Best Practices of a Preferred Shipper

Top Shipper Characteristics Carriers Say Are Important To The Service Decision



June 28, 2017





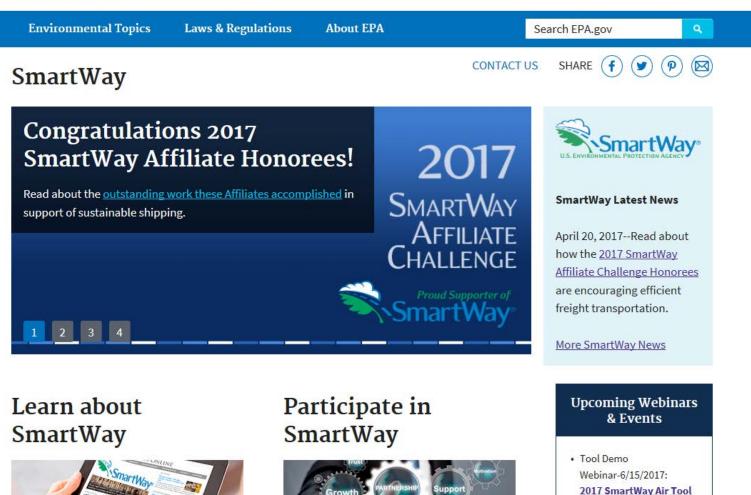
Webinar Housekeeping

- Submit a question via the Questions box on your
 GoTo control panel.
- After the presentation, as time permits, our EPA presenter will answer questions submitted via the Questions box.

 Questions 	5
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- Demonstration
- Education Webinar 6/28/2017: **Best Practices of a** Preferred Shipper

More SmartWay webinars & events



- Overview of SmartWay
- Why Freight Matters
- How SmartWay Advances Sustainable **Transportation Supply Chains**
- Sustainability Accounting & Reporting
- SmartWay Program Successes
- Trends, Indicators & Partner Statistics



- How to Participate in SmartWay
- How the SmartWay Partnership Works
- Become a SmartWay:
 - Shipper
 - Logistics Company
- Carrier
- Affiliate

Today's Speakers

Patrice Thornton EPA SmartWay

Panelists: Ben Cubitt Sr VP, Strategy, Consulting and Engineering Transplace

Randy R Cooper Director, Transportation and Supply Chain Engineering Del Monte Foods

Mike Kelley VP, External Affairs YRC Worldwide Inc



Webinar Outline

- EPA SmartWay
- Preferred Shipper Program Survey
- A Shippers View of Value
- A Carriers View
- Wrap up and Discussion



SmartWay: What is it?

- Public-private partnership
- SmartWay helps you
 - improve your transportation supply chains
 - Move more freight with fewer emissions and less energy
 - Gain a competitive edge, enhance your corporate image and create value for shareholders
- Enter data about your operations in a downloadable tracking and assessment tool



Shippers are looking for:

- Emissions and efficiency data from their carriers
- Most efficient modes to get the job done
- More efficient SmartWay carriers
- Commitment from supply chain service providers to improve performance



Ben Cubitt Sr VP, Strategy, Consulting and Engineering

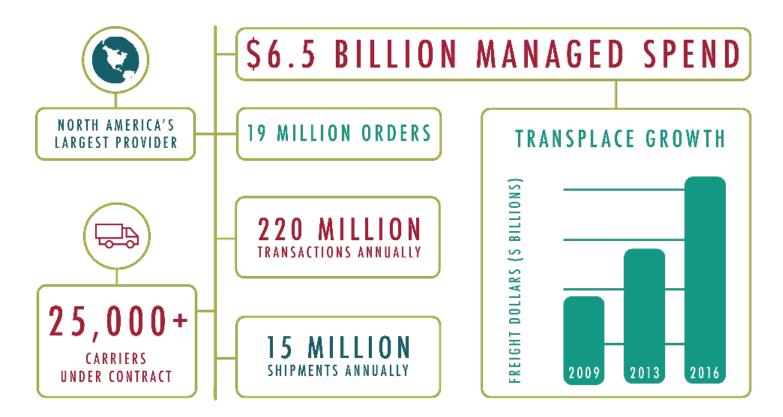


Transplace Preferred Shipper Survey





TRANSPORTATION MANAGEMENT SIZE & SCALE



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PREFERRED SHIPPER PROGRAM

WHY HAS "PREFERRED SHIPPER" STATUS BEEN TOP OF MIND FOR MANY SHIPPERS IN THE INDUSTRY?

- DRIVER SHORTAGE
- CAPACITY RESTRICTIONS
- REGULATORY CHANGES



THE SCORECARD & RATING SYSTEM PROVIDES CRITICAL INFORMATION TO HELP CARRIERS & SHIPPERS BE **BETTER PARTNERS AT EVERY LEVEL**

- FACILITATES WORKING TOGETHER TO
 - **OPTIMIZE TRUCK DRIVER UTILIZATION**
 - STIMULATES FURTHER PRODUCTIVITY
- ENHANCES OVERALL EFFICIENCY



PREFERRED SHIPPER CHECKLIST KEY SCORECARD CATEGORIES INCLUDE:



SHIPPER PROFILE

- RATES AND ACCESSORIALS
- PAY TERMS
- FREIGHT BIDS



SHIPMENT PLANNING & EXECUTION

- TENDERING
- NETWORK EFFICIENCY
- LOADING/UNLOADING

FACILITIES

- DRIVER INSTRUCTIONS/ COMMUNICATION
- PARKING
- TREATING DRIVERS WITH RESPECT

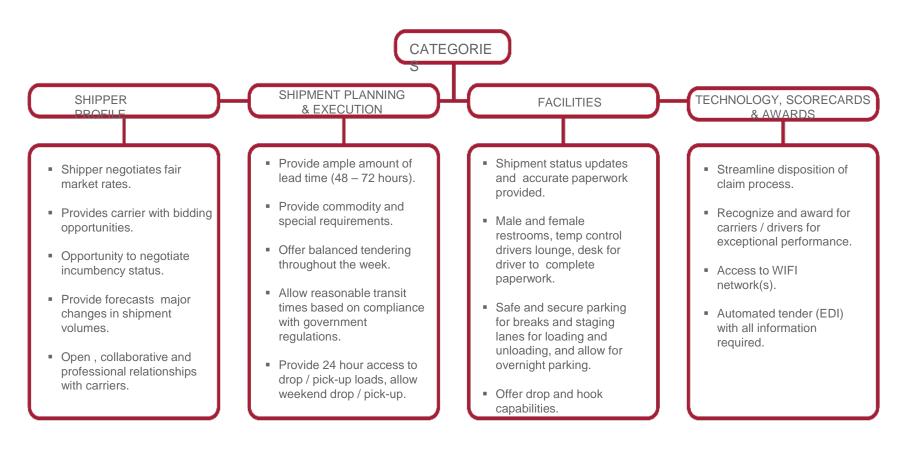


TECHNOLOGY, Scorecards & Awards

- CLAIMS
- EXCESS VOLUME
- COMMUNICATION/ TENDERING



Sample output / Scorecard details



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PREFERRED SHIPPER CARRIER SURVEY

Meets Standard Gap to Standard Exceeds Standard. Meets Standard % Gap to Standard % Accept input from carriers on scheduling to maximize driver efficiency 2.85 73% 17% 10% Allow reasonable transit times based on compliance with government regulations. 2.61 20% 80% Automated tender (EDI) with all information required 2.80 22% 66% 12% Load / unload times are minimized - 2 hour max, 30 minutes target. 2.66 27% 63% 10% 5% Proper loading procedures to minimize overweight issues and product shift duri. 2.56 27% 68% Provide 24 hour access to drop / pick-up loads, allow weekend drop / pick-up. 2.61 29% 61% 10% Provide ample amount of lead time (preferred 48 - 72 hours) 2.85 7% 78% Provide expected load weight so carrier provides appropriate equipment 2.66 27% 63% 10% Provide required temperature if refrigerated load 2.76 17% 78% 5% Provide type of commodity (hazmat certified, identify correct placard, etc.) 2.80 71% 10% 20% Turn trailers in reasonable time (less than 24hrs) 2.85 73% 10% 17% Where possible offer balanced tendering throughout the week 2.95 12% 78% 10% Where possible tender loads to maximize carrier / driver efficiency 2.90 7% 80% 12% 0.00 0.10 0.20 0.30 0.40 0.50 0.60 0.70 0.80 0.90 1.00

Rating

Exceeds Standard

TRANSPLACE The 3PL & Technology Company

PREFERRED SHIPPER – Planning and Execution – 2.76

PREFERRED SHIPPER Facilities - Atlanta, GA (40 Responses) Allow outside maintenance to come in and repair trailers on shippers facility. 2.67Allow drivers to clean trailers and discard packaging material 2.67 Respect the driver's requirement to follow safety practices and procedures 2.67 Offer drop and Hook capabilities 2.73 Provide yard jockey service to stage trailers 2.73 Staff shows respect/friend liness to drivers. 2.73Provide accurate and complete paperwork in a timely manner 2.80Access to onsite or nearby scale 2.80 Provide safe and secure parking / Allow for overnight parking. 2.80Ability to contact drivers when a space becomes available 2.87 Provide restrooms - Male / Female facilities 2 87 Provide shipment status information and updates 2.8 Offer access to onsite maintenance facilities or services if available. 2 93 Access to WIFI network(s) 3.07 Drivers lounge with vending, temp control, a desk for driver paperwork 3.07 Availability of staff to answer questions. After hours contact for customer & shipper / reciever. 3.07 Disclose location of trailer on lot 3.07 Keep docks, parking lots and unloading facilities clear 3 20

0.00

0.50

1.00

1.50

2.00

17

2.50

PREFERRED SHIPPER CARRIER SURVEY



3.50

3.00

Rating

Exceeds Standard

Gap to Standard

Randy Cooper Director, Transportation and Supply Chain Engineering





Del Monte Foods, Inc

- Owned by Del Monte Pacific
- Brand leader for canned fruits and vegetables
- Products are canned where they are grown
- Regional Distribution Centers to service customers





Del Monte Foods, Inc. – Plant and DC Network



Shipper of Choice Initiatives

- Driver Focused
 - Provide driver lounges with clean restrooms, vending, seating
 - Overnight privileges where space allows
- 30 Day Payment Terms
- Schedule flexibility
- Load consistency
- Predictable Bid Frequency
- View Carriers as strategic partners
- Benefits
 - Price
 - Service
 - Carriers willing to "think outside the box"





Mike Kelley VP, External Affairs







Next Exit The Amazing North American Supply Chain

"The best supply chains aren't just fast and cost-effective. They are also agile and adaptable, and they ensure that all their companies' interests stay aligned."

> Hau L. Lee, US Professor of Operations, Information and Technology Harvard Business Review

The Incredible, Amazing, Stupendous, Remarkable, Outstanding and Exceptional North American Supply Chain

> It's Something Akin To A Daily Industrial Ballet...

Digital Diesel

Facebook • 60 million lines of code Large Hadron Collider • 50 million lines of code Today's Class 8 truck • 100 million lines of code



"Today's (Vehicles) are reaching biological levels of complexity," Chris Gerdes, professor of mechanical engineering at Stanford University New York Times

Shippers SmartWay Reward Card (Preferred Shippers Only)

The Promise of Partnership

- Deep understanding
- Flexibility
- Know thy driver
- Through good times and bad...
- Well engineered solution



The Promise of Technology

- ELDs and the coming data "explosion"
- Load planning
- Route optimization
- On the dock too...
- The great data exchange

Shifts in Commerce B2C/B2B: The Dynamic Supply Chain Transformation

Keeping the Trust: A Supply Chain that Delivers Safely, Sustainably and Efficiently



Hall of Fame Driver YRC Freight

Arthur Cage - Memphis, Tennessee

Six Million Consecutive Accident-Free Miles

Questions?

For more information:

- www.epa.gov/smartway
- <u>smartway_transport@epa.gov</u>
- SmartWay Helpline (734) -214-4767



