



CALIFORNIA
COMMUNITY
COLLEGES

**ECONOMIC &
WORKFORCE
DEVELOPMENT
PROGRAM**

**BUSINESS AND WORKFORCE
PERFORMANCE IMPROVEMENT
INITIATIVE**

**Industry Scan Report
Los Angeles County**

GOODS MOVEMENT INDUSTRY

“Freight Forwarding”



Prepared by:

Center of Excellence

Hosted at Mt. San Antonio College

June 2006



CALIFORNIA
COMMUNITY
COLLEGES

**ECONOMIC &
WORKFORCE
DEVELOPMENT
PROGRAM**



**BUSINESS AND WORKFORCE
PERFORMANCE IMPROVEMENT INITIATIVE**

Strategic Opportunity for Community Colleges in the Goods Movement Industry “Freight Forwarding”

June 2006

Prepared by:

Los Angeles County Center of Excellence
Hosted at Mt. San Antonio College
1100 N. Grand Ave., Building 35, Walnut, CA 91789
Phone: 909) 564-5611, ext. 6106 Fax: 909) 468-4093
areille@mtsac.edu www.cccewd.net

In collaboration with:

Highpoint Management Group
1154 Emerson Street, Upland, CA 91784
Phone: 909) 920-4449

THE BUSINESS AND WORKFORCE PERFORMANCE IMPROVEMENT INITIATIVE IS A GRANT-FUNDED PROJECT THROUGH THE ECONOMIC & WORKFORCE DEVELOPMENT PROGRAM OF THE CALIFORNIA COMMUNITY COLLEGES. OUR MISSION IS TO STRENGTHEN CALIFORNIA'S WORKFORCE AND ADVANCE ECONOMIC GROWTH THROUGH EDUCATION, TRAINING AND JOB DEVELOPMENT.

Table of Contents

EXECUTIVE SUMMARY	3
INTRODUCTION	4
REGIONAL INDUSTRY OVERVIEW	
State of the Region	4
Industry Profile	5
State of the Industry	5
Size	5
Economic Impact.....	6
OCCUPATIONAL OUTLOOK	
Employment Projections	6
Wages	8
Career Pathways.....	9
Drivers.....	9
INDUSTRY TRAINING NEEDS	
Education, Skills and Competencies Required.....	10
Type and Scope of Training Needs	10
Preferred Methods of Training Delivery	11
Existing Training Providers/Model Programs	11
Industry Workforce Challenges and Opportunities	11
Future Trends/Implications for Workforce Training.....	12
Potential Barriers and Factors to Consider in Developing Training.....	12
RELEVANCE TO COMMUNITY COLLEGES	
Existing Community College Programs in Los Angeles County	13
Gaps between Industry Needs and Programs Available	13
Recommendations for Program Development.....	13
Contract Education and Community Education	15
Opportunities to Partner and Resources Available.....	16
CONCLUSION	17
APPENDICES	
A. How to Utilize This Scan.....	18
B. Methodology	20
C. Questionnaire	21
D. Data Sources and References Cited.....	24
E. Trade Associations	25

SUPPORT ACTIVITIES FOR TRANSPORTATION INCLUDING FREIGHT FORWARDING EMPLOYED 46,700 PEOPLE IN APRIL 2006 IN LOS ANGELES COUNTY¹. EMPLOYMENT GREW BY 66% SINCE 1995 AND THE GROWTH IS EXPECTED TO REMAIN STRONG.

Executive Summary

The goods-movement industry is among the fastest-growing in Los Angeles County, mainly due to the growth in international trade and the presence of the ports of Los Angeles/Long Beach. The number of containers moving through the ports went from 9.5 million twenty-foot equivalent units (TEU's) in 2000 to 13.1 million in 2004. The ports predict these figures will reach 19.7 million in 2010 and 36 million in 2020². In addition, air traffic planners expect air cargo to increase its rate of growth to a compound annual rate of 4.6% from 2005-2030. As supply chain management becomes more and more complex, manufacturers and retailers are increasingly using the services of freight forwarders to take care of their logistics needs.

The freight forwarding sector is experiencing growth but is having difficulty finding qualified workers with industry knowledge and specific skills for entry-level and mid-level administrative positions. A survey conducted in the spring of 2006 revealed an opportunity for the community colleges to develop short-term training to prepare such workers, and to offer incumbent worker training to respond to skill gaps identified by employers.

The training programs should include:

- General skills: customer service, computer skills, communication, clerical skills, math.
- Industry-specific skills: Incoterms 2000 (International Commercial Terms), international documentation and regulations, letters of credit, payment, insurance knowledge of industry, customs/homeland security, geography, basic accounting, coding & billing and cultural sensitivity specific to the Asian Pacific rim.
- Internships to give students relevant work experience and the opportunity to prove themselves and possibly find employment after completion.

The community colleges already offer most of these topics through their international trade programs and can partner with the Centers for International Trade Development (CITD) to develop additional curriculum, if needed. Existing programs prepare students to enter the industry at positions with higher levels of responsibility and skill requirements. New programs targeting individuals who wish to complete short-term training and enter the industry through administrative positions would help provide the industry with the workforce they need to allow their business to grow. It is also an opportunity to help students enter a high-growth industry with exciting possibilities to move up to higher-paying jobs.

¹ EDD Labor Market Division

² "Logistics & Distribution: An Answer to Regional Upward Social Mobility", John Husing, June 2004

Introduction

As projected, the volume of goods being transported through Southern California and Los Angeles County in particular continues to grow rapidly. Thousands of jobs in international trade and goods movement are created each year, particularly in the vicinity of the ports of Los Angeles and Long Beach, and of Los Angeles International Airport. Those activities require support from administrative and clerical staff who must have specific skills and knowledge in order to deal with transportation, laws and regulations, customs, insurance, payments and international customers.

Some brokers and freight forwarders declared having difficulty hiring qualified staff and often having to "steal" employees from their competitors. The Center of Excellence decided to investigate the issue to identify whether the problem was specific to those businesses or common in this sector. A survey was conducted by Highpoint Management Group on behalf of the Center of Excellence to collect information on the sector and identify training needs in Los Angeles County. The survey focused on entry-level and mid-level administrative staff working in freight forwarding.

The survey was administered to twenty freight forwarders in Los Angeles County and confirmed the existence of unfilled training needs. It appears that adequate training is available from the Centers for International Trade Development (CITD), but is not part of traditional college program offerings. This scan report includes both secondary research and industry input. The analysis revealed labor shortages and an opportunity for community colleges to offer short-term training to fill those gaps, to respond to the sector's needs, and to help students enter a fast-growing industry with many career opportunities.

Regional Industry Overview

State of the Region

According to the Los Angeles Economic Development Corporation³, Los Angeles / Long Beach will continue to see a considerable flow of cargo because of five main factors:

1. The capacity of the ports (5th largest port in the world, handled 14 million TEUs in 2005, and Long Beach's ability to handle post-panamax "mega" ships transporting over 8,000 TEUs);
2. The large population/customer base in the southern half of the state;
3. The region's large business base of over 468,000 firms;
4. The concentration of manufacturing firms in the region with a workforce of 916,000 people;
5. Excellent intermodal rail access to the rest of the nation.

Transportation by air is also increasing for high-value goods (e.g. computer equipment, medical devices, precious stones). International air freight tonnage at Los Angeles International Airport rose by 5.4% in 2005 to over one million tons, a new record level for the facility.

³ WTCA International Trade Report, LAEDC, May 2006

International trade continues to be a reliable employment generator for the Los Angeles five-county area, with an increase of 45,500 jobs in 2005, moving the annual average employment to 540,100. Some of these jobs tend to be high-wage, and are found in a wide variety of activities including freight forwarding, customs brokers, cargo handling, transportation, trade finance and insurance⁴.

Industry profile

What do Freight Forwarders do?

Freight forwarders advise clients of the best rates, routings and modes of transporting goods to or from any area in the world. Using the vast resources at their disposal, forwarders find the "right match" of services available so that products are moved by the most timely and cost-effective means. They stay informed of the ever-changing regulations affecting cargo movements, such as foreign documentation requirements, hazardous materials rules, U.S. government regulations, special packaging or handling restrictions, and any applicable licensing provisions. They coordinate arrangements for storage, pick-and-pack operations, consolidations or full-container movements, as well as inland transportation to provide clients with true door-to-door service as well as assistance with initial quotations or preparation of proforma invoices or banking clients' documents for collection⁵.

The services offered by the sector vary according to the sophistication of the freight forwarder. The larger and more comprehensive freight forwarders offer a full range of transportation and logistics services including warehousing, consolidation, air express, trucking, distribution and customs clearance, tracking and monitoring of freight being transported, and applying electronics data interchange (EDI) technology to facilitate just-in-time based supply chain management. Their customers, particularly those in the time-sensitive manufacturing, trading and retail sectors, can thus concentrate on their core competencies and reduce their business cycle time.⁶

State of the Industry

A number of global trends are affecting the freight forwarding sector, including the globalization of the supply chain, mass customization, shortening of product lifecycles, low inventory, and quick response requirements. Under these new environments, managing supply chain effectively is complex and challenging.

Freight-service firms do not own planes or trucks, unlike rivals UPS and FedEx; they buy space on planes, trains or trucks. Their operating costs vary as freight traffic goes up or down. As a result, their capital investment is low, except for information technology equipment⁷.

The freight-forwarding sector is growing fast, as more and more manufacturers and retailers choose to have a third-party take care of their logistics needs, in order to concentrate on their core business.

⁴ Los Angeles Economic Development Corporation

⁵ National Customs Brokers & Forwarders Association of America, Inc. - <http://www.ncbfaa.org/>

⁶ Hong Kong Trade Development Council - <http://www.tdctrade.com>

⁷ Investor's Business Daily, "Handling Special Deliveries" May 12, 2006

Size

The Employment Development Department does not have recent data available regarding jobs in freight forwarding specifically for Los Angeles County. However, the following is available:

- The Support Activities for Transportation industry NAICS 43-488000, which includes freight forwarding, employed 46,700 people in April 2006 in Los Angeles County. Employment grew by 66% since 1995.
- A specific sub-group, the Freight Transportation Arrangement industry NAICS 43-488500 employed 23,400 individuals in California in 2002 and is expected to grow by about 25% between 2002 and 2012, to employ as many as 29,200 workers in 2012.

Note that this report focuses on freight forwarding; however, the training recommendations can also lead to employment in many other sectors related to international trade and transportation. Therefore, the size of the opportunity is considerable and poorly represented by the figures available.

Economic Impact

Freight forwarders offer transportation and other related services to manufacturers, wholesalers and retailers, allowing them to focus on their core businesses and having their supply chain managed by experts. This includes reliability, as well as efficiency and profitability. In spite of its relatively small size, the sector has a significant positive impact on other larger sectors and on the regional economy.

The sector offers many career pathways and opportunities to earn attractive wages. Due to the continued growth of international trade and globalization, the sector is expected to continue offering varied job opportunities in freight forwarding or other related sectors.

Occupational Outlook

Employment Projections

The Employment Development Department provides industry staffing patterns and, according to their list of occupations employed in Freight Transportation Arrangement (NAICS Code 488500), employment for most occupations is expected to grow.

The occupations employed by the freight forwarding sector that are relevant to this scan report are displayed below and sorted by category:

- occupations employed in goods movement,
- occupations employed in various industries including goods movement.

**OCCUPATIONS EMPLOYED IN GOODS MOVEMENT
Projections 2002-2012**

Los Angeles - Long Beach MSA

SOC	Occupation	Employment		Employment Change	
		2002 Estimated	2012 Projected	Number	Percent
11-3071	Transportation, Storage & Distribution Managers	2,750	3,100	350	12.7%
43-5032	Dispatchers	5,150	5,540	390	7.6%
43-5071	Shipping, Receiving, and Traffic Clerks	38,340	36,690	-1,650	-4.3%
53-1031	First-Line Supervisors/Managers of Transportation and Material-Moving Vehicle Operators	7,930	8,430	500	6.3%
53-6099	Transportation Workers, All Other	3,840	3,880	40	1.0%
53-7062	Laborers & Freight, Stock & Material Movers, Hand	90,390	92,800	2,410	2.7%
TOTALS		148,400	150,440	2,040	1.4%
43-5011	*Cargo and Freight Agents	10,600	12,100	1,500	14.2%

* Data for Los Angeles County is not available -- Data for California has been displayed.

Source: EDD LMID website

**OCCUPATIONS EMPLOYED IN VARIOUS INDUSTRIES
Projections 2002-2012**

Los Angeles - Long Beach MSA

SOC	Occupation	Employment		Employment Change	
		2002 Estimated	2012 Projected	Number	Percent
11-1021	General and Operations Managers	58,490	65,590	7,100	12.1%
13-1199	Business Operations Specialist, All Other	44,530	55,630	11,100	24.9%
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	49,030	50,180	1,150	2.3%
43-3011	Bill and Account Collectors	13,520	16,040	2,520	18.6%
43-4051	Customer Service Representatives	61,420	70,780	9,360	15.2%
43-4151	Order Clerks	15,200	13,450	-1,750	-11.5%
43-4171	Receptionists and Information Clerks	32,890	40,260	7,370	22.4%
43-6011	Executive Secretaries & Administrative Assistants	63,290	66,250	2,960	4.7%
43-6014	Secretaries, Except Legal, Medical, and Executive	40,240	37,950	-2,290	-5.7%
43-9021	Data Entry Keyers	12,790	11,360	-1,430	-11.2%
43-9061	Office Clerks, General	137,830	145,040	7,210	5.2%
TOTALS		529,230	572,530	43,300	8.2%

Source: EDD LMID website

Unfortunately, projections specific to the sector and to the county of Los Angeles are not available from EDD. However, the employment figures above and the projected industry growth combined lead us to expect significant employment growth in freight forwarding.

In order to validate this assumption, and to focus specifically on the opportunity presented in this report, survey participants were asked whether they anticipated growth and whether they were planning to hire additional employees. An overwhelming 85 percent of the respondents reported that their companies anticipated growth in the next one to three years. Seventy-five percent of respondents stated that they were planning on hiring additional administrative staff in the next twelve months. They also reported hiring for other positions including sales, managers and drivers. Sixty percent of respondents reported they encounter difficulty in finding qualified applicants. Some of them admitted that they recruit employees from other companies or often pay a premium to staffing agencies to meet their hiring needs. There is a clear shortage of administrative staff with industry knowledge and specific skills to work in the freight transportation sector.

Wages

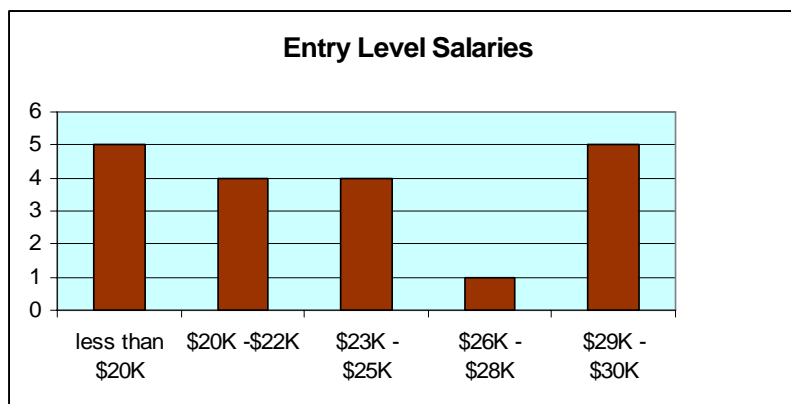
OCCUPATIONAL WAGES Los Angeles - Long Beach MSA Third Quarter 2005

SOC	Occupation	Hourly Mean	Hourly Entry Level	Hourly Experience Level
53-7062	Laborers & Freight, Stock & Material Movers, Hand	\$10.88	\$7.79	\$12.43
43-4171	Receptionists and Information Clerks	\$11.90	\$8.77	\$13.47
43-9021	Data Entry Keyers	\$12.24	\$9.37	\$13.68
43-5071	Shipping, Receiving, and Traffic Clerks	\$12.36	\$8.63	\$14.23
43-9061	Office Clerks, General	\$12.65	\$8.33	\$14.81
43-4151	Order Clerks	\$13.56	\$8.60	\$16.02
43-6014	Secretaries, Except Legal, Medical, and Executive	\$15.54	\$11.04	\$17.80
43-4051	Customer Service Representatives	\$15.72	\$10.59	\$18.28
43-3011	Bill and Account Collectors	\$15.80	\$11.19	\$18.10
43-5032	Dispatchers	\$16.96	\$10.95	\$19.97
53-6099	Transportation Workers, All Other	\$18.59	\$12.77	\$21.50
43-6011	Executive Secretaries & Administrative Assistants	\$20.47	\$14.43	\$23.49
43-5011	Cargo and Freight Agents	\$23.20	\$14.31	\$27.64
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	\$24.52	\$16.27	\$28.65
53-1031	First-Line Supervisors/Managers of Transportation and Material-Moving Vehicle Operators	\$25.44	\$15.50	\$30.40
13-1199	Business Operations Specialist, All Other	\$29.56	\$16.12	\$36.28
11-3071	Transportation, Storage & Distribution Managers	\$35.02	\$21.57	\$41.74
11-1021	General and Operations Managers	\$54.68	\$28.51	\$67.76

Source: EDD LMID website

Labor market information from the Employment Development Department indicates that administrative employees (e.g. secretaries, clerks, receptionists, data entry clerks, shipping, receiving and traffic clerks, customer service representatives) can expect to earn about \$12 - \$14 per hour in Los Angeles County, but it may vary significantly based on responsibilities, experience and place of work.

A question about wages was included in the survey to evaluate earnings specific to the occupations considered within the freight forwarding sector. For the most part, entry-level starting salaries are in the mid-twenty thousand dollar range as indicated in the chart below. Over 42% of the companies surveyed pay between \$22,000 – \$27,000, with 26% paying over \$30,000 per year (one of these companies hires strictly from the union hall and is required to abide by collective bargaining agreement).



Source: COE survey, 2006

Career Pathways

Entry-level administrative staff can learn new skills, gain experience and move up to higher paying jobs with more responsibilities. They may become first-line supervisors or coordinators in areas including transportation, customs, import/export, customer service, purchasing or billing. Some examples include:

- Entry-level: shipping/transport clerk, import/export clerk, customs clerk/specialist, customer service specialist, data entry clerk, billing/accounting clerk.
- Mid-level: international shipping specialist, freight traffic controller, compliance specialist, supervisors, customer service manager.
- High-level: traffic manager, transport manager, logistics manager, export compliance manager, department manager.

Drivers

As indicated in the regional industry overview, the continued growth of goods movement in Southern California and the need for more efficient and reliable transportation methods will contribute to the growth of the freight forwarding industry, especially as more manufacturers and retailers choose to outsource their logistics needs to focus on their core businesses.

Industry Training Needs

Education, Skills and Competencies Required

Respondents to the survey were asked what their requirements were for entry-level freight forwarding administrative positions. Several companies reported that they require previous experience and knowledge of freight forwarding. The three most often cited skills were:

- Computer skills, including knowledge of software, keyboarding and data entry
- Customer service skills
- Communication skills

Other job requirements cited include:

- Incoterms 2000 (International Commercial Terms)
- International documentation and regulations
- Inventory of export goods
- Knowledge of industry
- Accuracy, attention to detail
- Clerical skills
- Coordination with customs & vendors
- Proficient in English
- Filing skills
- Flexibility
- Knowledge of geography
- Mandarin preferred
- Math (e.g. math conversions, such as converting numbers to the metric system in order to determine the space needed for a load size)
- Organizational skills
- 1-3 years of experience in area of responsibility
- Phone skills
- UCP 500 (Uniform Customs and Practices)

A high-school diploma or GED is usually required for entry-level administrative jobs.

Type and Scope of Training Needs

Short-term training is needed to teach the skills listed above. Training should include two components:

- General skills: customer service, computer skills, communication, clerical skills, and English as a Second Language (ESL) if applicable.
- Industry-specific skills: Knowledge of Incoterms 2000 (International Commercial Terms), UCP 500 (Uniform Customs and Practices), international documentation and regulations, inventory of export goods, knowledge of industry, coordination with customs & vendors, geography, applied math.

The survey results also showed a need to develop other courses, such as supply chain or global logistics (*see recommendations for program development on page 13 for more details*).

Training should include a workplace experience such as an internship. Employers stated that work experience was a very important factor in the hiring decision and it is also a good way for students to get a better understanding of the industry and see whether it is a good fit for them. Internships also give students a chance to prove themselves and students may obtain job offers after completion.

Preferred Methods of Training Delivery

- Certificate programs could be offered during traditional teaching hours on a full-time basis to allow individuals looking for employment to complete the program in a timely manner.
- Other short-term training should be offered in the evenings or weekends to allow incumbent workers to attend.
- Customized training delivery will be based on the clients' needs and preferences.

Existing Training Providers/Model Programs

The International Import Export Institute (www.iiie.edu) in Arizona offers a "Certified International Trade Document Specialist" program, specifically designed to prepare students to work as entry-level technical and clerical staff. The training focuses on import/export and documentation for the global marketplace. This is the first level in a series of eight certificates designed to prepare individuals to work in the industry at different levels of skills and responsibilities.

The University of Calgary (Canada) (www.ucalgary.ca) offers a Certificate in International Freight Forwarding through their continuing education division. Topics include understanding freight forwarding, terms of trade, land transportation, air freight, ocean freight, commercial documentation, cargo security, export packaging and warehousing, transport insurance, international payments, costs and quoting and handling hazardous materials. The training is part-time for two semesters, and includes a total of 78 hours of classroom time. It is a valuable opportunity for entry-level staff wishing to advance.

Other training specific to freight forwarding is offered by a variety of training providers but targets individuals seeking training for mid-level and high-level positions.

Industry Workforce Challenges and Opportunities

Challenges

- The population is not aware of the career opportunities in logistics in general, and freight forwarding is even less visible than other related sectors such as distribution. Attracting workers to the industry may be a challenge and will require colleges and agencies working with job seekers to adequately promote the programs.
- The majority of the international trade is conducted with Asia and employers need workers fluent in both English and Mandarin or Cantonese or Japanese.
- Ports, railroads and freeways are reaching their maximum capacity to handle freight and the region has an urgent need for new infrastructure. This trend is going to be both a challenge and an opportunity for freight forwarders. Indeed, they are likely to see their customer base increase, as more businesses decide to outsource their logistics needs, but will also face more competition to obtain space on ships, planes and trucks. The demand for transportation services continues to increase but the infrastructure is limited and the disconnect between demand and supply may lead to price increases.

Opportunities

- The majority of freight forwarders are located in the proximity of Los Angeles International Airport and the ports of Los Angeles - Long Beach, where about half the population did not continue their education beyond high-school and could benefit from the opportunity to complete short-term training and learn skills that will make them employable in this industry.
- The growth is expected to continue due to the factors listed in the regional industry overview section of the report.
- The industry is not likely to leave Southern California because the location is a vital component to the success in this business.
- Entry-level workers can acquire experience, knowledge and skills that will allow them to move up to higher paying jobs in freight forwarding, international trade or logistics.

Future Trends / Implications for Workforce Training

As already mentioned, the goods movement industry is going to continue expanding in Southern California. It is necessary to create training for entry-level staff to create an awareness of the career opportunities in freight forwarding, international trade and logistics in general, and to develop a pipeline of new workers for the industry and avoid more severe labor shortages in the near future. Continuing education is also a critical component of workforce preparation for this industry.

Potential Barriers and Factors to Consider in Developing Training

The main barrier to the success of a new program preparing to work in the freight forwarding industry is enrollment. Students are not familiar with this field; therefore, it is crucial to target potential students and market the classes effectively.

The Colleges will need classroom space and computer laboratories, possibly software, but no additional equipment.

Faculty and/or staff will have to develop partnerships with the industry and find businesses willing to offer internships to students for them to gain relevant experience.

Relevance to Community Colleges

Existing Community College Programs in Los Angeles County

The following colleges currently offer courses in international trade:

- Cerritos College
- Compton College
- East Los Angeles College
- El Camino College
- Glendale Community College
- Long Beach City College
- LA Harbor College
- LA Pierce College
- Mt. San Antonio College
- Pasadena City College
- Rio Hondo College
- Santa Monica College

* List based on information collected from individual colleges' websites.

The certificate and degree programs offered by the colleges usually include over 20 units and prepare students for mid-level and high-level positions. The content includes the courses recommended by industry, but they are at a level higher than what is needed for entry-level workers.

Three colleges host Centers for International Trade Development:

- Citrus College
- El Camino College
- Long Beach College

The CITD have developed excellent training including half-day or day-long seminars on freight, logistics and international trade.

Gaps between Industry Needs and Programs Available

There is no training available for entry-level administrative staff in freight forwarding. Colleges offer both programs to prepare students to become administrative assistants and programs to prepare students to work in international trade or goods movement, but these programs are not meeting the need described in this report.

The industry needs colleges to offer short-term training including introductory courses in freight forwarding and international trade, but focusing on computer skills, customer service skills, communication, import/export documentation, applied math, geography, coding and billing. The training needs to be adequate to the job requirements, pay levels and to the target group's willingness and/or ability to attend training and complete it successfully.

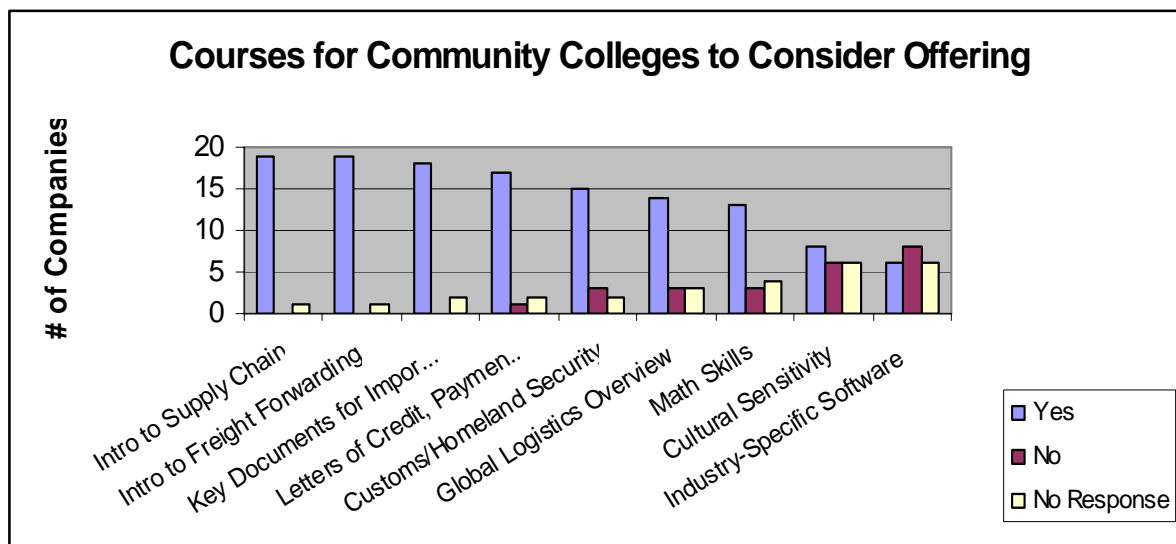
Recommendations for Program Development

All but one respondent to the survey indicated there was an opportunity for the community colleges to bridge the skills gap. A check-off list of relevant courses was provided and respondents were asked to indicate which courses the colleges should consider offering to bridge this gap:

- Introduction to Supply Chain
- Introduction to Freight Forwarding
- Key Documents for Import/Export Documentation

- Letters of Credit, Payment, Insurance
- Customs/Homeland Security
- Global Logistics Overview
- Math Skills
- Cultural Sensitivity
- Using Industry-Specific Software

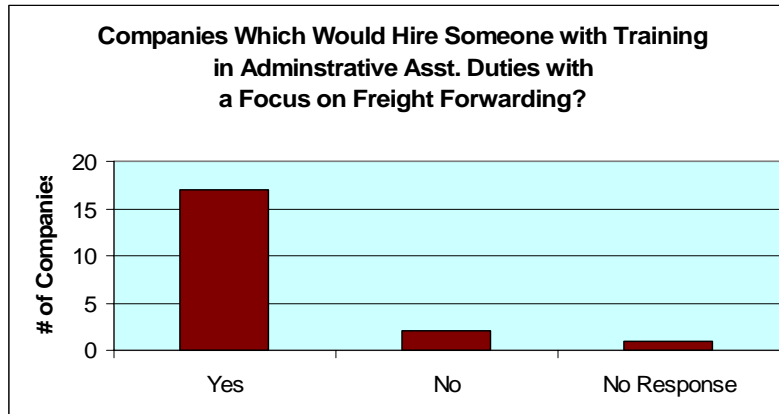
The chart below shows the relative importance respondents placed on the above courses. Only two courses, "Cultural Sensitivity" and "Industry-Specific Software", received a positive response from less than half of respondents. The most needed courses are "Introduction to Supply Chain", "Introduction to Freight Forwarding" and "Key Documents for Import/Export Documentation".



Respondents had the opportunity to add needed courses other than those provided on the list and cited:

- Customer service
- International trading
- Basic accounting
- Sales
- Coding & billing
- International trade
- Office protocol
- Business writing
- Knowledge specific to brokerage & freight forwarding
- Cultural sensitivity specific to the Asian Pacific rim
- International documentation, "terms of sale"
- Geography
- Internships
- Facility tours
- Languages: Japanese, Mandarin, Cantonese, Spanish

Respondents were then asked if they would hire someone with training in Administrative Assistant duties with a focus on Freight Forwarding. Eighty-five percent of respondents answered that they would. The other fifteen percent stated that prior experience was more important than training.



According to industry input, community colleges should consider developing programs to prepare students for administrative jobs in freight forwarding. The training could either be:

- A short-term certificate, or
- A new concentration for an already existing program, such as those preparing for administrative assistant jobs.

In appears that the training recommendations for the freight forwarding industry are also relevant to companies conducting import/export. The opportunity is, therefore, significant in size, since students will be eligible for employment with thousands of companies in not only freight forwarding, but also international trade.

Contract Education and Community Education

Respondents were asked if they thought there was a need for short-term training, i.e., day long training classes, and in what topics. Sixty percent of respondents indicated they thought there was. The topics suggested include:

- Basic skills like customer service or understanding who your clients are
- Handling hazardous materials
- Shipping
- How to read truck & freight manifests
- Customs brokerage
- Terms of sale, bills of lading
- US customs classification & compliance
- Overview of shipping industry
- Sales
- Claims; international paperwork, customs regulations
- Safety
- Import/export updates
- Brokerage, as opposed to transportation, has its own set of codes.

Those needs can be addressed through not-for-credit contract education if employers are willing to pay for training, or fee-based classes through community education, to reach a larger group of individuals.

Opportunities to Partner and Resources Available

The community colleges have a tremendous opportunity to partner with the Centers for International Trade (CITD). The CITD's have expertise in the industry and already have numerous workshops and certificates offered through their centers. Their curriculum was developed by industry experts and kept up to date. They may also be able to help community colleges build partnerships with employers and refer businesses that may accept interns.

Trade associations (*listed in appendix*) and the US Department of Commerce are also valuable potential partners to the community colleges as they develop training and promote courses.

The local Workforce Investment Boards may also become partners and help fund short-term training for job seekers or incumbent workers.

Conclusion

The analysis showed a strategic opportunity for the community colleges to develop training to prepare students for entry-level positions in freight forwarding. The training would also make participants eligible for employment with companies conducting international trade. Indeed, employers are having difficulty finding qualified administrative staff with relevant experience and knowledge of the industry. This is in part due to the population's lack of awareness of the career opportunities, and to educational institutions that only prepare students to enter the industry at mid-level or high-level positions. Students completing the existing programs are overqualified for entry-level administrative jobs and will expect higher hourly wages than those offered to less-skilled employees. The industry needs colleges to develop solutions to create a new pipeline of workers for administrative tasks, with skills and knowledge required by the sector.

The industry also showed a need for incumbent worker training through non-credit community education or customized training. Employees often need to improve their skills in the following areas: customer service, computers, communication, math, geography, accounting, coding and billing, customs classification and compliance, and handling hazardous materials.

The need is expected to become more acute as international trade and goods movement continue to grow in Southern California and Los Angeles County in particular. It would be relatively easy for community colleges to respond to the need because they already offer related courses in international trade and transportation, and have the opportunity to work collaboratively with the CITD's that have expertise in the sector. Community colleges also have expertise in basic skills and other training topics that the new programs should include, and are the ideal education and training provider for this growing industry.

APPENDIX A: How to Utilize this Scan

About Us - Description of BWPI:

The Business and Workforce Performance Improvement (BWPI) initiative is focused on building the capacity of the colleges in the area of economic and workforce development to enhance their ability to deliver education and training services to businesses and workers in high growth industries, new technologies, and other clusters of opportunities.

The Centers of Excellence (COE) within BWPI provide information regarding workforce trends, increase awareness and visibility about the colleges' economic and workforce development programs and services, and build partnerships with business and industry.

The work of the COE's helps position the community colleges as THE workforce partners of choice to business and industry and ensures that college programs are current and market-responsive. This will contribute to the overall economic vitality of the communities in which they serve.

How to Use This Industry Scan:

The Centers of Excellence within the Business and Workforce Performance Improvement Initiative of the California Community College Economic and Workforce Development Program have undertaken Industry Scanning to provide targeted and valuable information to community colleges on high growth industries and occupations.

This scan is intended to assist the decision-making process of community college administrators and planners in addressing local and regional workforce needs and emerging job opportunities in the workplace as they relate to college programs. The information contained in this report can be used to guide program offerings, strengthen grant applications, and support other economic and workforce development efforts.

This report is designed to provide current industry data that will:

- Define potential strategic opportunities relative to an industry's emerging trends and workforce needs;
- Inform and influence local college program planning and resource development; and
- Promote a future-oriented and market responsive way of thinking among stakeholders.

This Industry Scan included a review of the California Regional Economies Project reports and Employment Development Department (EDD) Labor Market Information (LMID) projections that cover the communities in this region, as well as many other sources as listed.

Important Disclaimer:

All representations included in this Environmental Scan product/study have been produced from a secondary review of publicly and/or privately available data and/or research reports. Efforts have been made to qualify and validate the accuracy of the data and the reported findings. The purpose of the Environmental Scan is to assist the California Community Colleges to respond to emerging market needs for workforce performance improvement. However, neither the Business and Workforce Performance Improvement Centers of Excellence, COE host college nor California Community Colleges Chancellor's Office are responsible for applications or decisions made by recipient community colleges or their representatives based upon this study, including components or recommendations.

This project is funded in part by the California Community Colleges Chancellor's Office, Economic and Workforce Development Program, grant number 05-305-016 for \$89,437 to fund multiple projects and activities through the Center of Excellence.

Appendix B: Methodology

This project was initiated after a couple of freight forwarders, interviewed by the Center of Excellence while working on a previous project, had emphasized their difficulty finding qualified administrative staff with knowledge of the industry. The initial information gathered clearly showed a need to conduct a full environmental scan on this strategic opportunity for the community colleges to develop training to address the industry's needs.

Report findings are based on secondary research (*see data sources listed in appendix D*) and a local business survey conducted in the spring of 2006. The survey was administered by an independent consulting group named Highpoint Management Group, on behalf of the Center of Excellence. A questionnaire was developed to collect information specifically related to hiring and training needs for entry-level and mid-level administrative staff working in the freight forwarding sector in Los Angeles County. Twenty employers responded to the survey. The participating companies ranged in size from 3 employees to over 10,000 globally. The questionnaire and list of respondents is provided in appendix C.

Labor market information for the specific group studied in this report was not available from the Employment Development Department Labor Market Division website. Related labor market information was provided to give an indication of the actual size and projections of the employment opportunities presented in this report.

Information on colleges' offerings and other training programs was gathered from the institutions' individual websites.

Appendix C: Questionnaire



This survey is being conducted on behalf of the California Community Colleges. Our purpose is to gain a better understanding of the hiring needs for **entry and mid level administrative personnel in Freight Forwarding**. Thank you for your participation.

Company: _____

Address: _____

Phone _____ Contact Name _____ Title _____

Number of employees _____ Does company anticipate growth in the next 1-3 years? Yes No

If yes, are you planning on hiring additional *administrative-level* employees in next year? Yes No

If yes, how many people _____ For which positions _____

1. Please provide the following information on administrative-level positions in your company.

	Title(s)	Salary Range
Entry level		
Mid level		
Senior level		

2. What are the requirements for the above administrative jobs in your company?

Entry level: _____

Mid level: _____

Senior level _____

3. Do you have difficulty finding qualified applicants to fill these jobs? Yes No

If yes, what qualifications do they generally lack? _____

4. Do you think there is an opportunity for the community colleges to bridge this skills gap?

Yes No

5. If yes, which of the following courses do you think should be offered?

- Global Logistics Overview Yes No
- Introduction to Supply Chain Yes No
- Introduction to Freight Forwarding Yes No
- Letters of Credit, Payment, Insurance Yes No

- Using Industry-Specific Software Yes No
- Math Skills Yes No
- Key Documents for Import/Export Documentation Yes No
- Customs/Homeland Security Yes No
- Cultural Sensitivity Yes No
- Other: _____

6. Would you hire someone who has training in performing Administrative Assistant duties with a focus on Freight Forwarding? Yes No

Comments: _____

7. Are there promotional opportunities for administrative personnel performing these duties in your company? Yes No If yes, please describe:

8. Do you think there is a need for short term, i.e., day long, training classes? Yes No

9. If yes, for which topics? _____

10. May we contact you with additional questions? Yes No

Thank you for your time.

Survey respondents

Alpert & Alpert
1815 S. Soto Street
Los Angeles, CA
Contact: Troy Creamer, Dir. of Logistics

China United Transport, Inc.
16725 Gale Avenue
City of Industry, CA 91745
Contact: PQ Zhang, Office Manager

Clearfreight, Inc.
(Subsidiary of Japanese Fujiki Group)
880 Apollo Street, Ste 101
El Segundo, Ca 90245
Contact: Kenji Go, President

Comet-Export Air, Inc.
8915 S. La Cienega
Inglewood, CA 9031
Contact: Victor Jimenez, Export Manager

Major, international carrier which prefers not to have
name publicized
14271 E. Don Julian Road
City of Industry, CA 91746
Contact: Katie Camarena, Office Agent

Encompass Overseas, Inc.
1601 N. Gower Street
Los Angeles, Ca 90028
Contact: Maria Alkire, President

FedEx Trade Networks
West Coast Region
19601 Hamilton Avenue
Torrance, CA 91502
Contact: Carlos Giron, HR. Manager

Freight Options Unlimited, Inc.
14247 E. Don Julian Road
City of Industry, CA 91746
Contact: Rico Rios, Operations

Genesis Delivery
2330 Pomona Blvd
Pomona, CA 91768
Contact: Dave, Safety

International Transportations Service, Inc.
1281 Pier J Avenue
Long Beach, CA 90802
Contact: Tracy Portillo, Sr. Hr. Manager

Kintetsu World Express (USA), Inc.
Subsidiary of Kintetsu World Express (Japan), Inc.
18450 S. Wilmington Avenue
Rancho Dominguez, CA 90220
Contact: Tony Ting

Meridian IQ
900 W. Florence Avenue, 2nd floor
Inglewood, CA 90301
Contact: Maurice Joseph, District Director

Mitsubishi Logistics America Corp.
(Wholly owned subsidiary of Mitsubishi Logistics
Corporation)
11934 S. La Cienega Blvd
Hawthorne, CA 90250
Contact: Steve Y. Sasaki, Deputy General Manager

Nippon Express USA, Inc.
(Subsidiary of Nippon Express Co., Ltd.)
2233 East Grand Avenue
Los Angeles, CA
Contact: Kazuo Usui, Hr Manager

Ocean Knight Shipping, Inc.
18725 E. Gale Avenue, Ste. 226
City of Industry, CA 91748
Contact: David Homan, Manager

Price Air Freight, Inc.
(Subsidiary of the Price Group)
2790 E. Del Amo Blvd.
Rancho Dominguez, CA 90221
Contact: Pam Woodward, President

Superior Logistics, Inc.
131 S. Brent Circle
Walnut, CA 91789
Contact: Henry, Manager

Talmo & Associates, Inc.
Staffing agency)
350 S. Crenshaw Blvd., Ste 204
Torrance, CA 90503
Contact: Carina Talmo, President

Triangle Network
11204 Norwalk Blvd.
Santa Fe Springs, CA 90670
Contact: Bob Magee, Director of Business
Development

Unipac Shipping
535 Brea Canyon Road
Walnut, CA 91789
Contact: Janine Pesqueira, HR

Appendix D: Data Sources and References Cited

This report has utilized the following information:

- Business interviews and survey.
- **CA Employment Development Department** for labor market information. Website: www.labormarketinfo.edd.ca.gov
- **California Workforce Investment Board and the California Economic Strategy Panel** joint report: 2005 California Regional Economies Project, Logistics and Manufacturing Value Chains: Meeting the Workforce and Infrastructure Demands of a "Real Time" Economy.
- **Los Angeles Customs Brokers & Freight Forwarders Association, Inc.**
<http://www.lacbffa.org/>
- **Transportation Intermediaries Association**
<http://www.tianet.org>
- **National Customs Brokers & Forwarders Association of America, Inc.**
<http://www.ncbfaa.org/>
- **International Federation of Freight Forwarders Associations**
<http://www.fiata.com/>
- **Council of Supply Chain Management Professionals (CSCMP).** Website: www.cscmp.org
- **Distribution Management Association (DMA).** Website: www.dmasocal.org
- **Hong Kong Trade Development Council** Website: <http://www.tdctrade.com>
- **Investor's Business Daily**, "Handling Special Deliveries" May 12, 2006
- **Southern California Association of Governments.**
Publications:
Southern California Regional Strategy for Goods Movement: A Plan for Action, February 2005, Amended March 2005
Logistics & Distribution: An Answer to Regional Upward Social Mobility, 2004
- **Los Angeles Economic Development Corporation (LAEDC).** Website: www.laedc.org
Publication: International Trade Trends & Impacts: The Southern California Region, 2005 Results and 2006 Outlook, May 2006

Appendix E: Trade Associations

Associations for Freight Forwarders and Customs Brokers

Los Angeles Customs Brokers & Freight Forwarders Association, Inc.

<http://www.lacbfffa.org/>

Transportation Intermediaries Association

<http://www.tianet.org>

National Customs Brokers & Forwarders Association of America, Inc.

www.ncbfaa.org/

International Federation of Freight Forwarders Associations

<http://www.fiata.com/>

Additional Industry Related Resources and Certifications

American Production & Inventory Control Society (APICS)

The Association for Operations Management

Tel: (800) 444-2742 Fax: (703) 354-8106 <http://www.apics.org>

American Society of Transportation & Logistics Inc. (AST&L)

Tel: (404) 524-3555 Fax: (404) 524-7776 <http://www.astl.org>

Institute of Logistical Management

Tel: (609) 747-1515 Fax: (609) 747-1517 <http://www.logistics-edu.com>

Materials Handling & Management Society (MHMS)

Tel: (704) 676-1183 Fax: (704) 676-1199 <http://www.mhia.org/mhms>

Transportation Intermediaries Association

Tel: (703) 329-1894 Fax: (703) 329-1898 <http://www.tianet.org>

