



Point to Point

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Logistics insights provided to you by **AVERITT**



GREEN: MINIMIZING A SUPPLY CHAIN'S IMPACT ON EARTH

Together, shippers and carriers can significantly reduce a supply chain's impact on the environment. Knowing which questions to ask of your carriers and how to identify service providers with a green mindset may not always be clear though.

ENERGY-EFFICIENT TRUCKS AND OPERATIONS

Technology and better engineering have helped make trucks friendlier to the environment over the years. Newer truck models put out lower emissions of carbon dioxide (CO₂) and nitrogen oxide (NO_x) than older equipment. They also generally have better fuel performance, which can help you save money in transportation costs.

Some carriers are certified by the Environmental Protection Agency (EPA) for their efforts and accountability in minimizing a fleet's carbon footprint. Averitt, for example, joined the EPA's SmartWay program in 2004. Since then, the company has reduced its CO₂ and NO_x emissions by 27.05% and 50.37%, respectively.

In addition to working with carriers that utilize modern equipment, see

if they also employ energy-efficient practices in other areas of their operations. From recycling tires to using low-wattage lighting, there are many ways that a carrier can be conscientious in its day-to-day operations.

REUSABLE PACKAGING AND CONTAINERS

Packaging and other materials used to ship goods can also have a big impact on your company's carbon footprint. Each year, tons of packaging waste ends up in landfills around the world. Utilizing reusable shipping containers can be a great way to reduce the amount of materials that are thrown away after one use.

Frios, for example, reduced its reliance on foam containers and dry ice to transport its gourmet pops to multiple store locations. By using a climate-controlled LTL unit, the company was able to cut its environmental waste and transportation costs at the same time.



Watch a video to learn how
**Frios ships with a green
mindset at:**
**AverittExpress.com/
Frios**

STRATEGIZE WITH ENVIRONMENTAL FOOTPRINT IN MIND

When it comes to planning a supply chain strategy, keeping a green mindset may lead to other benefits as well. Using a shipping strategy such as pool distribution can help keep your freight moving together as long as possible on just one truck instead of numerous ones. By consolidating and deconsolidating freight at optimal points, you can cut your supply chain's carbon footprint and potentially overall transportation costs.

In addition to identifying better distribution strategies, you may find that different modes of transportation are also viable for your needs. Intermodal services, for example, can also be employed to reduce environmental impact for long haul needs.

By working closely with your carriers to identify areas of potential improvement, you can ship more conscientiously of the environment! **PtoP**

CAPACITY:

NAVIGATING THE TRUCKLOAD CAPACITY CRUNCH

According to the results of the 2018 State of the North American Supply Chain Survey, nearly 1 in 5 respondents

experienced issues with capacity in 2017. In comparison with 2016, capacity issues nearly doubled. With no immediate end in sight to current capacity conditions on the road, there are options that shippers can look into.

FACTORS DRIVING FREIGHT CAPACITY CONDITIONS

Before we delve into ways that you can help reduce the impact of the capacity crunch on your supply chain, we should briefly examine the causes behind current conditions.

- **DRIVER SHORTAGE:** The primary factor behind today's capacity constraints is the ongoing driver shortage. With more qualified drivers reaching retirement age and fewer new candidates stepping into the industry, there is increasingly less capacity (primarily in the truckload/long haul market) to go around.

To put the shortage in perspective, the American Transportation Association estimates that the industry shortage could grow to more than 174,000 by 2026. Current shortage numbers may range anywhere from 40,000 to 50,000.

- **REGULATIONS:** Another industry issue that often contributes to challenges with capacity is regulatory influence. The new electronic logging device mandate (ELD), for example, may lead to even more capacity issues if carriers struggle to adopt the technology. The impact of this mandate on carriers and shippers will begin to play out as federal and state agencies step up enforcement this year.

- **ECONOMY:** The state of the general economy also plays a role in how much freight is moved throughout the United States. Current economic conditions are better than they have been in past years, and the new tax overhaul will enable many businesses to increase output as they seek to grow market share in 2018.

SOLUTIONS TO HELP ALLEVIATE CAPACITY PRESSURE

Though truckload capacity will remain a challenge for shippers most likely for the foreseeable future, there are steps that can be taken to keep freight moving.

1. Increase Carrier Pool Via Brokerage Services

If you are struggling to obtain capacity with your carriers of choice, you may consider utilizing brokerage services. Brokerage service providers may be able to provide shippers with a larger pool of carrier options than they would be able to identify by themselves.

2. Consider Alternative Transportation Modes

When capacity on the road is tightened, many

shippers turn their attention toward alternative solutions, including intermodal and air transportation. Each of these transportation modes has its own set of pros and cons that shippers will need to weigh before using. Nonetheless, when properly implemented for the right moves, intermodal and air cargo services can help shippers avoid supply chain delays associated with capacity.

In some cases, intermodal and air cargo services can even lead to better transit times and reduced overall transportation costs. Shippers may want to consider these alternative transportation modes as a topic of discussion with their service providers.

3. Improve Shipping Efficiency With TMS Technology

There is a wealth of shipping and logistical data in the world. Knowing how to harness that information, however, can be very difficult. With a robust transportation management system (TMS), a shipper can maximize the efficiency of its supply chain.

A TMS can help shippers identify available trucks by area to book loads. This can quickly cut down the time it takes to make numerous calls to request rate quotes and available capacity. Additionally, the intelligence of today's systems improves over time with each shipment that is booked.

4. Weigh The Pros and Cons of a Dedicated Fleet

Depending on the size of the business, a dedicated fleet may be a suitable option. There are a variety of pros

and cons that a business should consider when looking into this option.

Using a dedicated fleet can provide guaranteed capacity as needed. However, a business could become inundated by the challenge of managing its own fleet. For that reason, many companies choose to outsource dedicated fleet management to a carrier that specializes in supply chain management. This frees the shipper from having to worry about the day-to-day fleet operations so it can focus on business growth instead.

These are just a few options that shippers may want to consider as 2018 progresses. While capacity in the long haul may be constrained right now, there are solutions out there. As always, keep the lines of communication open with your service providers and don't be hesitant to ask for help when you need it. **PtoP**



Watch a video to learn about Averitt's Multimodal solutions at:

AverittExpress.com/Multimodal

SHIPPER ON POINT:

SALONCENTRIC CUTS WASTE & IMPROVES CUSTOMER SERVICE

POINT
3

SalonCentric, a nationwide wholesale salon and beauty supply distributor, wanted to find a way to reduce its impact on the environment while also minimizing its supply chain costs. One area of its supply chain that the company saw an opportunity to make a difference with was the use of traditional cardboard boxes for shipping. Corrugate boxes, a staple of most retail supply chains, are great for transportation. However, such containers have a short shelf life and quickly find themselves in landfills.

To address the problem, SalonCentric invested in reusable plastic tote bins. The use of the bins had an astounding positive impact on the company's environmental footprint.

While switching to reusable totes reduced the company's environmental impact, transporting the bins to and from retail locations and distribution centers at a minimal cost was the next challenge.

The solution to the challenge was to kill two birds with one stone. SalonCentric's partner carriers, Averitt and PITT Ohio, pick up empty totes while making deliveries to the stores, and then return them to a consolidation point. As a result, SalonCentric saves around \$40,000 annually in transportation costs.

IMPROVING CUSTOMER ORDER WINDOWS

SalonCentric also expressed a desire to improve its customer experience by significantly increasing order windows. Together, Averitt and PITT developed a unique distribution model tailored to SalonCentric's specific needs that provides customers with additional ordering time while also maintaining the same delivery service.

To achieve this, a strategic distribution plan was devised that includes pool points and zone skipping procedures. By zone skipping via line haul, the transportation of approximately 5,000 small parcels a week is reduced by an average of one or two zones.

The reduction in zones has allowed SalonCentric to extend its ordering window by as much as seven hours. Additionally, the new supply chain model and added utilization of drop trailers have reduced the demand

on SalonCentric's distribution centers and cut costs by an additional \$50,000 annually. **PtoP**

"As a result of our tote return program, SalonCentric has been able to keep 325 tons of corrugate out of landfills and recycling facilities across the country annually, which has really been a huge win in helping us accomplish our environmental goals."

— Eric Reddish, director of operations, SalonCentric



Hear what SalonCentric has to say about its experience at:

AverittExpress.com/SalonCentric

FROM MUSIC CITY TO TIMES SQUARE

Tourists seeking an authentic country music experience outside the South need look no further than Times Square. While the iconic street performer known as the "Naked Cowboy" has been entertaining crowds on Broadway for many years, it's a new restaurant and venue that's bringing the Nashville sound to Manhattan.

Opry City Stage is a new multilevel complex offering up Southern flavors with a mixture of country music history. Designed in the likeness of the historic Grand Ole Opry, complete with stained-glass windows, the venue is adorned with priceless country music memorabilia and artwork.

THE SOLUTION

Having little experience with handling such a high-pressure move, Opry Entertainment reached out to Averitt. The two companies had partnered previously to transport time-sensitive freight for the opening of musician Blake Shelton's Ole Red restaurant in Tishomingo, OK.

Given the nature of the freight and time frame involved, Averitt's Specialized Services team was put in charge of strategizing and managing the project.

The items, including a 12' by 8' (three 3'x8' panels) wall installation made of 10,000 guitar picks, required a special touch when it came to packaging and loading them into the trailer. To protect the pieces, Averitt brought in customized crates to Opry



Entertainment's warehouse and packaged everything on-site.

Due to the limits of traversing through Manhattan, the Specialized Services team utilized a 28-foot truck for the move. GPS tracking devices were also placed in the crates to provide additional security for the 900-mile trek. Throughout the trip, the Specialized Services team monitored the location of the truck and provided updates to Opry Entertainment.

As a result of the route planning and communication with the Opry City Stage team, the driver and freight arrived right on schedule.

THE RESULTS

In the end, the historical pieces and fragile artwork arrived unscathed – ready to catch the eyes of diners and tourists alike. Having the custom-built crates and monitoring from Averitt's Specialized Services team throughout the entire journey from Nashville to Times Square made the process that much smoother for Opry Entertainment.

"Averitt exceeded our expectations on this project," said Wes Osborne, creative project manager for Opry Entertainment. "They were very straight-forward throughout the process, and provided the security and planning we had hoped for." **PtoP**

MEXICO:

UNLOCK CROSS-BORDER CAPACITY WITH FREIGHT TRANSLOADING

Current challenges with capacity are not limited to freight moving domestically. Cross-border freight capacity

between the U.S. and Mexico, for example, has become increasingly difficult to secure in recent years.

The primary challenge with cross-border capacity occurs on northbound moves from Mexico to the U.S. An imbalance of available equipment in contrast to the north-south freight flow has resulted in a lack of trailers that can move door-to-door without delay. To illustrate, there is a need for approximately three or more northbound trailers for each southbound trailer.

While there is no immediate fix to the equipment imbalance, transloading freight at facilities along the border can help shippers keep freight moving without delay. Transloading is the movement of freight from one trailer to another. This allows shippers to utilize more readily available Mexican trailers south of the border for delivery to facilities north of the border where more U.S. equipment is available.

IDENTIFY SECURE FACILITIES & SERVICE PROVIDERS

If you think transloading could be a viable solution for your import needs from Mexico, research your service provider options. Find out where the service provider has facilities and that they are capable of handling transload moves – the closer to the border the better.

Additionally, you will want to ensure that your freight is handled securely and professionally. When talking with potential service providers, ask them if they can provide secure facilities, bilingual staff and customer service.

Finally, you will want to ensure that the service provider owns or has access to U.S. trailers and drivers for final delivery or distribution.

LOAD FREIGHT FOR QUICK SHIPPING

It's important that freight is properly loaded and packaged for transportation. When it comes to transloading, cross-border freight needs to be palletized so that dockworkers can quickly transfer the shipment between trailers.

Most transload services can't be easily performed on



Watch a video to learn about Averitt's cross-border Mexico solutions at:

AverittExpress.com/Mexico

freight that is not palletized. Additionally, you will want to ensure that your origin shipper properly labels freight and uses adequate packaging practices.

MORE BENEFITS OF BORDER FACILITIES

Aside from transloading, many cross-border facilities can be used to perform a variety of logistics services that can help streamline your supply chain.

- **Warehousing:** If your freight needs to be held before a consignee can accept it, many cross-border facilities offer temporary warehousing space.

- **Inventory Processing:** In most cases, imported freight has not been processed for final delivery. Your service provider may be able to help prepare your imported goods with value-added services, including quality checks, barcoding and labeling, and light assembly. This can help reduce the amount of time

and resources that would otherwise be needed at your freight's delivery point.

- **Deconsolidation & Distribution:** Cross-border facilities are an excellent resource to prepare freight for LTL distribution. The right service provider will be able to deconsolidate your imported freight from one truckload for LTL pickup and delivery.

There are many benefits to incorporating freight transloading services into a Mexico-based supply chain. In terms of transit, it can save shippers several days that would otherwise have been lost while waiting for available equipment. As for costs, transloading your freight is by far one of the best ways to bypass the expenses of northbound trailers that are so difficult to come by. Finally, utilizing transloading and other cross-border services will help ensure that your supply chain doesn't encounter costly delays. **PtoP**

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