

Transportation Warehousing Logistics



Grundy & Will
Counties, Illinois



Workforce
Analysis

- Affinity Logistics
- American Dock & Door
- Cardinal Transport Inc.
- Clorox Distribution
- Costco Depots, Inc
- Dal-Tile
- Dibble Trucking Inc.
- Dollar Tree Distribution
- DSC Logistics & Supply Chain Management
- Efco
- Exel - 3PL
- Genco - 3PL
- Great Lakes Logistics
- Hoffman Transportation
- Hudd Distribution
- INEOS Styrenics
- Interstate Warehousing Inc.
- JR Cartage
- Kellogg Distribution
- Logistics Resources Inc
- North American Stainless
- Packard Transport, Inc.
- Potlatch
- RR Donnelley
- Sanyo Logistics
- Solo Cup
- Wilton Industries

Data Results 2006

Critical Skills Shortage Initiative

Grant funding was made available to conduct this survey through a partnership with the Department of Commerce and Economic Opportunity, The Workforce Boards of Metropolitan Chicago, Workforce Investment Board of Will County, Grundy Livingston Kankakee Workforce Board, and Joliet Junior College.

Transportation Warehousing Logistics Executive Summary

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The TWL, transportation, warehousing and logistics sector, is vital to the local economies in Grundy and Will counties. By diversifying the economy, contributing to the local tax base, and providing viable jobs for the surrounding communities, TWL has become a critical component in the Grundy -Will region.

Key findings:

- The workforce in the two counties is average in availability, quality and stability while ranking slightly higher in productivity. Most surveyed companies noted that once the employees are integrated into their core workforce, their productivity is good and remains stable.
- Most companies were very open to working with JJC in basic training, but not many have actually taken advantage of the opportunities JJC has to offer. This may be an awareness issue, where companies are not informed with the services JJC has to offer or may stem from a geographic disadvantage of JJC facilities.
- Distinct needs between trucking companies and warehousing logistics must be addressed differently. The majority of the companies surveyed were warehousing firms, with only 6 of the 27 surveyed companies being trucking/transportation firms.
- Sixty percent of surveyed companies experience problems with recruitment, with 75 percent of those companies indicating that the issue was due to the nature of the industry and not specifically the communities that the companies are located in.
- Temp and staffing agencies play a vital role in the TWL industry for the Will and Grundy regions, as sixty-nine percent of the surveyed companies indicated the use of temp and staffing agencies. This may warrant the need to re-examine state and federal classifications of eligibility for training funds, with the current classifications excluding temp and staffing services from qualifying for such funding dollars.
- Sixty three percent surveyed indicated an interest in working with a CSSI Training Grant as well as participating in an internship/apprentice program.

The I-80 and I-55 corridors have experienced tremendous growth in recent years, especially in Grundy and Will Counties. Recent census data indicated Grundy County was the 11th fastest growing county in the nation, (U.S. Census Bureau, Counties by Percentage Growth from July 1, 2004 to July 1, 2005), and second in the State of Illinois, while Will County ranked 14th in the nation (U.S. Census Bureau, Largest Numerical Increase from July 1, 2004 to July 1, 2005). With a continuous increase in population, more revenue and jobs are important for the vitality of the economy. The transportation, warehousing, and logistics sector has become an ever growing economic engine for the region.

As Grundy and Will Counties look ahead to the future, the workforce becomes a major component in the economic engine. Developing techniques and programs to refresh the workforce of today and train the workforce of tomorrow is essential to quality growth and economic prosperity. Without an accurate view of the current workforce statistics and company outlooks, that training and development of programs is more difficult.

As part of a statewide undertaking to strengthen Illinois' system of Workforce and economic development, the Governor's office and the Department of Economic Opportunity announced the need for local participation in the Critical Skill Shortages Initiative (CSSI). The CSSI is designed to align regional workforce strategies with economic development to provide qualified workers for critical skill shortage occupations, and includes:

- Identification of skill shortages per occupational sector that provide good wages and benefits;
- Examination of both root causes and/or job factors that lead to shortages;
- Redirection of existing resources and implementation of strategies to address these issues.

Regional planning for the initiative occurred around ten designated Economic Development Regions throughout the state and the nine Workforce Boards of the Metropolitan Development Region. Healthcare, manufacturing, and transportation/logistics were the three key sectors identified in this initiative.

As part of the CSSI, Joliet Junior College, contracted with the Grundy Economic Development Council and the Will County Center for Economic Development to collect and compile data from the regional TWL companies. A standard three page survey was designed and then distributed to the transportation warehousing and logistics firms via face-to-face interviews or email. A total of 27 surveys were received from representatives of: Affinity Logistics, American Dock & Door, Cardinal Transport Inc., Clorox, Costco, Dal-Tile, Dibble Trucking Inc., Dollar Tree Distribution, DSC Logistics & Supply Chain Management, Efco, Exel, Genco, Great Lakes Logistics, Hoffman Transportation, Hudd Distribution, INEOS Styrenics, Interstate Warehousing Inc., JR Cartage, Kellogg, Logistics Resources Inc, North American Stainless, Packard Transport, Inc., Potlatch, RR Donnelley, Sanyo Logistics, Solo Cup, and Wilton Industries.

“Grundy County was the 11th fastest growing county [percentage growth] in the nation.”

“Will County was the 14th fastest growing county in [numerical increase] in the nation.”

The average age of the employee is 35 years old. Out of the total employees 76.82% are heads of their respective households. However, when examined in more detail, surveyed warehouses reported 95% of their employees were heads of their households, while trucking firms reported 64.5% were heads of households.

Seventeen companies import employees from outside the “normal drive range” considered to be over 30 minutes. Of those companies, 13 were warehousing/logistics, while 4 were trucking/transportation firms. Several warehouse/logistic companies indicated many of their existing employees followed the firm when it relocated into our region (specifically in Will County). This may possibly account for the numbers indicated above. Companies reported that salaries were chosen over driving distance when determining to stay with the company and commute.

Although ultimately it is an industry wide challenge to attract employees, 69% of companies surveyed use temp agencies to find their employees.

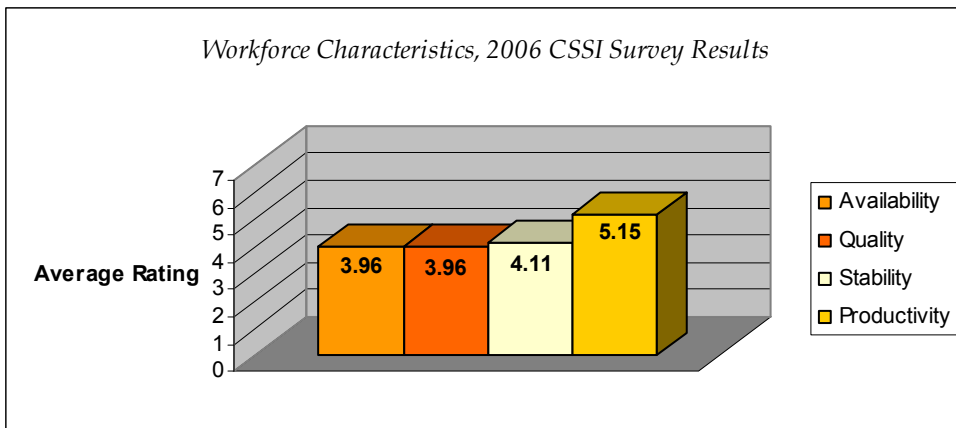
Sixteen companies surveyed indicated they use temp or staffing agencies to find workers. Specifically, 15 were warehousing and logistics companies, while only one was a trucking and transportation firm.

Eleven companies do not use temp agencies. Out of those 11, six were warehousing and logistics firms, while 5 were from trucking and transportation sector.

Out of the companies that do use temp services, on average 15% of their employees are temps. Sixteen percent are temp to hires, and close to 10% are temps that are permanently at their location.

The workforce in the two counties is average in availability, quality and stability while ranking slightly higher in productivity. Most surveyed companies noted that once the employees are integrated into their core workforce, their productivity is good and remains stable.

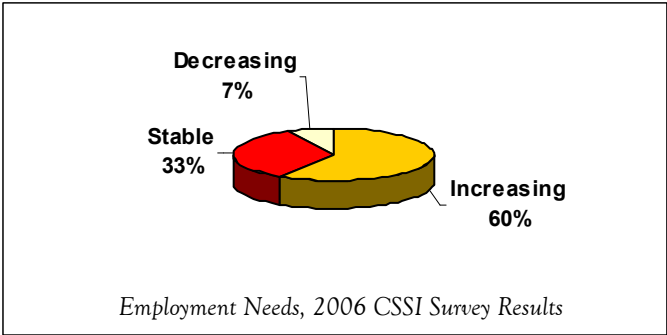
“69% of surveyed companies use temp agencies to find employees.”



The companies were asked to rate the availability, quality, stability, and productivity of the workforce in the area with 1 being the low and 7 being high. The average scores are represented in the chart at the left.

“60% [of the companies surveyed] indicated having problems with the recruitment of employees.”

16 facilities noted that their employment need is increasing; while 9 are stable, and 2 are decreasing. Of the 16 that reported increasing employment needs, 14 were warehousing and logistics firms. Of the stable companies, 1/3 were trucking transportation.



When examining the surveyed results, of the 27 companies surveyed, 60% indicated having problems with the recruitment of employees. In total, 16 companies noted they have problems with recruitment; 12 of those stated it was due to the nature of the industry. Thirteen of those 16 companies were warehousing and logistics firms.

20 of the companies have a stable number of unfilled positions, 20% of which are trucking firms; 4 companies indicate that number is increasing. The average number of unfilled positions is 4 per location, but that number ranges from 0 to 12, with the trucking average holding at 2.3 per firm. Companies noted that the positions that are often the most difficult to fill are forklift/equipment operators, drivers, and experienced service technicians.

22 companies noted that there has not been a change in the makeup of their workforce nor do they anticipate one. 20 of those 22 were warehouse and logistics firms.

Workforce Wages & Health Benefits

20% of the employees are salaried, while 80% are paid hourly. The wages of all employees are averaged at a range of \$11.25-\$25 per hour., with \$9 being the lowest and \$75 the highest.

- The average wage range for the trucking/transportation is \$16.34 -\$41.38.
- The average wage range for the warehousing logistics firms is \$11.20-\$24.03.

27 companies offer health benefits, 5 offer pensions, 25 offer 401k plans. 27 companies provide these benefits to full time employees, while 5 companies also provide them to their part time employees

“17 companies expressed an interest in participating in training for their employees that may be partially funded through the CSSI grant funds.”

Most companies were very open to working with JJC in basic training, but not many have actually taken advantage of the opportunities JJC has to offer. This may be an awareness issue, where companies are not informed with the services JJC has to offer or may stem from a geographic disadvantage of JJC facilities.

Out of the total companies surveyed, only 5 companies indicated that they had used the JJC Community & Economic Development training services, 4 of which are trucking firms.

17 companies expressed an interest in participating in training for their employees that may be partially funded through the CSSI grant funds, while 2 companies indicated that it may be a possibility; 4 of the 17 companies were in the trucking industry.

16 companies indicated that they were interested in training for their employees involving quality, OSHA, computer, and technical training; 4 of which were trucking firms.

Only 5 companies, all warehousing and logistics, indicated an interest in participating in the development of an RFID training center. Several companies that declined the offer, noted that their training takes place in house on their equipment.

15 companies indicated they would be interested in participating in the development of the forklift training center, only two of which were trucking firms.

17 companies indicated they would be willing to assist in a partnership internship/apprentice program with an already existing or new program with JJC, with 4 being trucking firms.

12 indicated they would be interesting in scheduling an appointment with the JJC training reps to further discuss the opportunities of a partnership, all of whom were warehousing /logistics firms.

Nine companies indicated they'd like to see JJC provide training programs in the following areas:

- First responder training
- Forklift operator
- Forklift
- Fuel tax reporting
- Permitting
- Licensing
- Develop workforce logistics programs
- CDL driving training
- RFID Technology
- Project management
- Modifications of front line supervisory training such as team building
- ISO internal auditing
- Supervisor training

Of the 27 surveyed companies, 26 provided on the job training, all trucking firms included.

13 companies provide outside training, half of the trucking firms included.

21% of training is provided by others outside of their corporation. When that percentage was broken down by category sector, 37% of the trucking/transportation firms reported their training was provided by others, while only 16% of warehousing/logistics firms reported they provide out of house training.

Out of the total, 21%, 9 companies note that the training is provide on location while 7 indicated that the training occurs off-site.

11 indicate their investment in employee training is increasing, while 13 indicated it is stable.

Out of the total training 42% is training for new job skills, 30% is proficiency training, while 27 % is remedial skills training

“Of the 27 companies surveyed, 26 provided on the job training”

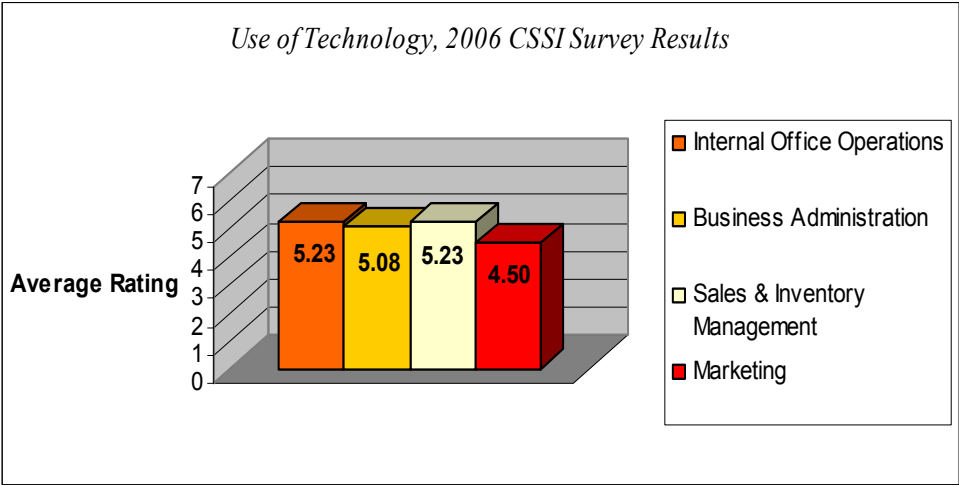
Technology

22 companies indicated that there was no emerging technology that would significantly change their ways of operation.

25 companies indicated that adequate infrastructure for their technological needs was available at their current locations.

Companies ranked their use of technology for internal office operations, business administration, sales and inventory management, and marketing on a scale of 1 low 7 high. The averages are as follows:

“Companies ranked their overall investment in technology compared to others in their industry. The average ranking was a 5.5”



Based on the surveyed data, Joliet Junior College is on the right track to better serve its regional workforce. Most companies were very open to working with JJC in basic training, but not many have actually taken advantage of the opportunities JJC has to offer. This may be an awareness issue, where companies are not informed with the services JJC has to offer. A strategic marketing drive may be a solution to the awareness issue. However, Will County noted this issue may stem from a geographic disadvantage of JJC facilities. A satellite office may help alleviate the distance to training or an effort to bring the training to the companies on site may be necessary.

Furthermore, dollars may be better allocated to other areas of training opportunities. Only 5 companies, all warehousing and logistics, indicated an interest in participating in the development of an RFID training center. Several companies that declined the offer, noted that their training takes place in house on their equipment or is designated by corporate headquarters. On the other hand, almost two-thirds of all companies indicated they would be interested in participating in the development of the forklift training center, training for their employees involving quality, OSHA, computer, and technical training or assisting in a partnership internship/apprentice program with an already existing or new program with JJC. More interviews regarding the RFID center may be warranted; however, most companies did comment that they were “surveyed out,” so face to face conversations and dialogue may be the best approach to determine exactly what companies in the area would like JJC to focus on and how JJC can be of assistance with what programs they currently have to offer.

Sixty percent of surveyed companies experience problems with recruitment, with 75 percent of those companies indicating that the issue was due to the nature of the industry and not specifically the communities that the companies are located in. A lack of soft skills combined with a deficit in necessary skills to fulfill a job position, indicate a shift not only in the makeup of the workforce, but a shift in the type of industries locating in the Grundy Will area, and the State of Illinois as a whole. Over the past decade manufacturing in Illinois has declined, while in recent years the TWL industry has grown significantly. The workforce of yesterday and the workers of tomorrow must be trained to perform in a new environment. A comprehensive targeted industry study may help Joliet Junior College and the area Economic Development agents to look ahead to the future and begin to properly train the workforce in the area before the new industries emerge.

Temp and staffing agencies play a vital role in the TWL industry for the Will and Grundy regions, as sixty-nine percent of the surveyed companies indicated the use of temp and staffing agencies. With temp agencies and staffing services providing much of the workforce to area companies, this is a sector of the industry that must be partnered with to expand and develop the regional workforce. The reliance on temp services may warrant the need to re-examine state and federal classifications of eligibility for training funds, with the current classifications excluding temp and staffing services from qualifying for such funding dollars. The funds are available, but not to those who are trying to get ahead by operating through a temp service.