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Anything is possible

Scott Weiss | Mar 17, 2015 10:59AM EDT

As thousands of logistics executives from around the world filled the halls of the Long Beach Convention Center over a three-day period for the 15th Annual JOC TPM Conference this month, I couldn't help but flash back to the first TPM in 2000, when there were about 300 of us in attendance. In those days, the JOC was a daily newspaper delivered to my front door.

Anything is possible.

Before lunch on the first day of this year's TPM, Chris Caplice, executive director of MIT's Center for Transportation & Logistics, blew us away with a rapid-fire 20-minute talk on the future of transportation and logistics. He used the great horse-manure crisis of 1894 as a case study — the main form of transportation in those days, after all, was the horse. The horse population had reached problematic levels around the world, producing unpleasant consequences: urine, flies, congestion, carcasses and traffic accidents.

The main problem, however, was manure. In 1898 the first international urban planning conference convened in New York. One topic dominated the discussion: manure. Unable to see any solution to the manure crisis, the delegates abandoned the conference after three days instead of the scheduled 10. Over time, the crisis passed as millions of motor vehicles replaced those millions of horses.

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So why is it that I can purchase a \$1 Slurpee whenever I want but I can't pick up an ocean container with \$500,000 worth of product at any time of the day? Terminal executives tell us it's because warehouses aren't open overnight, and no one will pick up at those times.

Did 7-Eleven always operate 24 hours a day? "In 1927, the convenience store was born and became known as 7-Eleven to reflect the 7 a.m. to 11 p.m. hours of operation," the company writes in the history section of www.7-eleven.com. So those were the store hours for the first 35 years of 7-Eleven's existence. No one thought there would be demand for a store that was open 24/7 — until one night in Austin in 1962.

"The local 7-Eleven had seen such a rush of students following a University of Texas football game that they were forced to stay open until dawn the next day," the company's website reads. "Sensing a trend, the store continued to stay open all night on the weekends, and soon more and more locations adopted the new schedule as well."

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As the great horse manure crisis and 7-Eleven demonstrate, history shows us that, in a competitive market economy, human ingenuity will find alternatives whenever a resource becomes more costly.

With labor rates increasing steadily in Asia, will product always be made in Asia or might it shift to Africa 20 years from now, making East Coast ports more attractive?

According to the U.S. Department of Commerce's most recently published trade report, total e-commerce sales for 2014 were an estimated \$304.9 billion, up 15.4 percent from 2013. E-commerce sales in 2014 accounted for 6.5 percent of total sales. Approximately 75 percent of the U.S. population is east of the Mississippi, making it more attractive to bringing product directly to the East Coast and distributing it from there in order to have lower shipping costs and transit times for direct-to-consumer order fulfillment. How big a factor will e-commerce be in the next 20 years?

Tesla Motors and SpaceX CEO Elon Musk recently announced a preliminary plan to build a test track for the [Hyperloop](http://www.spacex.com/hyperloop) (<http://www.spacex.com/hyperloop>), Musk's proposed high-speed transport system — a "fifth mode of transportation" (not a car, train, plane or boat). A massive vacuum tube-mounted above ground or underwater would be combined with a magnetic levitation system used on conventional bullet trains. That means no friction, no wind resistance and insanely high speeds. It seems much more efficient than moving product on a ship the size of five football fields that takes eight days to unload.

Sounds crazy? Anything is possible.

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