

DISTRIBUTION MECCA



OF THE SOUTHEAST



Due to the crossroads of three interstates, Rutherford County has become a warehousing and distribution hub.

by Holly Sears

Supply chain management is the process of planning, implementing, and controlling supply chain operations to satisfy customer requirements as efficiently as possible. The process spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption. The term itself was coined by consultant Keith Oliver of the strategy consulting firm Booz Allen Hamilton in 1982.

Rutherford County continues to be a hub for companies dedicated to supply chain management. Due to the crossroads of Interstates 24, 40 and 65, it has become a warehousing and distribution headquarters, with companies such as Ingram Books, Hollywood Video, and Waldenbooks establishing hubs here.

Rutherford County, particularly the La Vergne and Smyrna area, has become well-known as a southeast distribution mecca due to location and available facilities offering cross-dock and warehouse space. Several international development companies have descended on the midstate area to develop speculative facilities in response to demand from distribution/logistics companies. ProLogis, based in Denver, operates nearly two million square feet in the market. Sacramento-headquartered Panattoni Development Company completed 1.5 million square feet of space in 2005. Tech Park in La Vergne, developed by Nashville-based Knestrick Contractors, will soon start construction on a new facility to add to their growing portfolio of distribution facilities in the area. Crescent Resources has recently completed a 497,500 square-foot facility to meet demand for large bulk distribution space. Its new park, Centre-Pointe, covers 260 acres and can accommodate up to a million square feet in one facility.

Another driving force in supply chain management is third-party logistics (3PLs). The availability of 3PLs such as Ozburn-Hessey (OH) has been attractive to companies looking to locate in the Rutherford County area. Based

in Tennessee, OH Logistics is one of the nation's largest privately held 3PLs, serving Fortune 1500 companies with strategically placed, multiclient warehouse campuses as well as numerous dedicated facilities. The company serves industries such as food service consolidation, electronics, technology, pharmaceuticals, medicine, health and beauty, and consumer products. OH Logistics provides services including fulfillment, e-commerce fulfillment, service parts management, return logistics, cross-docking, and pool distribution. The company operates more than 20 million square feet of warehouse space nationwide; offers complete transportation management of parcel, LTL (less than truck load), and TL shipments; and employs more than 3,000 workers.

It is easy to see why Rutherford County, with the above combined assets, is such a success. Location is one aspect of its success in distribution, but the high quality of life, pro-business climate, and skilled workforce also drive decisions. In 2005, Rutherford County ranked at the top in the country for new job growth. Distribution companies accounted for many of the new jobs; manufacturing and the service industry also contributed to the high growth rate. New distribution companies to locate in the community in 2005–2006 included Hot Topic, Pratt Industries, MotorCar Parts of America, ModusLink, Interstate Warehousing, and Federal Mogul, reflecting the diversity in the distribution market. Just-in-time logistics and location continue to be a driving force when companies are making decisions in response to supplier/customer demand. Courses offered at MTSU, Motlow State Community College, and the Tennessee Technology Center in Murfreesboro give Rutherford County yet another competitive edge: skilled workforce. ■

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RUTHERFORD COUNTY