



Point to Point

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Logistics insights provided to you by **AVERITT**

THE ELD MANDATE: WHAT IT MEANS FOR YOUR BUSINESS

As we approach the end of 2017, the transportation industry and shippers alike are focused on the impending arrival of the electronic logging device (ELD) mandate. Set to take effect on Dec. 18, the ELD mandate will mark one of the biggest regulatory changes to impact carriers and drivers since the passing of the hours of service (HOS) regulations in 2011.

With all of the talk about the ELD mandate over the past few years, there's still an air of uncertainty on what the new law means for carriers and shippers.

REASONING BEHIND THE MANDATE

One of the primary reasons that the Federal Motor Carrier Safety Administration devised the ELD mandate is to increase its ability to enforce compliance with HOS regulations. The HOS regulations are a set of rules that govern how long a truck driver can be on the road. They help protect drivers from being on the road for extended periods of time that can cause fatigue and even lead to accidents.

Aside from the regulatory and safety aspects of the mandate, there are business-oriented benefits to adopting ELDs as a standard within the transportation industry. ELDs are more than glorified time clocks. In fact, many models come outfitted with a variety of technologies that can help carriers operate more efficiently.

JUST A FEW OF THE POTENTIAL BENEFITS INCLUDE:

- Improved ability to monitor and track trucks and shipments both at the carrier and customer level
- Better route-planning capabilities that can help cut fuel consumption and transit times, which trickles savings down to carriers and customers
- Increased safe driving performance lowers industry costs associated with regulatory violations and accidents while also saving lives.

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PHASE-IN PERIOD TO EASE TRANSITION

On Aug. 28, the Commercial Vehicle Safety Alliance announced that it would not immediately begin placing vehicles out of service when the mandate goes into effect on Dec. 18. The organization, which provides guidance and education to enforcement, industry and policy makers, stated that drivers and carriers will be given a grace period until April 1, 2018 to comply with the mandate.

During the phase-in period, inspectors may choose to issue citations to carriers that operate vehicles without

ELDs. This effort will provide motor carriers with a little extra time to outfit tractors with the devices and to train drivers to properly use them.

WHAT SHIPPERS CAN EXPECT AND HOW TO PLAN

Not only will the ELD mandate impact carriers and drivers, but shippers may also feel the effects. It will take time for carriers that are just beginning to adopt ELDs to smooth out their operations. Drivers and operational managers will need to be trained on how to use the devices and how to implement them into the various shipping technology systems they already have in place. When the full mandate goes into effect, capacity could be pinched if carriers fail to deploy ELDs.

In order to ensure that the transition goes as smoothly as possible, Averitt, like many other carriers, has been working diligently to install ELDs and to train its associates on their proper use. **PtoP**

HOLIDAY SHIPPING: TIPS FOR RETAIL PEAK SEASONS

From hiring seasonal help to setting up Thanksgiving and Christmas displays, the last thing you should

worry about is whether or not a delivery of high-demand products will arrive on time. Let's take a look at how you can get a leg up this and future holiday seasons.

STRATEGIZE EARLY

Planning ahead is the most important step you can take to prepare your business for the holidays. When it comes to your supply chain, you will want to plan months in advance. This is particularly true for business owners

who import. The deliverable time on a purchase order from China, for example, can take several weeks.

At the same time, foreign suppliers are stretched thin as production is increased to meet peak retail demand. To ensure that your shelves will be stocked on Black Friday and other peak times, you'll need to coordinate with your manufacturers, suppliers and transportation providers. Keeping all parties working in tandem will become an issue if you wait until the last minute.

TAKE ADVANTAGE OF TECHNOLOGY

There's a world of data and great tools at your fingertips. Take advantage of your transportation provider's technology. Many carriers offer shipment tracking and instant notification services that allow you

to know when and where a shipment is in transit.

If you store a large amount of inventory or use a warehouse, you can incorporate a warehouse management system (WMS) into your supply chain for greater control. There are many benefits to using a WMS within the retail industry, including optimizing stock levels and improving purchase order strategies.

EXAMINE CURRENT PRACTICES

If you're a retailer that is incorporating online sales tactics into your business, you may also want to think about the future of your transportation strategy. If you're moving a fair amount of products through online sales, it may make sense to outsource your fulfillment needs in order to free up space and resources at your physical locations, especially during peak seasons.

Order fulfillment can be demanding, especially for retailers that sell their goods through online marketplaces, such as Amazon and eBay. Many marketplaces have strict delivery windows and guidelines that must be met in order to avoid being charged non-compliance fines.

COMMUNICATE WITH SERVICE PROVIDERS

Ultimately, your success during the holidays will rely on ongoing communication with your service providers. When it comes to deliveries, you or an employee will need to be able to sign off with the driver. If someone from your team who handles shipping has taken the day off, you'll need to make sure there is a backup person in place or that you've notified your carrier of any alternative delivery plans.

Carriers and capacity are in high demand leading up to and during the holidays, so it's crucial that you give your carrier as much early notice of pickup and delivery needs as possible. **PtoP**



STREAMLINING AN IMPORT-BASED SUPPLY CHAIN

Even for seasoned logistics veterans, it can become easy to accept long transit times, frequent delays and costly expedited service upgrades as the status quo of managing an import-based supply chain. However, improvements to supply chain technology and new services are enabling more businesses to experience higher levels of predictability and efficiency with their imports than ever before.

IDENTIFY POTENTIAL DISRUPTIONS

Aside from the uncontrollable factors, such as weather and catastrophic events, there are disruptors that you can plan ahead for that will help you to minimize the impact on your supply chain, including labor disputes, capacity crunches (at sea and on the road) and foreign holidays. By working with your service providers, you can devise contingency plans to account for disruptions.



For more in-depth tips and discussion on streamlining an import-based supply chain, visit AverittExpress.com/ImportTips

WEIGHING THE BENEFITS OF LCL VS. FCL SHIPPING

If you are importing from overseas, you will be shipping your cargo in the form of a full container load (FCL) or less than container load (LCL). Each method has its pros and cons.

One of the benefits to shipping via LCL is that you don't have to pay the cost of using an entire container because the price is shared among other importers. Likewise, by importing in smaller quantities, shippers

don't have to contend with holding and warehousing a large inventory all at once.

One of the drawbacks of LCL services that many shippers experience is the amount of time that exists between receiving shipments. Nonetheless, there are service providers that offer regularly scheduled LCL moves, such as Averitt's weekly Asia-Memphis Express and Asia-Dallas Express.

CONNECT THE LINKS

Succeeding in streamlining an import-based supply chain will ultimately depend on the ability of your transportation and logistics partners to communicate with you and one another. Since there are so many moving parts within international logistics, failures tend to occur in the spaces between each segment. If your service providers are communicating well with you, but you are still encountering issues, you may want to ensure that they are on the same page with one another. **PtoP**

SHIPPER ON POINT:

FRIOS EXCELS WITH INNOVATIVE LTL COLD CHAIN SOLUTION

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Frios is a gourmet ice pops company with more than 30 franchise store locations nationwide. Using organic ingredients, Frios offers more than 50 taste-bud-exciting flavors that range from Blueberry Lemonade to Vanilla Chai Latte – all made by hand.

Based out of Gadsden, Alabama, owner Andy Harp started Frios after seeing an opportunity to fill a niche in the frozen treats market.

"I spent a lot of research and development time eating those popsicles and making sure that we had the right mix," Harp says. "It was something where I could take the things that I enjoy doing and make a career out of it."

THE CHALLENGE

Having a central production facility that supplies dozens of franchise locations with frozen products posed a unique challenge for transporting temperature-sensitive freight.

For years, Frios had relied on moving its products via parcel services in foam containers packed with dry ice. While such services were generally adequate for shorthaul moves, the company often encountered scenarios where products were damaged during transit. The coolers, for example, were easily susceptible to damage, which could lead to increased internal temperatures due to exposure. Add in the dry ice, and the total cost of transportation for the frozen treats was quickly taking a huge bite out of the company's profits.

Additionally, foam coolers cannot be easily recycled or repurposed after use, which increased the environmental impact of the Frios supply chain.

Harp knew there had to be a better cold chain solution available.

THE SOLUTION

When he explained his challenge to Averitt, a plan was soon devised that would help Frios improve its cold chain distribution efficiency and also reduce its reliance on costly dry ice and multiple parcel shipments.

By using Averitt's Climate-Controlled LTL Unit, not only has

the Frios team been able to reduce damages and minimize its spending on dry ice and coolers, but it was also able to cut the amount of time that employees had to spend packaging numerous parcels by 75 percent.

FROM POINT TO POINT

- Frios loads products into the pallet-sized Climate-Controlled LTL Unit.
- Averitt picks up the unit at the Frios headquarters.
- The full unit then travels throughout the Averitt distribution network for multiple in-store deliveries.
- All supported by around-the-clock monitoring by Averitt's Specialized Services Team.

THE RESULTS

In the end, the relationship between Frios and Averitt has helped Harp and his team to worry less about the logistics of doing business so that they can focus on growing and satisfying customers around the country.

"They have brought us an innovative solution that will revolutionize the way that we do our shipping and logistics," Harp says of Averitt. "But in addition to that, they've been completely customer-focused, everywhere from the sales process to the on-site folks that we've dealt with. They're completely focused on customer satisfaction, and that is something that we have not had from any other carrier." **PtoP**

WHAT MAKES THE CLIMATE-CONTROLLED LTL UNIT SO UNIQUE?

- Cost-effective alternative to full load refrigerated trailer
- Maintains specific temperature within a single degree ($\pm 1^{\circ}\text{C}$)
- Battery life of up to 5 days
- Detailed end-of-trip report that shows temperature in and outside of unit, GPS locations during transit, and much more...



Watch a video and learn more about Frios' success at:

AverittExpress.com/Frios

POOL DISTRIBUTION:

CUTTING COSTS AND TIME IN THE LONG HAUL

When you ship in volume, using LTL for distribution is generally the most cost-effective solution for regional and short-haul transportation. However, if your freight is moving a long distance, such as from the West Coast to locations across the country, the cost of moving multiple LTL shipments can quickly add up.

One transportation strategy that shippers can use to move products long distances that end in regional distribution is known as pool distribution.

This model is a relatively simple concept that entails the use of truckload or

intermodal transportation for the long-haul portion of a supply chain. For the tail end of the supply chain, the freight is distributed via LTL.

With a majority of U.S.-bound imports coming through the West Coast that are destined for locations along the eastern portion of the country, this strategy can be particularly effective at reducing transportation costs.

Many shippers can benefit from incorporating pool distribution into a supply chain strategy, including businesses that specialize in the retail, automotive, cosmetics, appliances and electronics industries. **PtoP**



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SEE IT FOR YOURSELF: THE TRUE HERO OF YOUR SUPPLY CHAIN

Day in and day out, professional drivers travel across the American landscape, making pickups and deliveries in the good weather – and the bad.

Facing tight deadlines amid congested roadways and other impediments, the professionals behind the wheel soldier on because they know that your business, your employees and your customers depend on them.

And through LTL maneuver a large tractor and trailer along the nation's crowded roadways and through narrow city streets, your driver arrives at



Watch the video at AverittExpress.com/Heroes

your business with a smile and willingness to go the extra mile to get the job done.

Drivers are more than just familiar faces that pick up and deliver freight; They are the most important aspect of the supply chain. Without them, everything would come to a grinding halt. They are, in fact, our heroes.

At Averitt, we tell our customers and associates that Our Driving Force Is People. In honor of the men and women who keep our business and your freight moving every day, we've put together a short video to show our appreciation. Check it out! **PtoP**

Be a part of our 2018 shipper survey!

SURVEY: 2018 State of the North American Supply Chain sponsored by Averitt

Complete the 2018 Supply Chain survey and receive a FREE copy of the results from thousands of other shippers from across North America.

> AverittExpress.com/2018survey

BONUS OPPORTUNITY: complete the survey and be entered to win one of 15 \$100 Cracker Barrel gift cards

YOUR OPINION MATTERS TO US!

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