



NAIOP U

Southern California Warehouse Operations Challenges & Opportunities

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President



October 8, 2009

Two-Way Communications



Objective

1. Provide attendees with a better understanding of how supply chain dynamics are impacting the industrial real estate industry.
2. Identify strategies which attendees can consider using in their businesses to protect their competitive position.

Agenda

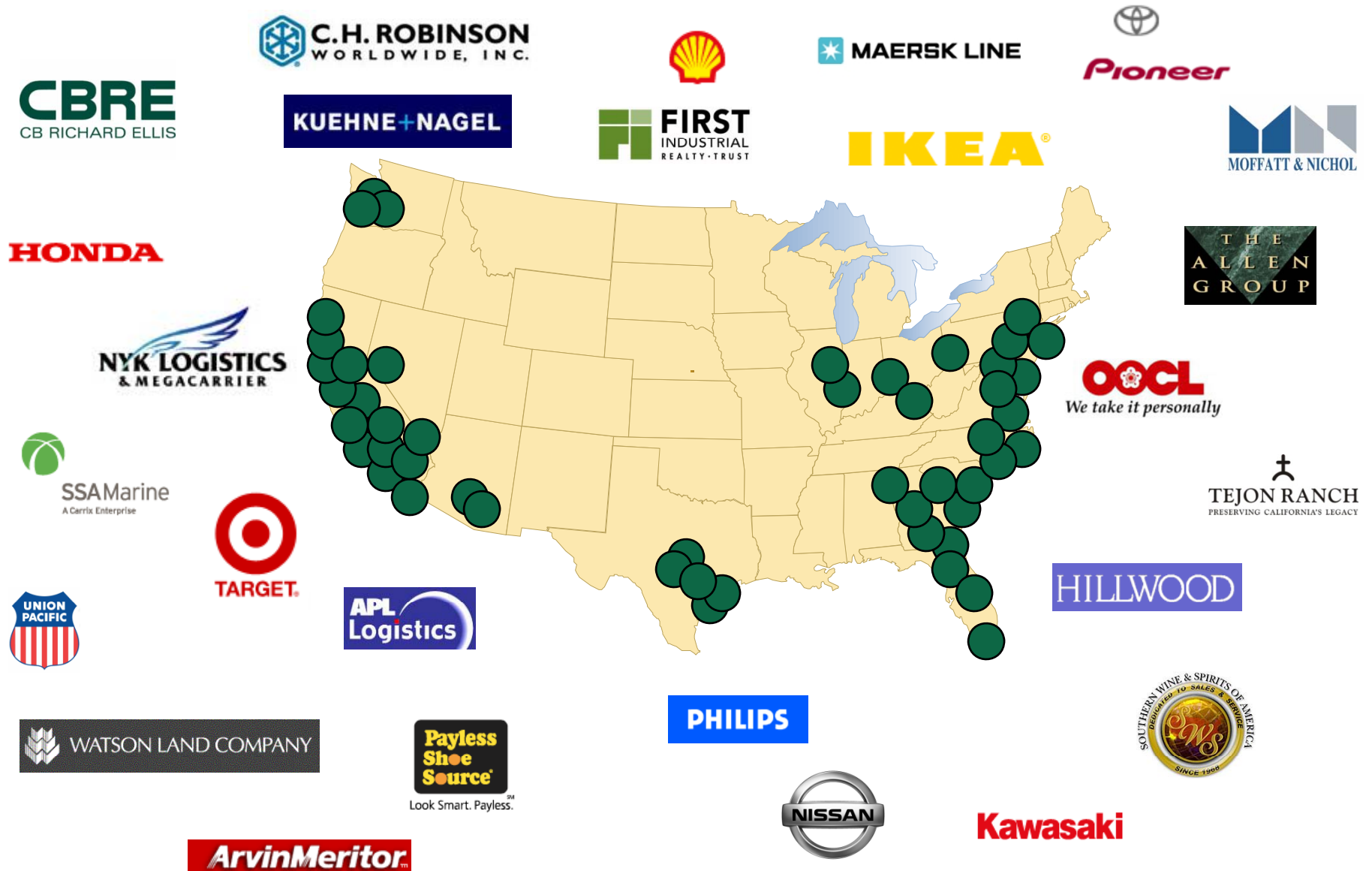


Building a Bridge of Understanding

WCL Consulting – Goods Movement Stakeholder Focus



WCL Consulting Perspective – Engagements/Research



1. Trends



2. Implications



3. Solutions

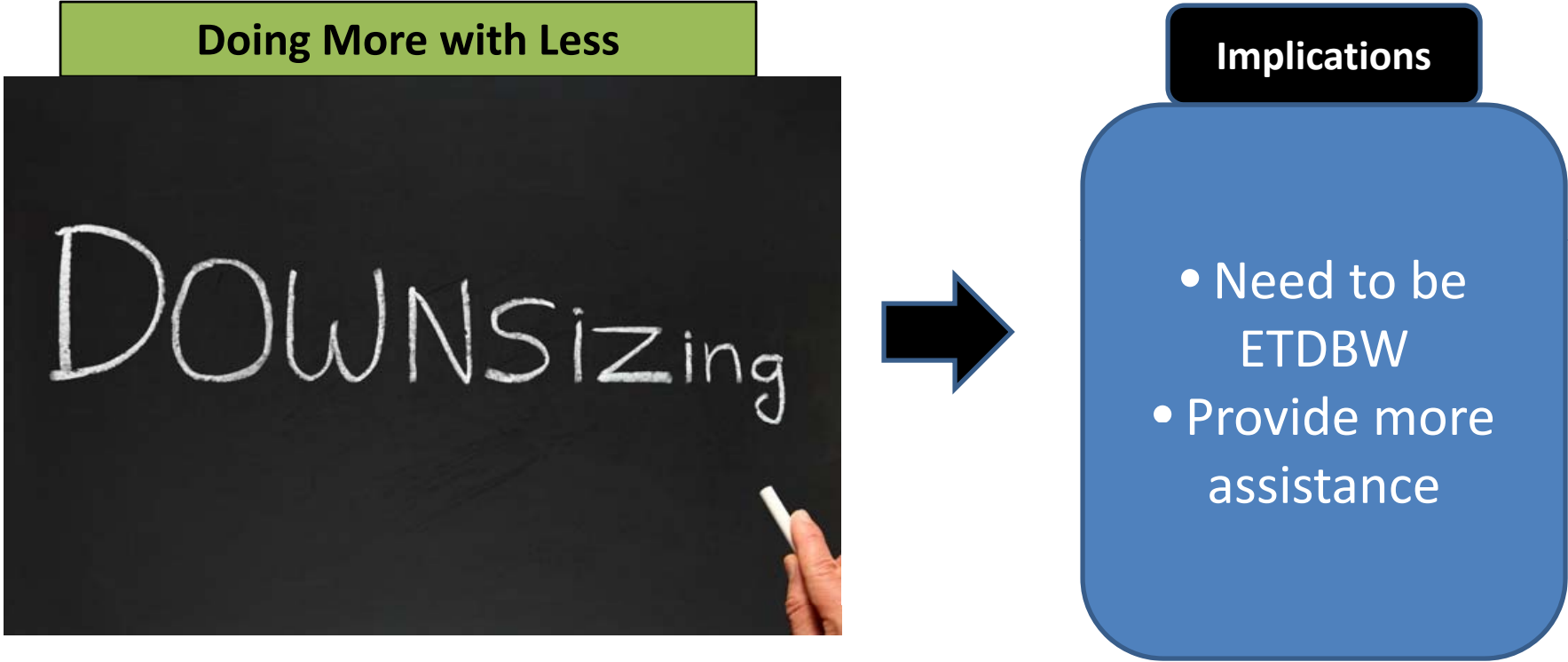
Battle of Supply Chains



A Competitive Edge

Implications

Critical that a warehouse location and operation provides strong support to Supply Chain Strategy



1. Trends



2. Implications



3. Solutions

Goods Movement Risk Mitigation



Los Angeles is now in almost perpetual gridlock restricting people and goods movement

Implications

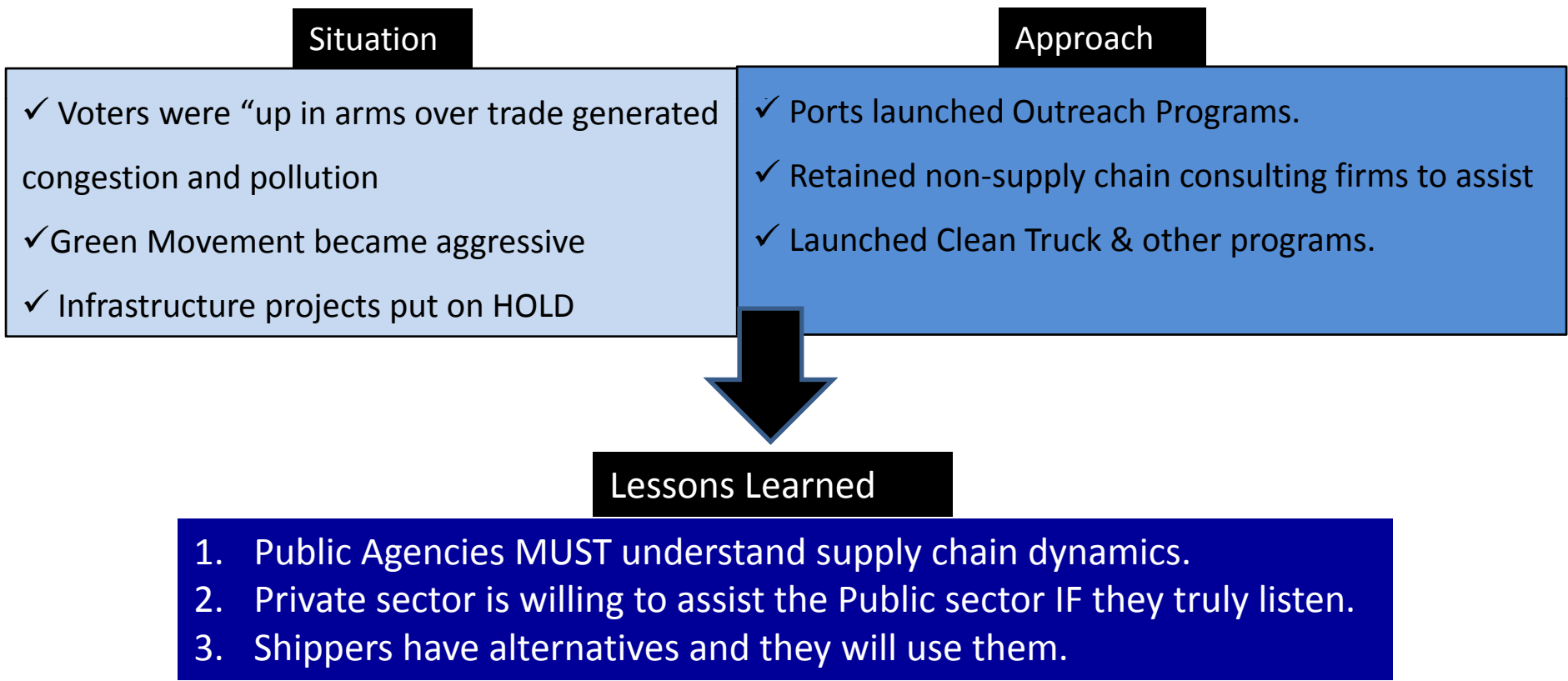
Potential Tenants will be watchful for:

- 1.) Highway congestion and delays near a location
- 2.) Local moratoriums on operations
- 3.) Potential shortages of service providers



Impact on Ports Competitiveness

Southern California Ports LA/LB – Case Study



1. Trends



2. Implications



3. Solutions

More Options for Shippers = Increases Flexibility

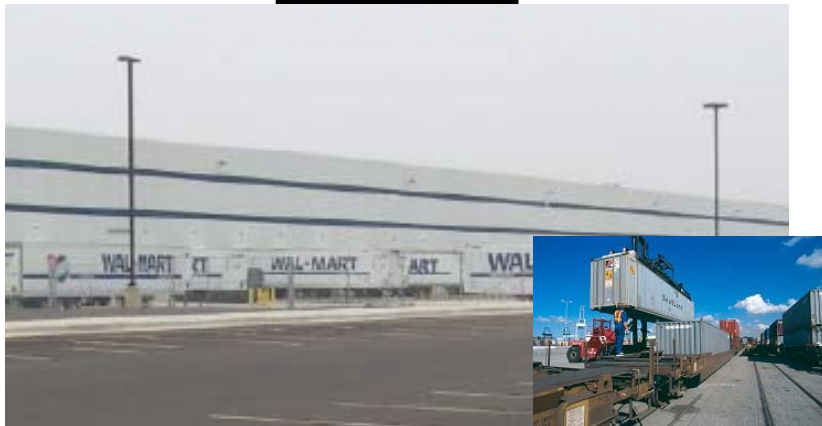
Prince Rupert



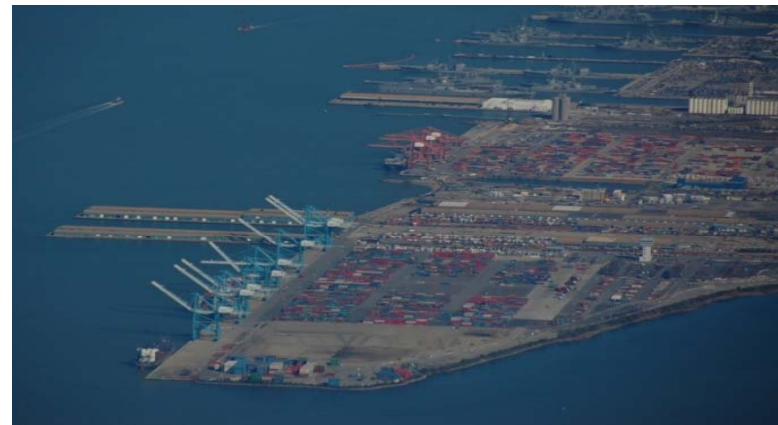
Port of Savannah



Joliet, IL



Port of Norfolk





The Door of Opportunity is Open

“Every supplier, every customer is feeling the same pain, so the desire to work together at a higher level is unparalleled.”

-Reuben Stone, EVP Supply Chain, Office Max
May 2009



Intensity has Increased

Game On!

- Gain Advantage
- Maximize Efficiency
- Overlook Nothing



Implications

Tenant expectations have significantly increased

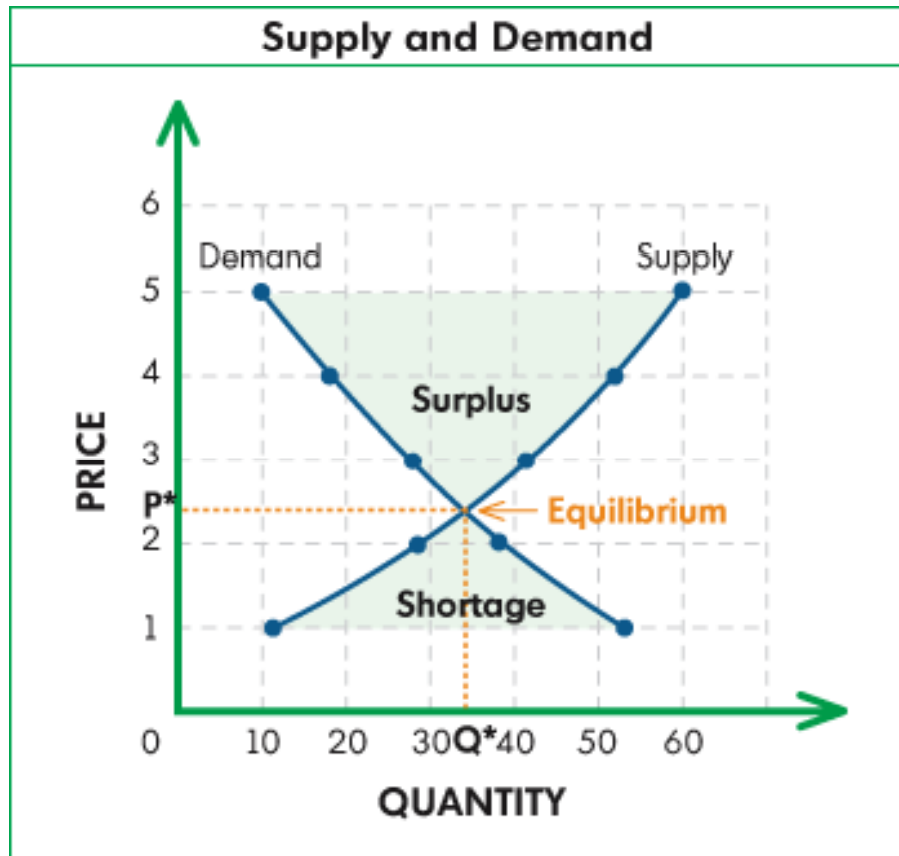


1. Trends

2. Implications

3. Solutions

Facility Space Exceeds Demand



Implications

Sell
Value
over
Price



It's Not Business as Usual



1. Trends



2. Implications



3. Solutions

You Will Need a Different Approach

Yesterday vs. Today





Solutions

Customer-Centric Approaches

- 1. Sell Value Over Price**
- 2. Confirm Excellent Processes are Used**
- 3. Compete on Analytics**
- 4. Provide Customized Solution**

1. Trends



2. Implications



3. Solutions

1. Sell Value over Price



Communicate the benefits of a facility in terms of its use in the supply chain.

1. Trends

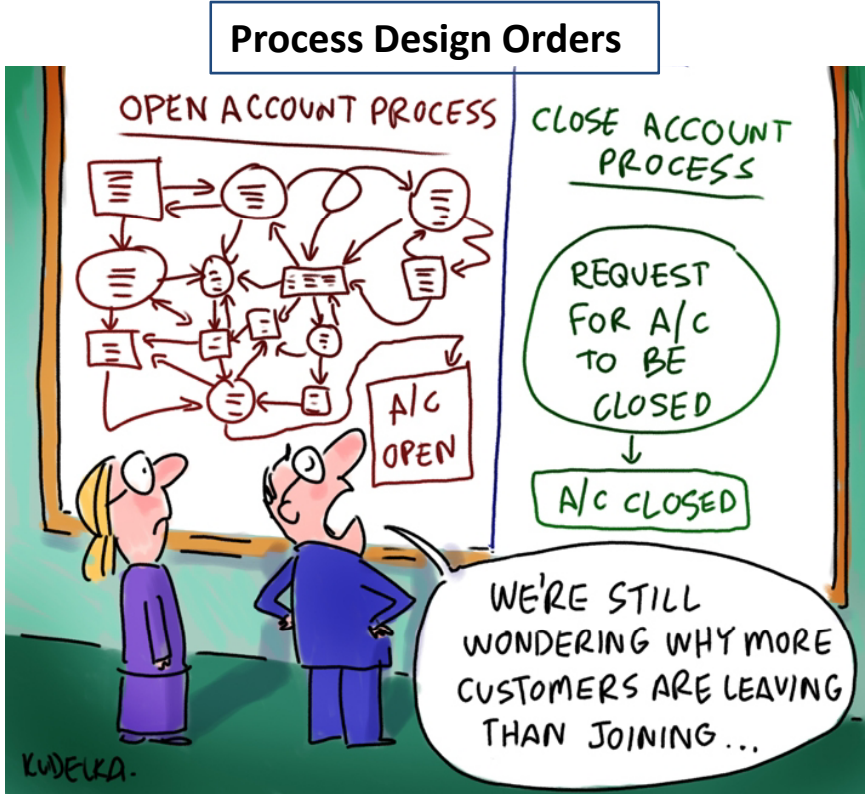


2. Implications



3. Solutions

2. Confirm Excellent Processes are Used



- Excellent
- Good
- Average
- Poor

1. Trends

2. Implications

3. Solutions

3. Compete on Analytics

FOR SALE OR LEASE
395,437 SQUARE FEET

**PERMIT READY
WORKING DRAWINGS
COMPLETE**

CHINO SOUTH
business park

16043 El Prado Road
Chino, CA



16043 El Prado Road, Chino, CA

PROPERTY FEATURES

- 395,437 Square Feet
- Crane Dock Loading
- Offices to Suit
- 76'9" x 8'0" Dock High Doors
- 22' x 14' Ground Level Doors
- 32' Clear Height (At First Column)
- Double
- 180' and 500' Truck Courtyards
- 1042 12' x 53' Sticker Parking Positions
- Permit Ready - All Entitlements and Working Drawings Complete
- Industrial Warehouse "Strike Line" Available
- Column Grid: 50' x 52' - Feet of Building
- 3% Slope
- 30% Concrete Sealed Truck Courtyard
- Planned Level Graded

Another Quality Development by:
THE CARSON COMPANIES



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Metrics to Include

1. Distance to Rail Intermodal Hubs
2. Listing of LTL Truck Terminals within 10 miles
3. Distance to public transportation
4. Small parcel pick-up times
5. Traffic congestion rating on local highways
6. Labor profile within 30 minutes drive time
7. Drive time from Ports
8. Distance to major markets

1. Trends



2. Implications

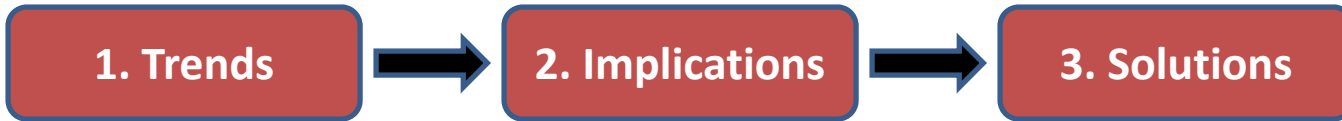


3. Solutions

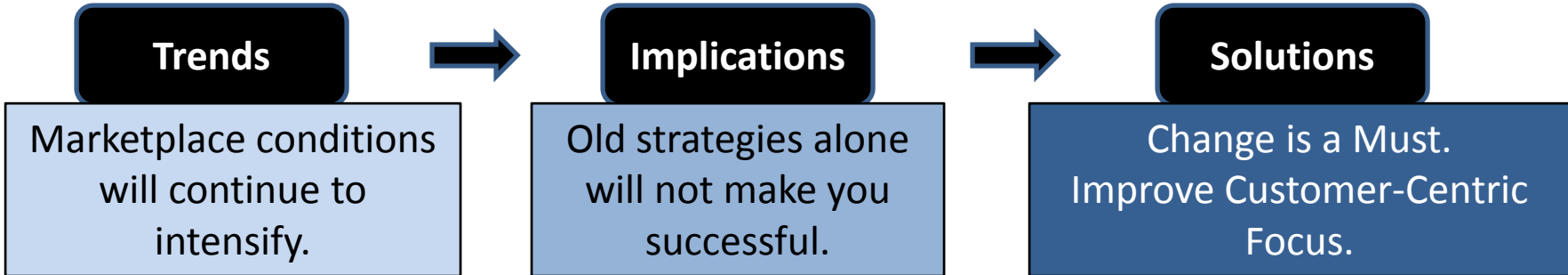
4. Provide Customized Solution



Warehouse Tenant's Site Selection Components Priority List				
Component	Importance Rating			Comments
	Circle Answer			
	High		Low	
Labor				
Cost Structure	10	5	1	
Work Ethic	10	5	1	
Labor turnover	10	5	1	
Labor Force Within Commuting Distance	10	5	1	
Non-Union Work Practices	10	5	1	
Vocational Training Available	10	5	1	
Highway				
Major Highways Serving Area	10	5	1	
Nearest Interchange with interstate System	10	5	1	
Traffic Flow and Lack of Congestion Problems	10	5	1	
Trucking				
Intrastate Trucking Companies in Area	10	5	1	
Interstate Trucking Companies in Area	10	5	1	
Schedules - Pickup Per Day	10	5	1	
Radius of Overnight Service	10	5	1	
Rail				
Intermodal Rail Service	10	5	1	
Boxcar Rail Service	10	5	1	
Air				
Air Cargo Service	10	5	1	
Other				
Community Attitude Toward New Industry	10	5	1	
Quality of Life	10	5	1	
FTZ	10	5	1	
Enterprise Zone Benefits	10	5	1	



Summary



1. Trends



2. Implications



3. Solutions



We hope to see you in the Winner's Circle

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*Specializing in helping industrial real estate professionals use
logistics information to make better strategic and tactical decisions.*



Knowledge Share – Goods Movement & Warehousing

Please visit WCL Consulting's website at www.wclconsulting.com Knowledge Sharing section for the following articles and worksheets:

- JOC *“Shippers, Carriers Seek West Coast Productivity”* – October 7, 2009
- Journal of Commerce Special Section – Logistics Focus 2009 – *“Going with the Flow – How warehousing is adapting to emerging trends and the economy”* September 2009
- Warehouse Tenant's Site Selection Components Priority List
- Top 10 Things You Should Know About Labor Factors in Warehouse Operations and Site Selection Decisions