb storm water, temperature fluctuations, and provide habitats for birds.

For the first time, UIC campus was visited by **Kraft**. Fina Klco, Area Project and Training Manager and Dan Cinadr, Human Resources Specialist presented a company overview for Kraft Foods. Kraft's superior portfolio of brands is supported through dynamic product innovation, world class marketing and global scale.

Center for Supply Chain Management Career & Internship Fair

In order to maintain its market leadership, these products need to reach their destinations faster and faster, but in the most effective way. Planning, controlling and supply chain management processes are actually identified as the key success factors for Kraft. Analyzing data at the lowest level of detail - delivery note level - enables Kraft to keep under control the efficiency of their logistic network. The company receives complete weekly activity reports, aiming at helping them to find new opportunities of improvement within their day-by-day processes. The Cost-To-Serve module controls and optimizes logistic costs for serving any client, in order to support decision processes identifying inefficiencies, as well as finding any opportunities of scale-economy within Kraft's supply chain. These costs depend mainly on

Kraft's logistic structure (factories and warehouses location) and on the delivery conditions requested by each given client (size, packaging, structure and order frequency).



Please take a moment to provide the Center for Supply Chain Management and Logistics with some valuable information regarding the development of an Executive Education program. Information will be used only to plan a Supply Chain Executive Education Program at UIC.

This is the web link for the survey:

http://www.surveymonkey.com/s.aspx?sm=tj96zloucDBztfShYQWfGA_3d_3d

Center for Supply Chain Management Faculty Highlights

Faculty Profile: Kazuya Kawamura

Kazuya Kawamura is an associate professor in the college of Urban Planning and Public Affairs, as well as an associate director of the Center for Supply Chain Management and Logistics. He is also affiliated with UIC's Urban Transportation Center.

Born in Kobe, Japan, he moved to the U.S. in 1983 and graduated four years later with a Bachelor of Science in Mechanical Engineering from North Carolina State University. He went on to earn a Master of Science and later a PhD of Civil Engineering at the University of California at Berkeley. His expertise includes freight transportation planning, economic impacts evaluation of transportation projects, and empirical evaluation of accessibility measures.

Recently, Dr. Kawamura co-authored an article published in the *Journal of the Transportation Research Board* titled "The Influence of Urban Forms on Work Travel Behavior: an Exploration Using Agent-Based Modeling." It examines the

effect of land use regulations on travel behavior by using agent-based modeling. A simulation model for a hypothetical urban area loosely based on the Chicago, Illinois, metropolitan area was used to study the impact of six land use regulation scenarios on transit use and urban form. The results from the simulations showed that although the land use regulations that were designed to increase the density near the transit station or in and near the urban core were able to achieve the intended land use patterns, they did not increase the transit mode share for the region in a significant manner. More detailed examination of the output revealed that as long as the rules for mode choice, the distribution of employment, and the transit network remained unchanged, land use regulations that affect residential locations produced limited effects on transit use.

Dr. Kawamura is also a member of the National Academies' Transportation Research Board committees on Urban Freight, as well as Transportation and Economic Development. He is a registered professional civil engineer in both Illinois and California.

