

Insights From Training With the Transportation Industry

■ By Capt. Ashian M. Izadi

The Training With Industry (TWI) program benefits Army logisticians because it introduces Soldiers to the different aspects of industry, particularly those necessary to understanding how industry benefits the Department of Defense.

Prior to arriving at my TWI assignment with Landstar System, Inc., I wondered how I, as company-grade officer, would benefit from spending a year with industry. Now having finished the assignment, I find myself reflecting on my experiences and understanding the value of this unique opportunity.

I have learned several things about the commercial trucking industry that will help me as a Soldier. But most of all, I have been empowered with a new perspective on industry that will be of value as I continue to serve in the Army.

A Change in Perspective

Before my TWI experience, my exposure to industry was limited. I had been assigned to a few military transportation units, including some that used commercial contractors to move equipment and supplies.

As an Army logistician, I often wondered why we relied on commercial industry to accomplish our distribution mission. Since our mission affects national defense, relying on someone else to get the job done did not seem like a best business practice.

Now, having been exposed to industry and a larger scale of distribution, I understand why the military uses commercial resources to move government equipment and supplies.

A Matter of Capacity

Logisticians cannot move everything the military requires because the de-

mand is far greater than the military's internal capacity. Owning, operating, and maintaining a fleet of transportation assets large enough for the military to move its own equipment would be too expensive.

Commercial carriers have the capacity that the military lacks. So by contracting for the movement of military freight and using a vast network of commercial transportation assets, the military can invest its resources in other areas. Therefore, partnering with industry to move military freight is good business.

Risks Versus Rewards

Commercial capacity cannot always be guaranteed without price variations; the price is subject to market conditions. The commercial trucking industry is made up of hundreds of thousands of carriers. Carriers must ensure that they comply with government laws and regulations, that their operating costs are covered by their pricing, and that they are competitive with other companies in order to ensure they stay in business. All these variables affect the price.

Logisticians must keep in mind that a low price may equate to poor service. You generally get what you pay for. Nonetheless, because the military requires special services to move its freight, particularly sensitive cargo like ammunition or technologically advanced equipment, the cost for military freight may be more expensive to move than less complex commercial freight.

Since all shippers, commercial and military, must use the same network of transportation assets, they compete with each other for those assets. Thus, prices may vary because of supply and demand. In essence, the military could

compete for transportation assets with potato chip companies if potato chip companies were willing to pay more to move potato chips than the military pays to move a tank. Although this is an extreme example, it gets to the point that all shippers compete for the same assets.

The constant in regard to the availability of truck capacity is that, like the economy, conditions will always change. However, what will not change is our need to use commercial transportation companies to accomplish our mission.

A successful partnership with industry is needed to accomplish the military's transportation mission. Because of my TWI experience, my new perspective is that the military services must find ways to improve business practices (through detailed planning, accurate forecasting, and communicating requirements in a timely manner) to compete with commercial businesses using the same limited transportation resources for their distribution needs.

By seeing and experiencing the perspective of "the other side," I have a new understanding that encourages me to seek solutions that foster successful, critical partnerships with industry.

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