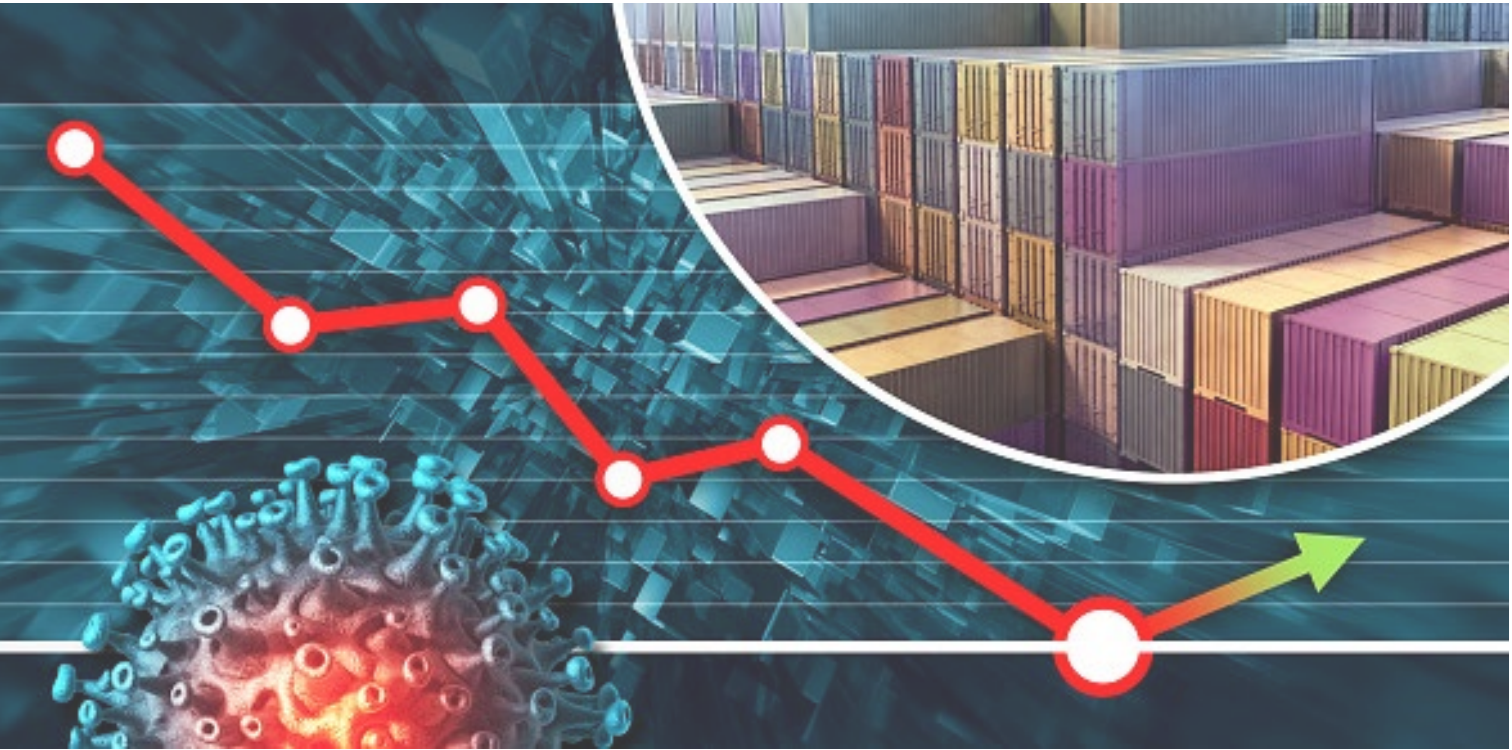

MAKING THE CASE FOR

Working with a Diverse Third Party Logistics Partner



Forced to make quick decisions in response to the global pandemic, supply chain disruptions, and economic downturn, companies are leveraging diverse, experienced third party logistics partners to help run their end-to-end supply chains.



Navigating Complex Transportation Environments

Companies across most industries are operating in a world filled with big unknowns and steep challenges right now. Somewhat unruly and often difficult to manage, supply chains and transportation networks have become especially unpredictable in today’s shipping environment. Persistent issues like driver shortages, rate increases, and capacity problems have been exacerbated by the global pandemic, supply chain disruption, and economic recession.

Of course, global trade wars, changing consumer expectations, and the need to digitize antiquated business systems were all on companies’ radar screens pre-COVID. The pandemic amplified these challenges, effectively creating a “perfect storm” of issues for manufacturers, distributors, and retailers to contend with.

These aren’t the first major obstacles to be placed in their paths—and they certainly won’t be the last—but this new environment, in particular, has prompted many organizations to reimagine their transportation management approaches.

MANAGING THE IMBALANCE

Right now, many companies are questioning whether they should be managing their own fulfillment, shipping, and delivery processes at all. A small to midsized firm with core competencies in product manufacturing, for instance, probably isn’t best positioned to handle its own transportation network. This company may have successfully managed its own transportation internally during “normal” operating environments, but what it’s dealing with right now is anything but normal.

“The transportation environment is uncertain and somewhat chaotic right now. There’s a lot of imbalance within the networks,” says Steve W. Martin, Ryder’s senior VP of dedicated transpor-

are impacting their operations. **MANAGING UNDER PRESSURE**
A transportation industry already dealing with driver shortages and capacity issues pre-pandemic has since been pushed

As if these challenges weren’t enough to make companies rethink their transportation networks, carriers also had to adjust to the “touchless” delivery environment and find ways to leave packages at the threshold while also capturing proof-of-delivery information. They’re also seeing an uptick in business volumes driven by the reshoring/onshoring trend, whereby manufacturers reposition some or all of their production operations in the U.S.

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tation solutions. The pendulum that swings back and forth between shippers and carriers, for example, is now firmly in the latter’s territory. Meaning, rates are climbing, capacity is fluctuating, and carriers have more than enough customers to work with.

into unknown territory due to the pandemic, the massive uptick in e-commerce orders, and ever-shrinking delivery times. When the truck driving schools shut down due to COVID, for example, the new graduate pipeline also stopped. “Now they’re running at reduced capacity,” Martin points out, “and that’s created a lack of new drivers entering the market.”

Combined, these developments are putting extreme pressure on transportation networks. To cope, many companies are turning to experienced, capable transportation management partners that offer a broad scope of standard and customized services. Well versed in all things transportation, these partners ease the pain of transportation management while letting companies do what they do best: run their businesses profitably and effectively.

“The situation is unbalanced, and that’s putting pressure on tender acceptances,” says Martin, who sees more companies looking for ways to diversify the modal mixes used to move their freight, be it truckload, less-than-truckload (LTL), dedicated fleets, or a combination of all three. “These diverse approaches are helping companies deal with the cyclical nature that we’re seeing in the market right now.”

Concurrently, the virus pushed some drivers out of the job market prematurely. Those that were considering retirement, for

The pendulum that swings back and forth between shippers and carriers is now firmly in the latter’s territory. Meaning, rates are climbing, capacity is fluctuating, and carriers have more than enough customers to work with.

To manage these diverse networks, companies also need the right combination of software, analytics, and visibility tools that support good decision-making and allow them to operate profitably. In absence of these tools, companies can’t make the deeper decisions needed to adjust their networks and models, nor can they reduce the market-driven variabilities that

instance, took the opportunity to do that when COVID hit. This double whammy has put new pressures on carriers. The same providers are also managing higher shipping volumes; an increase in large, bulky packages being shipped to homes (versus retail outlets); and persistent last-mile delivery challenges.

In this Making the Case, we explore the key transportation management challenges that companies are dealing with right now and show how a diverse third party logistics partner can help them build more resilient, future-proof supply chains in any business conditions



Building Resiliency into Transportation Management

In the COVID-19 era, supply chains have become an important focus for most companies and their suppliers and customers. Where some industries have felt stronger negative impacts than others, any consumer who had to “time” their grocery store visits in order to get access to freshly-stocked shelves of essentials has probably gained a better understanding of the direct conduit between supply chains and their shopping carts.

That same consumer still expects his or her e-commerce orders to arrive within a day or two (or less, in some situations). Both B2B and B2C buyers have this expectation, which hasn’t shifted much in light of the pandemic. Concurrently, these online buyers are returning more merchandise than their brick-and-mortar counterparts, making reverse logistics yet another critical capability for sellers.

To effectively manage these and other complexities, organizations need supply chains that can withstand shocks, maximize opportunities, and flex with business fluctuations. Getting there requires high levels of supply chain resilience, or the ability to make and deliver a consistent product supply despite the short- or long-term disruptions that may stand in their way.

FUTURE-PROOF SUPPLY CHAINS

Today's supply chains are feeling pressures unlike anything they've ever experienced in the past. To work through these pressures, companies are turning to diverse transportation partners that can help them

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through the current challenges while also future-proofing their supply chains for the long haul.

"Everyone now understands the value of a robust, reliable supply chain," says Steve W. Martin, Ryder's senior VP of dedicated transportation solutions. "The image of an empty store shelf isn't going away anytime soon." That image, in fact, will actually be a "lasting positive," says Martin, who expects more companies

to invest in the people, technology, and automation needed to create stronger supply chains.

Diverse transportation partners like Ryder are also doing their part to help shore up supply chains and help organizations shield those critical networks against the

next potential disruption.

When the pandemic hit, for example, Ryder enhanced its existing mobile driver

app to quickly survey frontline workers to see if they had the appropriate PPE, what issues they were dealing with, and requests they were hearing from end customers. "We used real-time communication to get a pulse on that segment of our workforce," says Martin.

Along with the provider's dedicated fleets, transportation management (i.e., helping companies move freight across North America), truckload

capacity, freight brokerage, warehouse and distribution management and e-commerce fulfillment offerings, they have also recently launched RyderShare™, a visibility and collaboration platform that gives their customers high levels of visibility across the supply chain network.

The platform gives all stakeholders in the supply chain the capability to collaborate in real time for exception management and more effective planning. RyderShare™ also enables predictive analytics with access to all data in one place to analyze for future gains, where they were previously lacking these insights. With this platform and other powerful tools in their corners, Ryder's customers can more effectively build resiliency into their supply chains.

"RyderShare™ helps companies see and manage change, communicate effectively with their customers, and collaborate with their trading partners," says Martin. "This technology provides value from the frontline all the way back through the supply chain."

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

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KEEPING A FINGER ON THE PULSE

Having a diverse third party logistics partner that has a finger on the pulse of the logistics sector and helps companies predict and forecast change—and then adapt in a very resilient manner—has become table stakes in today’s fulfillment environment. And because change and disruption rarely (if ever) impact just one area of a business, this level of supply chain knowledge helps companies future-proof their entire operations.

That partner should also understand your business inside and out, and be able to suggest improvements 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.

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A FULL SUITE OF SERVICES

Some companies will use Ryder’s dedicated transportation fleet alongside its own private fleets. With all of the vehicles in both fleets being maintained by Ryder, Ryder will adjust the modal mix for the company with additional

services in truckload capacity, transportation management (Ryder managing their freight on carriers), LTL carrier, all the way down to freight brokerage.

With this portfolio of services, Ryder then utilizes RyderShare™ technology to provides high levels of visibility across both the private and dedicated fleet as well as on the carriers within the other offerings. This helps companies increase vehicle uptime, execute on their fulfillment plans, and operate in a more resilient, agile manner. Using the data

from the complete transportation network allows Ryder to continually find efficiencies and become predictive in their planning for the future.

With e-commerce sales experiencing double-digit growth throughout 2020, Ryder has also been supporting its customers with a robust e-commerce fulfillment network and a big and bulky last-mile service suite that includes direct to consumer distribution from very small packages to large, bulky cartons—and everything in between.

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By working with a diverse third party logistics partner, companies also gain the benefits of that partner’s continuous improvement efforts, investments in technology, and consistent focus on adding value to the customer supply chain. “On a continual basis,” Martin concludes, “Ryder identifies new ways to improve service, drive down costs, and come up with solutions that our customers can turn around and implement within their own operations.”

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“We Couldn’t Have Done It Without RyderShare™”

When COVID-19 emerged in early-2020, Do it Best Corp. wasn’t sure if its sales were going to plummet, remain steady, or skyrocket. As this member-owned home improvement co-op braced for the impact, it had no idea how the global outbreak would impact its business over the coming months.

“We assembled a business continuity planning team and braced ourselves for the impact,” says Tim Miller, VP of logistics. Deemed “essential” by U.S. government’s standards, Do it Best was one of many companies that would see demand for its products hit record levels during the pandemic.

“It was all-hands-on-deck for us,” says Miller. “From the transportation standpoint, we’ve seen an explosive increase in the amount of LTL and small parcel shipments within our distribution network.”

A LONG-TERM PARTNERSHIP

Working with Ryder since the mid-’80s, Do it Best has 4,000 locations nationwide, retailers in 55 countries, and eight distribution centers focused on operational efficiency and supply chain excellence. The company has maintained on-time delivery

performance of over 93% in 2020—a testament to its strong alignment with its transportation partner. Right now, Do it Best has an average of 80-100 LTL vehicles at its terminals, yards, and DCs at any given point. That’s more than double the number of LTL vehicles in operation during the same period in 2019. To manage its growing transportation network, the cooperative relies on RyderShare’s collaborative logistics platform.

TECH TOOLS

Miller says Do it Best uses a forecast replenishment system, a transportation management system (TMS), a warehouse management system (WMS), and a small parcel pack-and-ship system. These systems work together to give Miller and his team good visibility over the space within

the four walls of Do it Best's warehouses and across much of its global supply chain.

"We knew when product was loaded onto ocean containers in China, while the product was in transit, and even when it was going through

"It's one thing to manage 300-400 routes per week, but it's another thing to have to manage 1,200 delivery routes across tens of thousands of miles nationwide. Without RyderShare™, it would have been next to impossible for us to maintain the service and the on-time performance that our retailers have come to expect."

— Tim Miller, VP of logistics, Do it Best Corp.

customs," says Miller. "However, once we loaded the goods onto Do it Best trailers for delivery, we lost that visibility. In fact, we were very blind at that point."

When Ryder launched RyderShare™ and integrated it into Do it Best's transportation stateside that all changed. By creating a virtual ecosystem for Do it Best, the platform connects all parties involved in the supply chain and enables the sharing of data with every stakeholder. It provides complete transparency, along with the ability to make decisions and take actions on exceptions at any point in the supply chain journey.

The platform more than proved its worth during the pandemic, especially when Do it Best suddenly found itself managing two to three times its normal order volume. "It's one thing to manage 300-400 routes per week, but it's another thing to have to man-

age 1,200 delivery routes across tens of thousands of miles nationwide," says Miller, who was doing exactly that during the depths of the pandemic.

"Without RyderShare™," he adds, "it would have been next to impossible for us to maintain the service and the on-time performance that our retailers have come to expect."

A SIMPLE SOLUTION

At any given time, Do it Best associates can access RyderShare™ right from their desktops and have the information they need at their fingertips. Miller says the platform serves

as a primary support tool for team members who work to ensure that its members' stores have the products that their end customers need.

"They can simply click on a route or a store and drill down to find out exactly where any order is at any given time," says Miller, whose team

"They can simply click on a route or a store and drill down to find out exactly where any order is at any given time. We get email alerts that we can share with our retailers and use them to notify stores about delivery updates. We know if a shipment left on time, if it's running early, or—in very few cases—if it's running late."

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also utilizes RyderShare's predictive business intelligence (BI) tool to identify potentially late deliveries or other issues well in advance—versus after they become real problems.

"We get email alerts that we can share with our retailers and use them

to notify stores about delivery updates," says Miller. "We know if a shipment left on time, if it's running early, or—in very few cases—if it's running late." Those "late" instances are so few, in fact, that Do it Best posted its record on-time delivery performance of 95% in mid-2020. "That was an all-time record and we're very proud of it," says Miller. "We couldn't have done it without Ryder as a transportation partner, and without all of the drivers and support that we get from its network."

SCALING UP

During the month of May 2020, Do it Best dispatched 800 additional routes (versus April 2020). This increase translated into 3,000 additional customers who could have potentially been calling to ask, "when will my truck be here so that I can plan accordingly?" Without the collaborative platform, Miller says responding to those requests would have been impossible.

"We can always figure out a way to load our trailers, but that's meaningless unless we have a tractor, an extra trailer, and an extra driver to dispatch.

Ryder's never missed a beat on that front, which is outstanding," says Miller. "Now, with RyderShare™, we can manage our network even more effectively. Our members have come to expect high levels of service, and we're able to continue delivering on that promise."

MAKING THE CASE

WORKING WITH A DIVERSE THIRD PARTY LOGISTICS PARTNER



MAKING THE CASE FOR Working with a Diverse Third Party Logistics Partner

When companies work with a diverse third party logistics partner, everyone wins.

BENEFITS FOR THE LOGISTICS MANAGER

Focused on ensuring that the right products are delivered to the right place at the right time and within budget, logistics managers have a lot on their plates right now. In fact, everything from the trade wars to the pandemic to the massive uptick in e-commerce orders is making life difficult for these professionals right now.

By working with a diverse transportation partner that has a wide range of offerings, logistics manager can rest easier, knowing that the goods will get there on time, within budget, and in good condition. “The biggest ROI for logistics managers is the fact that they don’t have to worry about the freight that’s moving through their supply chains,” says Steve W. Martin, Ryder’s senior VP of dedicated transportation solutions.

And for those managers that will worry about this, they can use RyderShare’s supply chain visibility platform to get an accurate picture of where that freight is 24/7/365. This is yet one more way Ryder helps logistics managers rest easier at night, knowing that their transportation networks are running like well-oiled machines.

“The best compliment we receive is that we’ve taken the worry out of supply chain management,” says Martin. “Through good, consistent service and commitment to continually driving improvements, we’ve become a true ‘working partner’ for logistics managers across a wide range of industries.”

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BENEFITS FOR THE SENIOR VP OF SUPPLY CHAIN

As supply chain's profile has been raised, and as supply chain as a discipline has taken a seat in many C-suites and boardrooms worldwide, the senior VP of supply chain's profile has increased exponentially. Called upon to manage a company's day-to-day logistics operations, transportation functions, and operational procedures, this VP ensures that the company's operations align with its standards and goals.

They're also focused on smart growth and resilience, both of which can be attained through improved services, by taking the costs out of doing

business, and by driving better value for their customers. By aligning with a diverse third party logistics partner, senior VPs of supply chain can achieve these goals and more.

Through access to a complete modal mix, last-mile delivery services, dedicated fleets, as well as supply chain distribution capabilities and tools like RyderShare™, this partner can help drive business growth while ensuring high levels of resilience. Better yet, supply chain departments are freed up to focus on what they do best: delivering high levels of service and value to their own customers.

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BENEFITS FOR THE CFO

Balancing belt-tightening strategies with the need to build a robust supply chain management approach isn't easy, but that's exactly what CFOs are being asked to do in the current economic climate. As a result, some are implementing major cost cuts while concurrently having to support business shifts like the big increase in e-commerce sales and the need to develop safer operating procedures (i.e., social distancing, touchless environments, etc.).

At the same time, CFOs have to keep an eye on growth and continued future-proofing of their organizations. A diverse third party logistics provider can help CFOs navigate these complexities by taking distribution, warehousing, ecommerce fulfillment, fleet, freight, and last-mile challenges off their to-do lists. “We help CFOs grow their businesses,” says Martin, “and all while providing high levels of transparency into the business and allowing executives to truly understand the value that we bring to the table.”



A Win-Win Partnership

As companies infuse more resilience into their supply chains and align themselves with reliable partners, expect to see more of them outsourcing some or all of their distribution and transportation needs to experienced, reputable providers that can take on myriad supply chain responsibilities. From dedicated fleets to last-mile deliveries to improved supply chain visibility, Ryder serves as a diverse logistics partner for a wide range of companies.

“Moving to an outsourced, dedicated freight model gives companies private-fleet execution models without the liability risks and insurance costs,” Steve W. Martin, Ryder’s senior VP of dedicated transportation solutions, points out. “That’s just one of many reasons companies should consider outsourcing on a private fleet basis.”

The same companies can benefit from the ongoing investments that Ryder is making in technology and infrastructure, including the Ryder-Share™ visibility platform. As Do it Best quickly learned, having all of that information at its fingertips has helped improve the home improvement co-op’s agility, efficiency, and profitability.

As providers like Ryder continue to build these models and the investment that goes along

with the models, the synergies they create are going to be difficult to recreate at the individual company level. And, from a transportation service standpoint, Martin says the breadth of carrier relationships Ryder has, and the immense purchasing power it can leverage, directly impact its customers’ bottom lines.

Do it Best’s VP of Logistics Tim Miller is one of many distribution professionals who anticipates a long and mutually-beneficial relationship with its diverse transportation management partner. “Ryder is an absolute partner in our business and a key to our success,” Miller adds. “We meet with them quarterly to discuss a shared set of key performance indicators (KPIs) and discuss our strategic initiatives. That’s a true partnership.”

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ABOUT RYDER SYSTEM, INC.

Ryder System, Inc. (NYSE: R) is a leading transportation and logistics 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 provides services throughout the United States, Mexico, Canada, and the United Kingdom. In addition, Ryder manages more than 290,000 commercial vehicles and operates more than 300 warehouses encompassing approximately 55 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. ryder.com

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TO FIND OUT MORE ABOUT WHAT RYDER CAN DO,
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