

Re-Starting Transportation Center Executive Programs

Presentation for the Business Advisory
Committee at Its Meeting

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Purpose & Outline

- 1. Request Input from Transportation Center BAC Members on the Value and Likely Success of “Re-Starting” Executive Courses**
- 2. Provide Background on Previous TC Exec-Ed Programs**
- 3. Provide Background on Current Kellogg (Allen Center) Exec-Ed Courses**
- 4. Give Examples of Possible New Transport / Logistics Courses TC Might Offer Jointly with KSM / Allen Center**
- 5. Next Steps**

Appendix: *Inbound Logistics*' Summary of Top University Supply Chain Executive Education Programs

Three BAC Member Survey Questions:

(Please Respond in Most Convenient Manner)

- 1. What issues that Northwestern professors might address are the most challenging for your firm:**
 - In the next year?
 - Over the next decade?

Three BAC Member Survey Questions:

(Please Respond in Most Convenient Manner)

2. What specific managerial skills do your people need to have to be better equipped for meeting these challenges?

- Quantitative / analytical skills?
- Knowledge / expertise in specific substantive areas?
- People skills, cultural awareness, international experience?

Three BAC Member Survey Questions:

(Please Respond in Most Convenient Manner)

- 3. Do you have interest in an executive workshop format in which your firm's participants collaborate with Northwestern faculty in developing a specific outcome, such as:**
- A new product strategy
 - A forecasting system design
 - An inbound or distribution logistics network, or
 - A marketing plan?

Background

- **At Peak, 15 Years Ago, There Were about 275 TC Exec-Ed Students; By 1999, < 150**
- **Some Courses Were 3-4 Weeks Long**
 - Attendance Mainly from BAC Firms
 - Courses Presented at Orrington Hotel
 - Heavy Use of Non-Northwestern Faculty
- **Until mid-1990s, Exec Programs at Least Broke Even**
 - Questionable “Profit” if Use Fully Allocated Cost Basis
 - Under NU President Weber, NWU Began Charging 8 ½ % Sales Tax on TC Exec-Ed Courses
 - TC Exec-Ed Courses Were a Significant Part of the Center’s Public Visibility

Background, Cont.

- **Rising Competition from Other Universities and Commercial Education Vendors**
 - Kellogg School of Management Developed Competing Courses at Allen Center
 - Many Top Schools Offered Courses and/or Certificate Programs – [See Appendix = Inbound Logistics Article](#)
- **Corporate Belt-Tightening Hurt Registrations – Late 1990s**
- **By 2001, TC Exec-Ed Offerings Down to 6**
 - 3 Logistics / Supply Chain
 - 2 Pipeline
 - 1 Info Tech for Transport & Logistics
- **Impact of 9/11 Was Devastating**

Example Current Allen Center Exec-Ed Course Offerings

KSM Account

- **Global Supply Chain Management (Chopra)**
- **Market Access Strategies (Coughlan)**
- **Factory Physics (Hopp & Chopra)**
- **Leading in Turbulent Times (Diermeier)**

& Shared with TC

- **Leveraging Financial Information for Supply Chain Optimization (Balachandran)**

See accompanying Allen Center brochure for complete listing.

Example Future Exec-Ed Course Offerings -- Shared Between TC and Allen Center

*** More Detail Provided in Later Slides**

- **International Supply Chain Development & Management***
- **Marketing Channels with Precision Distribution & Returns**
- **Optimizing Supply and Distribution Networks**
- **Management of Long-Distance Supply Chains Under Emergencies**
- **Metropolitan Area Freight Planning to Increase Capacity and Ease Congestion***
- **Meeting New Security & Safety Mandates**
- **Improving Business Forecasts under Uncertainty**
- **Innovative Financing for Public / Private Projects**
- **Airline and Airport Economics and Operations**
- **Managing Extreme Complexity in Network Businesses***
- **Implementing Toll-Based Congestion Management Policies**
- **Improving Risk-Management Strategies in Transportation***

Four Examples of New TC-Allen Center Exec-Ed Possibilities

- **Outlines of these Courses on 4 Following Slides**
- **Are these the Best Examples?**
- **Do BAC Members Have Other Ideas for Courses that Are More Needed?**
- **Do the Outlines Cover the Most Important Success Factors?**
- **What Additional Market Research Should We Conduct?**

1. International Supply Chain Development & Management

- **An advanced course that picks up where “Global Supply Chain Management” leaves off.**
- **How do you set up inbound logistics and outbound distribution networks overseas?**
 - **What help can you get from your partner nations and from the U.S. Trade Development Agency?**
 - **Recruiting foreign nationals for line management functions in the USA and abroad.**
- **Complying with Customs & Border Patrol requirements – security and duties.**
- **Working with your carriers: maritime, air cargo, rail intermodal (container) lines, local drayage at both ends.**
- **Working with Third Party Logistics (3PL) firms.**
- **Pre-planning for (and recovery from) supply chain disruptions.**

2. Metropolitan Area Freight Planning to Increase Capacity and Ease Congestion

- **A course for policy-makers and practitioners in both public and private sectors.**
{TC is working on securing Federal funding for a pilot.}
- **Introduction to best practice principles in metropolitan area planning:**
 - Federal agency requirements
 - State, regional, and local planning environments
- **Winning support for the planning process:**
 - From business leaders and other key external stakeholders
 - From approval authorities and implementing agencies / carriers
- **Public-Private Partnerships and Innovative Financing**
- **Using modeling tools and gathering adequate data to make them worthwhile.**
- **Recruiting and gaining maximum value from outside experts:**
- **Going public with the finished product!**

3. Managing Extreme Complexity in Transportation & Logistics Networks

- **An advanced course that picks up where “Leading in Turbulent Times” leaves off.**
- **How do you prepare quantitative analyses of the performance of your inbound logistics and outbound distribution networks, or your transportation carrier operations?**
- **What are the key steps in developing network performance improvement plans:**
 - **Capital / design enhancements for capacity and productivity?**
 - **Operational improvements for safety, reliability, flexibility, maintainability?**
 - **What are the benefits / costs of streamlining vs. redundancies in networks?**
- **How can you test changes in capital or operating plans before the investments and training are implemented?**
- **Should information systems support tools for re-engineered processes precede or follow roll-out of the changes?**
- **Are “Network Streamlining” and “Process Simplification” good in and of themselves? Is it easier to *reduce* or *manage* complexity?**
- **Anticipating network failures, and preparing to recover.**

4. Improving Risk-Management Strategies in Transportation / Logistics

- **This is an advanced course in applying risk-management tools and strategies to entrepreneurial and safety / security activities in both public- and private-sector enterprises.**
- **Examination of the principles of risk management**
 - Understanding the differences between risk and uncertainty
 - Setting up risk / reward matrices, fault trees, other analytical tools
 - Benefits and costs of streamlining vs. redundancies in networks
- **Using [probability of an incident x consequences = risk]**
 - Gathering data for probabilistic analyses
 - Modeling poorly understood operations and attacks on vulnerable facilities
 - Developing and ranking mitigation strategies
 - Prevention vs. recovery
 - The value of monitoring, tracing, and mapping impact
- **Fail-safe versus fail-operational outcomes**
- **Stimulating development of technological counter-measures**
- **Developing risk- and performance-based standards in public and company policies**

Where Do We Go from Here?

1. **Receive / Analyze Suggestions from BAC**
2. **If Apparent Consensus Is to Move Forward, Select Most Promising New Courses (Jointly with Allen Center):**
 - **Recruit Faculty Academic Directors**
 - **Flesh Out Course Outlines**
 - **Conduct Market Analyses**
3. **If Favorable Results Hold, Continue Course Development, Begin Marketing (Allen Center)**
4. **Continue to Work with DOT & Public Agencies on Professional Development – (Consortium of Universities Idea Still Alive)**
5. **Remember, This Is All About Preparing Leaders for the Future of Transport & Logistics Industries!**