

Module 4: Expansion and Refinement Stage 2006...

2006

Expansion and Refinement Stage

- *Partner Management Focus; Approaching 500 Partners*
- *Innovative Capitalization Efforts*
- *First Annual SmartWay Awards*
- *SmartWay Light-Duty Designation Launched*
- *SmartWay Grow and Go launched*

Module 4: Expansion and Refinement Stage ...2007-2008

2007

- *Supply Chain Concepts Introduced*
- *Launched SmartWay Tractors and Trailers & Certified Vehicles*
- *SmartWay Finance Center Opens*
- *Second Annual Awards Held*
- *Accelerating Partner Growth*

2008

- *Over 1,000 Partners*
- *Begin Development of Heavy-Duty Fuel Economy Test Program*
- *Supply Chain/SWT 2.0 development begins*
- *Package Labeling Pilots Begin*
- *Consumer Awareness Marketing Begins*
- *New Web Portal*
- *US/Canada Partner Networking Forum*
- *Launch Partner Webinar Series*

Managing SmartWay

Partner Management Challenge

- *Adapting to significant growth*
 - *Increasing Partner Management Efficiency*
 - *Tool Development*
 - *Prioritizing tasks*
- *More Partners = More EPA Support*
 - *Without additional support, each Partner will receive less attention*

Managing SmartWay

Partner Management Challenge

- *Adding value to Partners*
 - *With reduced attention, it is more difficult to give each partner attention to undertake marketing and publicity events*
 - *To give staff more time to pursue value-added activities, EPA developed quantitative FLEET approval guidelines.*
 - *Partner Account Managers approve the FLEET automatically, rather than waiting for a SmartWay Program Manager. Allows companies to “get it right the first time.”*
- *Partner compliance to ensure program integrity*
 - *As program grows, so does challenge of ensuring partner commitments are kept*
 - *EPA implemented an enforcement process to put non-compliant Partners on notice and remove those that did not comply*

Recruiting

Challenges in a Growing Program

- *No longer a primary focus, but still an important (but smaller) task*
 - *Focus on large, prominent companies*
 - *More reactive, rather than proactive*
 - *Indirect recruiting, through current Partners (specifically Shippers, Logistics, and Affiliates)*
- *Ensuring new Recruits actively participate*
 - *FLEET model due when new Partners join*
 - *Reduces EPA Partner Management burden*
 - *Previously, Partners had a grace period to complete the FLEET*

Funding (2006)



Fiscal Year 2006 Budget: \$1,850,000

- **Recruiting and Partner Management: \$750,000**
 - EPA Contractor Support
 - EPA and Contractor Travel
 - IT Support
 - Marketing Material for Recruiting/Partner Management
- **Marketing and Communication: \$400,000**
 - EPA Contractor Support
 - Communication Campaign (i.e. PSAs)
 - Outreach Material Development (documents, displays, banners, award trophies, etc.)
- **Technology and Verification: \$300,000**
- **Expansion Projects: \$300,000**
 - Light-Duty Vehicles, Drayage and Ports
- **General Operating Costs / Other: \$100,000**

Staffing Needs (Program Management/ Expansion) 2006 - 2007



15-20 Total FTEs

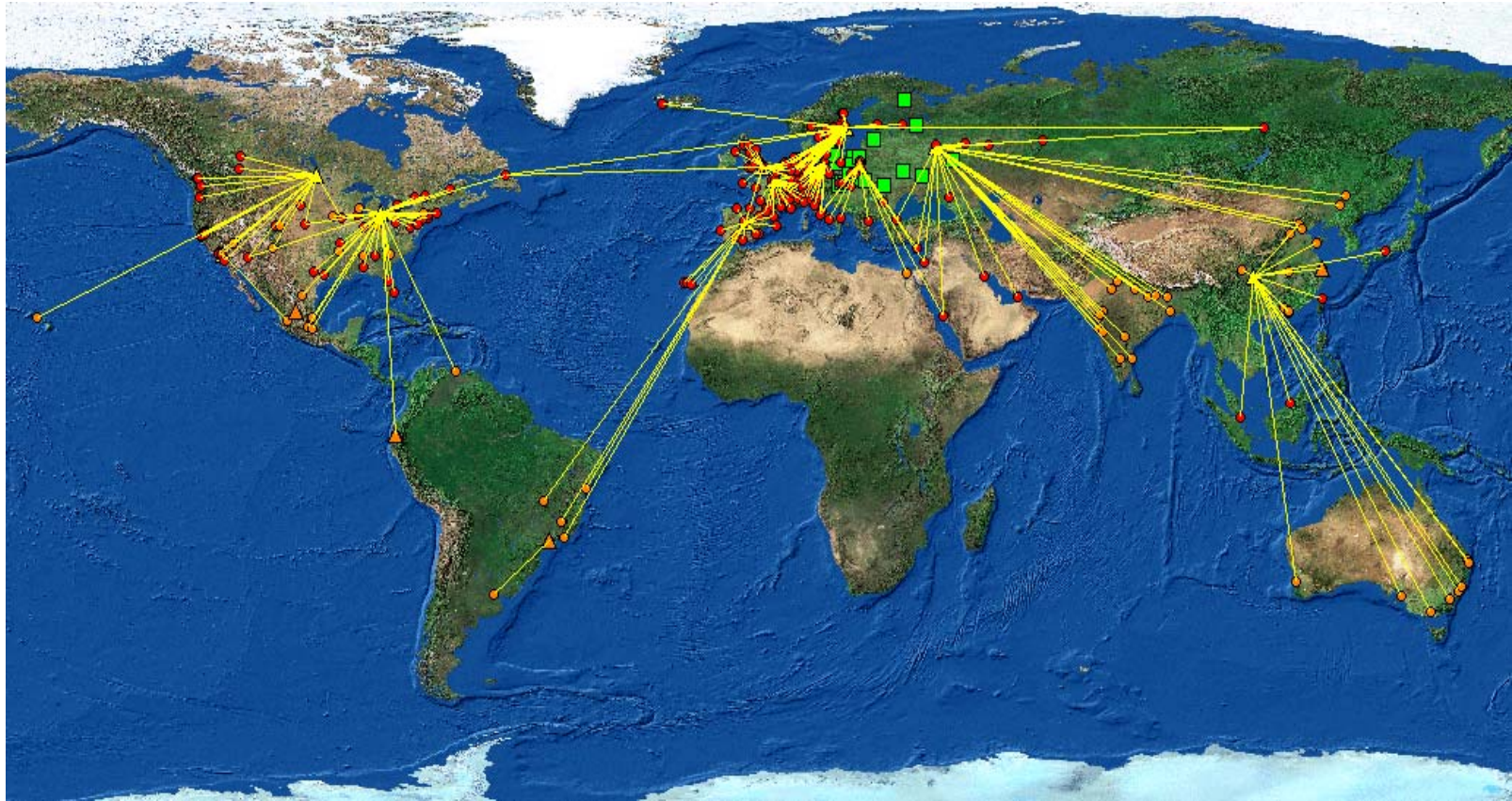
- **Program Management:**
 - Institutional Knowledge / Generalists (experience with various program aspects and design)
 - Experience in voluntary program design and implementation
- **Recruiting / Partner Management Staff:**
 - Experience identifying and pitching ideas to decision makers.
 - Strong interpersonal communication, sales, and marketing skills
 - Strong presentation and networking skills
 - Experience as an account manager preferred (with freight industry experience)
 - Knowledge of SmartWay fuel saving technologies
 - Strong quantitative, Excel modeling and organizational skills
 - Strong interpersonas and relationship building skills.
- **Technical Support and New Initiatives Staff:**
 - Ability to write and interpret technical reports / convey technical knowledge
 - Entrepreneurial; Identify trends: Understand technology adoption life cycle
 - Industry Sectors Specific Knowledge– Financial, Ports, Borders/International

The SmartWay Vision for Green Supply Chain

- *Minimizing CO2 production in global supply chains is a prime determinant in freight transportation decisions*
- *Full transparency exists in freight management carbon decision-making*
- *SmartWay carriers are enabled with better benchmarking tools*
- *Universal usage of a global database of company emission factors*
- *“SmartWay” Programs exist in all major industrialized countries*



Measuring and Reducing Emissions from the Supply Chain



The Demand

- *Demand for Multimodal CO2 Model from Industry*
 - *Demand for CO2 inventory (footprint)*
 - *Some interest in NOx and PM*
 - *Also demand for efficiency measurement & optimization*
- *Stakeholders are asking EPA to take lead role*
 - *Desire for a Federal program*
 - *Desire for multi-modal program*
 - *Desire for a consistent, global methodology*
- *Climate is High Profile now*
 - *Industry needs to quickly inventory, benchmark, and achieve improvements*
 - *Energy security and energy prices underscore urgency*

SmartWay as a Template for Global Freight Programs

- *Multiple countries and NGOs are now inquiring about implementing SmartWay programs abroad:*
 - *SmartWay-like programs already in Canada & Mexico*
- *Leading Shipper Partners asking for broader Partnership to cover their global supply chains:*
 - *Measurement -*
 - *Industry needs to assess CO2 “footprint”*
 - *Demand for multi-modal Supply Chain CO2 model*
 - *Optimization -*
 - *Industry needs to optimize transport mode;*
 - *For example; shifting from air to marine, saves fuel & reduces CO2*
 - *Demand for transparent carrier performance data information;*
 - *Shippers can select the most efficient carriers*

The SmartWay Response

○ Emissions

- *Current systems use industry average emission rates*
- *SmartWay Supply Chain will be able to present data at the company level*
 - *Allow more refined inventories*
 - *Allow comparisons between providers*
 - *Allow for mode and provider Optimization*

○ Methods

- *Multiple systems currently exist*
- *SmartWay will provide a consistent methodology, means of collection, and storage of data:*
- *Globally accessible database*

○ Software

- *Current systems use stand-alone software*
- *SmartWay Supply Chain will integrate into existing software*
- *Also provide a stand-alone version*

The Results - Driven

- *Drives Optimization*
 - *As shippers participate and encourage carrier participation:*
 - *Drives optimization in the carrier industry as carriers respond to the new transparency and competition*
 - *Increases shipper participation as other shippers strive to catch up with industry leaders who are using more efficient carriers*
 - *Increased participation creates a globally self reinforcing loop of participation and optimization*
- *Drives the Public Policy Debate*
- *Drives Technology Development*
 - *Mode and company comparisons will foster new fuel saving technologies*

Proposed Timeline

- *Early 2009 (March-April)*
 - *Shipper Model*
 - *Truck Carrier Model*
 - *Rail Carrier model*
- *Mid 2009 (July-Aug)*
 - *Database System*
 - *Air and Maritime models*
 - *Logistics Model*
 - *Drayage Model*
 - *Logo Use requirements*
- *Late 2009 (October-November)*
 - *Integrated system*
 - *Awards Criteria*