

Zebra Your Edge Podcast

Hosts:

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Guest:

Cathy Langham, President and CEO of Langham Logistics

Transcript

00:00:00:00 - 00:00:29:20

Deanna

Welcome to the Edge podcast. I'm Deanna Self, Director of Digital Strategy for Global Supply Chain and Repair at Zebra, and today, it is my privilege to share the mic with Cathy Langham, President and CEO of Langham Logistics. We're going to dive deep into the world of supply chain and what it's like supporting logistics. Despite numerous discussions on supply chain resilience and performance. The critical role of 3PLs have often went unrecognized during the pandemic.

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Deanna

These unsung heroes played a pivotal role in ensuring the continuous movement of goods, preventing even more severe delays in deliveries and shortages on the shelves. Day and night, they tirelessly managed inventory and orders while collaborating closely with manufacturers and retailers to navigate challenges like supply and demand imbalances, labor shortages, blocked shipping lanes and more. So I asked Cathy to share her thoughts on the state of supply chain now and talk about what 3PLs are doing or could be doing to better support customers moving forward.

00:01:02:08 - 00:01:04:09

Deanna

Cathy, thank you so much for joining me.

00:01:04:10 - 00:01:08:09

Cathy

Thanks, Deanna. It's great to be here. I appreciate you.

00:01:08:11 - 00:01:18:04

Deanna

Awesome. So, you know, many people say that things are finally settling down or stabilizing in supply chain. Do you agree with this?

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Cathy

That's a loaded question because, yes, COVID is over, but the economy, the U.S. economy, as well as the global economy is still very uncertain. The central bank has not decided to cut rates. Prices for food and general consumer goods are still high. The war in Ukraine continues, the Suez Canal, oil spills, fertilizer leaks from sinking cargo ships from the Red Sea to the canal. The Port of Baltimore disaster that we just had last week. So I don't know if this is the new normal or not, but there's still an awful lot going on in the supply chain.

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Deanna

Yeah, I agree. I think it's important not to become complacent as maybe things are starting to feel normal. But as you mentioned, there's so much that's going on right now. One of the other things: SLAs are becoming more diverse and complex and customers are having higher expectations and, let's face it, less tolerance for mistakes than ever. So what do you feel that 3PLs and others in the supply chain can do to better position themselves to meet SLAs, to attract new clients or scale to meet increased demand?

00:02:43:09 - 00:02:50:02

Deanna

What do you think the key to taking on more is without biting off more than they can chew?

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Cathy

Well, I'll speak in general as well as specific to Langham. It's a very exciting time to be a 3PL. Finally, people understand what supply chain means. That's one good outcome of COVID. Everyone understands the importance of supply chain and we're in the middle of it. Service level agreements are becoming more complicated. Our space in particular is specific to biopharma and cold chain.

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Cathy

So it's expensive. Temperature controlled warehouses that are control room temp and refrigerated, as well as frozen pallet storage spaces. So very active right now for a lot of good reasons that I'm sure all the listeners understand. There is a lot of reshoring going on in all industries and specific to pharma. Pharma is willing to invest CapEx dollars in reshoring in manufacturing.

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Cathy

They are not willing at this point to spend those dollars on distribution and storage of raw materials and that sort of thing. So that's where we play very active market right now. We are attracting a lot of new clients and we're a mid-sized company, so we have 180 employees and we have to meet the SLA as they're coming toward us and the understanding exactly what our customers want

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Cathy

We are doing that through a lot of automation, drones doing cycle counts, cleaning bots, labor management systems, just any sort of technology and automation, investing in engineers on staff that we didn't have three years ago. We have a team that is establishing a deep understanding of the client's challenges. So it's not just responding to an RFP or even when you're winning the business, looking at an SOP and moving forward.

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Cathy

It's really spending time, I mean, weeks at a time onsite with the customers listening and asking the right questions and then understanding it. A strong onboarding process again to make sure we're doing it right. Strong quality processes and ongoing communication and scheduled review. So as well as spending time hiring recruiters to make sure we're finding the right people and onboarding them the right way.

00:05:50:24 - 00:05:53:19

Cathy

Wow.

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Deanna

It sounds like you're obviously doing it right. I know that that's so key in understanding the customer. And you know, Zebra frequently conducts the warehouse vision studies to understand current pain points in addition to innovation and modernization plans. In our 2023 study, over three quarters of the warehouse decision makers said that they remain under pressure to improve performance, while also adjusting to the shifting consumer e-commerce demands.

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Deanna

When we started asking why, there was about 80% that said inaccurate inventory and out of stocks continue to significantly challenge productivity. So they need better inventory management tools to achieve better accuracy and determined availability. I think the good news is that most are working to address this need in the next 4 to 5 years, but it also means there's going to be some continued challenges until they do.

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Deanna

So let's talk about this in the context of 3PLs. Do you, your team or peers feel that you've already made changes to improve visibility and control over inventory levels or order status? Or do you think that there's still room for improvement?

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Cathy

I think there's always room for improvement in everything, and we've made a lot of great strides in that. We have a quality team that all they do is review the onboarding piece and make the KPIs - key performance indicators - visible to everyone. They're in the warehouse, and they're measured against them on the labor management system. So we are trying systematically, and through automation, to make sure that those problems are minimal.

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Cathy

I mentioned cycle counts by drones, so we have drones that can count 1400 pallet locations a day to make sure that we have product that matches our WMS. So are there still issues? I think so. I think a lot of it, too, is having the right partnership with your clients. So we have collaborated on the right SOPs and the right processes, and then we measure against those.

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Deanna

Yeah, I like hearing you talk about all the investments that you're making in automation and technology. What other plans are being made by 3PLs to increase tech utilization in response to workforce frustrations around rising demands? And how much process re-engineering would you say is being done to either increase the impact of these new tech tools or maybe complement the tech changes?

00:08:45:09 - 00:09:12:01

Cathy

It's a big investment. As we looked at the budget this year just for IT help, you know, from partners. there are probably 30 different companies we work with that do a lot of different things around technology. And I couldn't say enough about automation. Our director of warehouse operations has a strong automation background, and that has helped a lot.

00:09:12:03 - 00:09:36:19

Cathy

I think we will continue to invest significantly because the labor market isn't getting better and we want to - the great employees we hire - we want to use them for the highest and best use of their skill sets. So we don't want them out there just every day, counting pallet locations or counting product in the warehouse. We want them to be drone pilots.

00:09:36:19 - 00:09:48:19

Cathy

We want to raise the level of interest for them in the business and allow them to work on the highest and best use of their skill set.

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Deanna

Yeah, I completely agree. How do you feel 3PLs should work back with customers to stay on the forefront of technology and collaborate on innovation efforts?

00:10:01:02 - 00:10:32:11

Cathy

That's a great question and it feels like it's different by customer. We have clients that will invest with us in technology and we make significant presentations to them around what we see in the market based on how much space their product takes up. Is it each, widespan racking or is it full pallet? How quickly does it move? What does the turns look like? And then invest together with them.

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Cathy

That is one way to do it. Another way to do it is to establish a shared savings goal with our clients. We've done that with customers and also we invest ourselves because of what's going on with the labor market. Whether or not the customer invests with us, we will continue to make the investment in automation. But a partnership is an ideal scenario for that.

00:10:58:05 - 00:10:59:02

Cathy

Yeah.

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Deanna

Agree. What should business leaders think about when they approach a 3PL for support? Everyone talks about the expectations that customers have of 3PLs But what would you say? What are the expectations that 3PLs have of customers to ensure a successful partnership?

00:11:18:23 - 00:11:24:24

Cathy

I love this question. Thanks for asking it.

00:11:24:26 - 00:11:55:16

Cathy

I think our clients should, number one, think about who they're partnering with as far as the 3PLs It's really easy to go with the big name that everyone knows, but we all wake up thinking about our top 20 accounts every morning. So our clients need a 3PLs where they are a significant client for that 3PL and they are in the top 20.

00:11:55:19 - 00:12:33:12

Cathy

And when they have that partnership, they have to treat it like a partnership. We need integrity in the RFP process, not changing it as things go on. And, without fail, any customer that we have won their business, everything changes in that contract process. So everything we bid on, everything we put together, the size of the building, what the layout looks like changes completely when we get to the point where we're actually building this thing with the client.

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Cathy

So some rigor around, "let's make a decision and move forward." Also allowing finalists not just to present, but to have real conversations. You know, we have clients that say you have one hour, you present, we won't ask questions to the end, and then we make a decision. We have other clients that they are around the table with us having the conversations, spending a day together and really trying to get to know each other.

00:13:03:03 - 00:13:14:13

Cathy

So I think that is critical for their partner. And then once the business is won, let's stay on the timeline together, get the contract signed and move forward.

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Deanna

Yeah, absolutely. Well, let's talk about the role that people play in everything from innovation to execution in 3PL operations and the broader supply chain. How do you inspire creative, yet practical ideas among your leadership team and frontline workers? How do you ensure that all their perspectives are being considered when changes need to be made?

00:13:40:21 - 00:14:09:09

Cathy

This is an interesting question, and I went to a couple of our folks and asked them how we inspire them to be creative thinkers when they join the team. And the first response was, "Well, there's a lot going on. We're a fast growth company and a fast growth industry, and we have to continue to keep going and also hire creative thinkers."

00:14:09:11 - 00:14:49:09

Cathy

We have a team that has great experience and great technology backgrounds and engineering backgrounds and it's easy: all we have to do is listen to them and give them a chance to share their ideas. We did a lot of work this year on investing in our people. So 30 to 50% of your time as a leader in a company should be working on people, whether it's your current employees or hiring new ones and making sure we're listening to them.

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Cathy

One of the things we instituted was a quarterly one on one with each employee. So we do it with our direct reports and they do it with their direct reports for simple questions. Number one, what did you accomplish in the last quarter? Number two, what are your goals for the next quarter? This is where innovation and creativity comes out.

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Cathy

Number three, how do you plan on improving your performance? And number four, in what ways have you embraced the company's core values? So our core values are respect, accountability, teamwork, integrity, creativity, listening, work ethic and communication. Eight things... and I can't get rid of any of them. I think they're all very critical. But I'm asking the team just taking 60 minutes with them, sitting down, having them prepared with the answers to these questions, and then allowing conversations to happen.

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Cathy

And I would say the last thing, D, that makes sense is, "Be humble." Don't think we have all the answers. Right. Let's learn from the youngest people on the team or the oldest people. It doesn't matter. Everyone's got different experience. But if we can take a minute to stop and ask good questions and listen we'll be way farther ahead.

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Deanna

Yeah, absolutely. Diversity of thought, right?

00:16:21:22 - 00:16:24:12

Cathy

Absolutely. Absolutely.

00:16:24:15 - 00:16:43:06

Deanna

Well, how about we switch gears here a little bit and let's talk what it's like as a woman and a leader in the supply chain space. What have you done to ensure you're effective as a leader in this space, especially as a woman?

00:16:43:08 - 00:17:20:29

Cathy

I, I don't really think about leading in in terms of women versus men, but I would say in order to be a good leader, we should always be learning. So listening to books, audible podcasts. Every experience is an opportunity to learn. Joining business groups and spending time with people. You know, as a woman, my closest friends are leaders who I want to be like.

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Cathy

So surround yourself with the right people and that, you know, establish some lessons learned.

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Deanna

What do you think that it would take to inspire more women to get into supply chain and make their mark in this space?

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Cathy

How? Well, as I said earlier, it's good that everyone knows what supply chain means. It is a sexy field now. It's cool to be in supply chain and it is coming out before. So that's awesome. And it's a lot of fun. I don't know if you'd agree with me, but it is a lot of fun. Every day is a different adventure.

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Cathy

There's never a dull moment. And we have an incredible team, too. But it's just fun to be around people that give you energy. You know, we didn't really talk about AI - and we did technology and automation - but there is so much going on. And this industry is just changing at lightning speed. So if you want to be a part of something like that, if you want to be in the middle of the fight, this is the place to be.

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Cathy

It's yeah, it's been a lot of fun.

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Deanna

What value do you feel women bring to these environments and how can we better communicate that to women so that they may consider more roles like this?

00:18:49:14 - 00:19:31:11

Cathy

I think women are - and I don't want to alienate anybody and any of my male associates - but I think they're thoughtful. I think they're passionate and have really good listening skills, which is incredible internally and with the customers. And I think they have to be willing to be involved in the industry, go to the conferences, join the clubs, and just be there with a pure intent of helping and making a difference and just saying, yes.

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Cathy

I mean, I can tell you over my career I chaired the Air Forwarders Association twice. I chaired our local chamber which had George Bush visit my building and give a speech on worldwide TV. I was vice chair of the Super Bowl when it came to Indianapolis. I mean, there's just so many opportunities that if you just say yes and just make the time to get involved, it will come to you.

00:20:02:08 - 00:20:07:13

Cathy

I could go on for an hour about that. But that's the short answer. Yeah.

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Deanna

That's awesome. And I think you kind of answered this a little bit, but what more needs to be done to ensure women are seen, heard and respected in the supply chain environments regardless of their role?

00:20:22:01 - 00:20:57:17

Cathy

Yeah, ladies, I would say it's on us. You know, I think it is up to us. So, you know, be confident, know what you want to bring to a conversation and share that. Listen, do your homework and be curious. So we prepare. Just be prepared for everything. And I think I mentioned it, but get involved with that spirit of helping and learning to bring people together to gain common ground, asking the right questions.

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Cathy

And by the way, you don't have to worry about being the smartest person in the room. Just ask the smartest questions. So just that whole feeling of being curious and prepared and asking great questions. And I would say, I'll harp on us women a little bit, but we always think, "Well, we've got to raise the family, take care of people."

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Cathy

"We don't have time." I always say to anything, not just that comment, but we all have 24 hours in the day and we're choosing how to use them. You know, invest and you will be really, really happy You did. It's a great industry.

00:21:40:26 - 00:22:07:17

Deanna

I couldn't agree more. Yeah. Well, Cathy, your insights today have been incredibly valuable. I could go on with questions, but unfortunately, we're out of time. I just want to thank you so much for taking the time to share your thoughts and expertise with us and to our listeners. Thank you for tuning into the Your Edge podcast. I hope today's conversation provided you with a deeper understanding of the critical role that logistics and supply chain plays in today's world.

00:22:07:20 - 00:22:12:19 Deanna So until next time, bye everyone.



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