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.
Congratulations 2017 SmartWay Affiliate Honorees!

Read about the outstanding work these Affiliates accomplished in support of sustainable shipping.

Learn about SmartWay

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

Participate in SmartWay

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

SmartWay Latest News

April 20, 2017—Read about how the 2017 SmartWay Affiliate Challenge Honorees are encouraging efficient freight transportation.

More SmartWay News

Upcoming Webinars & Events

- Tool Demo
  - Webinar-6/15/2017: 2017 SmartWay Air Tool Demonstration

- Education Webinar – 6/28/2017:
  - Best Practices of a Preferred Shipper

More SmartWay webinars & events
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
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

HOW?

- 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

- Shipper negotiates fair market rates.
- Provides carrier with bidding opportunities.
- Opportunity to negotiate incumbency status.
- Provide forecasts major changes in shipment volumes.
- Open, collaborative and professional relationships with carriers.

- Provide ample amount of lead time (48 – 72 hours).
- Provide commodity and special requirements.
- Offer balanced tendering throughout the week.
- Allow reasonable transit times based on compliance with government regulations.
- Provide 24 hour access to drop / pick-up loads, allow weekend drop / pick-up.

- Shipment status updates and accurate paperwork provided.
- Male and female restrooms, temp control drivers lounge, desk for driver to complete paperwork.
- Safe and secure parking for breaks and staging lanes for loading and unloading, and allow for overnight parking.
- Offer drop and hook capabilities.

- Streamline disposition of claim process.
- Recognize and award for carriers / drivers for exceptional performance.
- Access to WIFI network(s).
- Automated tender (EDI) with all information required.

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## PREFERRED SHIPPER – Planning and Execution – 2.76

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Rating</th>
<th>Exceeds Standard %</th>
<th>Meets Standard %</th>
<th>Gap to Standard %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accept input from carriers on scheduling to maximize driver efficiency</td>
<td>2.85</td>
<td>17%</td>
<td>73%</td>
<td>10%</td>
</tr>
<tr>
<td>Allow reasonable transit times based on compliance with government regulations</td>
<td>2.61</td>
<td>20%</td>
<td>80%</td>
<td>12%</td>
</tr>
<tr>
<td>Automated tender (EDI) with all information required</td>
<td>2.80</td>
<td>22%</td>
<td>66%</td>
<td>12%</td>
</tr>
<tr>
<td>Load / unload times are minimized - 2 hour max, 30 minutes target.</td>
<td>2.66</td>
<td>27%</td>
<td>63%</td>
<td>10%</td>
</tr>
<tr>
<td>Proper loading procedures to minimize overweight issues and product shift duration</td>
<td>2.56</td>
<td>27%</td>
<td>68%</td>
<td>5%</td>
</tr>
<tr>
<td>Provide 24 hour access to drop / pick-up loads, allow weekend drop / pick-up.</td>
<td>2.61</td>
<td>29%</td>
<td>61%</td>
<td>10%</td>
</tr>
<tr>
<td>Provide ample amount of lead time (preferred 48 - 72 hours)</td>
<td>2.85</td>
<td>15%</td>
<td>78%</td>
<td>7%</td>
</tr>
<tr>
<td>Provide expected load weight so carrier provides appropriate equipment</td>
<td>2.66</td>
<td>27%</td>
<td>63%</td>
<td>10%</td>
</tr>
<tr>
<td>Provide required temperature if refrigerated load</td>
<td>2.76</td>
<td>17%</td>
<td>78%</td>
<td>5%</td>
</tr>
<tr>
<td>Provide type of commodity (hazmat certified, identify correct placard, etc.)</td>
<td>2.80</td>
<td>20%</td>
<td>71%</td>
<td>10%</td>
</tr>
<tr>
<td>Turn trailers in reasonable time (less than 24hrs)</td>
<td>2.85</td>
<td>17%</td>
<td>73%</td>
<td>10%</td>
</tr>
<tr>
<td>Where possible offer balanced tendering throughout the week</td>
<td>2.95</td>
<td>12%</td>
<td>78%</td>
<td>10%</td>
</tr>
<tr>
<td>Where possible tender loads to maximize carrier / driver efficiency</td>
<td>2.90</td>
<td>12%</td>
<td>80%</td>
<td>7%</td>
</tr>
</tbody>
</table>
PREFERRED SHIPPER Facilities – Atlanta, GA (40 Responses)

- Allow outside maintenance to come in and repair trailers on shippers facility: 2.67
- Allow 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 jack service to stage trailers: 2.73
- Staff shows respect/friendliness to drivers: 2.73
- Provide accurate and complete paperwork in a timely manner: 2.80
- Access to onsite or nearby scale: 2.80
- Provide safe and secure parking / Allow for overnight parking: 2.90
- Ability to contact drivers when a space becomes available: 2.90
- Provide restrooms - Male / Female facilities: 2.90
- Provide shipment status information and updates: 2.90
- 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 / receiver: 3.07
- Disclose location of trailer on lot: 3.07
- Keep docks, parking lots and unloading facilities clear: 3.20
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
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
“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

Six Million Consecutive Accident-Free Miles

Arthur Cage - Memphis, Tennessee

Hall of Fame Driver YRC Freight
Questions?

- For more information:
  - [www.epa.gov/smartway](http://www.epa.gov/smartway)
  - [smartway_transport@epa.gov](mailto:smartway_transport@epa.gov)
  - SmartWay Helpline (734) -214-4767