

Supply Chain Strategies



Technology to Drive Business Decisions

An Interview with Hector Rodriguez,
President, Active Freight & Logistics



Hector Rodriguez

EDITORS' NOTE Hector Rodriguez brings more than 30 years' Supply Chain experience to Active. Prior to joining the company in 2007, he was CEO of Lumec Transportation Services, a transport and warehousing company. Before this, he managed supply chain and logistics for the Kingsford Products Company, a division of Clorox. He has also managed supply chain networks for Perrigo and Colgate Palmolive.

What services does Active Freight & Logistics offer?

We offer maritime carriage, air freight, and surface transportation for numerous industries as well as warehousing as it pertains to basic storage, pick-pack, cross-dock, deconsolidation, and consolidation. We also offer our clients the ability to finance different components of the supply chain. We can purchase inventory, issue trade credits, and retire trade credits through our supply chain services.

Our newest offering enables us to provide supply chain financing for Active clients, whether it is through early payment programs with client suppliers, factoring receivables or asset-based lending. We have created a reciprocal, value-added, and vertically integrated supply chain for our customers. This has resulted in physical distribution efficiencies, superior customer service, and the shortening of cash to cash cycles.

How does Freight & Logistics fit into Active's services?

Historically, Active International has worked with numerous customers from a marketing and sales perspective. However, if marketing budgets are cut or we're working with customers that don't place a lot of media, we need to offer other avenues to retire trade credits. Freight & Logistics is a viable alternative because supply chain is the lifeblood of any organization. If you're not shipping or distributing your goods, you might as well shut down.

Best-in-class supply chain efforts have concentrated on lowering cost and delivering superior customer service. While these components are extremely important, there are other essential attributes that warrant serious consideration. For instance, consumer buying patterns and retailer inventory control practices require the handling of small orders and more frequent deliveries. Managing physical distribution with less inventory is a prerequisite. This dramatically changes the dynamics of global supply chains. Active's Freight & Logistics' offerings provide numerous transparent solutions that thrive in this new environment, while attaining economic and service benefits.

Through our business model, Active's clients can accelerate the movement of inventory throughout the transportation lifecycle so they can allocate in-transit inventories to orders that are waiting at a distribution center. Consequently, our clients do not have to stockpile inventories and they can significantly reduce their cash to cash cycle.

What is the advantage of Active's global footprint?

Active can purchase inventories globally, issue trade credits, and provide global supply chain efficiencies. In negotiating rates with our transportation vendors, we can balance and optimize the utilization of equipment. The ability to leverage our global footprint is a unique advantage. For a company headquartered in Europe with divisions throughout the world, Active can strategically and efficiently permeate value throughout their global supply chain. ●

An Interview with Lou Petreski,
Executive Vice President and Chief Information Officer



Lou Petreski

EDITORS' NOTE Lou Petreski brings more than 25 years of IT experience to Active across a variety of industries, including finance and insurance, consulting, entertainment and media, and apparel. Prior to Active, his experience brought him abroad for several years as Country Chief Information Officer for GE Capital, Czech Republic. Before moving abroad, Petreski held senior positions at GE Capital, TreCom Business Systems, Viacom/MTV Networks, and Liz Claiborne.

How critical has the investment in technology been for Active?

Active sees technology as a supporting function and as something that adds value to the business. We invest anywhere from \$3 to \$10 million in a given year.

A year and a half ago, we did an entire tech refresh that included replacing all of our desktops and servers, the network infrastructure, and the global network to increase productivity and performance, and to enable collaboration with our offices in the different countries.

What metrics can you put in place to track the impact of your technology investments?

With any given project, we scope out the need and focus on projects that deliver improvement, be it a process improvement or a collaboration improvement. The way we measure the impact is through evaluating what improvement has been made. If it's customer-facing, we make sure it brings value by focusing on making it easier for them to work with us, making their lives easier.

How critical is the technology for enabling global growth?

All of our systems are global-enabled and trade-enabled. It gives the new offices in countries just entering the marketplace a springboard. Since everything is standardized, we can give them those applications and systems and they can be up and running within weeks.

How far have you gone on the e-commerce side?

When it comes to customer-facing and e-commerce, since we are more of a B2B business, we've delivered several portal solutions. Clients are interested in self-service as part of their engagement with us so, for example, clients can log on to view their trade credit statements.

On the travel side, we have an online search and booking engine, which most of our clients use to view the hotel properties we have available and, in many cases, book online. For our freight business, we have a portal for tracking shipments.

How tough is it to stay on top of the changing landscape?

It's critical to stay on top of research and to remain tied into social media and forums that keep you up to date. We are the hub to everything and all of our systems have to talk to all of these other systems. We look at the media marketplace to determine what is changing from that standpoint. This includes being up to speed on what the agencies are doing, because we're the third person when it comes to supporting the client: it's the client, the agency, and then us.

We're also continuously going to user group meetings or media or industry specific forums that help us understand the direction the industry is moving in.

We do the same to support the other business lines within the company. We have to stay on top of the freight and logistics system – the tracking of the packages and goods being shipped by our customers. When it comes to travel, we have to be tied into the reservation systems out there, making sure we give real-time availability and pricing so we're in tune.

From an internal perspective, we also continue to provide our employees with tools that increase their productivity and communication. In many ways, we tie everything together because we're touching all aspects of the company. ●