



Carrier Procurement Strategies for Tight Capacity

AVERITT®

Carrier Procurement Strategies

- Company Overview
- Market Dynamics
- RFP/Q Process
- Finding Capacity

AVERITT COMPANY OVERVIEW

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QUICK FACTS

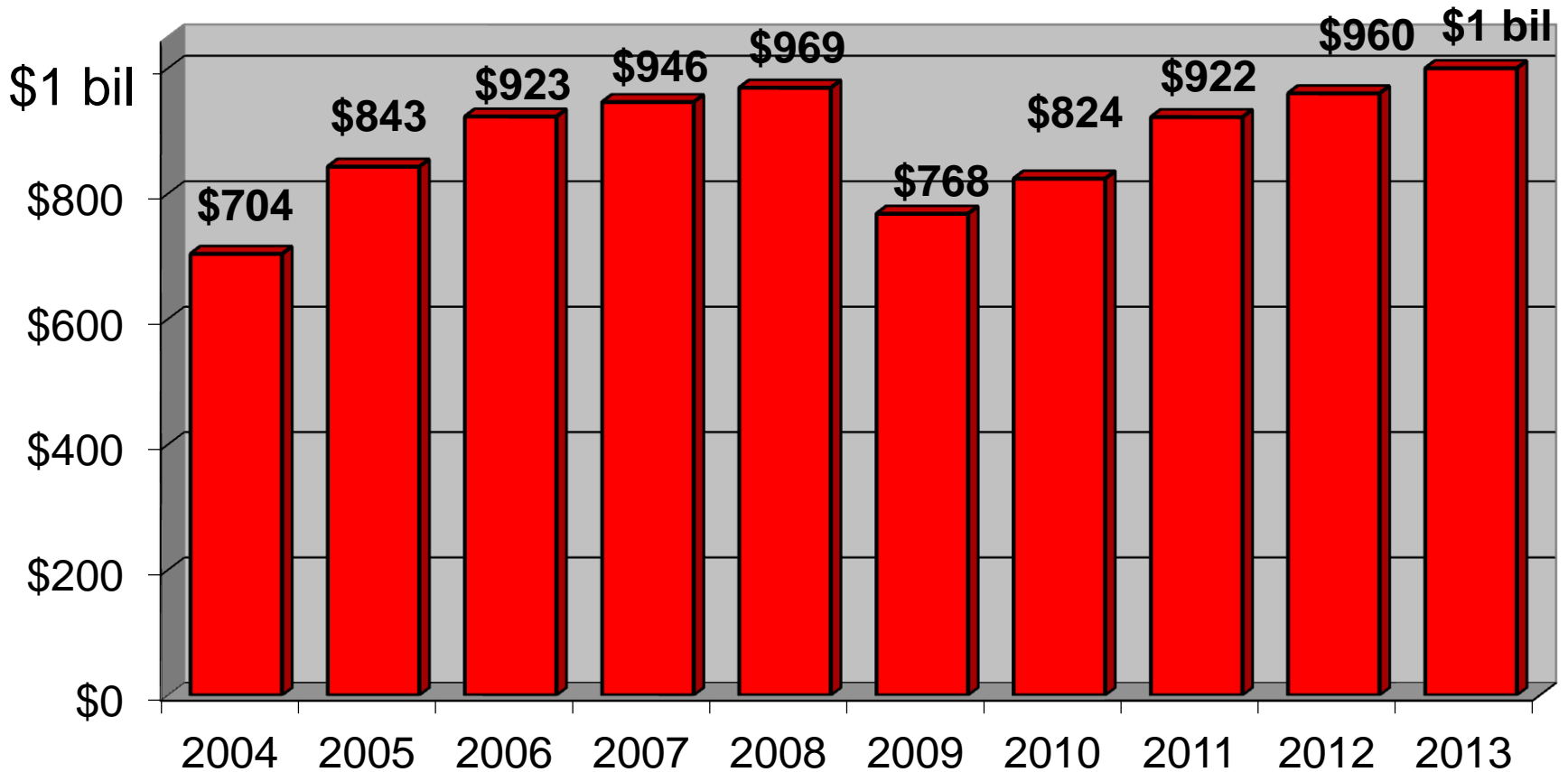
- Nearly **8,000** associates
- More than **140** facilities (including service centers, warehouses and PortSide™ distribution centers)
- More than **3,700** power units (including pickup/delivery & over-the-road)
- More than **12,000** trailers
- **Union-free**
- **Privately-held** company
- Established in **1971**



AVERITT

ANNUAL REVENUE GROWTH

(in millions)



LTL SERVICES

- Any shipment. Anywhere. Any time. **One call.**
- Complete shipment **visibility** from origin to destination
- Pool distribution and consolidation
- Locally-customized services



NATIONAL LTL SERVICES VIA THE RELIANCE NETWORK

- A network of regional carriers known for strong reputations
- Seamlessly-integrated LTL services for all of North America
- Customers work directly with their local Reliance carrier

TRNET
THE RELIANCE NETWORK

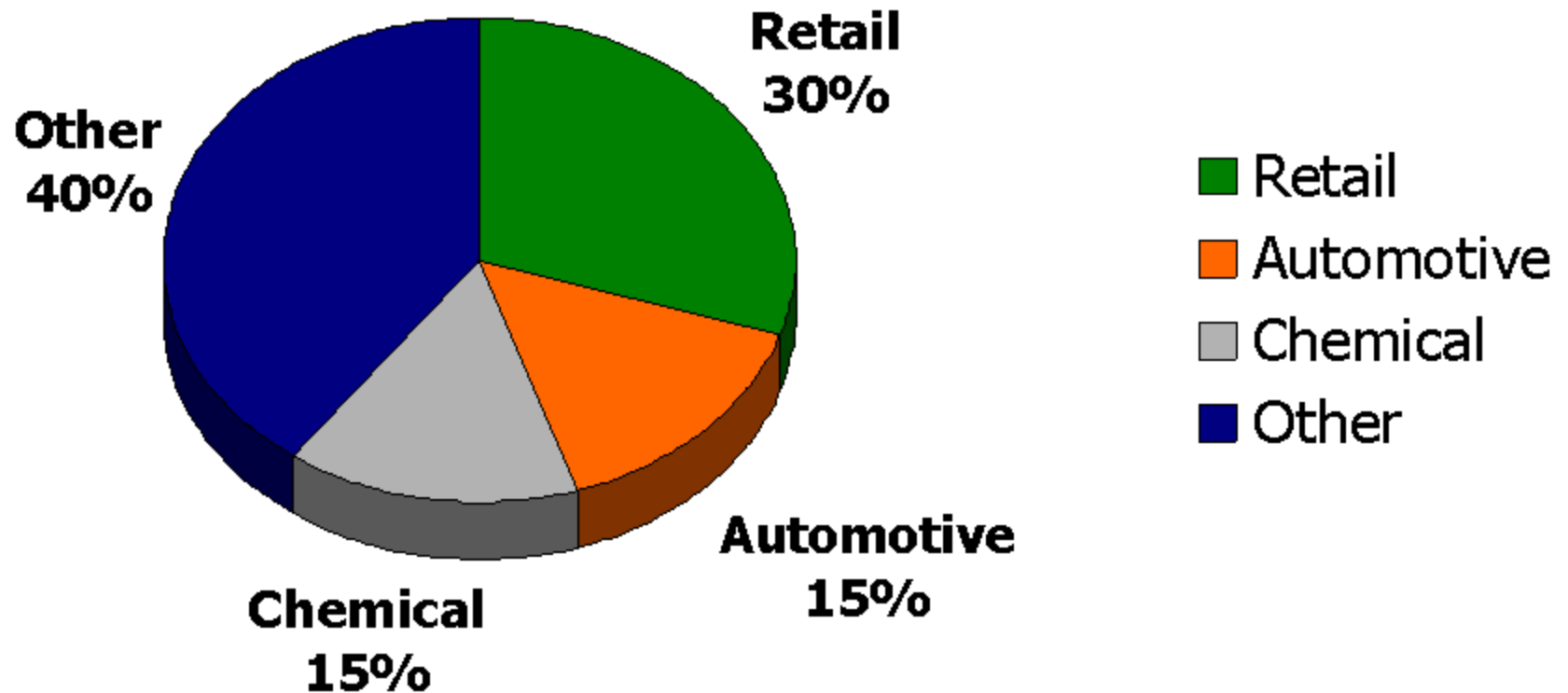
Powered by

- AVERITT
- Canadian Freightways/Kingsway
- Lakeville Motor Express
- Land Air Express of New England
- Mountain Valley Express
- Peninsula Truck Lines
- PITT OHIO



AVERITT

KEY CUSTOMER BASE



A FEW OF OUR CUSTOMERS

BRIDGESTONE



PETSMART.



Walmart 



amazon.com

DOLLAR GENERAL

LEXMARK



PEPSICO



VOLVO

PHILIPS



DAIMLERCHRYSLER



SHOE CARNIVAL

PODS



acer

HONDA

AVERITT

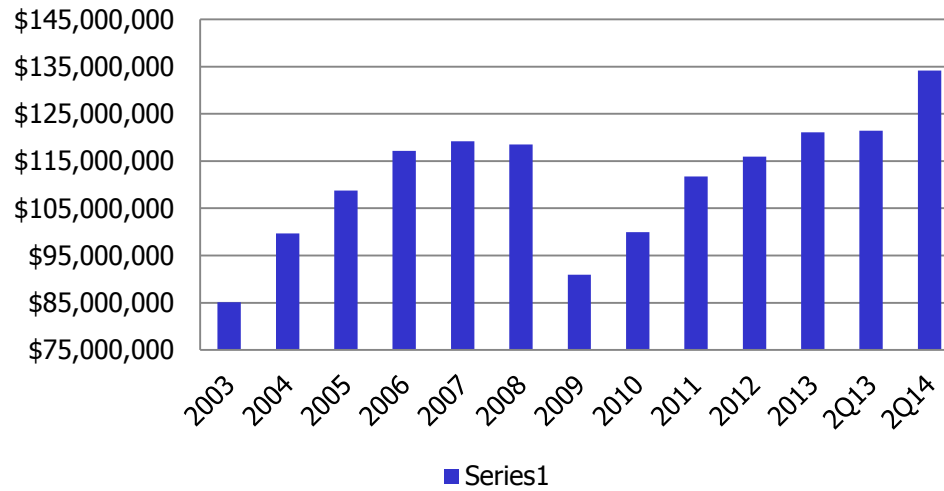
MARKET DYNAMICS

Market Dynamics

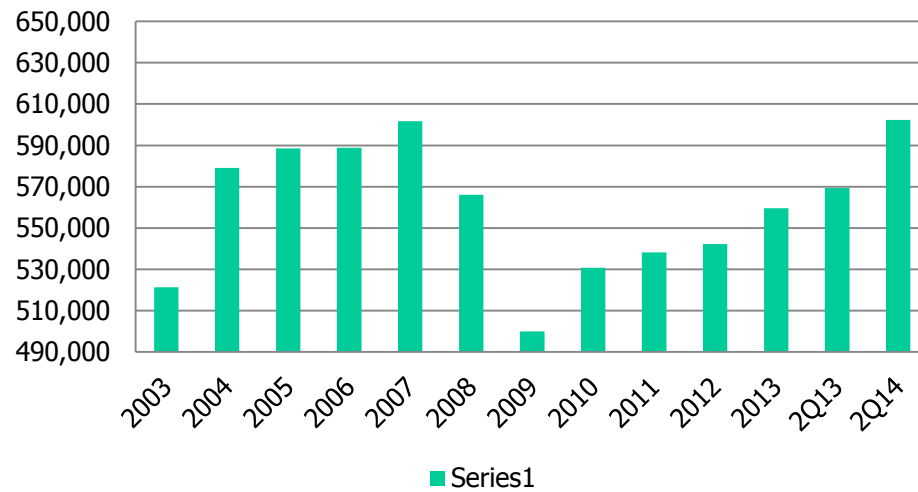
- There is a shortage of truck drivers
- Shipments that used to move as volumes are now routing through LTL due to truckload capacity crunch
- The number of daily LTL shipments is the highest it has been in the past 10 years, exceeding the peak of 2007

SMC3 NATIONAL TRAFFIC DATA BASE			
YEAR	SHIPMENTS	WEIGHT	REVENUE
2003	521,260	617,075,668	\$85,121,887
2004	579,099	717,352,504	\$99,692,251
2005	588,595	742,828,946	\$108,750,453
2006	588,875	748,488,309	\$117,149,350
2007	601,637	755,460,010	\$119,193,703
2008	566,109	722,132,237	\$118,508,298
2009	500,018	620,951,168	\$90,951,142
2010	530,802	687,464,797	\$99,964,295
2011	538,254	705,951,386	\$111,748,491
2012	542,262	713,047,968	\$115,959,742
2013	559,569	733,725,112	\$121,108,597
2Q13	569,339	746,796,652	\$121,455,608
2Q14	602,361	799,741,710	\$134,146,502

Daily Revenue



Daily Shipments



RFQ/P PROCESS

RFQ/P Process

- Define the purpose of your bid
- Be specific about your needs, wants & desires
- Provide accurate shipment history
- Provide accurate shipping characteristics
- Provide a list of shipping locations
- Allow enough time for the bid to be complete

RFQ/P Process

- Try not to be too restrictive
- A price offering will be based on the whole data. If you are awarding a portion of the business, be prepared for the proposal to change.
- Second rounds allow for greater depth and understanding of costs, capabilities and needs

FINDING CAPACITY

Finding Capacity

- Define your expectations and align them with a carrier's capabilities
 - Cost/Profit
 - Service
 - Capacity/Flexibility
 - Continuous Improvement

Finding Capacity

- Include all key players in the process
 - Sales rep and Logistics Manager
 - Customer service departments
 - Engineering/packaging/claims
 - Shipper's sales department and consignees
 - Carrier operations team
 - Accounting

Finding Capacity

- Be honest with each other
- Know each others needs
- Be aware of cost vs value

SUMMARY

- Capacity will continue to be tight as long as the market remains strong and there is a shortage of drivers
- Due diligence is imperative to finding capacity