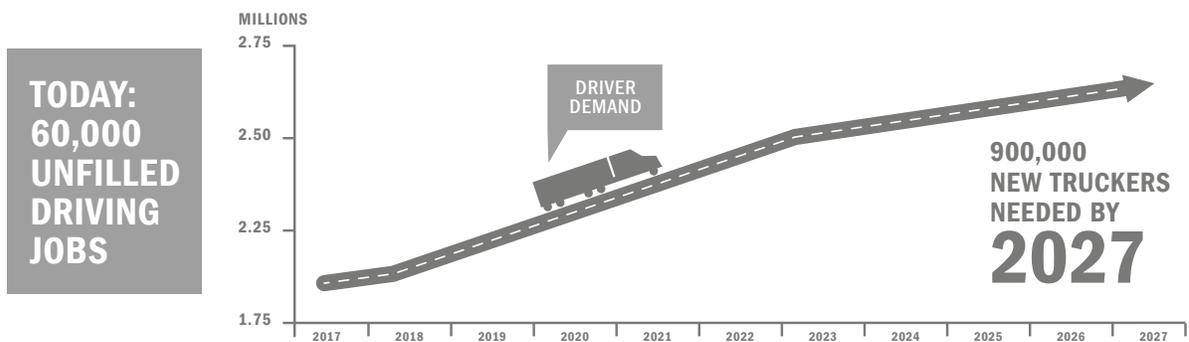


# MANAGE YOUR SUPPLY CHAIN WHEN CAPACITY IS TIGHT AND COSTS ARE ON THE RISE

## GAIN ACCESS TO CAPACITY AS A SHIPPER OF CHOICE

The squeeze continues. A growing driver shortage, ongoing regulatory impacts, and an improving economy are all playing a part in creating a long-term problematic supply chain issue: a capacity crunch.

However, some relief is possible for shippers. Using complementary capacity solutions and creating an environment of attractive freight can each do their part to keep freight moving.



## CURRENT CAPACITY CONDITIONS AND INDUSTRY FORECASTS SHOW NO NEAR-TERM RELIEF

- Approximately 60,000 truck-driving jobs are unfilled today, with a predicted 900,000 new truckers needed by 2027<sup>1</sup>
- Retirements loom, as the average age of a driver is 51, and more lucrative blue collar work is readily available in a strong economy<sup>2</sup> with historic unemployment
- Regulatory pressures are negatively impacting productivity and taking capacity out of the market<sup>3</sup>

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**SCHNEIDER**

1. American Trucking Associations  
2. American Transportation Research Institute  
3. FTR Associates

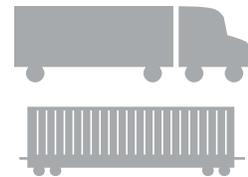
## **WHILE MANAGING SUPPLY CHAIN VARIABLES HAS BECOME TRICKIER, IT'S NOT MISSION IMPOSSIBLE**

Look at what you can do to become a shipper of choice. Focus on three areas to keep freight moving and better manage increasing costs:

<input checked="" type="checkbox"/> <b>COLLABORATING WITH A MULTIMODAL PROVIDER</b>	<input checked="" type="checkbox"/> <b>MAKING FREIGHT MORE ATTRACTIVE</b>	<input checked="" type="checkbox"/> <b>WORKING WITH DRIVERS</b>
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### **CHOOSE A MULTIMODAL PROVIDER WITH ASSET AND NON-ASSET CAPABILITIES**

Shippers should consider complementary capacity solutions to meet their supply chain needs. A multimodal provider can transcend the transportation complexities of various businesses, providing today's shippers with options and creative solutions. One with both asset and non-asset capabilities can provide specific solutions for your needs.

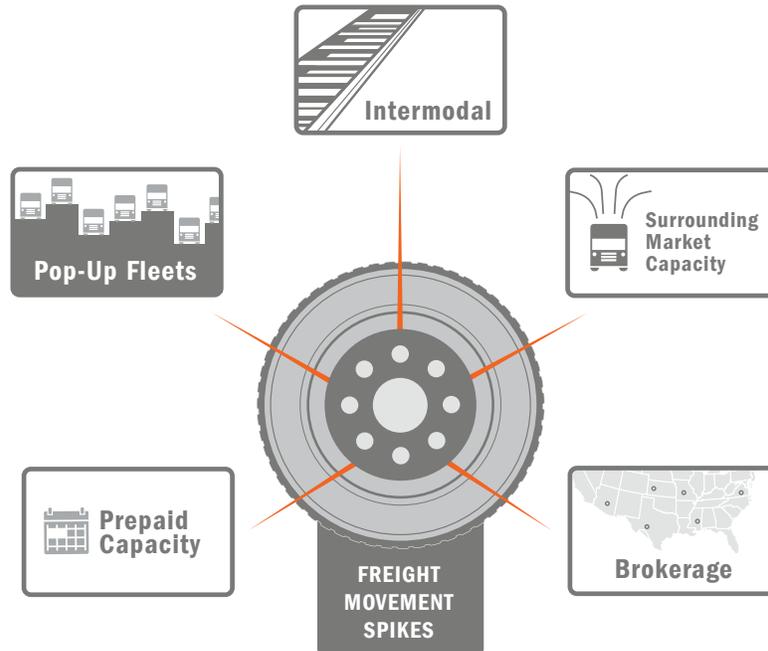


Supply chain providers with a variety of services have multiple modes to suit shipper needs and freight demands.

Capacity needs vary for each shipper. While some may have consistent loads across the same lanes week after week, others experience capacity need surges with peak holiday demand, new product introductions and more.

- 1 STRATEGIC GUIDANCE AND TAILORED SOLUTIONS**
- 2 TIME AND COST EFFICIENCIES BECAUSE OF LARGE NETWORKS, FACILITIES AND NEGOTIATING POWER**
- 3 INNOVATION WITH TEAMS OF SUPPLY CHAIN ENGINEERS**
- 4 OPTIMIZED CUSTOMER SERVICE FROM THE VOLUME AND COMPLEXITY OF MULTIMODAL EXPERIENCE**
- 5 COMMITTED CAPACITY WITH DEDICATED SOLUTIONS**

Find a provider with transportation clout and access to multiple modes, along with promotional expertise and capability to support even the biggest retail push. Its arsenal should include a variety of options, to meet different supply chain requirements. However, when freight movement demands spike and the capacity vise tightens, complementary capacity options should be considered.



**Intermodal.** Intermodal is a reliable capacity alternative and can offer a truck-like service. This also frees up additional capacity options for the carrier to move lower length of haul freight over the road for you.

As intermodal infrastructure and capacity continues to expand, more nontraditional, shorter length of haul freight should be reviewed for conversion. Specifically, in the eastern U.S., where truckload capacity is historically tight, intermodal is increasingly a viable, reliable option.

**Surrounding market capacity.** When capacity in the immediate market isn't possible, pulling in trucks from surrounding markets can be.

**Brokerage.** Pulling in third-party capacity via a brokerage option is another alternative to keep freight moving.

**Prepaid capacity.** When a known short-term surge is on the horizon, shippers may consider a prepaid capacity arrangement. With the foresight of one week, capacity can be sourced from outside the region to accommodate the loads.

**Pop-up fleets.** Guaranteed capacity may be the best option for some shippers when round-trip load volume is known and loss of time is not an option. Pop-up fleets typically range from four to 12 weeks.

## CHOOSING THE RIGHT MODE FOR YOUR FREIGHT

Transportation mode	On time over 95%	100% Acceptance	Trailer Pools	Restricted Appts.	Market Capacity Constrained	High Variability or Seasonality	Length of Haul		
							<250 Miles	250 - 1000	1000+
Intermodal	B	B	A	B	A	A	C	B	A
Dedicated - Long Term	A	A	A	A	A	C	A	C	C
Dedicated - "Pop Up"	A	B	A	A	A	B	A	B	C
One Way - Asset Solo	B	B	A	C	B	A	A	A	B
Brokerage	B	A	C	A	A	A	A	A	A
One Way - Prepaid Capacity	A	A	A	B	A	A	A	A	B
Expedited Teams	A	B	A	C	B	B	C	B	A

A denotes best fit

## MAKE FREIGHT MORE ATTRACTIVE

There are many adjustments shippers can make to their freight – some simple, some more involved. Shifts in each can make a difference in how carriers and intermodal providers view and ultimately allocate capacity and price the freight.

<b>Provide driver amenities</b>	<b>On-time payment</b>
<b>Open pick-up and delivery times</b>	<b>Weekend pick-up and delivery</b>
<b>Drop and hook freight</b>	<b>Preloaded trailers/containers</b>
<b>Efficient check-in and check-out processes</b>	<b>Create and share delivery requirements</b>
<b>Forward visibility</b>	<b>Avoid load changes</b>
<b>Flatten the week</b>	<b>Regional networks</b>

More detail about these adjustments can be found in [Schneider's Shipper of Choice white paper](#).

## WORK WITH DRIVERS

Everyone in the supply chain can play a role in creating job satisfaction for professional drivers. Shippers have several opportunities to positively position themselves in the eyes of drivers, moving the shippers to the top of the list when the call comes for a pick-up.



Two primary job satisfaction motivators continue to rise to the top in relation to drivers.



**RESPECT FOR TIME**



**SUFFICIENT PICK-UP  
AND DELIVERY FACILITIES**

Like every employee, drivers want to be respected for their time and provided adequate working conditions. There are a few things that shippers can keep in mind:

### DRIVER DETENTION

Continuing waves of regulations require everyone to be even more efficient to maintain productivity. With the HOS definitions of “on duty” and “off duty,” drivers must log their time spent at a shipper’s facility – whether they are actively doing something or not.

Shippers that are able to tighten a driver’s wait time for pick-up and/or delivery will be viewed as “driver friendly.”

While drop and hook freight is one way to keep drivers moving, other practices can also move drivers in and out efficiently. The most basic of these is for shippers to give drivers clear instructions on what to do upon arriving at the facility. Another is to be accessible to the driver for follow-up questions. Shippers that are willing to “go along for the ride” by being an ongoing resource for drivers and dispatchers as their freight moves down the road will be viewed as “driver friendly” and “carrier friendly.”

### ON-SITE FACILITIES

Providing drivers with the basic necessities will also allow shippers to attract and retain the best drivers and carriers. Some suggestions include:

- A place to park while waiting for pick-up or drop-off instructions
- An on-site restroom, vending machine and simple lounge with seating, heating and air conditioning (most drivers are not permitted to rest in an idling truck)

The capacity crunch remains and continues to tighten. Shippers who join forces with strong, multimodal supply chain experts, make their freight more attractive and work collaboratively with drivers will be in the best position to manage overall costs and find the optimal solutions to keep supply chains moving. It is when everyone is proactively working toward a solution that shippers can find capacity.