

LAND O'LAKES PARTNERS WITH RUAN TO SAVE MONEY, LIMIT LIABILITY AND DRIVE EFFICIENCIES.

Years of managing the Department of Transportation (DOT) regulations and liability and safety issues associated with owning a private fleet had Land O'Lakes asking, "Is there a better solution?" After extensive research into cost, ease of transition and potential efficiencies, Land O'Lakes chose to convert its private fleet to a dedicated contract carriage solution with Ruan Transportation Management Systems.

"Transportation wasn't an inherent strength. We lacked the understanding of how to maintain a fleet and develop a long-term maintenance strategy," said Jim Carver, senior transportation manager at Land O'Lakes. "Allowing a professional trucking organization to worry about the liability associated with managing the fleet has freed us to focus on our core business."

Investing in people.

After considering several carriers, Land O'Lakes chose Ruan, partly due to the company's similar people-centric values, as proven by Ruan's retention of more than 80 percent of Land O'Lakes' original driver force in the transition. As Land O'Lakes and Ruan worked together to find cost savings, they created efficiencies, such as paring down equipment by 14 percent while still moving the same amount of product, dramatically affecting the bottom line.

A smooth start-up.

When a long-standing carrier was unexpectedly unable to serve Land O'Lakes at its Lake City, FL, location, Ruan stepped in to help. Ruan

worked diligently to secure feed delivery equipment not readily available in fleets, nor carried at most local truck rental locations. Ruan moved wet kitted tractors from Portland, OR, along with units from Ft. Worth, TX, to the Lake City facility. Additionally, Ruan purchased two new bulk trailers and five used trailers for the operation. The speed of the start-up and Ruan's flexibility ensured there was no downtime in Land O'Lakes' daily operations or service interruptions to its customers. "Ruan proactively finds solutions that improve our business, like on-site dispatching," says Joe Dohrn, Team Lead at Land O'Lakes. "We also appreciate the professionalism and flexibility of Ruan's staff."

The results.

Ruan saved Land O'Lakes approximately \$500,000 during the fiscal year 2008. Ruan's portion of Land O'Lakes transportation budget for 2008 was around \$18 million, equating to roughly a 2.8 percent savings in the first full year of operation.

"I've been a part of more than 20 start-ups, and this was by far one of the best I've ever experienced."

— Jim Carver, Land O'Lakes

► Land O'Lakes Challenges

- + Managing private fleet and associated risk and liability
- + Creating efficiencies and cost savings
- + Securing proper feed delivery equipment

► The Ruan Solution

- + Provide DCC services, maintaining 80 percent of original driver force
- + Reduce equipment by 14 percent while moving same amount of product
- + Secure appropriate equipment without service interruptions
- + In 2009 and 2010, Ruan continued the optimization of the fleet and routes at each location in response to Land O'Lakes needs and sales volumes. By allowing carriers to handle non-specialized deliveries, Ruan reduced the length of haul across the system to achieve greater equipment utilization.

► Ruan Results

- + Saved Land O'Lakes approximately \$500,000 in FY08, equaling 2.8 percent transportation budget savings
- + Freed Land O'Lakes to focus on its core business
- + Creating a tighter radial delivery area saved Land O'Lakes an additional \$716,000 over the past two years. Optimizations saving an additional \$400,000 are being evaluated.

