

# Global Supply Chain Challenged

Multiple factors contribute to overseas shipment delays



Over 100 container ships wait off the California coast to be unloaded

Anyone that has tried to purchase anything in the last 18 months would agree; the global supply chain is not working the way it used to. It is taking considerably longer and much more expensive to move raw materials, supplies, and finished goods.

Links within the supply chain are weakening and breaking, resulting in shipments being significantly delayed. The shortages we are experiencing are real, and experts warn that this will be an unusual Christmas buying season.

The measures put into place to handle the global pandemic have put stress on existing weaknesses within the supply chain. In addition, if we factor in the just-in-time (JIT) principles that many companies rely upon, and apply it on a global scale, we end up in our current situation.

A supply chain manager has to coordinate many parties that all need to work together:

suppliers, manufacturers, distributors, retailers, shipping companies, distribution centers, and warehouse staff. When the coordinated effort works smoothly, everyone has what they need when they need it to keep things moving ahead as planned. If one link in the supply chain is broken, well, there are problems down the line.

Just-in-time principles were mentioned earlier. Under this philosophy, supply chain managers keep very few supplies and little inventory in stock. Instead, ordering and production is dictated by customer demand. Supplies are only ordered as needed, minimizing inventory, reducing warehousing costs, and freeing up working capital. In normal supply chain operation, JIT principles work very well, however it's not designed to withstand the challenges we are currently enduring.

Due to the pandemic, and its subsequent

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#### Interesting Ohio History

The water fuel cell is a technical design of a "perpetual motion machine" created by Stanley Meyer of Grove City, OH. Meyer claimed that an automobile retrofitted with the device could use water as fuel instead of gasoline. Meyer died suddenly in 1998, while dining at a restaurant. His brother claimed that during a meeting with two Belgian investors, Meyer suddenly ran outside, saying "They poisoned me." The coroner report ruled that Meyer died of a cerebral aneurysm. Some of Meyer's supporters believe that he was assassinated to suppress his inventions.

#### GYST October Winner:

Ottawa, OH

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handling, labor shortages exist in just about every link within the supply chain. In addition, workers involved in international logistics have faced huge challenges because of the rules and restrictions put in place because of the pandemic. As a result, many workers have left the workforce.

The supply chain is also being plagued with equipment shortages. Containers and chassis, needed to move the containers, are in short supply. It has been reported that what used to take 3.5 days for a chassis being used is now taking 17 days. So, when ports have containers ready to move, they often don't have the necessary chassis to load them for transport.

Spending patterns have also changed virtually overnight as a result of the pandemic. No longer being able to spend money on services such as restaurants, and nightlife, people shifted their spending to consumer goods using eCommerce. Package deliveries to homes increased by close to 40% putting added pressure on carriers.

The rising and unexpected consumer demand put significant pressure on the already stressed supply chain. The Port of Los Angeles alone processed a record 10 million TEUs (Twentyfoot equivalent unit) from 6/20 to 6/21. As a result, this demand has allowed carriers to raise rates; the container freight rate from Asia to the United States has increased by over

500% since 2020. In addition, to ensure that they have the materials, supplies, and goods they need for the Christmas season, many companies have placed huge orders adding to the already stressed freight capacity.

Many of the shortages we are experiencing today result from the above issues. Due to the way supply chains are interconnected, each shortage interrupts other parts of the chain down the line. A good example of this would be the semiconductor chip shortage. As a result, this shortage has impacted the availability of automobiles, computers, appliances, etc.

We currently have massive backlogs of container ships in our Ports of Los Angeles, Long Beach, New York and New Jersey, as well as backups of containers in Asia, backups in railyards, rising costs, and longer transit times for goods, supplies, and raw materials.

Unfortunately, small companies, that lack the bargaining power of larger companies, and consumers, facing the highest inflation rate in over 30 years, are being hit the hardest by this stressed supply chain.

If there is a bright side to any of this, reshoring continues to be key in manufacturing job creation for 2021. The pandemic is a primary factor in why jobs are returning to the U.S. If present trends hold, we may be in for a boom era of U.S. manufacturing reshoring.

# Penn Centre Division Awards Scholarship

Shayne Van Ness of Penn State University is the most recent recipient of the Penn Centre Logistics Endowed Athletics Scholarship. Below are excerpts from Shayne's letter to Todd Bennett of our Penn Centre Division.



Dear Todd,

I am extremely grateful to have received the Penn Centre Logistics Endowed Athletics Scholarship. This scholarship will allow me the opportunity to further my education and take advantage of the amazing opportunity I have here at Penn State. With your generosity I plan to achieve a degree in Psychology and win multiple individual and team titles for Penn State Wrestling. Thank you again for your help because without you these goals of mine would not be possible.

Wrestling has been in my family for many generations, so I was born into the sport. I chose Penn State because I felt that it would give me the most opportunities to be successful in life both on and off the mat.

I cannot express in words how grateful I am for the opportunities you are providing me through this scholarship.

Great job, Shayne! We wish you all the best!

### 80 Years Later



Two recently identified Indiana brothers who died during the attack on Pearl Harbor were finally laid to rest with gravestones after nearly 80 years as "unknown" soldiers.

Brothers Harold and William Trapp were buried with full military honors at Punchbowl Cemetery in the National Memorial Cemetery of the Pacific. The brothers share a plot, one casket atop the other.

Raised in La Porte, Ind., the brothers did everything together – even joining the U.S. Navy in 1939.

"When they joined and enlisted, they enlisted on the same day together," Carol Sowar, their niece, told Hawaii News Now.

The brothers served together on the USS Oklahoma, which Japanese fighter pilots torpedoed on Dec. 7, 1941 – the event that led the U.S. to enter World War II. The ship sank, and 429 crewmen died in the battle.

The Defense POW/MIA Accounting Agency has worked for decades to identify the remains and bring closure to families of the deceased. In November 2020, the agency was able to identify the Trapp brothers – at the same time, again – thanks to dental and genetic evidence.

Sowar called the service "beautiful" and expressed her gratitude that her uncles finally received the respect they deserved after so many years.



# Local 5th Grade Students Visit Ohio Logistics



By Findlay City Schools Teacher

5th grade students from Chamberlin Hill Intermediate and Bigelow Hill Elementary School traveled to Ohio Logistics today! These students are working on their First LEGO League Innovation Project: How can the transportation of products be improved?

Students were able to tour the warehouse, learn how materials and packages are shipped, watched a forklift demonstration, and were educated on all of the warehouse lingo and regulations. Ask them all about FIFO and LIFO! Extremely proud of this inquisitive group of students!

#### Test Your Logistics IQ:

1) Processes involved with returning goods from the customer to the manufacturer. Products may be returned because of performance problems or simply because the customer doesn't like the product.



2) A method of payment for goods in which the buyer established his credit with a local bank, clearly describing the goods to be purchased, the price, the documentation required, and a time limit for completion of the transaction. Upon receipt of documentation, the bank is either paid by the buyer or takes title to the goods themselves and proceeds to transfer funds to the seller.



3) People with a vested interest in a company, including manager, employees, stockholders, customers, suppliers, and others.



### Tech Talk

By Ohio Logistics' IT Manager, Mike Spradlin

Welcome to "Tech Talk!" Please allow me to introduce the latest addition to the Ohio Logistics Newsletter. In this section you will learn details about upcoming IT initiatives, news related to the world of technology, helpful tips and tricks, and even some interesting facts surrounding the world of IT.

To start things off, let's talk about "passwords." We all have them, but are they actually secure? The more complex the password, the more difficult it is for the bad guys to obtain. Because of that, IT will be implementing a new password policy in the coming weeks. This will allow us to manage things like password complexity requirements and how often your password must be changed. Coupled with the recent Multi-factor Authentication policy, IT is working hard to secure your data!

Check back next month to learn more about Ohio Logistics IT and the fascinating world of technology.

Fact: Over 6,000 new computer viruses are created and released every month.

# **Interesting Information**

You know the saying—nothing is certain except death and taxes. While that may be true, taxes tend to be more complicated and very inconsistent. And they didn't always exist as they do today. In fact, America's first citizens enjoyed very few taxes. While the Civil War led to the creation of the first income tax in the U.S., the federal income tax as we know it was officially enacted in 1913.

Prior to 1913, Americans kept 100% of their earnings. Despite this, America still had schools, roads, railroads, streets, subways, the Army, Navy, Marine Corps, intelligence agencies and a bustling economy. Income tax was meant to be a temporary war-time tax.



### December Dates of Importance:

December 7 - Pearl Harbor Remembrance Day December 11 - Pilgrims Land on Plymouth Rock, 1620

December 15 - Bill of Rights Day December 16 - Boston Tea Party, 1773 December 17 - Wright Brother's First Flight, 1903

December 21 - First Day of Winter December 25 - Christmas Day December 31 - New Year's Eve

T. Return Goods Handling
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# Meet James Darrah

James is a 3 ½ year Associate and Fork Lift Operator at our Columbus, OH Warehouse. With short notice, James quickly and efficiently answered our questions so that we could learn more about him.



OL: Tell us about your family.

James: I have been with my girlfriend for 20 years, and have three girls, two boys and 12 grandchildren.

OL: Tell us about the best vacation you've ever been on.

James: That would probably be when we drove to visit family in Grayson, KY. It was very laid back and a relaxing time with the family. OL: Describe your all time favorite home cooked meal.

James: Homemade lasagna is hands down my favorite.

OL: You've got the day off with no obligations, what are you going to do and why?

James: I am going to spend as much time as I can with my family, because that is what matters most to me.

OL: Tell us something about yourself that most people don't know.

James: I served three years in the Army and received a marksmanship award with the M39 enhanced marksman rifle.

OL: What advice would you give the 18-year-old version of yourself?

James: I would tell myself to focus more on education and a career. That way I can set myself up for the future.





Ohio Logistics is affiliated with Findlay's Tall Timbers Distribution Center, LLC



"The difference between stupidity and genius is that genius has its limits."

- Albert Einstein -

### Happy Birthday To You!

### **OL** Ohio

Grace Brose 12/11 Tony Chidester 12/14 James Darrah 12/29 Deb Dick 12/9 Cameron Gadd 12/19 Mitch Hackworth 12/22 Brayden Harris 12/18 Pam Orwick 12/4 Paul Porter 12/26 Lindsay Rangel 12/4 Austin Roberts 12/9 Dallas Robinson 12/13 Jordan Rode 12/29 Dakota Rose 12/23 Tayler Timler 12/29 Tracey Walters 12/31 Hunter Woodruff 12/31

OL Southern Tier Div. Sean Bergquist 12/18 Richard Camacho 12/4 Thomas Douglas 12/26 Anthony Gelzer 12/31 Christine Haynes 12/24 Christina Marvin 12/29 Mark McIntosh 12/5 Abel Townsend 12/3 Christopher Wexell 12/31

OL Olive Branch Div. Arthur Robinson 12/17

### It's Your Anniversary!

#### OL Ohio

Grace Brose 1 Year Tyler Long 1 Year Robert Sweigart 5 Years

OL Southern Tier Div. Sean Bergquist 1 Year Rogina Bonomo 5 Years Kenneth Fulk 2 Years Thomas Lindsay 1 Year Mark McIntosh 6 Years Eric Peterson 3 Years

OL Penn Centre Div. Amy Burns 5 Years

OL Olive Branch Div. Yolanda Thompson 3 Years

