

Intro/Outro (00:00:05):

It's time for supply chain. Now broadcasting live from the supply chain capital of the country. Atlanta, Georgia heard around the world. Supply chain. Now spotlights the best in all things, supply chain, the people, the technologies, the best practices and the critical issues of the day. And now here are your hosts.

Scott Luton (00:00:41):

Hey, good morning, Scott Luton, Greg white, and soon to be Enrique Alvarez is with you here today. Larry is Enrique. Good morning, Greg. Good morning. How are y'all doing? Hey there. Good morning. It's a pleasure to be here with you guys. I think that was one of my favorite things of all time, Greg. So, uh, everybody welcome to the supply chain bus. So much to talk about here today. Only heels of a disappointing loss while I was a bandwagon chiefs fan last night for our dear friend, Greg white. So that was disappointing, but you know, despite it all, and we've all been there, it was a neat departure for the country to get, you know, get past all the challenges and the turmoil from all these recent months to at least enjoying a football and, uh, pregame music and just the incredible event that is super bowl, right, Greg?

Scott Luton (00:01:42):

No, absolutely not. But I appreciate your enthusiasm. It was not worth it at all, frankly, but I appreciate, I appreciate the joy that other people might have felt in watching that so well, uh, my condolences do go out to the white family and I know they are long, long time chief's fans, Enrique. W what did you and your family do to watch the festivities? We just, um, had some, uh, grilled chicken wings and, um, just some couple of beers and we watched the show and we really enjoyed it. Uh, it was, uh, I am a soccer fan as some of you will know already know, so I didn't have like a big allegiance by the way. But, uh, he was watching someone that old perform at that level. It just something that kind of, I really enjoyed, especially it goes, uh, just a good way of saying, Hey, we're all right. But I think some of us can still do it. Right. So I saw a really, I did see a really interesting thing guys, and that is, um, they showed a picture of, uh, over the course of the couple of weeks leading up George Blanda, who had been the previous oldest playoff quarterback, uh, with the Raiders played till he was 43. He was at the time

Greg White (00:03:00):

Quarterback. This was before Ken Stabler became quarterback. He was quarterback, uh, kicker punter field goal kicker on the team. I mean, you know, this was true. I don't know, mid seventies, probably when, I guess players played a lot more positions. And when you see the picture of George Blanda, who looks about 70 at 43 and, and Tom Brady at 42 or 43, whatever, um, it is a stark difference, you know, uh, I guess maybe 50 is the new 40, I'm not sure, but, uh, and 43 is the new 35 or whatever it is because he looked substantially younger. It was real. It was really, really interesting. See, and thirdly, he plays like it. Yes.

Scott Luton (00:03:45):

Well, um, so a lot of interesting storylines, even though we didn't like the bottom line results. Um, but we'll see, I'll tell ya, uh, we're moving into baseball season now. So pitchers and catchers are gonna be reporting here really soon. Of course, the Braves are deer, Atlanta Braves, uh, resigned Marcel Ozuna right here last week. So that's been really cool, but I digress Greg and Enrique. We could talk about sports. In fact, we'll have to have another one of our supply chain nerds talk sports episodes, but let's, um, today is all about supply chain buzz, right? Every Monday, 12 noon Eastern time, we tackle some of

the leading stories across global supply chain, really global business. And, uh, Greg we've, uh, you know, Enrique joins us occasionally of course, Enrique and vector global logistics lead our logistics with purpose series, very popular and soon supply chain now in a spaniel, which is launching right around the corner.

Scott Luton ([00:04:41](#)):

Um, and but today Greg Enrique is gonna be talking about some of the crazy things we're seeing, not just in the global logistics market, but especially with containers and sea shipping. So stay tuned. You're not going to miss out here in about 20 minutes. So we dive into that. Um, Greg Enrique already get started. Let's do it. I'm ready. Let's do it. So let's open with a couple of programming notes really quick. So first off, if you enjoy our live stream, be sure to check out our podcast today. Speaking of sports, we published JP Wiggins with 3g TMS, where we talked about transportation management and baseball. Uh, JP is an umpire and he donates his paychecks to charity, Greg, if you recall, and he loves baseball, loves baseball. In fact, he's, he's got a name we're talking about in the episode. He kind of sounds like a AAA left fielder gluttony, Greg JP wiggles.

Greg White ([00:05:35](#)):

Yeah, absolutely. Absolutely. And why do I imagine that he's, he's a pretty colorful personality. Why do I imagine he's got a great year out hook? You know,

Scott Luton ([00:05:48](#)):

You know what I should have asked him to do this? I miss Jonetta episode, Greg, we all check that out wherever you get your podcasts from. And today we had a special guest lead our, this week in business history, Kelly Barner jumped in, she loves business and of course loves history. And she talked about a couple of different things, but including where the word robot originated from. So y'all check out this week in business history, wherever you get your podcasts.

Greg White ([00:06:14](#)):

I thought so. Yeah. So it must've been earlier than that. Just a smidge, just a smidge

Scott Luton ([00:06:21](#)):

Earlier than the fresh Prince. Um, so we've got two webinars really quick. So, uh, we got to say hello to a few folks too, but, uh, February 17th, we're talking about supply chain transformation with our friends from Mars and connects us, Greg, you looking forward to that one.

Greg White ([00:06:38](#)):

I am, first of all, anything where we talk about candy and supply chain together, I'm all about, uh, but also, you know, we have done a lot of work with the folks that can access and I have not got to talk directly to Anne Robinson yet. So I'm pretty excited about that. I am too.

Scott Luton ([00:06:56](#)):

You got to share, and we're going to say hello to a few folks in a minute, but Simon, uh, was that an example of just in time with Enrique?

Enrique Alvarez ([00:07:04](#)):

Yes. Well done. Well done, sir.

Scott Luton ([00:07:08](#)):

Uh I'm uh, I've have to go back and play that again. That was kinda almost in time. Yeah.

Greg White ([00:07:14](#)):

I don't think there's any service penalty for that Enrique. I think it was close enough that, that, uh, there will be no service penalty.

Enrique Alvarez ([00:07:22](#)):

Yeah. That, although I feel obligated to pay something after doing that, I want to make sure that everything, uh, downstairs was okay

Scott Luton ([00:07:30](#)):

For me to actually be here for a couple more minutes. Awesome.

Enrique Alvarez ([00:07:36](#)):

Uh,

Scott Luton ([00:07:36](#)):

February 23rd, we have a second webinar coming up with Omnia partners. They've assembled a very diverse town, uh, slate of speakers, especially from a sector standpoint. So check us out there February 23rd at 12 noon with Omnia partners. Now let's say both of those webinars links are in the show notes. So, so check that out. We're after one click here to make it really convenient for our guests. All right. So let's say hello to a few folks already. Lee Hoff Weeber boo-yah from who's, uh, Houston Lee. You've been, you've been on fire, really enjoyed the last couple of live streams with Lee, Jessica from Mexico. Great to have you here via linked in AA. Where's your badge, Gregory. Sorry. There it is. There you go. Hey, hello from Wichita, me and the new aircraft enjoying the N minus 12 degrees Celsius.

Greg White ([00:08:31](#)):

My mom clued me into that the other day and wow. Like two degrees, a two degree windchill. So one degree Fahrenheit windshield.

Scott Luton ([00:08:41](#)):

I got a tee up, Greg. We ought to have AA and a couple of his, um, most brilliant students. Yeah. Part of the next generation. Join us for livestream. Hey, we're going to have to talk with you offline about that, but great. Great to have here with us Lee, I guess the jazz one last night. So congrats to your, uh, the jazz David. You can't do a live stream without Dave and hope you're doing well up in Canada, Gary Smith, snowy, snowy, Roslyn New York. Thanks Gary. Sorry. You're getting

Greg White ([00:09:12](#)):

Buried in snow and thank you for the condolences. I told Scott, I should be wearing a black arm band today,

Scott Luton ([00:09:20](#)):

A Scheck. Great to have you here via linked in. Let's see here naive. Great to have you via LinkedIn as well. Uh, let's see, Tom Raftery. Hey Tom, how you doing? Great. Great. I really enjoyed your conversation with Kerryn bursa, uh, on your successful podcasts. Uh, great to have you here. And

Greg White ([00:09:39](#)):

I think we know it's warm where he is.

Scott Luton ([00:09:41](#)):

That's right. Uh, P air. Great to have you here. Good afternoon to the buzz. Great to have you, uh, joined in with us once more Pierre. Okay. Uh, gentlemen, we need to dive into no shortage of news and let's do that now. So first story right out of the gate, talking about the home Depot, right based here in Atlanta, but we're talking about Dallas, Dallas, Dallas to big D. So in 2017, the home Depot announced a \$1.2 billion investment in supply chain, uh, as Shefali Kapadia reports here via supply chain, an outstanding reporter at supply chain DOB analyst, the fruits of that investment are starting to show as home Depot has opened last week. The 1.5 million square foot fulfillment center in Dallas is going to be handling as you might expect store and online orders via their popular store pickup, right BOPUS or last mile delivery to customers.

Scott Luton ([00:10:41](#)):

And, you know, home Depot has been using these zero emission hydrogen powered forklifts since 2015. And big part of the story is, is how they've got that completely throughout this facility company. Uh, Greg and Enrique says that Dallas is a key hub for its supply chain strategy because they want to reach 90% of the us population for same day and next day delivery, 90%. We should point out to be fair that Lowe's when they, when they heard the news about the home Depot's investment that came out a little low investment news of their own a year or so ago, they are making a \$1.7 billion investment in Lowe's supply chain. So they upped the ante a little bit and this, this, uh, do it yourself, arms race here, and, and for good reason, according to statista.com the do it yourself market in the us grew from just over \$400 billion in 2019 to over two, over \$457 billion in 2020. How about that, Greg? What's your take here?

Greg White ([00:11:46](#)):

Well, it's interesting. I mean, you know, in a big name that we didn't name, uh, mentioned is ACE hardware who has always had a superior supply chain to either of these entities and is particularly, uh, differently challenged because their stores are effectively franchisees who can select to engage or disengage in, in the supply chain. But it is good to see these two and see home Depot to start catching up with Lowe's who has traditionally had a stronger supply chain, particularly in the stores, if you've ever shopped the stores. I think, you know what I'm talking about. Um, but yeah, it's fantastic to see these companies make that investment and to acknowledge that a good portion of what, uh, what they sell can be purchased and fulfilled in the store or from the stores. Right. Um, and you know, from online sales. So, uh, good to see some of these retailers making the leap to that. It's still, I got to tell you, and this is not on home Depot or Lowe's, but it's still a little amazing to me that so many companies did not see that shift coming, or maybe that it wasn't just, it just wasn't enough of their earnings or their revenue to invest in. But now it's reached that sort of hurdle point, right. A threshold where they can justify investing in it, or can no longer justify not investing in it is likely the case for most retailers.

Scott Luton ([00:13:12](#)):

Excellent point, Greg Enrique, any comments?

Enrique Alvarez ([00:13:15](#)):

No, I kind of just echo what Greg was saying, and it's just really, um, it's just falling off well, things that we're seeing in the world these days, you just have to invest. It's just going to be a technology play going forward. And so whoever makes those first investments and, uh, it's a little bit more strategic about their money. I think they're going to get the upper hand. So

Scott Luton ([00:13:37](#)):

Excellent point, excellent point. Hey, we are featured Tom's commentary here. I appreciate, uh, Tom's very passionate about, uh, climate change sustainability and I, I appreciate that. Tom says 98% of the world's hydrogen is produced by steam fracturing, methane making hydrogen a defacto fossil fuel. I did not know that in anything but zero emissions, hashtag greenwashing. Good comments there, Tom. I had no idea. Uh, there's not a whole bunch of mentioned in, in, um, along those lines in what comes out of the communications office related to this article, so,

Greg White ([00:14:14](#)):

Right. Yeah. That's a good point.

Scott Luton ([00:14:17](#)):

Yep. Uh, the supply chain, Dr. Chris Barnes says big statement. ACE has a better supply chain than the big boys. Greg a w w it wouldn't be a buzz without big bold statements.

Greg White ([00:14:29](#)):

Well, I've worked with all three of them. So I know, um, I know, I mean, I know the intricacies of their supply chain each so

Scott Luton ([00:14:39](#)):

Well, uh, great reporting. I really enjoy what supply chain DOD does and Shefali Kapadia and by the way, congrats. So we congratulate congratulated, uh, one of favorites over there. Uh, Greg, uh, recently moved over to business insider. Um, Oh, Emma Cosgrow yes.

Greg White ([00:15:02](#)):

You mentioned that a couple of weeks ago. All right.

Scott Luton ([00:15:04](#)):

Well, congratulations. Or her we're looking forward to seeing her reporting with her new organization. Yeah,

Greg White ([00:15:12](#)):

I think it will be interesting if she can. Is she going to continue to focus on supply chain? Do you think over there?

Scott Luton ([00:15:19](#)):

I have not been, I have not caught up with Emma since the move. I know

Greg White (00:15:25):

This is your chance to sound off.

Scott Luton (00:15:29):

Uh, it will be interesting. She's got so much, you know, uh, while all passion and knowledge in the supply chain space interviewing her here, Greg, we know that she's got a lot of interest in other aspects as well. So it'll be interesting to see, uh, where, how her reporting does evolve. So, um, it's also interesting to see supply chain costs in general, how they're mounting in a variety of ways here. And we're going to get Enrique to speak to one of these here momentarily, but first let's talk about this great article by Claire Jones over at financial times. So this article cites a few examples of how costs are rising and how companies are trying to get their arms around these, these rising costs. So for example, German car makers are reportedly considering building up their computer chip stockpiles due to the global shortages that we've we've, um, spoken for, uh, weeks, if not months.

Scott Luton (00:16:23):

Now, now, of course, Greg, that flies in the face of traditional just in time methodology, that you typically find automotive, right, where folks can, can stock by their cash and purchase just in time to bring it in just in time. So, but that's, I think that speaks to just how much concern there is around these chip shortages and how long they may be with us until the, that industry can keep up with demand where chips are going into everything. Uh, let's see here. Secondly, coming from this article Peloton, talk about folks that have been, uh, front and center so much here in recent months, Peloton is spending a hundred million dollars in the next six months on air freight and expedited ocean freight to get along, to get around what it is calling quote longer than acceptable. Wait times. I don't know if y'all saw that last week. There was a lot of buzz on social about a communication that is sent out to its customers. Don't see that Greg,

Greg White (00:17:21):

I saw that they are months behind on delivering, um, on products that they've sold. Yeah. So that they, uh, they announced, I can't remember if it was a big earnings or revenue just over, just before the weekend. Uh, but then I also saw that they are months behind on delivering on pre-sales, which is always a dangerous place to be when that when that money gets spent, it gets

Scott Luton (00:17:50):

Fulfilled. That makes things really tough. Well, so get this. So beyond the a hundred million dollars they're spending next six months on shipping, they also drop \$420 million not too long ago, uh, to acquire pre-core PreK, pre-core, uh, fitness pre-core, uh, fitness equipment manufacturer, right. Looking to tap into that capacity. So you can say life is challenging, but probably pretty good at Peloton. I don't know. I'll leave it up to the, the, uh, economic analysts as, as Greg just kind of weighed in there, but what's also, what is undeniable rather is these freight rates, man, as illustrated by this Freightos Baltic index that tracks China, Europe shipping, um, and you know, Greg also index, huh? Yeah. How about that? How about that? Uh, let's see. And, you know, Bobby Holland and us bank teams, speaking of the, of the freight market in the us, right? Most of the shared data, not too long ago about volume and pricing increases here, so it's everywhere. So to that end, we have got a supply chain leader and a dear friend. That's got his finger on the pulse of what is going on in the global logistics, shipping freight transportation market, whatever your pick us Enrique. I know we've got some, a few things that, um,

some, some prepared information we're going to share with our, our team here Mo or our community here momentarily, but give us just a few opening observations.

Enrique Alvarez ([00:19:19](#)):

Yes, no, of course. And thanks again for having me. So it was fun to, uh, hang out with you too. And of course your esteemed, uh, listeners out there. So the first thing is pull it, Don's not alone, right? So what they're suffering and what they're struggling with, there's everyone else's trawling with it. And the thing is for people that might not actually know us much in terms of how the container shipping industry works, there's of course, a limited amount of containers around the world. There's always this different, uh, equipment, uh, balances and imbalances that come from the different demands, uh, uh, would between the imports and the exports. So for example, I'm being very concrete with this particular problem. China exports, a lot, the us imports a lot from China, Europe imports a lot from China and Asia and in general, and due to the pandemic and the coronavirus, all that balance of the containers has been completely affected.

Enrique Alvarez ([00:20:16](#)):

And so there's in long story short, a lot of containers that are where they shouldn't be. So people in China can not load them as quickly as they usually load them. And there's on top of all that, a shortage in the amount of containers. So they container pull around the world. This is just not enough compared to the demand that we're seeing, which has caused this incredible, uh, tidal wave. That's consuming a lot of the different companies here in the us and around the world. And they're starting to affect many other things from, uh, the actual equipment shortage to the increase in the ocean for AIDS to the port, congestions, to the, uh, trucker availability, to having less equipment and less chassies. And it's just, it's like a snowball effect that's probably going to continue to go on for, for at least another six to eight months. I think that the whole year is going to be a little bit of a catch-up game, trying to, trying to fix the, uh, the problem that we're in. Wow. And as David says, it doesn't help that I keep dropping the containers that doesn't help at all.

Greg White ([00:21:26](#)):

Yeah. How many, I mean, is that really a significant loss so far in Rica? I mean, we lost thousands or anything like that, is that significant to the impact?

Enrique Alvarez ([00:21:35](#)):

No, and I probably should have the number handy for this call, but I don't know exactly how big the container pool around the world this, but, uh, but no, I, the, the, the few that we've been losing, it's probably not going to make a big impact, but, but it definitely adds to the problem on the other thing that that's going to add to the problem is the weather. And this is something that weather always affects. And, uh, and now we're starting to see the snow in the Northeast. And, uh, we'll just going to start see cold temperatures in the Midwest. And, and then that just continued to impact the already kind of, um, fragile supply chains that some of these companies, most companies have.

Greg White ([00:22:16](#)):

Well, and I think one of the things we've seen is that these companies continue to sail into rough seas. Whereas there used to be a sailing season, right, with the Tradewinds, uh, now, because these are, you know, fuel powered vehicles, they don't have that constraint, but they do continually sail into rough seas, which, uh, both impacts the time across the ocean and the potential loss here. Is there a

foundational problem? I mean, that, you know of Enrica, I know this is kind of a tough question, but is there a foundational problem? Has shipping shifted enough that we ought to have more containers? Or is this just a temporary issue that will resolve itself?

Enrique Alvarez ([00:23:00](#)):

No, and I think we started seeing this, uh, early in 2020 when the pandemic, and honestly, I would venture to say that this is all auditable to coronavirus. I think, uh, I think from a, from a forecasting standpoint and from the, uh, the way that shipping lines have conducted and the way that the, uh, container manufacturers have conducted, I think they were having a really good hold of how much, how many containers they were going to need, how many they were going to be retiring every year, but no one was of course expecting, um, what ha what happened, uh, in 2020. And that's something that going forward, Greg, uh, shows, uh, definitely a more, a deeper issue, but one really knew it. And now we all are pretty aware of it.

Greg White ([00:23:48](#)):

So is there any semblance of market manipulation here? I mean, in terms of, you know, we keep hearing that containers are going back to China empty and, and, you know, it seems to me that it would be low for an ocean going vessel to go back anywhere empty with what it costs to do that. So is there, I mean, is there any reason to expect there's something nefarious going on here? I

Enrique Alvarez ([00:24:18](#)):

It's, uh, your guest is probably as good as mine at this point. I mean, one thing I can tell you from a personal experience is that you can't really rule anything out this point after the year that we're having. I wouldn't be surprised if there's anything out there that's kind of beyond reasonable. Uh, but, uh, but, but in general, no, in general, I think that people are really smart. There's really good companies. Uh, there's more good people in the world. And I think that it's just a matter of reacting to something that was just so beyond everyone else, but that's just me personally.

Greg White ([00:24:54](#)):

Yeah. It seems like Peter bowler has different.

Scott Luton ([00:24:58](#)):

Yeah. I love that.

Greg White ([00:25:04](#)):

And you can say that,

Scott Luton ([00:25:06](#)):

Right. He says, it's applied in the man being played with by external sources. David also says read that he read that, that navigators have been told to be taking most direct route speed. And this has contributed to some routes sailing in a rough seas instead of around problem areas and then work. Yeah, we're going to, we're going to have you walk us through a couple of, of more data and observations here in a minute, but, but I would just look, I'm not a transportation market analyst, right. Uh, I wanna, I wanna make sure I, uh, obligatory disclaimer, but I wonder, you know, a couple years back when China really shut down the amount of waste that, that it was accepting, right. Rent from around the world. I wonder,

uh, Enrique, if those, if kind of how those sailings and now the elimination of those sailings and how, uh, how maybe, um, a lot of folks would, would put stuff on those ships are taking those routine way shipping to China. Once those things went away. I wonder if that stripped some of the, uh, consistency in sailings to China that now, you know, we're, we're really missing in a, in a very inconsistent world. Any, any observations there?

Enrique Alvarez ([00:26:17](#)):

No, I think everything. I mean, I think you're absolutely right about that. I think that definitely impacts the, uh, equipment in balance and where the equipment is at all times, just similar to the tariff Wars that we saw, like any kind of impact or changes into the, uh, trade bounces around the world is going to directly impact where the containers are, right. And the ones you actually impact where the containers are around the world. Then there has to be a lot of different algorithms and smart people and companies thinking, well, how do I position this? How do I minimize the blank sailings, how make sure that I can maximize the equipment utilization. And, and yeah, and I guess to Greg's earlier point the, uh, the steamship blinds on the carers, I've been losing money for years and years, and now finally they're actually back to profitable. So, um, so it kind of helps helps them financially, uh, because they've been able to increase the rates as you put it on the chart there before we started talking about this. So I got it.

Scott Luton ([00:27:16](#)):

We've got a lot of passion coming from the community here. So start with Sylvia. Hey, there's nothing sketchy going on. It's simple math. Gary says, Hey, there's 17 main containers in the world, but only 6 million are being, wow. I did not know that Peter says no need to be an analyst to see or know someone is profiting, uh, manipulate, manipulating the marketplace, not naming names, but Dave and says, I know what name comes immediately to mind. David says old math or new math. They teach the kids now. So, and then one final one here, two final ones here. Tom says, we all know that bill Gates invested in container companies before releasing the virus to stimulate demand for containers hashtag not really. I love that Tom. And then finally Sylvia says, all available containers are in the trade. Carriers are only taking equipment out of service if they are deemed total loss.

Scott Luton ([00:28:11](#)):

So a mixture of really, uh, well-connected um, uh, uh, market observations and some sense of humor there. So y'all keep it up. I think somewhere in the extremes, there is truth. I can assure you from having lived in, in Kansas city and in Springfield, Missouri, the home of ground transportation and the, um, contributing families there too in the United States. And also having actually exported personally goods to Sylvia's home country, Germany. When I was in, in college to help put myself through there, there was never nothing sketchy going on right. In transportation, but it may not be substantial just like the losses that we're talking

Enrique Alvarez ([00:28:52](#)):

There's inefficiencies. Right. And they're always inefficiency. So now it's just like a heightened by the pandemic. I mean, we can't really forget what started all this different, uh, issues, including all this, uh, incredible and sometimes entertaining, um, conspiracy theories. Uh, it's just, it's part of the same thing, right? It's the pandemic.

Scott Luton ([00:29:13](#)):

So, all right. So we're going to walk through an Enrique. Of course, don't feel obligated to hit on all of these, but w w uh, one quick editorial, because, and we've talked about this a good bit, Greg, especially in recent months partnerships and knowing your partners and having those valuable relationships are more important than ever. And I'll tell you, Enrique is a man of honor. And, and while there might be plenty of, of, of, uh, brain Deere games going on in the marketplace that, uh, the integrity you bring to the conversation Enrique is one that we value, uh, highly here. So, uh, Enrique, let's talk about, let's talk about some more of these observations are going on in this world of a global logistics.

Enrique Alvarez ([00:29:54](#)):

Yeah, no, it's basically just what we discussed before, right? So there's really not a lot new into this slide that you're showing, but the, uh, the demand is up. Why? Because the buying patterns have shifted. Why? Because people are inside our houses and it's just so easy to order anything this day is using your, uh, your phone and, and an Amazon or whatever other, uh, I guess, store that has, uh, online, uh, shopping that, that has really changed a little bit of the patterns. And of course, that it's reflected by the exports of Chinese goods in December, right. That jumped 18%. And you take a look at that it's 34% more year over year in the U S so again, every time that you see like a different balance in the way that trade works, you're, you have to immediately relate it to where the containers are.

Enrique Alvarez ([00:30:43](#)):

So there's going to be a lot more containers coming in that going out and that starting to create all those different imbalances. Um, so to do kind of paint the picture as of what we've been facing over the last couple of months, at least here at vector. And I'm sure that a lot of other logistic companies out there are facing the same thing on everyone that's shipping. It's just, there's just not contained. There is no containers in China, and we saw and share some pictures of major ports in, uh, Asia and China Shanghai. One of the biggest, if not the biggest, uh, and they're just not enough containers to be loaded. So the steamship lines are skipping some ports they're of course, uh, closing some of the smaller ports they're closing some of the theaters services and theater services are there, I mean, container ships that kind of transport the containers from the, not so big ports in Asia to the mega ports in Asia, and then before they go into Europe and some other parts of the world. So, um, so have you started kind of seeing that, and you starting canceling some of those service and you start seeing that there's not enough, uh, containers to load, then, uh, you know, that you're going to have a problem and that's going to be impacting the prices and the prices have skyrocketed, as you mentioned.

Scott Luton ([00:31:57](#)):

Yeah. 63 container ships in the Harbor, Thursday 39, awaiting births.

Enrique Alvarez ([00:32:04](#)):

That's where I was going. Right. Because that's the first part of the story is told in wherever the manufacturing's happening in this case, Asia and China, but the second part, which is something that's hitting us now, and it will continue to hit us as just the poor congestion in the U S and long beach, California being one of the it's the largest port in the us. And of course, that's the one that's being hit the hardest, but, uh, but all the different ports are starting to feel the, the effect of this,

Scott Luton ([00:32:33](#)):

The burn. Okay. So let me share a couple of comments here. Uh, let's see here first off, we mentioned supply chain now in a spaniel now, Enrique, you're leading that up for us. And I appreciate that because

my Spanish is not up to par yet, but that's going to be published in its own channel. And it's being, it's premiering. It's just right around the corner. Is that right?

Enrique Alvarez ([00:32:55](#)):

That's correct. And Francisco [inaudible], [inaudible] in those chats. So, um, we'll be, we'll be launching in a couple more weeks. We still don't have the official launch date, but we'll make sure to let everyone know exactly when that's going to happen. We already have a couple of very interesting, uh, interviews that we are prerecorded for at least the first couple of months of the new series. And I'm very excited. I mean, it's just going to be just going to be a blast. It's just going to be fun. And it's really the same kind of a vibe and culture that you and Greg and the rest of the supply chain now team have, uh, have developed in the U S love it.

Scott Luton ([00:33:40](#)):

And I'm looking forward to learning a lot more and making it easy for folks just like me. Unfortunately, I speak one language, uh, that shame on me, but folks, you know, that, uh, were Spanish as their first language, make it really easier to, to gain information and insights and whatnot. So I appreciate your, your leadership there. Let's see here. I'm gonna share a couple of comments. Peter likes a movie named Randy, your game. That's a new one to me. So Peter, you have to fill us in, uh, Tom, your ears may have been burning my friend, uh, but he says Enrica is a class act. I agree, TV. He is Tom rafter. He says teleportation to the rescue. How cool would that be by star Trek, right? Uh, here, there, and you just press a few buttons and things don't even need now. Right?

Enrique Alvarez ([00:34:26](#)):

Well, I mean, you factoring locally.

Scott Luton ([00:34:27](#)):

Well, we need to make a vector needs a new, you better start building out a new boutique service for teleportation in Rica. Yes. We'll put, be right here. Yeah. Anna Mary says, uh, late, but here. Great to have you here. Part of the supply chain city here in Atlanta, Peter says it's just me or does supply chain now? Sounds sound. I also learned something too. I didn't know. I did not know. Chat was a, was a masculine now most chat, right? Is that what you said? That is what you said, right? So, Oh man. All right. And Lee, I mean, this is a, this is a lesson on many levels. It always, it always is right. We learned so much from each of these live streams. It's amazing. Okay. So Enrique, as we start to wind things down on your logistics insights, any other key points, of course, I've got the information we need to share anything, you know, the key points that you want to make before we move on to, uh, slavery in supply chain. No, I mean, at the end of the day,

Enrique Alvarez ([00:35:33](#)):

It just really four things. So thing that could probably be helpful out there, and one it's just, uh, information. I think there's a lot of the information. However, the, uh, I guess the main media doesn't really pick up on all these things that are critical to our livelihoods. Right. Cause that's the way that we're shipping things all over. So just stay informed, make sure that you kind of keep track of, I mean, not necessarily how many vessels are parked outside long beach, although there's kind of very interesting and fun pictures, well, fun quote, unquote fun, but there's a lot of pictures around that. The other thing is, uh, just, um, be open to do new ways of shipping. Uh, there's different ports, not only the big ports, uh, I would kind of try to divert certain shipments instead of trying to go into long beach right now.

Enrique Alvarez ([00:36:20](#)):

And this might be already late for some, but, um, maybe even Seattle Tacoma, some other ports and then trucking it down. I mean, just try to kind of play a little bit with that. And, uh, and the other is just prioritize, right? I think that the example that you gave about Peloton spending a hundred million dollars used to Airship some of those orders, that's it, that's, that's what I think we have to learn from this. And it's just, if you want to make sure that some of those orders, if they're critical, if they're important, you're going to have to one think of, uh, prioritizing them, shipping them some other way. And then also be aware that you're going to have to pay the extra premiums. There's just no way around that, unfortunately,

Scott Luton ([00:37:01](#)):

But if you, um, no way around it, but plan, plan, plan, plan, plan, plan, and we also shared, uh, kind of a four, uh, four key best practices around information strategy, action, and communication. So, um, if you are interested in, uh, comparing notes with Enrique, I think we've got his LinkedIn profile.

Enrique Alvarez ([00:37:19](#)):

Let me know. And I guess just the last thing that I want to say on this is, uh, everyone thought that with Chinese new year coming, that was going to solve the problem. And it's just now more than clear that it's not right. So everyone was hoping that weld is going to go maybe quarter one, maybe April, we'll be over in my experience with what I'm seeing and all the clients that we've been working with. This is probably be a little bit longer than that. So, uh, let's just, uh, yeah, let's be ready for it.

Greg White ([00:37:46](#)):

And you were looking forward to some sleep and Reiki,

Enrique Alvarez ([00:37:50](#)):

But then now it turns out so manufacturing and China's going to skip Chinese new year here to try to help with this problem. But yeah, so

Scott Luton ([00:37:58](#)):

Sylvia says Charleston has zero. Yeah.

Greg White ([00:38:02](#)):

Backlog. How about, I think Savannah is, and Jacksonville are largely the same. And you know, that, that ties a lot to what we talked about, which we're going to talk about with the freight payment index. And that is that so many people that are, they're taking the additional step of going through the canal to these East coast ports. Now the difficulty is if I assume Enrique the difficulty is, is if you have, have a distribution point on the West coast, it makes you better, maybe better to stay in

Enrique Alvarez ([00:38:33](#)):

Houston, but yeah, we'll to do, have to see,

Scott Luton ([00:38:36](#)):

Yeah. You know, uh, give me a ring. My aunt Edna has a, uh, a beach home up in the upper Northwest and we can, we can contract something out, can't we, Greg, and let's definitely contact your aunt and

will deepen, uh, her, uh, you know, I mean, when the tariffs hit, there were a lot of people, not that it's shifting, I wouldn't say that Sylvia, there were a lot of people going to Vancouver and then trucking across the border. So, I mean, there, there may be an option to use some other West coast ports, for sure. Right. As Peter says, enter mobile baby, put it on a train still better than nothing at all. Uh, AA says supply chain is global in all formats. Uh,

Scott Luton ([00:39:26](#)):

Not going to be over till the end of the year. It's

Scott Luton ([00:39:28](#)):

A lot of, a lot of different, uh, comments here, Dave and appreciates, uh, your insights here today. Enrique thanks, David and Francisco. Hey, we'll make sure, uh, appreciate your kind comments there. We'll make sure that we get back to you on supply chain now in a spaniel. Okay. So we were talking about the Chinese new year, a second or two ago. Let's talk about another story that is tied to a certain portion of China and, and unfortunately other parts of the world, but this report, uh, core, uh, which comes to us from Charles Kennedy over@allprice.com a new one for me. Uh, but this is a neat story. You're reporting about 175 solar manufacturers and power companies are determined to fight force to supply chain labor in China and other parts of the world. This includes companies like Tesla and Duke energy. They all pledged last week to create supply chain traceability that will be used to make sure their products do not benefit from forced labor in China's Western region, Western region of Xinjiang or anywhere else in the world for that matter, I'll make sure that's clear too.

Scott Luton ([00:40:34](#)):

There's certain, certain concerns in certain parts of the world for certain reasons, for example. So this is being led by an industry-wide, uh, association known as solar energy industries association, S E I a another acronym for us here in supply chain. Um, but get this, we need a bell for that thing. Get this Enrique and Greg and, and community here. Um, according to the S E a an estimated 50% of the global supply of poly Silicon is produced in this, uh, Xinjiang region of China, right? And, and this ingredient is key. It's essential to the manufacturing of solar modules. So that's one of the reasons why there's so much concern in this part of the world. So of course we should say this just to be balanced here, Chinese officials deny there is any forced labor in this region, Greg,

Greg White ([00:41:34](#)):

I know this is, this is a sorry. They also deny that, uh, Tiananmen square ever happened. So that is fair, appropriate level of credibility. So is this, so let me, let me ask this to be each of y'all certainly the Greg. So, uh, Greg,

Enrique Alvarez ([00:41:50](#)):

I talk a lot about how for many people, how surprising it is that slate,

Greg White ([00:41:55](#)):

He still exists in so many different aspects of global supply chain. So do you think this is a, a lip service PR move? Or do you think that these groups combined together to really drive some real change? Well, they can certainly drive some real change if they want to. Um, what they won't change is the slavery and Xin Jiang, what they can drive is the, their refusal to participate in it. So it, it, um, it, you know, it, it may not change anything in China, but at least if we change the economics, which is always the motivator, if

we change the economics, that's our best chance of changing the actions. So, uh, I liked that that prominent organizations are tackling this, and I wish that more would, uh, you know, I don't know what it, additional industries would need to be employed here to, to solve, you know, to solve this issue.

Greg White ([00:42:52](#)):

But as, um, as much hand-waving as there is over gin Jong, and I'm particularly, I'm particularly a Hawk on slavery, as you know, the greater problem by an order of magnitude is in India, right. They still have somewhere in the neighborhood of 16 to 18 million people who are effectively operating in slavery. And that's over 10 times the number of people operating in slavery or working in slavery, living in slavery, um, in gin Jong. So, uh, there's a lot of work to do here. Um, I think there is a little bit of PR impact here because that area has got the attention of, of Congress. Um, but yeah, Hey, look, we'll take whatever we can get, right. I mean, we, this is a problem that needs to be solved and if we solve it here, perhaps then we can get more eyes on the problem in India and, and really make a difference there. Yeah. Well said,

Enrique Alvarez ([00:43:52](#)):

Greg, uh, Enrique, any thoughts here? Yeah, no mother in slavery is about 40.2 million people. And I know this very clearly because my daughter, Emma, who's 11, was working on a project that has to do with this. And it's, I was just amazed to find out there's just so many people, uh, being, uh, being slaves. Right. Uh, so to, to Greg's point, I think if you kind of follow the money and you, and you, um, try to force the demand, the supply will follow. So if you, if you try to prevent, uh, the consumers and I think the powers and the people that are actually all those different products, if we actually make an effort as a consumer, not to buy from sources that have slavery or any other issues, or at least they don't have a certification that says that they're not being manufactured by slavery slaves or children or anything else you have to, uh, you can probably start changing the, changing the, uh, the landscape of, of this incredible and huge problem that we're facing.

Greg White ([00:45:00](#)):

I like that perspective. That's a complete change on those that say they are not, uh, engaging in slavery versus those who remained silent. I think if, if consumers will I have, and I think it was said this before, it hurts me because ADI DAS is deeply involved, especially in gen John Providence. And it's, those are about the only sports clothes that even remotely fit me. So, um, if, if, uh, as, as, as everyone knows, I have fat thighs. Um, so anyway, if, if we shift, if we shift the viewpoint to say, if you do not verify that you are not, uh, engaging in slavery, that would be really, really powerful. It's also very hard to do, but we do hold the purse strings, right? Really? It does come down us as consumers.

Enrique Alvarez ([00:45:56](#)):

I wonder if you can even go as detailed as to say, well, I, I like God at us, but I'm not going to consume anything that's manufactured in that country. And you can always buy products that are made by added us and maybe other countries or another facilities. Uh, but no, you're right. I've seen, I think we, as consumers have the, have the, uh, the leverage we need to actually make impact in this world. And I think the new generations, uh, I think are very, very aware of this. And I think Brett has mentioned this many, many times before, uh, with, with his daughters. Um, they will, there's since shift coming. I mean, the shifts are starting. The people are way more aware than I am when Greg is. And everyone out there is, I think the new generation sexually have a much better understanding of what's fair and, and good and reasonable. And I think they'll do a much better job than, than the one we're doing now.

Greg White ([00:46:49](#)):

Yeah. Yeah. And they have, so there's so much more access, so much more transparency of information. Right. Agreed. I'm going to share a couple of comments here. Then we're going to share a great nonprofit. That's doing some big work here in the U S market. Uh, Fred Tolbert, the, um, what's this moniker, Greg, what's that? Oh, the doc holiday of supply chain brand presence, major issue in the apparel industry. Completely agree there. Uh, demo Perez demo. Hey, great to see you. I hope this finds you well, look forward to, uh, your interview or conversation that we're going to be releasing on the new series. Let's see your Peter says more key supplier site visits are needed, and that's of

Scott Luton ([00:47:30](#)):

Course, it's one of the big challenges as we all know in the pandemic. But I agree with you, uh, here as sheesh has a great, uh, some, some, a few questions via LinkedIn. Can the problem be solved though? Realistically speaking, the slavery mentioned is an escape for them and a means to survive. Uh, whereas corporations can talk about how slavery is a bad thing, but the lower costs cannot be ignored. Right? So Greg, I'm going to, um, what's your take on a shisha, his comments, sir.

Greg White ([00:48:00](#)):

Uh, uh, so I'm not familiar with, uh, where, uh, she's-she's from. Um, but there's never a right answer. The right answer is never that slavery should, should remain, right. You pay him a buck a day, pay him a duck buck an hour, whatever is a survivable way wage, but forcing people to work against their will. I mean, let's just forget about Jin Jiang province. I mean, arguably trafficking human trafficking is in and of itself slavery, and those people do get paid some small portion of the despicable acts that they're forced to commit, uh, submit to, I should say. And, um, no, that's never the right answer. There, there is always an economic solution and we can forward that, you know, I'll go back to, we can force that solution, right? If, if we, as consumers are, are willing to accept just a slightly higher cost, these people can be free. And, uh, that's that to me is the answer that's as politely as I can put it.

Scott Luton ([00:49:08](#)):

Yeah. Well said there, let me share this resource, you know, so for first quarter 2021, we are very proud to be featuring truckers against trafficking as our nonprofit of the quarter. These folks are doing awesome work and thanks to vector and Enrique for bringing them to our attention. Uh, if I got the numbers right here, they've trained over a million people. What kind of things to look for when identifying, um, uh, human slavery, uh, victims in the States and they've saved in Reiki is that number, I think it was over 1300 people. They have rescued that's correct. Yep. From a life of slavery and sex trafficking and you name it. So these folks are getting it done. I need your support. Uh, y'all check them out@truckersagainstrafficking.org and, uh, Amanda or clay, if we can make sure we drop that into the comments as well, uh, would appreciate it.

Scott Luton ([00:50:01](#)):

Okay. So, so tell you, look, I appreciate both of y'all weigh in and appreciate the comments from the Frank comments from the, the community is always huge challenge, um, uh, frankly bikes and, and not, not the conflate, the two issues, you know, slavery in of itself, Greg, to your point, never is there justification for that, but pay rates in general pay rates across the manufacturing and warehousing and fulfillment. I think we're going to see a lot of, a lot of conversations, a lot more conversations around that. You know, it takes me back a couple of years ago, we had, we had folks from, um, pro logistics with us and pro logistics, uh, staffs, a lot of folks in that e-commerce fulfillment warehouse space. And one of

their senior leaders had pulled, it pulled 10,000 people. And the majority of those people polled, most of those are workers, right?

Scott Luton ([00:50:49](#)):

In these, in these, uh, sites, most of them had to work two jobs just to make ends meet. Um, and then just think about the hours and, and, and your lack of if you're a parent, you know, working as two jobs just to make ends meet, and you can not, not seeing your kids just overall quality of life. I think, um, we're going to see, we're going to see a lot more conversations around that in the months ahead, or as Greg points out a lot more automation, right. A lot more automation, uh, especially here in the States to be able to keep up with the, the sheer demand. Okay. So let's say we have really tackled a bunch of heavy, uh, heavy topics here, own the buzz. I think the, um, uh, as we wrap the Enrique, uh, what is, you know, here on the 8th of February, hard to believe are already at eight, the 8th of February, 2021. It seems like we were just celebrating the holidays. Right. But what's, what's one of the things maybe we didn't hadn't talked about today, what's one of the thing I'm gonna ask you, ask you both one other issue or challenge or topic that we should be keeping our finger on the pulse of that maybe is not getting enough attention right now. Anything come to mind on your end?

Enrique Alvarez ([00:51:59](#)):

No, I think we actually covered a lot, right. I mean, one from multi-billion investments in new warehousing to, uh, modern day slavery. So I,

Scott Luton ([00:52:08](#)):

There's not a lot

Enrique Alvarez ([00:52:10](#)):

To cover after that, but I think, uh, it's just a, it's just a matter of, uh, caring and communication. I think that we, as we continue to face the challenges of this year and last year, I think it was just have to come together, uh, as a, as a country, as a world, as people as individuals. I think that it's okay to disagree. And so I think one thing that we can probably continue to talk about, and I think it should always be a topic of conversation is just welcome people's opinions, right? It's just, I think we just have to come closer together as, as, as, as one single, uh, I guess human kind of, you will, and try to resolve this issues that are already macro issues. So there's no local solution for any of this.

Scott Luton ([00:52:52](#)):

Love that, Greg, what does that make you think of? Um, you know, what it immediately makes me think of is I wish we could acknowledge some of the progress that has been made over time. You know, I think there is a lot of hyperbole in terms of where we really are as a society and where we've really been as a society. Of course there is a ton, just a ton of injustice in the world, but I think we need to acknowledge that progress has been made because frankly, what I think we need is hope, and we need see that the world is moving in the right direction. And if we could go back just a few years, um, I watched the super bowl as they talked about the sixties as if that was the recent past 60 years ago as if that was the recent past and as if no progress has been made since the sixties.

Scott Luton ([00:53:41](#)):

And, um, that's clearly not the world that any of us have lived in. I just think we need to acknowledge the progress that has been made. And I think that's truly beneficial to us as well, because we can build

on the platforms that have been raised up over, over the decades. Well put, uh, and unique perspective. We don't hear, we don't hear that enough, Greg. So I appreciate you making that comment. A couple of questions here, as we wrap Sylvia says, uh, Nope, wrong, wrong Sylvia, common here. Sylvia says thumbs down on Adidas. They're known for unfair labor practices. That's gotta be hard for somebody from Germany to say as a German company, the mock miniaturized driving. That's good point. Uh, whatever you said there, Greg. Great point. I agree with you. It's always a good thing to agree with Greg. Um, so Tom says anyone else curious where the other 43 Scott Lutons are?

Scott Luton ([00:54:33](#)):

Um, thank you very much. Uh, yeah, I was going to ask him the number 44 on his, uh, Oh, got it. Oh, got it. That's the whole reason we put it in there. Right. I love getting asked. You know, this is all about a testimony to Hank Aaron, you know, speaking of GRA, uh, to Greg's point about some of the progress we've made, what's taken incredible people like Hank, Aaron, uh, to, um, think about all the, the, um, through his journey of, of breaking. One of the most revered records held by a white man, babe Ruth, and all the, the evil that he endured and, and kept enduring,

Scott Luton ([00:55:07](#)):

You know, and then beyond that, beyond all of that,

Scott Luton ([00:55:10](#)):

You take it off the field and all the bridge-building he did. And, and just how gracious the man, he moved mountains, right? Despite all that he endured and what we are hoping and calling attention to is that, Hey, his number, number 44, shouldn't just be on the shoulder patch of the, of, of all baseball teams. It shouldn't just be retired for eternity, but I'm hoping that the Braves will rename, rename, maybe routine, but certainly the field Hank Aaron field or something so that when folks talk about going to a Braves game, you talk about going to Hank Aaron's park or something. It really, it keeps that incredible man, uh, and his family really, you got to give it, you know, you got a whole family front and center of our mom. So there's even, Greg's, we've talked about here, a petition working and working his way around that three rename the team, the Atlanta hammers, right. Cause, uh, hammer and Hank of course, many of y'all will know was his, his nickname. So, um, anyway, that's what it is to, uh, thank you so much, Tom, for asking about it. I love to talk about it. Uh, his story deserves so much more than a couple of minutes and certainly so much more than a shoulder patch. And that's why we, we feature it, uh, here as we, we mourn his loss, uh, from a few weeks back. So Enrique, Greg talk about wide ranging and Rica.

Scott Luton ([00:56:29](#)):

Yeah. We really, uh, what a, uh, everywhere. Yeah, a full

Scott Luton ([00:56:34](#)):

Buzz episode here, but really appreciate both of y'all making time. And Rick, of course, we kind of went through your agent here at the last, last minute. They get PR approval of it. I know that, uh, snagging you on here was, was a last minute thing, but, but what you shared here today, I think it was very timely and want to make sure our audience can, the community can benefit from it. So Greg, right, as we sign off here, um, any final thoughts for our audience, then we're going to call it a day.

Greg White ([00:57:06](#)):

Uh, golly. Um, yeah. Uh, I think we did cover so much here, right? I think, I think an important thing is what Enrique said frankly, is to, is to echo that, and that is that together. We can do this. We are far more together than as being represented today. And we have to acknowledge, again, I'm a follow the money kind of person. We have to acknowledge why hyperbole and and division is, is being promoted so strongly. And that's because it creates ratings. And so many of these dying, uh, dying media outlets have to draw people in, in order to survive and con you know, bad news draws people in more than good news. My suggestion is to engage less with that, that sort of messaging and engage more with your fellow humankind, where some of us are actually being allowed out, whether you can do that in-person or through zoom or just a phone call or clubhouse. If anyone's not on clubhouse, I can't believe it, but engage in those positive discussions and reinforce those positive, uh, feelings and evaluations and initiatives and understandings in the world because the world you've experienced. And I think we recognize this law, you know, probably the middle of last year, the world you experience is not the world that you're represented. So go and experience the world. It's a much better place than is represented

Scott Luton ([00:58:42](#)):

Well said, love that. And that will be our last, uh, comment here today. Really appreciate everybody joining us, uh, appreciate the wide range, ranging conversation big, thanks to Greg white and Enrique Alvarez. Of course, a whole team behind us that you can't see Natalie and clay. And Amanda really appreciate that. Thank you, Tom. Uh SoCon but, um, who shared that comment on the track down? Whoever shared that comment, uh, but Hey, more than anything else, I want to echo what the comments say, Hey, lean in, please conversations lean into the disagreements, right? It's okay to disagree, understand, you know, seek first understand that's a wonderful, and these fractious times as a wonderful message to take away from this conversation. So the disagreement is a beautiful thing. That's how you learn. So, um, but anyway, check us out. Supply chain now.com for more conversations, just like this, where we're serving, working hard to serve as a voice of the global supply chain and really a greater business community. But Hey, Scott Loudin, uh, wishing you all, nothing, but the best will math our entire team here at Greg's getting ready. Hey, do good. Give forward. Be the change that's needed to be just like our friend and Rica Alvarez. And on that note, we'll see you next time here on supply chain. Now. Thanks for bikes.

Intro/Outro ([01:00:26](#)):

[inaudible].