

HOW TO FIND THE CAPACITY
AND MODE TO TRANSPORT
YOUR PRODUCTS ON-TIME

Today, as companies operate in a world filled with big unknowns, all eyes are on transportation networks and supply chains. Given that 73% of goods in the United States are moved by commercial trucks, companies have a steep hill to climb to keep their products moving and customers satisfied.

It's no secret that transportation is a cyclical business driven by supply and demand. But, today's market is at the far end of that cycle. Active truck utilization remains near 100% (91% indicates a balanced market) pushing freight rates to all-time highs—greater than \$3/mile, with spot rates up 23%. Persistent issues like the driver shortage, capacity problems, and changing regulations are exacerbated by the demand for quicker deliveries, snarls in new truck production, nuclear verdicts, and the recovery from the global pandemic.

Both FreightWaves' SONAR and FTR's Trucking Conditions Index (TCI) agree that high freight demand will not disappear anytime soon, even with the expected seasonal slowdowns. Freight volumes will still be elevated compared to historical levels. And, tender rejections will remain around 26%. Equipment manufacturer delays are estimated to continue through 2022—maybe into 2023—and therefore won't be able to ease the pressure on the capacity front.

These aren't the first major obstacles—and certainly won't be the last—but this new environment has prompted many businesses to reimagine their transportation management approaches to help keep service levels high and costs low.

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Diversified Transportation Network

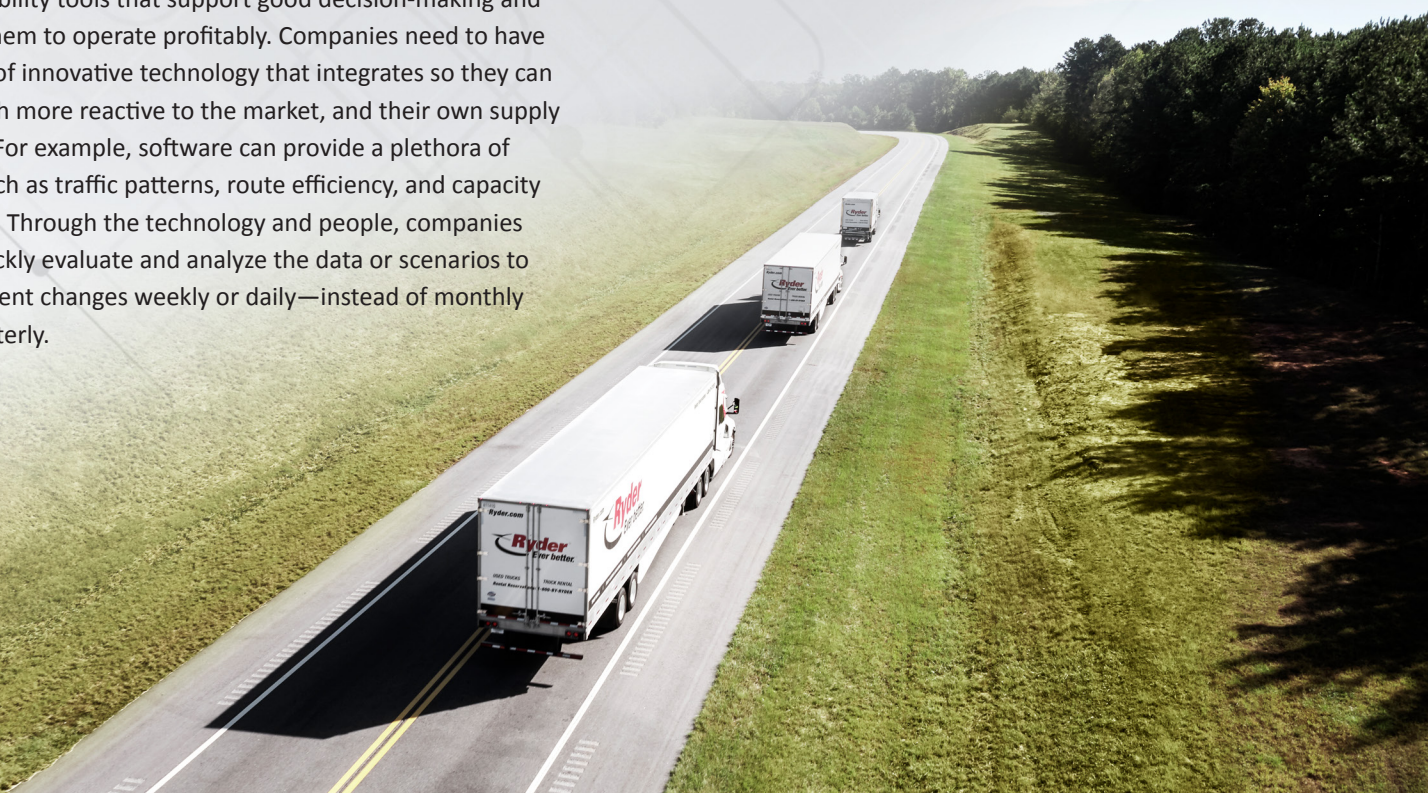
In today's environment, how a company strategically chooses to move its goods now involves much more than a basic cost-benefit analysis between the higher price of transport versus the faster delivery time it guarantees. Flexibility and visibility need to be factored into the equation. This is where having a diversified transportation network—the combination of a private or dedicated fleet, for-hire carriers, and brokerage—gives companies an advantage over businesses that rely on just one mode of transportation.

Until recently, shippers often made shipping decisions based on simple, uncontrollable factors. They would switch between modes—private/dedicated fleet, carrier, spot market—less frequently, if at all. In today's environment, this is not an either-or option. A diversified mix of modes is proven to provide a reliable transportation network consumers can depend on. It ensures capacity during seasonal peaks that keep service levels high, helps overcome driver challenges, reduces idle assets that cost revenue, and maximizes safety and compliance.

To manage these diverse networks, companies also need the right combination of logistics experts, software, analytics, and visibility tools that support good decision-making and allow them to operate profitably. Companies need to have a suite of innovative technology that integrates so they can be much more reactive to the market, and their own supply chain. For example, software can provide a plethora of data such as traffic patterns, route efficiency, and capacity by lane. Through the technology and people, companies can quickly evaluate and analyze the data or scenarios to implement changes weekly or daily—instead of monthly or quarterly.

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This increases the velocity and efficiency of the transportation network, allowing companies to pivot procurement and capacity strategies before snowball effects have taken place. Companies can make the deeper decisions needed to adjust their networks and model, as well as reduce the market-driven variabilities that are affecting their operations.



Partnering for Success

To work through today's challenges, companies are turning to diverse transportation partners that can help them through the current challenges while also future-proofing their supply chains for the long haul. A diverse third party logistics partner that is successfully navigating this complex environment, and has the proven tools and people in place, can help companies predict and forecast change for the present—and adapt in a very resilient manner for the future.

Additionally, a third party logistics partner should understand your business inside and out, and be able to suggest improvements—through its experience and your data—that could help your organization run more efficiently in any business conditions. Through a diverse menu of offerings, that partner should also have the robust technology, the equipment, and the expertise needed to manage the present and prepare for the future.

Your partner should not only be able to accommodate your needs for a dedicated fleet or manage your private fleet, but also support common carrier, LTL, or intermodal opportunities. It should also bring ideas to the table in a way that supports good supply chain resiliency, or the ability to understand and react to new opportunities.

At Ryder, for example, we help companies navigate capacity volatility, the driver shortage, and rising freight rates through our dedicated transportation solution that gives you customized vehicles, drivers trained for your business, and expert network management. Ryder also scales with your business during peak seasons, adjusting the modal mix for you with additional services in truckload capacity, carrier management, LTL carriers, and freight brokerage. Through these solutions our customers maximize service levels and efficiency, get 100% visibility of their network, and have 99% on-time delivery.

Ryder also implements RyderShare™ the only digital technology platform in the industry that provides end-to-end visibility and real-time collaboration across both the private and dedicated fleet as well as on the carriers within the other offerings.

This allows you to manage exceptions in real-time and helps increase vehicle uptime, execute on fulfillment plans, and operate in a more resilient, agile manner. Using the data from the complete transportation network allows Ryder logistics experts to continually find efficiencies and become predictive in their planning for the future. For example, during the pandemic, data and analytics provided through RyderShare™ allowed one company to increase its routes from about 400 to 1,200 per week and still have record on-time delivery. RyderShare™ has also delivered a 90% improvement in organization reaction time with real-time order and inventory status. Companies have also increased labor efficiency up to 50% with the elimination of redundant communications and processes.

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There's not a one-size-fits-all strategy. You have the opportunity to build a business model that has core capacity of a dedicated or private fleet to serve regular customers or areas of service. Additionally, it builds the flexibility that allows you to adjust volumes depending on freight cycles. That's what helps maintain customer service levels and costs. By working with a diverse transportation partner that has a wide range of offerings, you can rest easier, knowing that the goods will get there on time, on budget, and in great condition.

Discover how you can be *Ever better*™ at [ryder.com](https://www.ryder.com)



About Ryder

Ryder System, Inc. is a leading logistics and transportation company. It provides supply chain, dedicated transportation, and commercial fleet management solutions, including full service leasing, rental, and maintenance, used vehicle sales, professional drivers, transportation services, freight brokerage, warehousing and distribution, e-commerce fulfillment, and last mile delivery services, to some of the world's most-recognized brands. Ryder manages more than 239,000 commercial vehicles and operates more than 350 warehouses, encompassing approximately 80 million square feet. Ryder is regularly recognized for its industry leading practices in third-party logistics, technology driven innovations, commercial vehicle maintenance, environmentally friendly solutions, corporate social responsibility, world-class safety and security programs, military veteran recruitment initiatives, and the hiring of a diverse workforce.

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