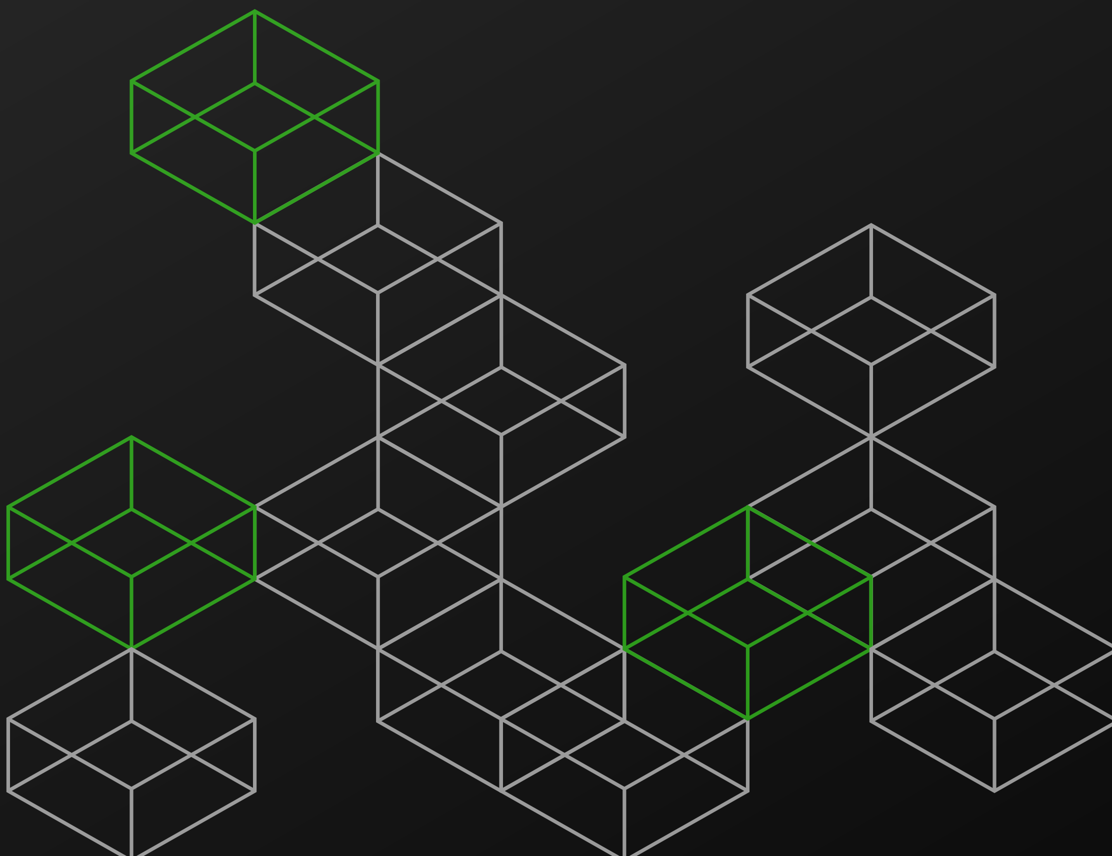
Practical Tips for Becoming a "Shipper of Choice"



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ABSTRACT

What does it take to successfully navigate the ebb and flow of the logistics market? How does a company become a "Shipper of Choice"? This guide explores the dynamics of the U.S. truckload market, the importance of leveraging your data to identify areas of improvement and how strategic supply chain operational adjustments—big and small—can help to better position your company for long-term success.

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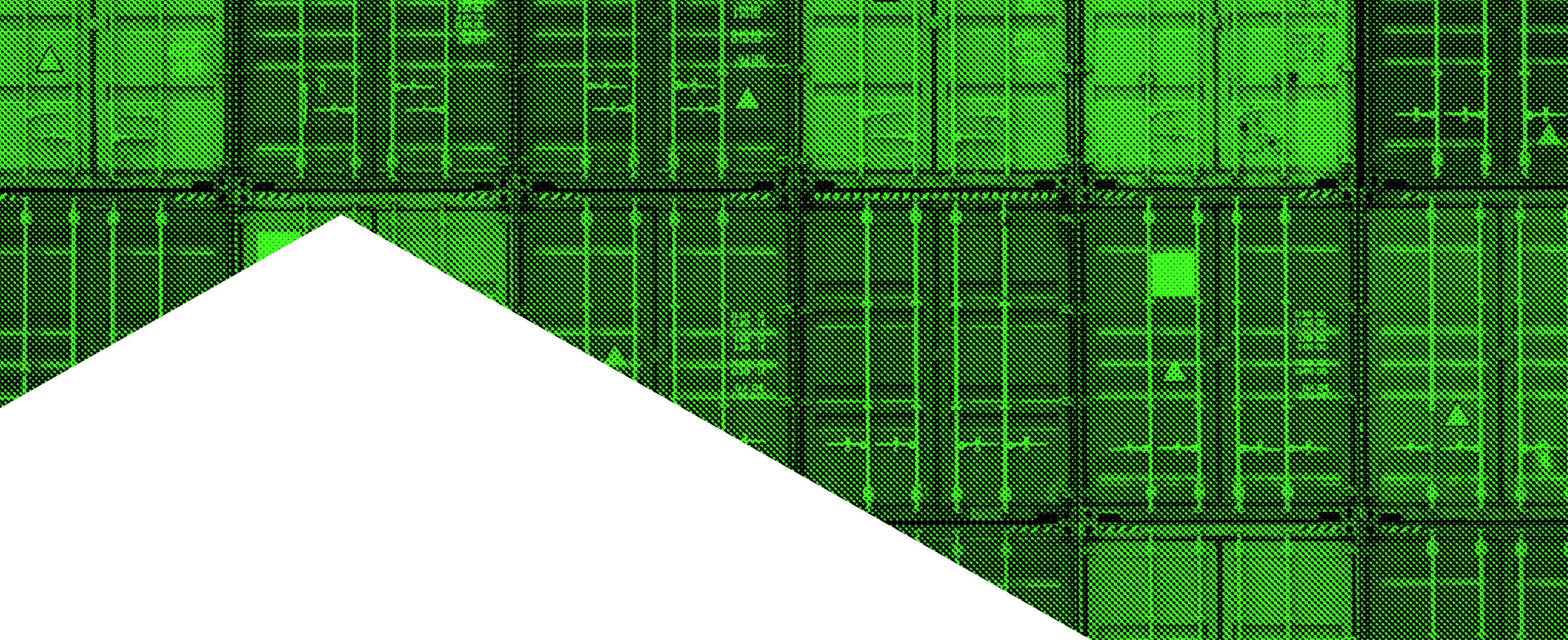


INTRODUCTION

Becoming a "Shipper of Choice" has been a topic of frequent discussion over the past couple of years—and for good reason. Spurred by an influx of technology and accelerated by tight market conditions, the transportation industry is undergoing seismic change.

On the upside, the disruption creates tremendous opportunity for shippers to move goods faster, operate leaner and increase visibility. The vast amount of available data can be used to identify patterns, make informed decisions and ship smarter. Shippers that take advantage can optimize their supply chain and transform it from a cost center to a competitive advantage.

The downside? Adaption is not optional. Shippers that rely on antiquated or inefficient practices will not keep pace with savvier competitors—and the pace of change is rapid. The transcontinental railroad took approximately six years to complete—considered fast at the time—and American railroads had already been in use for over three decades. Compare that to the current landscape, where supply chain technologies not even in commercial deployment today will completely shift the industry within a few years (i.e. autonomous vehicles). We cannot predict with complete certainty how it will all shake out, but by taking a macro perspective to market analysis and implementing a few best practices, you can better prepare your supply chain for the future.

Every shipper should strive for superior supply chain operations, regardless of market conditions—it simply makes good business sense—but there is a reason the "Shipper of Choice" movement has been so popular over the past year: we've been in a carrier's market. Consider the phrase itself. It implies that carriers have the luxury of choice and shippers are concerned that they might not be chosen. That was not the case a few years ago.

So, how did we get here? Where is the market headed? And how can strategic operations changes—big and small—ensure we're all positioned for long-term success?

UNDERSTANDING THE U.S. TRUCKLOAD MARKET

First things first. Before we dive into any best practices, it's important to understand the fundamentals of the freight market. We go into greater detail on this topic in a recent paper, "The Coyote Curve: A Model for Mitigating Risk & Uncertainty in Modern Supply Chain Operations."

Click **here** if you'd like a deeper dive on the subject.

THREE CYCLES, ONE COMPLICATED U.S. TRUCKLOAD MARKET

The U.S. truckload market can be characterized by three separate cycles operating concurrently. Two of them (the annual procurement and seasonal demand cycles) are well documented, easy to observe and relatively predictable. The other (the market capacity cycle) is harder to detect, but is the key to understanding and properly navigating the market. Let's take a brief look at each cycle, starting with the two etched in every shipper's consciousness.

CYCLE 1: **Seasonal Demand**

These cycles occur every year with some level of regularity. They are triggered when the volume of specific products or commodities surge over a relatively short period of time in response to planned production or demand windows.

Examples:

Produce season

- Occurs primarily in the Southeast, Texas and California
- Growing seasons dictate product availability
- Typically lasts from April through July

Christmas tree shipping

- Occurs primarily in the Pacific Northwest and Carolinas
- Customer demand spikes leading up to the holidays
- Typically lasts November through December

Peak season retail shipping

- Occurs predominantly out of West Coast port locations (though the Panama Canal expansion is bringing more to the Gulf and East Coast ports)
- Imports arrive to support peak retail activity around the holidays
- Typically spikes in September and October, then transitions to brick-and-mortar/e-commerce from November through January

CYCLE 2: **Annual Procurement**

To mitigate volatility and reduce their financial risk, higher-volume shippers go out to market to set annual 'contract' rates based on their forecasted shipping needs by engaging carriers in an RFP process. Most conduct their bids in the fourth quarter and activate the bid awards in the first quarter the following year.

At a glance, it is easy to assume that an annual procurement cycle would create consistency across the industry. However, the shifting market dynamics created by three concurrent cycles, combined with conflicting economic indicators and posturing from both sides for higher and lower rates, dampen any stabilizing effect. Ultimately, the success or failure of a shipper's procurement strategy is at the mercy of the elusive third cycle, the one to rule them all: the market capacity cycle.

CYCLE 3: **Market Capacity**

"What's going on in the logistics market?" "How much worse is it going to get?" "What happened to my freight budget?" "How do I become a Shipper of Choice?" These are some questions currently on the lips of shippers. Why? Because we've been in the inflationary leg of the capacity cycle and freight budgets were set during a period of deflation. Shippers anticipated a future rate environment that never materialized and now their freight budgets and service metrics are paying the price (literally).

If you ask an average shipper where freight rates are going, they will probably answer, "Up." Generally speaking, that is correct. Over the past ten years, spot market rates have increased at an annual rate of 6.5% (see Figure 1). Does that really tell us anything? What meaningful insight can we draw from this data?

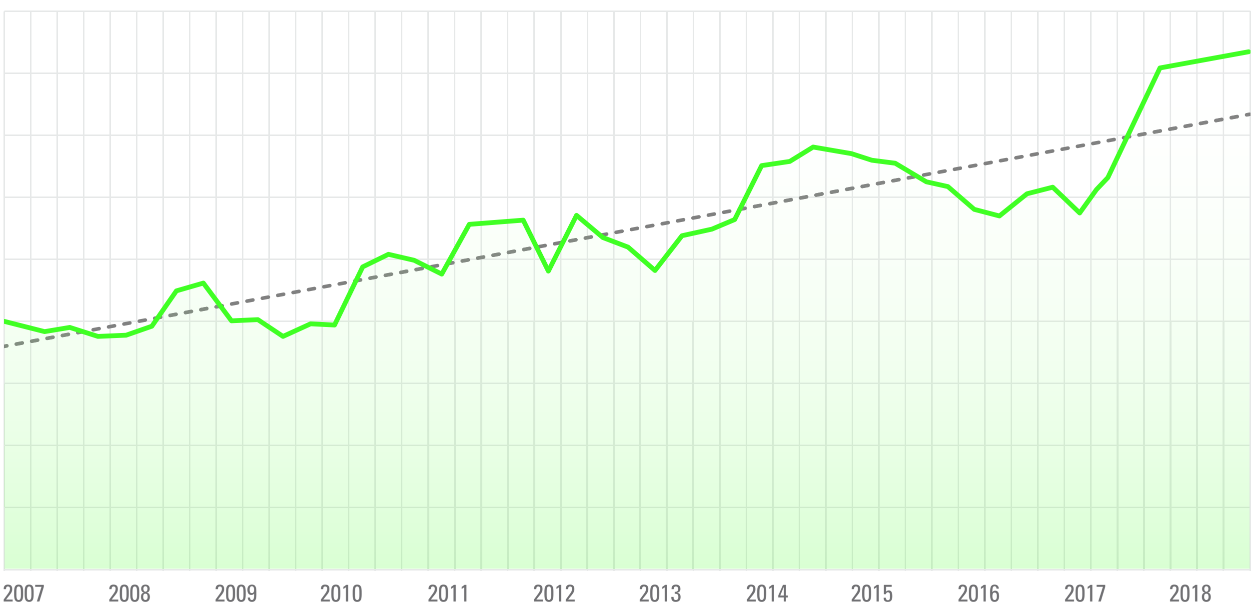


FIGURE 1 **Spot truckload base rate per mile (by quarter). Q1 2007-Q2 2018** | Source: Coyote Logistics

The U.S. truckload market is a massive and fragmented industry; no one participant can dictate terms, and barriers to entry and exit are very low. This creates fluctuating market pricing that floats on top of the ever-shifting balance of supply and demand. Those two forces are rarely in a state of equilibrium, and when they are, that moment is brief.

When the market is attractive to carriers, existing carriers will order more trucks and prospective carriers will seek to enter. At some future date (usually several months or quarters due to truck build cycles, order backlogs, driver recruitment and training, etc.) that additional capacity will enter the market. As is often the case, the future market state ends up being much different than the conditions that led carriers to make those business decisions in the first place. Eventually—due to long-term financial decisions made in rapidly shifting markets—carriers can overshoot, causing supply to exceed demand. Rates begin to fall, and carriers will pull capacity back out of the market, setting up the next inflationary leg of the cycle, and so on, and so on.

That all sounds well and good, but when applied to the real world, it is much tougher to cut through the noise and decipher a pattern. If we look at the right data, in the right way, it is possible. Coyote developed a data-driven model to identify the underlying capacity cycle. This innovative approach, that we call *The Coyote Curve*, creates a clear picture of the past, while lending insight to planning and forecasting.

"This capacity cycle operates as the primary driver of year-over-year market pricing dynamics, with the seasonal demand cycle and the annual procurement cycle operating simultaneously as secondary drivers. And until the fundamental structure of the market changes, specifically with regard to the degree of fragmentation, we expect the cycle to repeat in perpetuity."

Chris Pickett
Coyote, Chief Strategy Officer

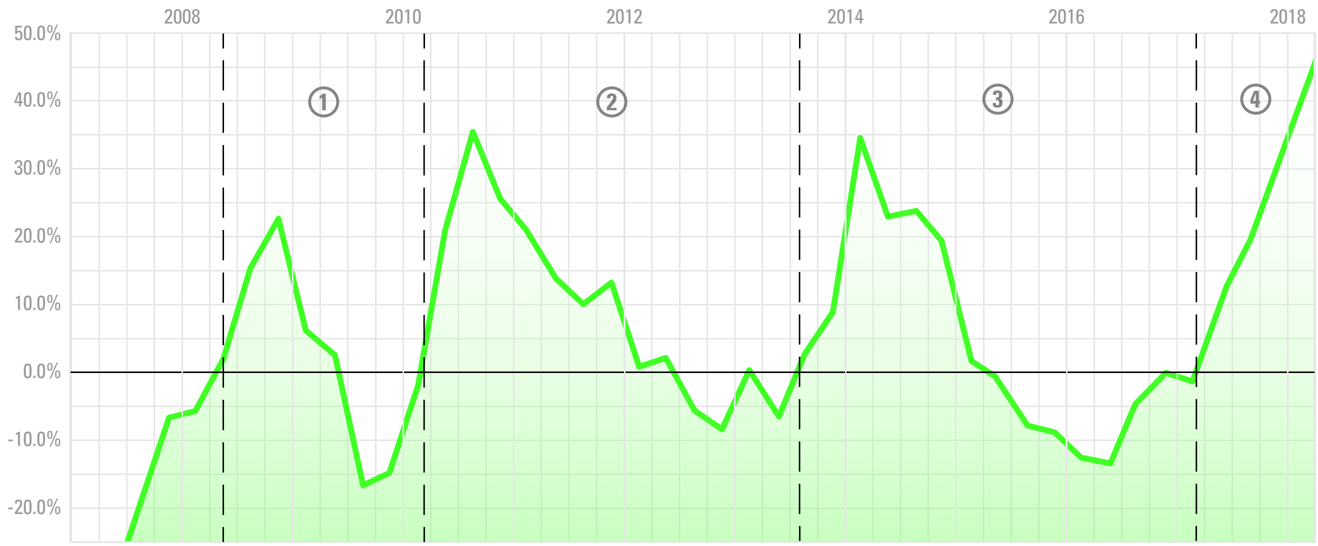


FIGURE 2 **Spot vs contract truckload rate behavior through the cycle, 2007-2018** | Source: Coyote Logistics

This model measures the rate of change in spot truckload rates (according to Coyote's proprietary data) on a year-over-year comparative basis. We can observe that market fluctuations are not as random and chaotic as they sometimes appear. Rates rise and fall with some level of regularity, and capacity has a lot to do with it. (Figure 2)

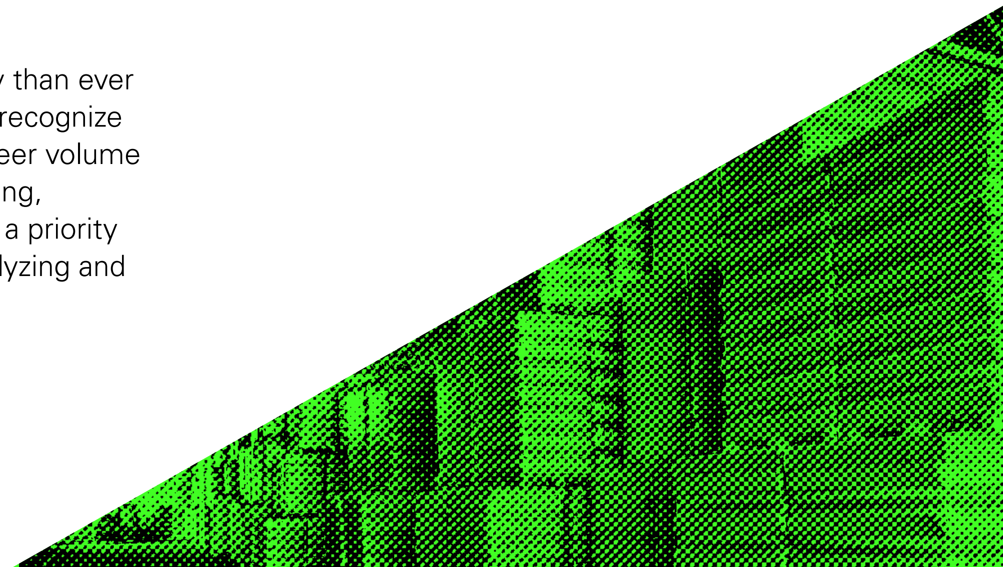
During an inflationary leg, spot rates exceed contract rates as they reset to meet current market conditions. As rates remain high enough for long enough, more capacity is brought into the market. Eventually, too much capacity enters and the line peaks and begins to deflate. Once the market is in a deflationary leg, contract rates—often set in an inflationary environment—exceed spot pricing. As rates stay low enough for long enough, capacity is pushed out of the market until it bottoms out and begins to climb back up again—and the cycle continues.

WHAT SHIPPERS SHOULD DO REGARDLESS OF MARKET CONDITION

We established that the market is vast, fragmented and dynamic. That means every participant—no matter how big—is subject to its ebbs and flows. It also means the market is going to continuously ebb and flow. No one ever said being a transportation manager was easy. However, a sincere commitment to a common sense shipping philosophy, combined with a few best practices, can add a little more consistency to a volatile shipping world.

INVEST IN DATA

There is more data available today than ever before. Companies big and small recognize that data is power. Though the sheer volume of information can be overwhelming, successful shippers are making it a priority to invest heavily in collecting, analyzing and storing proprietary data.



Step 1: **Centralize Your Data**

Without a decent transportation management system (TMS), you are stuck in a world of spreadsheets and emails. It is difficult to share information across relevant parties and challenging (due to ERP system limitations) to collect data in any meaningful way. With a centralized system, it is possible to get a snapshot of your performance at a supply chain level, or drill down into specific lanes or facilities to mitigate pain points and amplify best practices.

There is no one right answer when selecting a TMS. Shippers should research several different providers and engage them in a full-blown RFP process. It is a significant investment, both of time and finances, and shippers need to ensure they get the right product for their needs.

Here are some basic features that a good TMS should have:

- Web-based portal for order/load level visibility, optimizing, scheduling, tracking & trace, and appointment setting
- Ability to publish information instantly with all partners
- EDI/API connectivity with all your pertinent vendors and suppliers
- Ability to store historical data
- Capability to analyze metrics at a lane, facility, vendor, region and network level
- Robust reporting suite with some level of customization
- Clear, concise and intuitive reports
- Managed by a provider who is committed to a data-driven approach
- Backed by transportation specialists who can help provide insights

For more information on why investing in a TMS is important, read **"Q&A: How Using a TMS Can Help You Become a Better Shipper."**

Step 2: **Clean Your Data**

You have a TMS, now it is time to put it to use. While data in and of itself is useless, gathering it is a good start.

Keep in mind, it is very difficult to get 'clean' shipment data and inherent volatility in your own network will make comparisons difficult. However, it is worth the effort and expense. A good third-party logistics provider (3PL) can help you through this process.

Once you get a good base of historical information, you can start transforming it from megabytes on a server to concrete changes in supply chain execution.

Step 3: **Leverage Your Data**

Now you have data and can put it to use. Data analysis can help shippers gain insight into their business and create a well-reasoned procurement and operations strategy. Model your own shipment data and compare it against existing models (like *The Coyote Curve*) to help forecast where the market is headed. If needed, work with a 3PL provider who can help. You can do a lot with a robust TMS, but here are some of the highlights:

Identify:

- Underperforming facilities
- Chokepoints in your network
- Appointment scheduling best practices
- Facility hour best practices
- Underperforming carriers
- Underperforming vendors
- Opportunities for modal conversions
- Opportunities for warehouse relocation

Create:

- Rational procurement strategy that accounts for external market conditions
- More accurate budget forecasts
- More accurate shipping forecasts
- Transparency across internal and external stakeholders
- A system to hold vendors and suppliers accountable

"Good data science is less complicated than people think. The best data science, in fact, is surprisingly intuitive. At its core, data science is about spotting patterns and predicting how one variable will affect another."

Seth Stephens-Davidowitz

Author of the New York Times Bestseller, "Everybody Lies: Big Data, New Data and What the Internet Can Tell Us About Who We Really Are"

KEEP SCORE

If you don't clearly communicate your requirements to carriers and brokers, prepare to be disappointed. The more transparent you are with your needs up front, the more likely you are to be satisfied (and vice versa).

Now that you have a TMS and have collected and analyzed your data, you can put those capabilities into action with your carriers. Create an onboarding process and ensure every carrier goes through it before they move their first load. Tell them your KPIs, set reasonable performance expectations that both parties can agree upon and outline consequences for under (or over) performance.

Do not try to nickel-and-dime carriers with draconian and complex demands—they may save your company money in the short-term, but can come back to haunt you every time the market tightens. KPIs and accessorial schedules should be relatively simple and coincide with shipper demand.

Primary tender acceptance %
Ex: We expect carriers to accept xx% of primary tenders based on demand.

Backup tender acceptance %
Ex: We expect carriers to accept xx% of backup tenders based on demand.

On-time delivery %
Ex: We expect carriers to deliver xx% of loads within two hours of scheduled appointment time.

On-time pick up %
Ex: We expect carriers to pick up xx% of loads within two hours of scheduled appointment time.

Scheduling requirements
Ex: We expect carriers to schedule pickup and delivery appointments within xx hours of tender acceptance based on demand.

Equipment requirements
Ex: We expect all dry vans to be food-grade trailers.

Paperwork submission requirements
Ex: We expect the BOL to be submitted within xx hours of pickup.

Accessorial schedule
Ex: We expect notification of any accessorial on the day it occurs. We require signed paperwork for detention approval.

With your KPIs in place, hold yourself accountable to those metrics. Generate reports and evaluate your network performance regularly.

Supply Chain Accessorials Spend Ratio Distribution

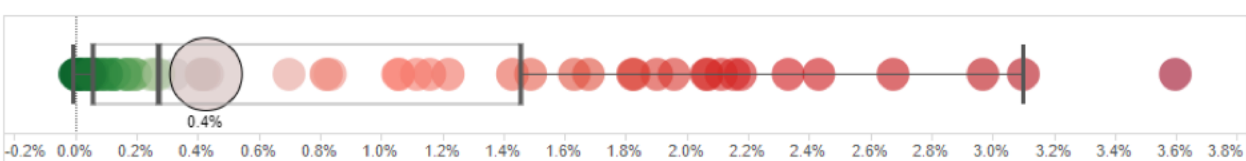
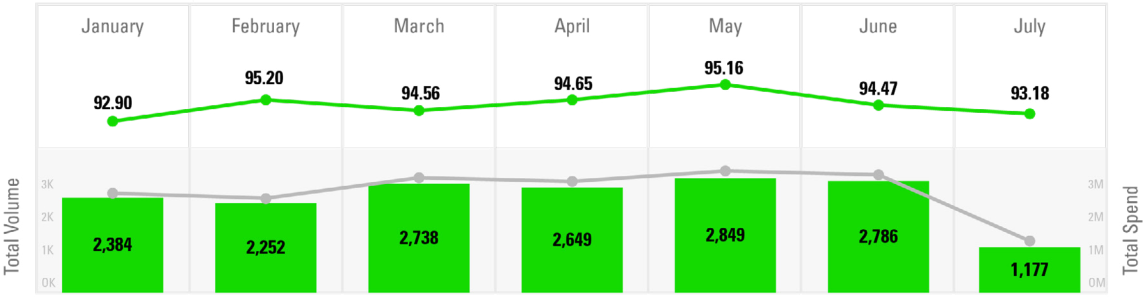


FIGURE 3 **Example Accessorial Spend – Carrier Restitution** | Source: Coyote Logistics

Once you've onboarded carriers, use your TMS to generate simple report cards to review your carriers' service.

	Total Volume	Total Spend	Carrier Score
All Carriers	16,835	$18,186,587.84	94.49



On-Time Performance	January	February	March	April	May	June	July	OT Score
Carrier Related RDD	93.12%	96.48%	94.38%	96.44%	95.66%	95.18%	94.84%	19.93
Deliver to SAT	91.31%	94.94%	96.22%	94.88%	95.70%	95.11%	93.23%	19.62
PickUp to RPD	73.70%	74.38%	67.79%	62.98%	62.46%	63.57%	67.46%	-
PickUp to SAT	87.79%	91.65%	89.66%	89.85%	89.93%	89.66%	87.94%	18.29

Tender Acceptance

Primary Acceptance %	94.54%	94.92%	94.77%	93.54%	95.86%	93.23%	94.14%	19.93
Backup Acceptance %	35.90%	67.38%	67.69%	53.85%	70.62%	63.43%	62.31%	-
Expired %	0.88%	0.68%	1.51%	1.38%	1.03%	1.87%	2.78%	4.93

Compliance

In/Out Within 4 Hrs	65.19%	64.44%	59.36%	64.95%	68.65%	72.01%	63.98%	1.64
In/Out After 4 Hrs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	98.37%	-
Appt. Within 24 Hrs	73.49%	80.55%	79.47%	80.85%	80.31%	77.12%	72.17%	3.91
Appt. After 24 Hrs	95.51%	97.59%	99.21%	99.00%	99.44%	99.22%	97.39%	-

Bounces

Load Day Bounces	0.76%	1.29%	0.40%	0.72%	0.46%	0.65%	0.51%	4.97

Tracking

Tracking Notes	60%	53%	52%	57%	53%	54%	48%	1.35

FIGURE 4 **Example Carrier Scorecard** | Source: Coyote Logistics

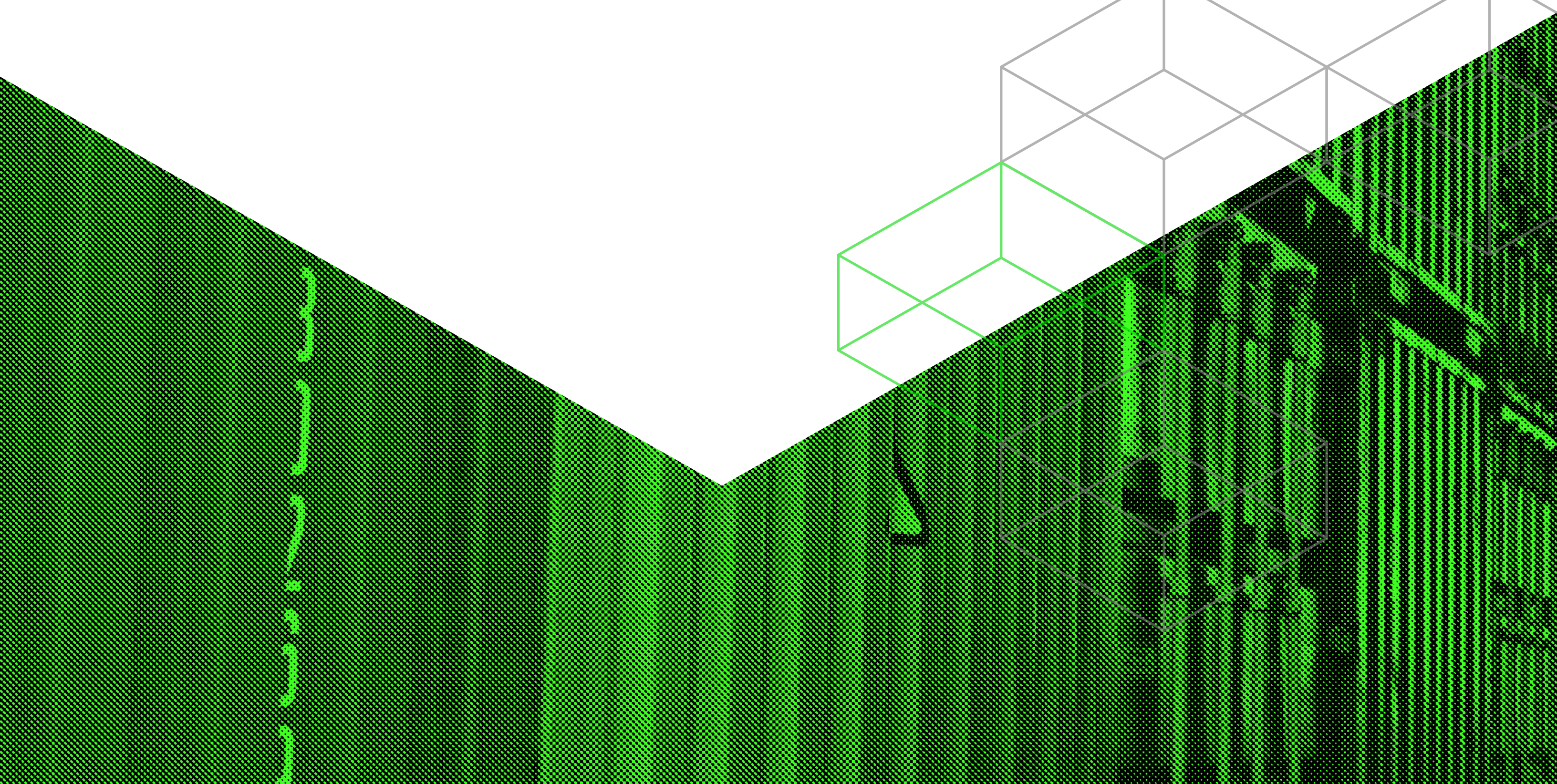
According to Joe Weinstein, Director of CTM Operations at Coyote, "Your carriers should always know exactly where they stand. They can't improve where they don't know they are underperforming. Open and honest communication is the best way to work together towards mutual improvements."

To initiate regular and ongoing communications, set up quarterly business reviews with your more prominent carriers to review performance. If they are underperforming in particular lanes, it gives both parties an opportunity to contextualize what is happening and figure out a collaborative solution. If you determine it is time for a change, you will be able to make business decisions rooted in rational data analysis, not anecdotal frustrations over a couple of missed loads.

An open line of honest communication can often be the best way to discover your own supply chain inefficiencies and understand what is happening in the freight market.

"Your carriers should always know exactly where they stand."

Joe Weinstein
Coyote, Director of CTM Operations



PLAN AHEAD

It is not always possible for shippers to know their shipping schedules ahead of time; however, shippers should always endeavor to make proper planning and lead time a priority. Having a robust TMS will help foster the network transparency, internal efficiency and analytics horsepower you need to plan ahead.

Why is lead time so important? At a high level, the less lead time you give to a carrier or broker, the more you are going to pay. Even if a load is moving on a contracted rate, if tendered too close to your desired ship date, you dramatically increase your risk of service failure or tender rejection, forcing you to either roll the ship date or throw your freight at the mercy of the day's spot market.

Below (Figure 5) is a matrix of real spot truckload offers made by carriers to Coyote in 2017. As you can see, the closer we get to the ship date, the higher the spot offers trend. If we are able to start looking for options at least 48 hours ahead of time, we are typically able to secure relatively less expensive capacity.

"In order to make the best operational decisions possible and service your own customers, you need to know with more accuracy when your shipments are going to arrive."

Cameron Ramsdell

Coyote, Chief Technology Officer

For more insights from Ramsdell on logistics technology, read **"How Your Needs Drive Innovation in Supply Chain Technology."**

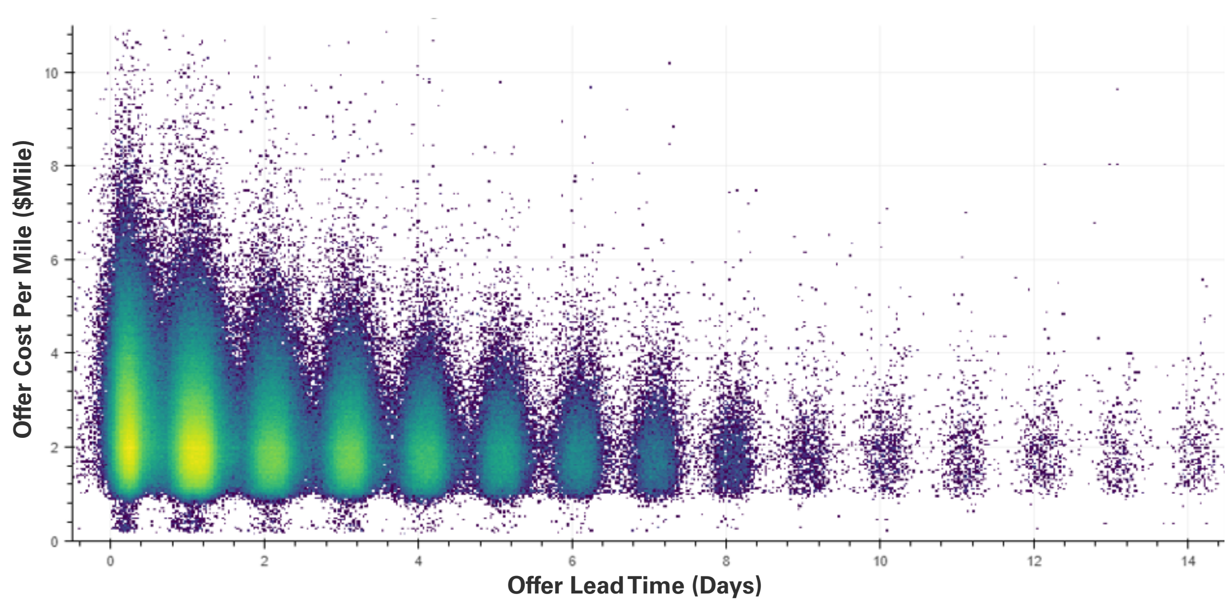


FIGURE 5 **Density of Offer Prices as Lead Time Increases** | Source: Coyote Logistics

FOLLOW BEST PRACTICES

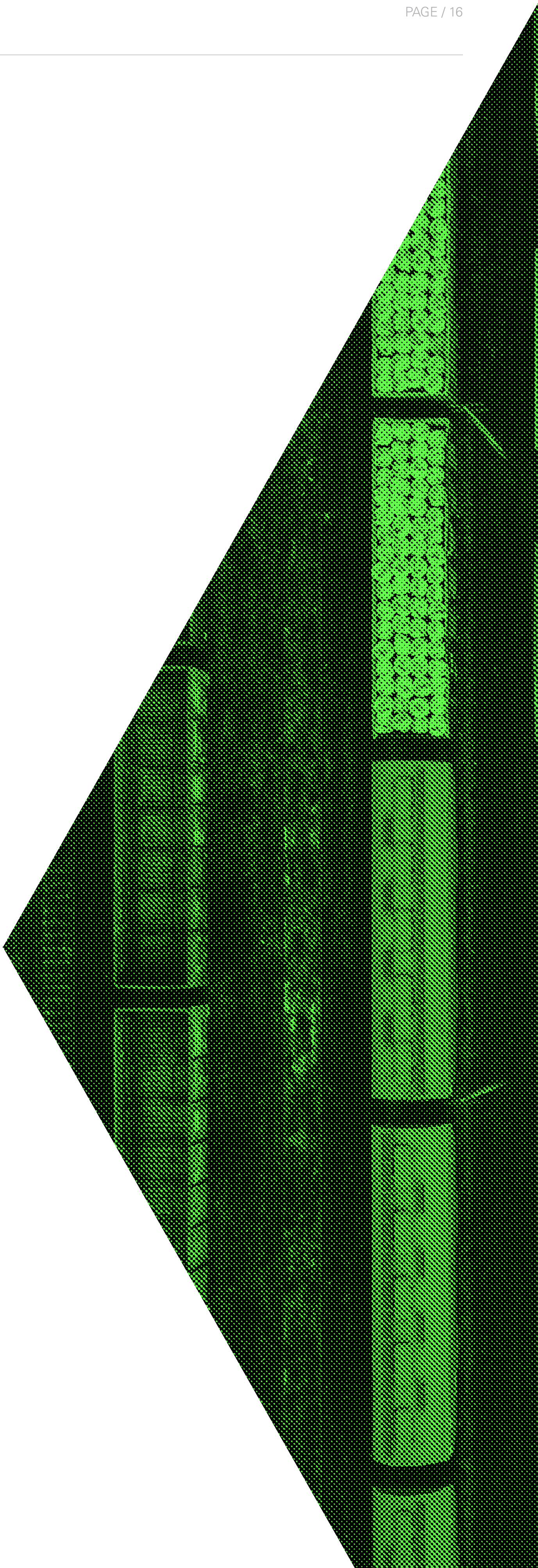
Carriers are running businesses that hinge on efficiency. They make money, meet commitments and keep drivers happy when trucks are loaded and rolling. They lose money, miss appointments and have to manage disgruntled employees when trucks are tied up at facilities.

They, just like shippers, value simplicity. Most carriers (and brokers) are willing to move freight at more competitive rates if they know it will be a seamless experience. Conversely, if they perceive it will be difficult, they will either command a premium rate or refuse to go there, no matter how much it is paying per mile.

And in today's world of ever-increasing transparency, there are no secrets. Carriers are active in Facebook groups, reddit threads, Google facility reviews and facility review apps. If a driver feels like he or she has been treated unfairly, they can do more than complain to a dispatcher.

Do you know what your carriers value? At the most recent Great American Truck Show (GATS), Coyote offered carriers the opportunity to provide direct feedback to help validate third-party research.

Based on the research and direct carrier feedback, from GATS and Coyote's quarterly Carrier Councils, here are some basic best-practices that will help ensure carriers will actively seek to pick up your freight, regardless of market condition.



Billing

- Pay fast (within 30 days) and pay accurately (include correct fuel surcharge and all accessorials).
- Based on our study, quick payment is especially important to small carriers (1-6 trucks, who account for over 90% of the nation's carrier base).
- Do not require carriers to submit unnecessary documents or sign onerous contracts—it will hold up the process on all ends.
- Offer options for faster (even same-day) payment terms.

Appointment Scheduling

- Work with your vendors and suppliers to ensure carriers can easily schedule appointments.
- Provide ample lead time (>48 hours).
- Ensure appointment times are consistent with a realistic transit time.

    –If you set a delivery appointment that is too tight, you are putting the driver in a situation where he or she will either have to: speed, violate hours of service or arrive late to the delivery.

    –If you set a delivery appointment that is too far into the future, the driver will miss out on the next load waiting to get empty with yours.

- Be as flexible as possible. Flat tires happen. Late pickups happen. Traffic happens. Detention happens. Early arrivals happen. Whenever possible, help the driver get unloaded. First come/first serve or delivery windows are almost always preferable.
- Whenever possible, allowing drop-and-hook options is preferable.

Facility Operations

Amenities

Life on the road is not easy and access to basic amenities goes a long way. Just a few of these simple things make your facility infinitely more attractive:

- Access to bathrooms
- On-site overnight parking OR clear directions on where to find it locally
- A driver's lounge
- Vending machines
- WiFi access

Integrity of Shipments

Streamline the safety and security of your shipments. Provide carriers with all the information upfront prior to booking. Whether that is requiring additional security and clearance or proper paperwork and licenses, the better prepared your facilities are for these sensitive shipments, the more efficient the pickup process will be:

- High-risk / high-value shipments
- Government shipments
- Hazmat-certified shipments

Efficiency

Drivers want to get in and out as quickly as possible. If a facility builds a reputation for long loading/unloading times, it is harder to get drivers to pick up and deliver freight. Even if you have a generous detention policy, most drivers would much rather drive than sit in a dock door.

This has become especially prevalent with the ELD mandate. Drivers do not have nearly as much flexibility in recording their hours of service; therefore, they are much pickier about how they spend their tightly monitored time.

Ensure your check-in process is quick, documented and fairly reflects when a driver arrived on the premise. If a driver arrived to an appointment 20 minutes early, and it took 30 minutes for him or her to get past the guard shack, and you deny detention because he or she was "late," don't expect that driver to come back for another load.

Coyote gathers facility reviews via our carrier-facing mobile app CoyoteGO. In a study of aggregated facility reviews from over 3,000 carriers, 51% of 1-star ratings were related to timeliness, long load or unload times.

Be polite

As with life, a smile, some clear instructions and a "thank you" go a long way. If possible, try and make sure any driver-facing staff are pleasant and patient.

In our facility review study, 13% of carriers said that friendliness, politeness and professionalism of facility staff was important to them. 23% of 5-star facility ratings were because the staff at receiving facilities were friendly, polite, and professional.

Total Volume	Pick Ups	On Time % Pickup	Avg. Dwell Time Pick Up	Deliveries	On Time % Delivery	Avg. Dwell Time Delivery
4,879	4,936	75.77%	0.53	4,887	72.11%	0.57

Shippers

	PickUps	Deliveries	On Time % Pickup	On Time % Delivery	Avg Dwell Time PU
Facility 1	1,809	1,812	73.3%	69.8%	0.948
Facility 2	1,473	1,473	63.4%	60.4%	0.968
Facility 3	1,023	1,018	87.1%	85.4%	1.016
Facility 4	228	228	82.9%	70.6%	1.623
Facility 5	168	167	100.0%	96.4%	1.725
Facility 6	130	84	100.0%	96.4%	1.296
Facility 7	16	16	87.5%	87.5%	2.422
Facility 8	13	13	92.3%	92.3%	1.737
Facility 9	13	13	100.0%	100.0%	1.776
Facility 10	10	10	100.0%	100.0%	1.837
Facility 11	6	6	100.0%	83.3%	1.647
Facility 12	5	5	100.0%	100.0%	1.300
Facility 13	4	4	100.0%	100.0%	1.454
Facility 14	4	4	100.0%	100.0%	1.908

Consignees

	Deliveries	On Time % Delivery	Detention% DEL	Avg Dwell Time DL
Facility 1	1,259	28.4%	0.2%	0.937
Facility 2	1,035	91.7%	1.1%	0.990
Facility 3	679	90.3%	0.9%	1.007
Facility 4	527	90.9%	0.0%	0.913
Facility 5	397	95.0%	38.1%	2.510
Facility 6	313	82.7%	0.3%	0.938
Facility 7	209	66.0%	5.3%	1.223
Facility 8	174	98.9%	20.1%	1.821
Facility 9	96	43.8%	2.1%	0.994
Facility 10	67	76.1%	0.0%	0.981
Facility 11	53	66.0%	11.3%	1.639
Facility 12	52	57.7%	0.0%	0.952
Facility 13	26	80.8%	3.8%	1.106
Facility 14				

Consignee Trends Over Time

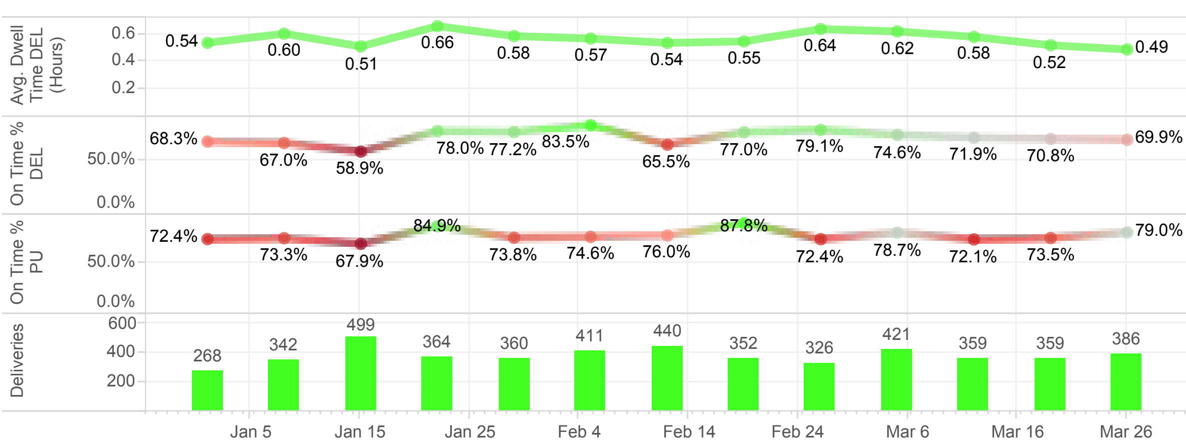


FIGURE 6 **Example Network Facility Performance** | Source: Coyote Logistics

INVEST IN YOUR PEOPLE

You can buy the best TMS on the market and work with the most reliable carriers, but if you do not have quality, well-trained individuals executing, your supply chain is vulnerable to inefficiency.

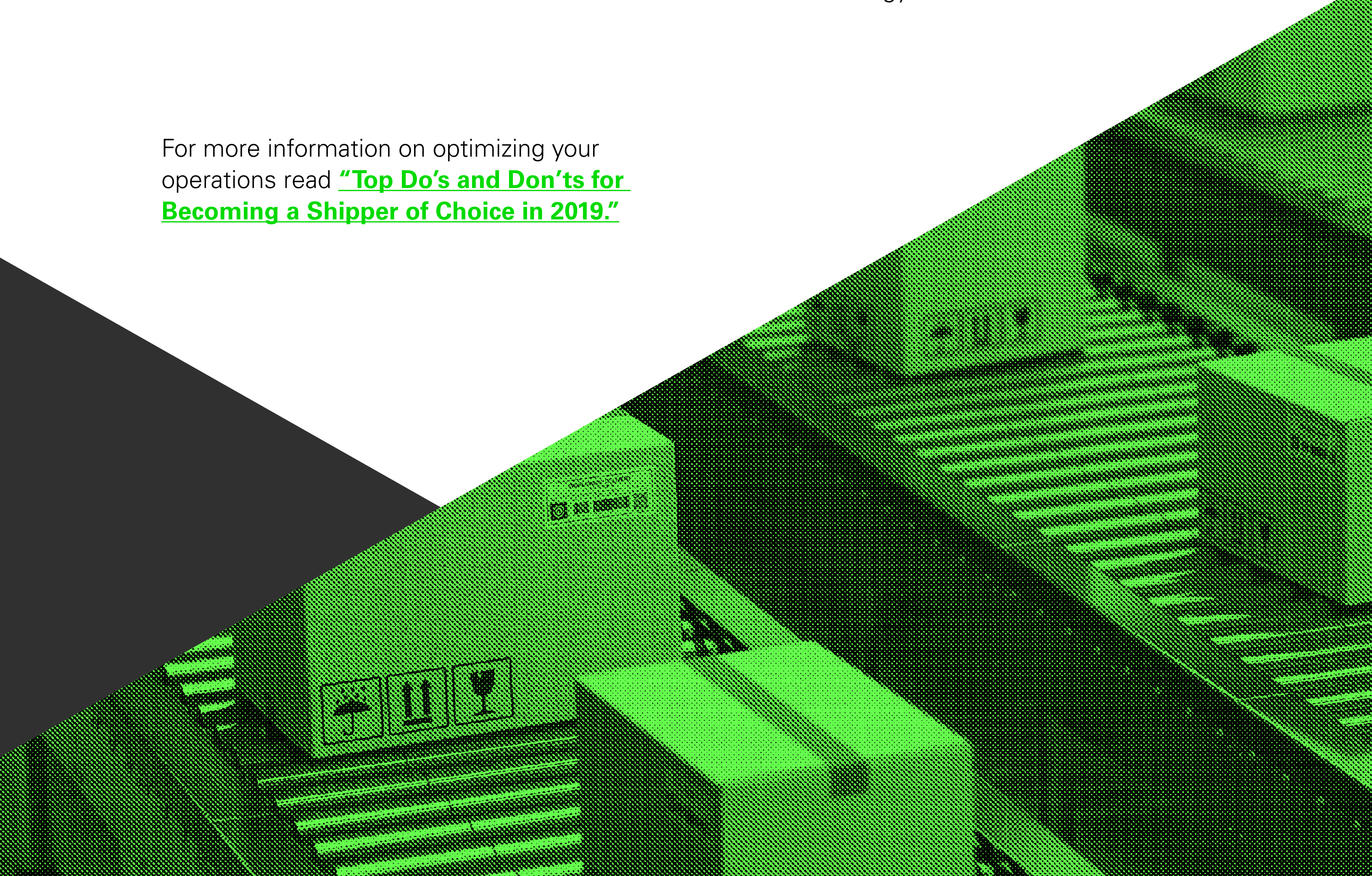
First, understand how much of your supply chain operations you want to execute in-house. Is operations and logistics a core function of your business? If so, bringing in more control—and the commensurate talent—in-house might make sense. If you feel out of your depth and need to focus your efforts on growth, out-sourcing some—or all—of your supply chain operations may make more sense. This is a quick and scalable way to build efficiency and expertise than growing it yourself.

Specific tasks you may want to outsource to a provider:

- Tendering
- Track and trace / issue resolution
- Reporting % analysis
- Carrier relationship management
- Route / order optimization and consolidation
- Freight Pay and Audit

Second, once you make a business decision on how much you want to execute internally, get the right people in place. Give them the tools they need to be successful. Ensure they receive ongoing education, training and access to industry insights. The market changes rapidly and knowledge is the key to a rational strategy.

For more information on optimizing your operations read **"Top Do's and Don'ts for Becoming a Shipper of Choice in 2019."**



TREAT CARRIERS LIKE PARTNERS

We saved the best (and most important) for last…

Shippers can achieve relative consistency throughout the capacity cycle by developing stable, long-term relationships with core carriers, rooted in mutual trust and respect. It is not about having the most carriers and brokers in your network, it is about having the right ones. As a preferred shipper or a "Shipper of Choice," you will be in a much better position to service your customers while controlling your costs, in all market conditions.

Decide who you want to do business with over the long-term then focus on retention and relationship development. Learn their network and teach them yours. Learn their business needs and tell them about yours.

What does this look like in practice?

- When the market is deflationary (soft), do not be overly aggressive in pushing down contract rates. If you think a proven, reliable carrier is being fair and transparent in negotiations, do not take away lanes while chasing paper rates from cheaper providers. Short-sighted decision making will typically result in a higher spend by the end of the year after the unproven, cheaper carrier rejects 20% of the primary tenders, potentially forcing you into the spot market.
- When the market is inflationary (tight), a core carrier should honor their contract rates and tender acceptance levels, even if they can chase better paying loads on the spot market. If you stand by them in a soft market, they will do right by you when conditions flip.
- Hold regular quarterly business reviews (QBRs). Learn from each other. Share best practices. Approach your supply chain as a joint venture.
- Reward carriers when they overperform. If they go above and beyond to service your freight on tough opportunities, give them first right of refusal on more lucrative spot opportunities. Incentivize better performance with better paying opportunities.

QUICK TIPS FOR SPECIFIC MARKET CONDITIONS

In any market…

- Build relationships with carriers—reward overachievers and engage underperformers!
- Know your metrics (volume, service, acceptance, spend).
- Partner with a 3PL provider who has actionable market insights that can help you develop a flexible supply chain strategy to navigate the market's ebbs and flows.

In an inflationary market…

- Hold your carriers accountable to servicing your business. Execution = spot market access.

In a deflationary market…

- Procure, procure, procure. Run a network bid to drive savings and reward those who were there for you during the tough times.

IN CONCLUSION

Over the past decade there has been an extraordinary amount of change within the industry: integration of new technologies, tightened regulations on drivers' hours of service, increased consumer expectations, same-day deliveries, emerging markets and volatile fuel prices (to name just a few). However, at its core, the U.S. truckload market is still governed by the same basic laws of supply and demand—the pendulum will continue to swing from "Shipper Market" to "Carrier Market" and back again.

Because of this continual rebalancing act, shippers need to optimize their operations for long-term success, prioritizing consistency over reactionary strategy shifts. At times, this means sacrificing short-term gains in exchange for the greater good of a sustainable supply chain. It is not always easy. It takes strategy, vision, commitment, planning, resources and organizational buy-in at every level, but it is worth it.

In this guide, we covered six basic concepts that—if utilized—will help shippers compete in any market condition.

1. Invest in Data
2. Keep Score
3. Plan Ahead
4. Follow Best Practices
5. Invest in Your People
6. Treat Carriers Like Partners

Depending on the current state of your supply chain, this endeavor may seem daunting, but even small efforts towards any of these items will yield promising returns. You may not have the resources to purchase an enterprise TMS solution yet, but you can still make sure a driver can go to the bathroom while their truck is in the dock.

Finally, remember that you are not in it alone. Work to develop real relationships with worthy carriers and 3PL providers because it's not just the laws of economics that rule the industry, it's the relationships.

For more information about becoming a preferred shipper, visit resources.coyote.com, or talk to one of Coyote's transportation specialists today about our TMS, Collaborative Transportation Management service.

About Coyote Logistics

Founded in 2006 and headquartered in Chicago, Coyote Logistics LLC, a UPS company, is a leading third-party logistics (3PL) service provider in North America and Europe. Coyote provides truckload, less-than-truckload, intermodal, and cross-border brokerage and transportation management services to more than 14,000 shippers utilizing a network of 50,000 carriers. Coyote became a UPS company in August 2015, adding UPS asset utilization, air freight, ocean freight, customs brokerage, and much more to its portfolio of services. Coyote is a proud philanthropic supporter of St. Jude Children's Research Hospital, for which has raised more than $2.3 million in seven years.

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