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*Consumer delivery demands push retailers to build, hire, and automate.*

Just in time for the hectic holiday season, and on the heels of my return from visiting a new 3<sup>rd</sup> party logistics client in California, an article in the November 6<sup>th</sup>, 2015 Miami Herald newspaper about how retailers are ramping up ahead of the holiday season to meet ever growing consumer demands for faster delivery.

Major retailers – whether those with brick-and-mortar stores or those known for their online presence – are building more and larger warehouses and utilizing their store locations more strategically in order to figure out how to deliver ordered goods to their consumers faster and cheaper.

As noted in the article, some of the warehouses being built are the size of 20 football fields.

These warehouses are being fitted with robotic product picking machines that enable orders to be processed in minutes instead of hours. Amazon purchased robotics company Kiva in 2012 for \$775M, and has 30,000 robots in use in 13 warehouses. The goal of these retailers is to meet what has become the acceptable consumer demand of two-day delivery.

How much are retailers investing? Wal-Mart is committing over \$1B per year this year and next, which is putting pressure on their profits and thus causing anxiety with financial analysts, the result which has caused Wal-Mart stock price to fall. As of last year Wal-Mart opened an additional five distribution centers and has plans next year to open three more.

All of these retailers building distribution centers and utilizing third party logistics companies is a great economic boost, as people are employed, warehouse supplies (e.g. racks, cartons, tape, computers) are purchased, robotics are acquired, and certainly construction itself is increased. And it is all because of consumers' insatiable demand for products to be delivered faster and cheaper than where they can be ordered from a competitor retailer.

So get out those credit and debit cards one-and-all and shop away this holiday season! You will be helping retailers get a return on their investment, and will ensure the economy continues its drive forward as more retailers spend like holiday shoppers on warehouse space, employees, supplies, and technology to make sure we get our goods when we want them and as cheaply as possible, year-round. Because there are plenty of choices out there in a commoditized world where service remains the great differentiator.

Thanks and happy holidays to one and all.

**Norman Katz**, CFE, CFS, CCS, MOS  
 Katzscan Inc.



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