



Chartered Institute of Logistics and Transportation  
North America



# Transportation Situation and Outlook Conference

Ottawa ON, May 11<sup>th</sup>, 2009

Michael A. Grier  
Avon Products Inc



## About Avon...

- Avon, the company for women, is a leading global beauty company, with over \$10 billion in annual revenue.
- The world's largest direct seller, Avon markets to women in more than 100 countries through over 6.5 million independent Avon Sales Representatives.
- Avon's product line includes beauty products, fashion, jewelry and apparel
- Features such well-recognized brand names as *Avon Color, Anew, Skin-So-Soft, Advance Techniques, Avon Naturals and Mark.*



## About myself...

- Senior Manager, International Logistics, North American Region
- 18 years of service with the company
- Responsible for Operations of air, ocean and customs compliance.
- Responsible for: US, Canada, Dominican Republic and Puerto Rico
- Background in sales operations, inventory management, call center operations, global customer service, campaign administration and logistics
- Current member of the board of directors of the CITA
- Member of PPCLA, CSCMP, ICPA, PFOT



# Current State of Affairs

- Economy uncertainty
- Fuel and rate volatility
- Capacity in the network
- Security programs / Cross border delays
- Origin proliferation / Longer cycle times
- Domestic, Federal and International Regulations
- Wildcards, like H1N1, piracy, weather, force majeure



# Current Opportunities

- Falling / Leveling rates
- Increase quality / value trade-off
- New infrastructure/new routes
- Align regionally / modes / markets
- Leverage Data / Technology/ Analytics
- Trade associations / Shared knowledge

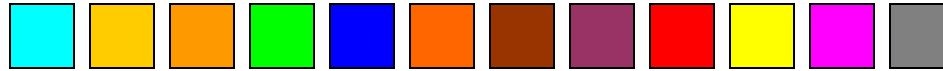


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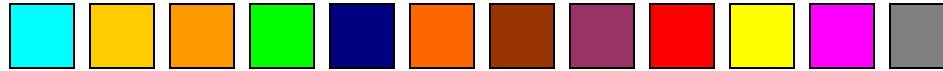
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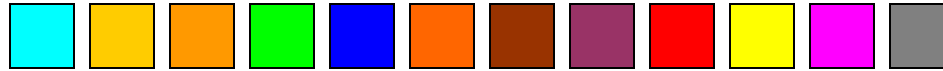
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






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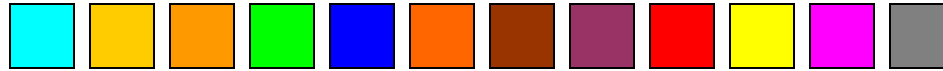
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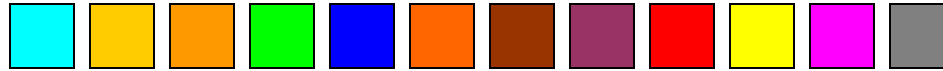
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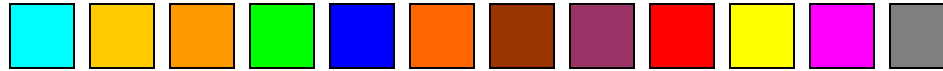
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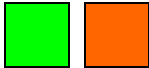









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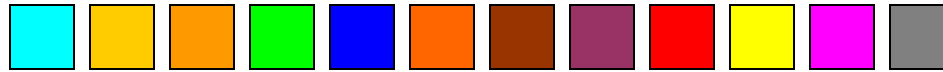
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Mode/Region	NA	SA	EA	AA
<b>AIR</b>	Yellow, Orange	Cyan, Orange	Green, Blue, Cyan	Brown, Grey
<b>OCEAN</b>	Brown, Yellow	Green, Orange	Brown, Yellow	Magenta, Yellow
<b>CON/DECON</b>	Cyan, Yellow	Green, Orange	Blue, Cyan	Brown, Green, Blue
<b>TL/LTL</b>	Blue, Orange	Red, Brown	Yellow, Purple, Red	Magenta, Red, Grey
<b>SP</b>	Red, Yellow	Orange, Purple	Magenta, Grey	Purple, Grey



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- Cluster the markets
  - Organizational, not geographical, alignment is key
- Gather the data
  - The “truth” is in the numbers
- Rationalize your vendor base
  - Select your partners based on agreed upon criteria
- Award business based on value, not price



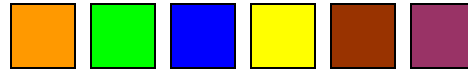
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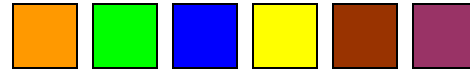
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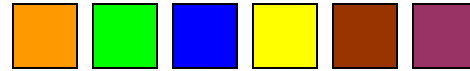
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











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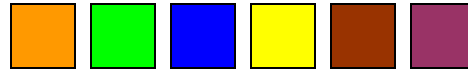
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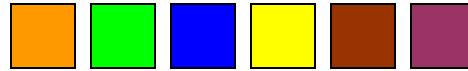
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





















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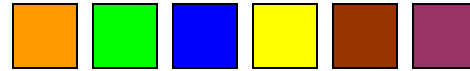
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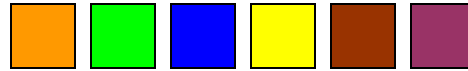
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






























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## Points to Ponder

- Is your data consistent?
  - Across countries and regions and systems
- Do you have commitment from the organization?
  - From the Board Room
  - From the “Back Room”
- Can you break the paradigm
  - Traditional Thinking / Regional Priorities
- Resist the Temptation to Chase Dollars
  - You get what you pay for



## 4 Steps to Success

- Leverage your spend
  - Across countries and regions
- Combine modes
  - Consolidation with Air freight
  - Truck load with Small parcel
- Rationalize your vendor base
  - A bigger slice of a smaller pie
- Focus on building strategic partnership
  - Manage through “the Upside of Down” together



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Thank you for your time today

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