



MIDWEST FOREIGN COMMERCE CLUB

THE STATE OF OUR INDUSTRY

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VICE PRESIDENT; DURABLE GOODS SOLUTIONS

APRIL 12, 2018

AGENDA

1

HOW DID WE GET HERE?

2

WHAT DID IT RESULT IN?

3

HOW DID IT AFFECT THE INDUSTRY?

4

HOW IS THE INDUSTRY ADAPTING?

5

WHAT CAN SHIPPERS DO TO ADAPT?

HOW DID WE GET HERE?

INDUSTRY

- Aging driver pool
- Wage stagnation
- Recruiting challenges

REGULATORY

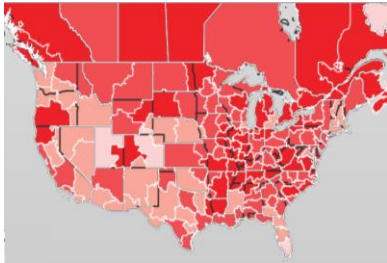
- Hours of Service Mandate (July 2013)
- Electronic Logging Device Mandate (December 2017)

MACROECONOMIC

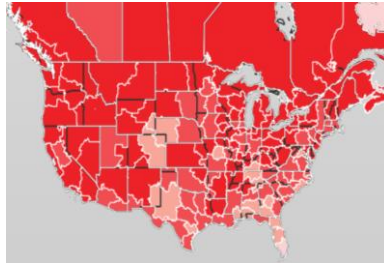
- Improved domestic production
- Increased port activity
- Artificial fuel price deflation

WHAT DID IT RESULT IN?

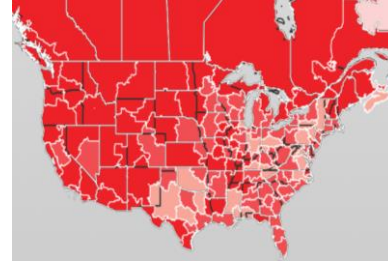
August 29, 2017



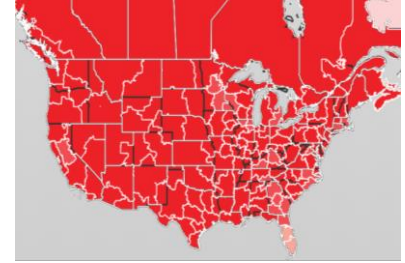
September 29, 2017



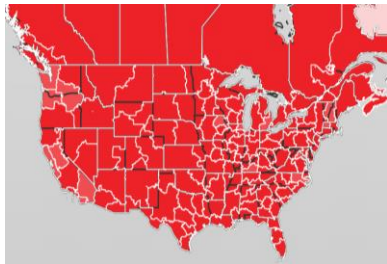
October 30, 2017



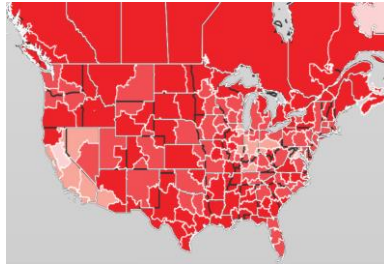
November 29, 2017



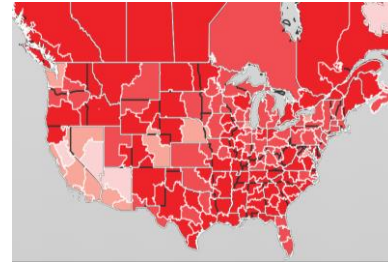
December 29, 2017



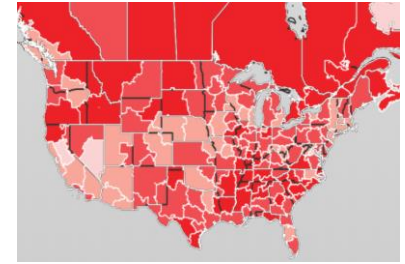
January 29, 2017



February 28, 2017

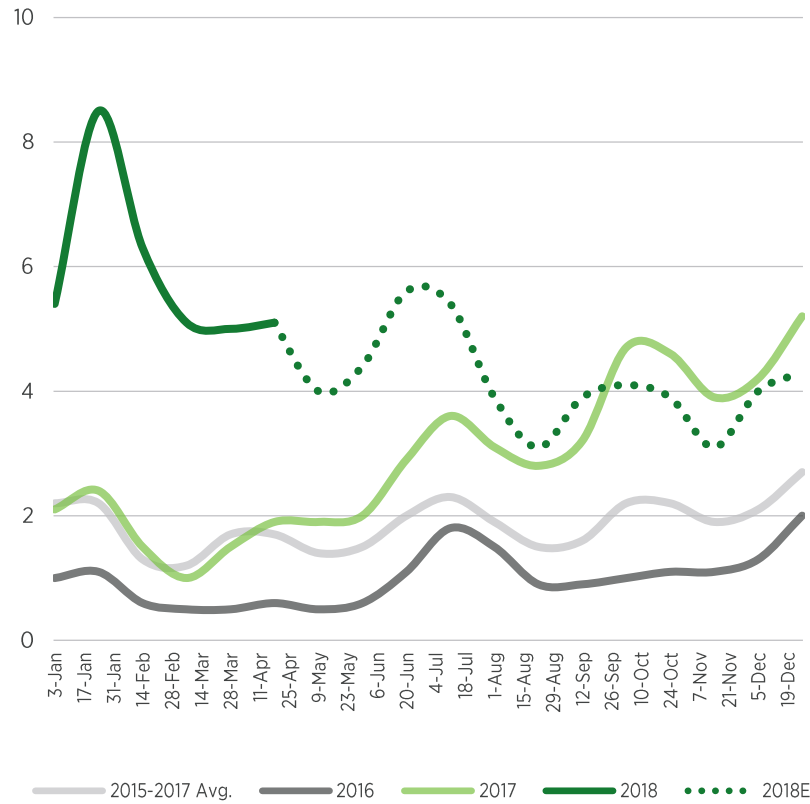


March 2, 2018

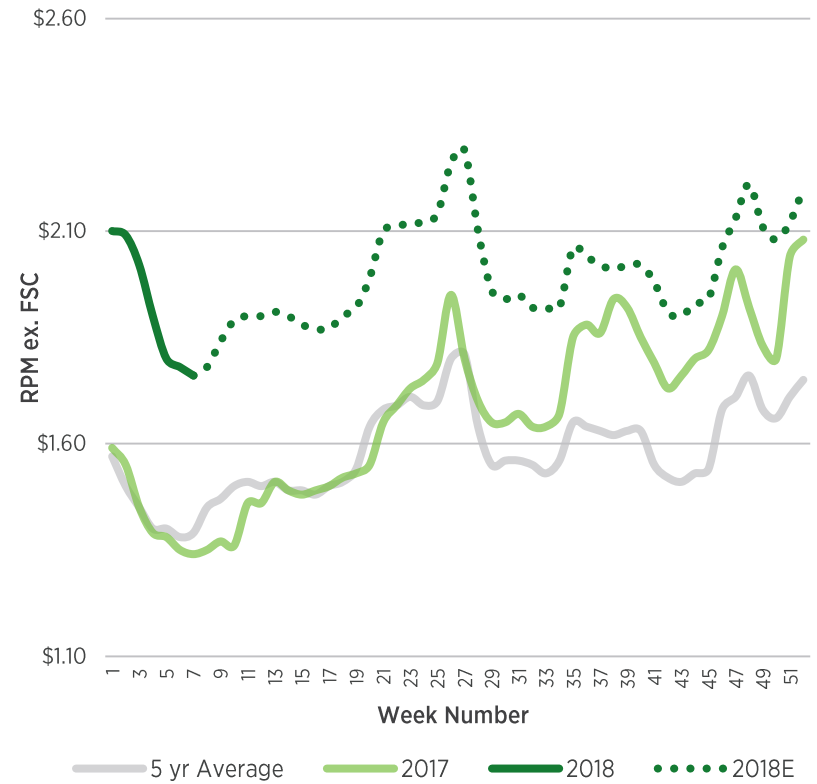


HOW DID IT AFFECT THE INDUSTRY?

Morgan Stanley Supply-Demand Curve



Dry-Van Spot Rates



Source: Morgan Stanley, KeyBanc

WHAT CAN SHIPPERS DO TO ADAPT?

FORECASTING

- Improvement in capacity planning
- Improved pricing accuracy

FLEXIBILITY

- Evaluate different alternatives for your traditional shipping patterns
- Adjust expectations on KPI or network parameters

THIRD PARTY LOGISTICS

- Integrated technology and leveraged spend with carriers to manage your network
- Optimized pricing through cross-customer collaboration