



# Why Brokerages Matter in a Chaotic Supply Chain

Dave Stone – Director, Transportation Management  
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# Premise

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In today's chaotic world, with everything going on including natural disasters, economic shifts in buying habits, carriers going out of business due to increases in insurance premiums (Oh and that pesky pandemic going on), things still need to move throughout the supply chain. How is the supply chain able to function in spite of all of these headwinds? What are some of the areas shippers can help their supply chain cut down costs in the middle of an unknown economic environment? The answer lies within the Freight Brokerage. Freight Brokerages are large part of the supply chain and their services are amplified when disasters strike. In today's talk, we will be going through Why Brokerages Matter in a Chaotic World, by showing what a brokerage can do for both a shipper and a carrier, why brokerages should be considered in any supply chain strategy and how a career in the brokerage can lead to an exciting and fulfilling ride within the supply chain.

# Overall Agenda

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- Introduction/Bio
- What is happening in the World?
- How is the Freight Market Responding?
- What drove this in the Supply Chain?
- This is where Brokerages Come In...
- Brokerage Landscape
- What is Ryder Freight Brokerage
- What Ryder is Selling
- Where does Ryder Freight Brokerage Fit
- Who is Ryder
- Awards
- Your Career at Ryder Freight Brokerage

# Introduction/Bio – Dave Stone

- Education:
  - University of New Mexico – Nuclear Engineering
  - Florida Institute of Technology – MBA
- Work Experience:
  - Bechtel
  - Amazon.com
  - Advance Auto Parts
  - Houzz.com
  - Keeptruckin.com
  - Ryder



amazon

houzz

Advance  
Auto Parts

KEEP TRUCKIN

# What is happening in the World?

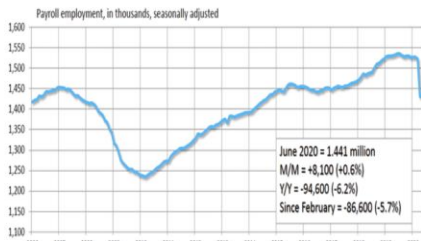
## Extremely Active Hurricane Season:

- 10 named storms in Sept alone
- First time since 1971 – 5 named storms in Atlantic basin at same time



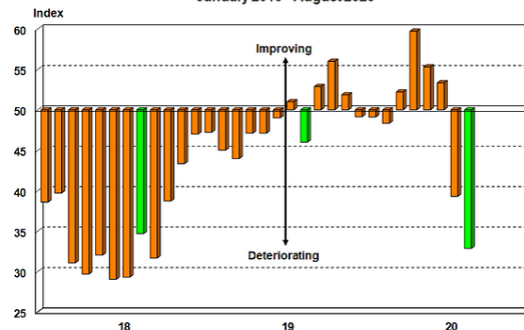
- Truck Driver Shortage: “It is estimated that in 2020 the US will produce 40% fewer new truckers than normal”

## For-hire trucking jobs



Trucking employment is still significantly below where it was pre-COVID.

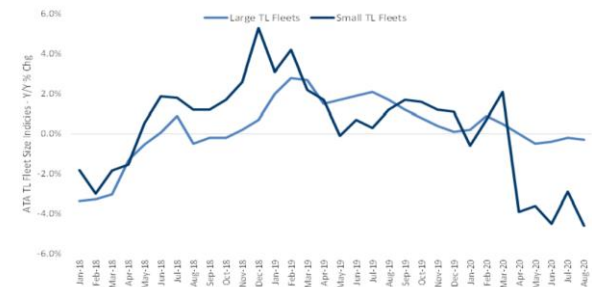
## ACT For-Hire Trucking Index: Driver Availability



Source: ACT Research Co., LLC. Copyright 2020

Trucking Fleets continue to decrease – due to insurance, lack of drivers, cost of business, etc

Chart 9 - Both large and small trucking fleets have shrunk in 2020



Source: American Trucking Associations and Sifel research

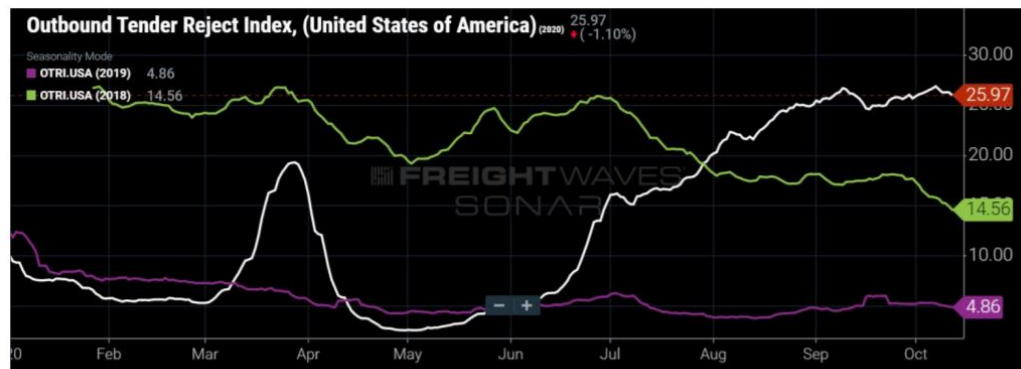
...Not to mention tension with China, unemployment remains high, and COVID is still around

# How is the Freight Market Responding?

Freight Demand – All time high:



...But Carriers are not taking loads....

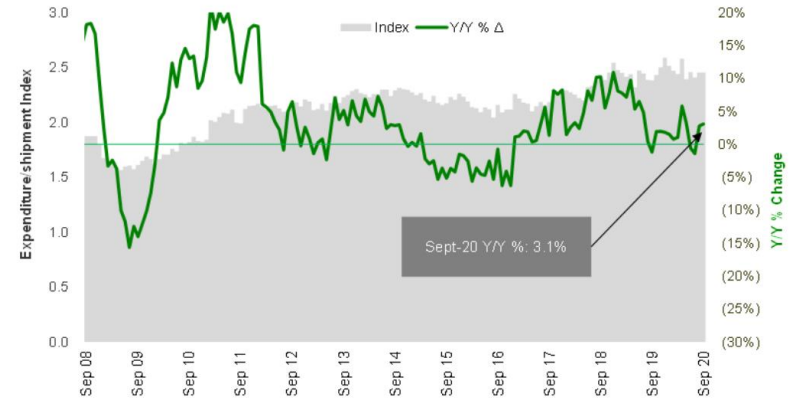


(Chart: FreightWaves SONAR. Outbound Tender Reject Index 2018, 2019 and 2020)

# How is the Freight Market Responding?

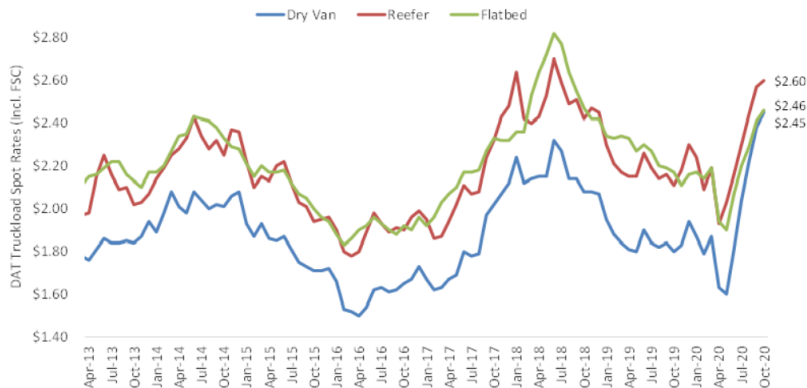
Cost Per Shipment continues to remain high – Constraints on Drivers, trucks, industry supply

Chart 8 - Cost per shipment moving higher, as capacity has tightened in the truckload market



Source: Cass Information Systems and Stifel research

Chart 11 – All truckload spot rates near, at, or above high 2018 levels



Source: DAT Solutions, through week ended 10/11/20

Limited supply of trucks – causing shippers to pay more – Rates continue to rise

# What drove this in the Supply Chain?

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- Most Freight -> Related to Society's basic needs
  - Food, Shelter, Clothing, Transportation
- As COVID hit -> Started a **RUN** on most basic items
  - Can anyone remember the days of no toilet paper at the store?

**Freight Demand spiked -> Carriers took highest paying loads -> Shippers started paying for Emergency shipments -> Carriers waited until perfect load**

- Once Demand Leveled off -> Carriers Rates decreased -> Cooling of Market (...But the Freight was still there)
  - Warehouses were full of inventory -> Didn't want to get caught sleeping again
  - Imports of product started to increase
  - Carriers saw another opportunity to find the perfect load -> Start rejecting freight
- If you are a SHIPPER – How do you feel?
- If you are a CARRIER – How do you feel?



# This is where Brokerages Come In...

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- What is a Freight Brokerage:
  - Matches Shippers and Carriers
  - Shippers need Freight moved – Carriers need Freight to stay moving

**Freight Brokerages build RELATIONSHIPS with BOTH Shippers and Carriers**

**In Chaotic Markets – Freight Brokerages ability to find carriers to support any freight, at any time, is worth it's weight in GOLD**

# Brokerage Landscape

## 3 Main Things ALL Brokerages Sell on:

- Price, Capacity, Service

## Two Main types of Brokerages:

- Traditional – focuses on relationships
- Digital – focuses on technology

## Pros of Digital:

- Saves Time – Matches immediately
- Reduced paperwork – all handled through App
- Optimized routes
- Lower Prices – Prices lowered to compete in market
- Increases Efficiency – Automation of booking, matching and admin

## Cons of Digital:

- No single point of contact
- Due to be dependent on technology, lacks human touch when issues arise
- Service is component of correctly matching carrier
- Many digital brokers can not meet specialized needs - only focus is dry van, flatbed, availability of drivers
- Works great – until it doesn't



## Cons of Traditional:

- Time Consuming Operations: Manual operations translates to more time shippers spend waiting to know if load will be covered
- High Prices: Averaged brokerage fee ranges from 15%-20% - translates to high costs for shippers
- Limited Pool of Carriers: Ability to supply the right truck to the right place at the right time is limited by number of trucks
- Lack of Visibility of shipments: Shippers lose visibility to On Time Pickup and On Time Delivery and need access to tech that traditional brokerages do not have
- Less Reliable for Contract Freight: When the market tightens and prices go up, brokers often reject freight they agreed to take

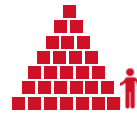
# What is Ryder Freight Brokerage

**25+**  
Years



Ryder Freight Brokerage years in business

**65**  
THOUSAND +



Shipments serviced annually

**5**  
Hundred +



Active  
shipper customers

**7**  
THOUSAND+



DTS fleet backhaul trucks  
filled

**25**  
THOUSAND+



For-Hire, Ryder Dedicated  
and Ryder customer fleet  
capacity access

**50+**  
Fleets



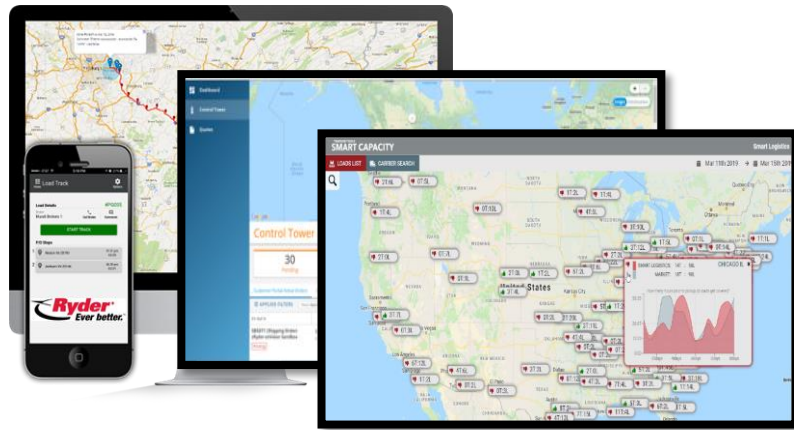
Backhaul load support- Ryder  
DTS and Ryder FMS  
customer fleets

- Ryder Freight Brokerage combines the best in Technology with more than 85 years of experience with carriers and shippers to deliver a turnkey solution
- Ryder Provides capacity on all levels, reduces service problems, increases access to low volume lanes and reduces the chaos of surge volumes

# What is Ryder Selling

## What is Ryder FMG?

Ryder Freight Management Group will secure transportation capacity & execute shipments within the USA, Canada, & Mexico for: Truckload, LTL, and Expedite. We will use our own massive fleet of assets to provide Dedicated backhauls in addition to utilization of our 10,000+ reliable carrier partners



## Where Can Ryder FMG Help?

- Service Problems or Lack of 100% PTA
- Surge, Unpredictable Demand, & Project Volumes
- Lead Time Issues & Carriers Turning Back Loads Accepted Same Day
- Unattractive Lanes – Timing & Shipper/Receiver Constraints
- Difficult Capacity or Remote Domicile Markets
- Issues with Hard & Soft Cost Erosion

## Results Matter

- ✓ 100% Acceptance and Execution of all Orders
- ✓ 99% On-Time Delivery Levels
- ✓ 100% End-to-End Visibility
- ✓ Reduced Costs Through Ryder Network Efficiency Gains

**Ryder FMG – Expect a CONCIERGE Experience**

# Where does Ryder Freight Brokerage Fit

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- **Where can Ryder Freight Brokerage Help?**
  - Truckload – Standard Dry-van, Reefer, or Flatbed/Stepdeck
  - Standard LTL – Aggressive Rack Rates & Customer Specific Rates
  - High Value Cargo up to \$500K
  - Fully Managed Transportation Opportunities – Typically less than \$10M
- **Common Problems Solved**
  - Service problems or lack of 100% PTA
  - Surge, unpredictable demand, and project volumes
  - Lead time issues & carriers turning back loads
  - Low volume & new lanes in supply chain networks
  - Unattractive lanes – Timing & shipper/receiver constraints
  - Difficult capacity or remote domicile markets
  - Issues with hard and soft cost erosion

# Who is Ryder

## OUR VISION, MISSION & VALUES

### Vision

At Ryder, our vision is to bring compelling value through outsourcing.

### Mission

At Ryder, our mission is to provide innovative supply chain and fleet solutions that are reliable, safe and efficient, enabling our customers to deliver on their promises.

### Values

Ryder's people embody our core values of trust, innovation, collaboration, expertise, and safety.

**99%**

on-time delivery rate

**9,500**

professional drivers

**85+**

years of experience

**800+**

maintenance facilities

**Industry**

leader in safety and security

**Relied**

upon by more than half of the Fortune 500

**6,300**

trained technicians

**272,000+**

vehicles managed

**55M**

sq. ft of warehouse space

# Awards

## Ryder Named a “Top Company for Women to Work For in Transportation” Underscoring Diversity Initiatives

Women In Trucking Association honors Ryder for second year in a row for its commitment to the employment of women in the trucking industry



## Ryder Named Among Food Logistics' Top 3PL & Cold Storage Providers to Food & Beverage Industry



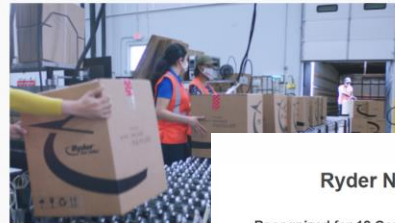
This is the eighth consecutive year that Ryder has made the list, ranking as one of the top five within the Trucking, Transportation, and Logistics category. (Photo: Business Wire)

## Ryder Recognized for Culture of Innovation and Excellence by Fastmarkets Global Awards for Steel Excellence



North America, provides a guaranteed-capacity service offering, including customized. The company's dedicated transportation solution maintains a 99% on-time delivery rate on industry. (Photo: Business Wire)

NYSE: R), a leader in supply chain, dedicated transportation, and commercial fleet ics/Transportation Provider of the Year for the 11<sup>th</sup> Annual Global Awards for Steel f senior-level steel experts chose the winners from a pool of 90 finalists in 23 stomer-centric solutions, and a culture of excellence.



## Ryder Named Top Green Supply Chain Partner by Inbound Logistics

Recognized for 12 Consecutive Years, the Distinction Underscores Strong Sustainability Efforts by the Leading Logistics Company

# Your Career at Ryder Freight Brokerage

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- **What we hire:**
  - Hustle, Hustle, Hustle
  - Ownership
  - Relationship driven
  - Attention to Detail
- **What Roles:**
  - Account Executive – Always Hiring
- **How to get started:**
  - Reach out to [dkstone@ryder.com](mailto:dkstone@ryder.com) or [corey\\_thornton@ryder.com](mailto:corey_thornton@ryder.com)
  - <https://jobs.ryder.com/fort-worth-tx/account-executive-trainee/CB8B90493CD143D2B142C196ABAF3C91/job/>