

Lehigh Center for Supply Chain Research

LEHIGH CENTER FOR SUPPLY CHAIN RESEARCH NEWSLETTER

July 2017



DIRECTOR'S WELCOME

Welcome to the first issue of the Lehigh Center for Supply Chain Research (CSCR) newsletter. Our mission is to be the preeminent platform for sharing the latest supply chain research and industry innovations, provide opportunities for practitioners, faculty and students to network together, share ideas and learn from each other. Companies who join the center have dedicated research meetings, opportunities for customized research projects and participation in supply chain student recruiting events. We hope to use this newsletter to share information about recent and upcoming events at the CSCR. We will also highlight one of our member companies in each issue. This issue we want to introduce PhilaPort (The Port of Philadelphia) and Dominic O'Brien. I would also like to remind you about our Fall Forum that will take place at Lehigh University campus on November 9th and November 10. More information about the Fall Forum can be found at http://cbe.lehigh.edu/cscr/events/fall-

http://cbe.lehigh.edu/cscr/events/fall-forum/. We are also introducing a new idea for a CSCR tailgate the day after the Fall Forum November 11. There will be a limited number of tickets available for those who will be attending the fall forum. We are always looking for presentation topics for our fall forum and spring symposium. If you have any topics and or speakers you would like us to invite, please let us know. I look forward to your feedback and suggestions.

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INDUSTRY PARTNER SPOTLIGHT: PHILAPORT

July Issue 2017

THE PORT OF PHILADELPHIA

The Philadelphia Regional Port Authority, commonly known as PhilaPort, is an independent agency of the Commonwealth of Pennsylvania charged with the management, maintenance, marketing, and promotion of port facilities along the Delaware River. PhilaPort works with its terminal operators to improve its facilities and to market those facilities to prospective port users around the world. Port cargoes and the activities they generate are responsible for thousands of direct and indirect jobs in the Philadelphia are throughout Pennsylvania.

DOMINIC O'BRIEN: SENIOR MARKETING REPRESENTATIVE OF THE PORT OF PHILADELPHIA

Lehigh CSCR representative sat down with Dominic O'Brien to ask a couple questions about his experiences in the supply chain industry and his involvement in the Center for Supply Chain Research.

How did you get into supply chain?

I worked in Czech Slovakia for international companies. I applied for the position at PhilaPort because I wanted to move back with my family in Pennsylvania. I had no supply chain background prior, but in today's world, anyone studying supply chain has to have an understanding of geography, cultures, and international business.

Tell me a little about PhilaPort and what you do there.

PhilaPort is an authority of the commonwealth of Pennsylvania tasked with managing, marketing, and promoting 15 facilities in the Pennsylvania area. Their main goal is more cargo, which equals more jobs, taxes, revenues and more opportunities for Pennsylvania to export to global markets. PhilaPort is a landlord port, meaning they release the terminals to private companies who do the business.

I am the senior marketing representative- today I spent a couple hours editing the brochure, information in a PowerPoint to a big shipper, making cold calls, and sales calls. When I call companies to see if they would be interested in our services, I ask them to a look at their supply chain costs, and if they look at all that information maybe they'll see PhilaPort is a better, cheaper alternative to what their using.

"We all have an incentive to grow the economy."

How did you find out about Center for Supply Chain Research at Lehigh?



I attended a meeting national conference of supply chain management professionals and it was great- so I started going to more local ones in the Lehigh valley. Joel Sutherland, Professor Zacharia's predecessor, was at the local meeting, and I respected him so I went to his symposiums. After going and finding it very beneficial, I went back.



PhilaPort's Dominic O'Brien speaks at the Pennsylvania Economic Development Association's Spring Legislative Conference



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How do you think being a member of CSCR is beneficial to you and your company?

Most importantly, it allows me to meet shippers in the Lehigh Valley. Because of Lehigh University's great reputation, I am able to meet industry professionals in the area. Those shippers want to come to CSCR to meet these students, and learn about the latest in the industry, and I want to meet the shippers. So it provides a great mutually beneficial outcome.

Your article about the relationship with ports, supply chain, and economic development is featured in this newsletter. Can you explain your position in the article?

PhilaPort is interested about economic development throughout Pennsylvania. PEDA are professionals of economic development in the Lehigh Valley. They learn about the latest grant and loans in the valleys, on job force development, financing that is available from the commonwealth and the country. Many of them have been asking about supply chain, because potential manufacturers in the Lehigh Valley are interested in what benefits this land has, and how it can meet their supply chain cargo transportation needs.

Ports, Supply Chain, and Economic Development: An Important Relationship

In the popular imagination, ports are often simply longshoremen loading ships with cargo. In the real world, though, ports are essential tools for economic development. PhilaPort, and the broader Delaware River Port Complex, have a multi- billion dollar impact on the Greater Philadelphia region and the Commonwealth of Pennsylvania. In addition to the jobs supported at the marine terminals, and at the inland supply chain, PhilaPort allows exporters from Pennsylvania and other states to get to foreign markets more efficiently. This maintains and grows jobs. The tax receipts and business revenues generated by port cargos are essential to families and governments.

Because of this close relationship between ports and economic development, PhilaPort was approached about organizing a supply chain panel for the Spring Legislative Conference of the **Pennsylvania Economic Development Association** (PEDA), which took place on April 25 in Harrisburg.

PhilaPort's Dominic O'Brien was asked to put together the panel and moderate the discussion. The "Supply Chains & Economic Development: How the Practitioners See It," panel included three experienced leaders from different links of the supply chain: Keith Walborn of **Cumberland Keuka** (an agent for **Evans Delivery**); Ron Henry of **Glatfelter**; and Chris Gordon of **Mode Transportation**.

PhilaPort's O'Brien gave an overview of the new \$300 million Port Development Plan. He pointed out that PhilaPort currently supports over 10,000 jobs, which will increase to over 17,000 jobs once the Port Development Plan is fully implemented and additional cargo transits the Port. He mentioned several examples of the Port's beneficial economic impact on the Commonwealth, including cocoa beans: PhilaPort is #1 in the USA for cocoa beans, and this cargo supports "upstate" jobs at cocoa processing sites in Hazelton and Chester, PA.

The panelists discussed the growth of large distribution centers (DCs) in Pennsylvania, particularly in the Lehigh Valley and Central PA. These DCs are positives for local job creation, supply chain service providers, and the Commonwealth's three ports.

Pennsylvania's supply chain advantages were certainly highlighted, but negatives were discussed also, including tolls on the Pennsylvania Turnpike. It was noted that cargo can flow freely on Pennsylvania highways to the

docks in New York / New Jersey and Baltimore, however Pennsylvania exporters must pay tolls (which are increasing) to get their trucks to Philadelphia.





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On the whole, though, the message from the supply chain experts, and the economic development officials, was positive: Pennsylvania, and PhilaPort, have a lot to offer supply chain decision makers. The panelists, who all live and work in Pennsylvania, were optimistic about their state's future in supply chain services.

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