

5 LINGERING HEADACHES TO ADDRESS FOR A HEALTHIER 2021

SHIPPERS LOOKING TO IMPROVE THEIR SUPPLY CHAIN'S HEALTH

01 IMPROVING VISIBILITY

- + 70 PERCENT OF ALL FREIGHT MOVES ON TRUCKS
- + REAL-TIME VISIBILITY IS CRUCIAL
- + CUSTOMERS NEED TRUCK POSITIONING DETAILS, ETA CALCULATIONS, AND NOTIFICATIONS FOR EVENT MANAGEMENT



03 DIAGNOSING A DEEPENING DRIVER SHORTAGE

- + CONCERNS OVER WORK-LIFE BALANCE, PAY AND DRIVER HEALTH ISSUES
- + DRIVER SHORTAGE DOUBLES OVER NEXT DECADE
- + DRIVERS WANT PREDICTABLE SCHEDULES



02 STAYING SAFE TO KEEP CUSTOMERS FIRST

- + MAINTAINING A HEALTHY WORKFORCE IS CRITICAL
- + DRIVERS ALREADY FALL INTO HIGH-RISK HEALTH CATEGORIES
- + TURNOVER CREATES LESS-FAMILIAR PERSONNEL AT VARIOUS SERVICE POINTS



04 WAREHOUSING WOES

- + TIGHTENING WAREHOUSE CAPACITY TOPS THE LIST OF ALL TRANSPORTATION CONCERNS
- + INCREASED CHALLENGE OF ATTRACTING PROFESSIONAL WAREHOUSE WORKERS



05 GENERAL ACHEs AND PAINS

- + CUSTOMERS NEED ADJUSTMENTS TO THE SUPPLY CHAIN, REQUIRING MORE HYPERLOCAL NETWORKS DIGITAL TRANSFORMATION
- + CUSTOMERS WANT A MORE INTEGRATED SOLUTION: FLEET MANAGEMENT, MANAGED TRANSPORTATION, AND WAREHOUSE MANAGEMENT



----- FIVE LINGERING -----

HEADACHES

////// TO ADDRESS FOR ////

HEALTHIER SUPPLY CHAINS

IN 2021

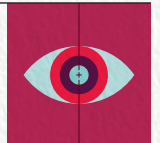
RAISE YOUR HAND IF YOU'RE READY TO HANG UP ON 2020 AND RING IN A BRAND-NEW YEAR. (PICTURE US RAISING BOTH HANDS, BUT ALSO WAVING THEM AROUND.) AND WHO COULD BLAME US? NO MATTER HOW CRITICAL TO THE AMERICAN ECONOMY, TRANSPORTATION IS STILL VULNERABLE TO THE MARKET DOWNTURNS, TRADE WARS, AND ANY OTHER NUMBER OF UNFORESEEABLE FACTORS – CAN YOU SAY GLOBAL PANDEMICS? – THAT HAVE SMACKED SHIPPERS WITH UNCERTAINTY THIS YEAR.

So, as we look forward to a much healthier 2021, it's more important than ever that we closely examine the challenges that are sure to come with it: headaches that may not be entirely new to supply chains, but may need new treatment options.

One of Ruan's Guiding Principles is Continuous Improvement through personal and professional growth. That's why we recently surveyed logistics and transportation executives across numerous industries to find out exactly what they're taking aspirin for these days. Because we want to help build a healthier industry in 2021. And we know you do, too.

01 IMPROVING VISIBILITY

Losing track of shipments causes headaches. Not knowing if you've lost track of a shipment causes migraines. With trucks responsible for moving more than 70 percent of all freight across the country, having systems in place to ensure real-time visibility is crucial. Companies lose big bucks every day because they can't always see where their shipments are. No wonder this is one of the biggest concerns for the transportation executives we surveyed. They want (and deserve) to know what's going on out there.



+ THE RUAN REMEDY

The only way to relieve this nagging headache is with a powerful dose of technology, and we have it. Ruan combines the most advanced software with in-cab technology to provide real-time tracking from a secure client portal. Our customers see it all – truck positioning details, ETA calculations, and notifications for event management should a shipment be arriving late. Let the deep breaths begin!

02 STAYING SAFE TO KEEP CUSTOMERS FIRST



Making sure employees stay healthy has always been important, even before mask mandates and sanitizer shortages. But maintaining a healthy workforce is just what the doctor ordered for the transportation industry. When seats aren't filled in trucks (or offices), or when less-familiar personnel have to fill in at various service points, supply chains are threatened and shippers tend to get a bit anxious. Rightfully so, too; drivers already fall into high-risk health categories, and employee retention is challenging for our industry overall. Shippers want to know their 3PL partners are in tip-top shape across the board, so they can kick back and rest easy.

+ THE RUAN REMEDY

The best (maybe only?) way to find out if you're meeting your customers' expectations is to ask them. Ruan does that. A lot. And we consistently get high marks – in the high 80 to 90 percentiles. Our customers know we were among the first in the industry to introduce a formal safety program, which we implement across all levels of our operations. This keeps us healthy and safe, leads to exceptional service for our customers, and eliminates the need for temple rubs.

03 DIAGNOSING A DEEPENING DRIVER SHORTAGE



This headache just won't go away, will it? Attracting new men and women to replace an aging population of truck drivers isn't easy. Concerns over work-life balance, pay and driver health issues all make the pain worse – and cold compresses don't seem to help one bit. Before the pandemic, driver shortages were already predicted to more than double over the next decade. Lawmakers had introduced a bill with measures to address the urgent issue, one of which included allowing 18- to 20-year-old drivers to operate commercial motor vehicles across state lines. But all of that was put on hold. The headache's still there, but it's anyone's guess what our driver shortage will look like in the near and distant future. (Pass the ice pack, please.)

+ THE RUAN REMEDY

Ruan treats drivers like the ambassadors they are. We know they're our driving force behind customer service. They're the ones building long-lasting relationships that are critical to Continuous Improvement. So, we work hard to take care of them by maintaining predictable schedules for work-life balance and assigning them to a single primary customer. Our turnover rate is low, which means we have safer and more accurate deliveries – Ruan's drivers know their truck, their route, their product, and their customer. Is that cool or what?

04 WAREHOUSING WOES



Similar to the capacity shortage in the transportation of products, there's also the issue of warehouse space. As in, there's not a whole lot of it. This is not something logistics and transportation executives take lightly; warehousing capacity concerns have topped the list of ailments, even outweighing increasing transportation costs. Now add the increasing challenge of attracting professional warehouse workers to make sure customers are getting what they want, when they want it – and, well, you can see why it's a top industry health concern.

+ THE RUAN REMEDY

Our warehouse solutions are pretty slick. Sure, we have innovative software that gives customers visibility to their product in every handling stage – but we also have our own in-house teams operating these systems, not a third-party. This means our customers get real-time data for less cost. And warehouse space? Ruan operates warehouse locations across the country. We use our Value-Added Warehousing services to find the best existing facility to optimize our customers' operations. And that's not all. We build customized warehousing plans that include kitting, subassembly, inventory management, and cross docking. These are what we call no-sweat solutions.



We've looked at some of the top issues that are bothering transportation and logistics executives these days, but there are many more. Like a cough or sore throat, they're nagging signs that something worse may be ahead. Perhaps the biggest worry centers on uncertainty about the future; even analysts struggle to predict what the transportation environment will look like six months from now. Making adjustments to best secure the supply chain is critical, and industry leaders are thinking about all options: hyperlocal networks, digital transformation, or simply changing their existing operations are (and should be) on the table. Problem is, every supply chain is unique. There isn't one quick fix for everyone. Sometimes an asset-based solution is appropriate. Sometimes it's not. This is why shippers need a true "menu" of services in order to create (or re-create) an ideal transportation solution that's perfect for them.

+ THE RUAN REMEDY

When Ruan puts Integrated Solutions to work, things happen. Good things, like a honey-flavored cough drop. We look at three main categories – Dedicated Contract Transportation, Managed Transportation and Value-Added Warehousing – to customize a plan that covers every inch of every shipment. We're constantly analyzing our customers' existing networks to find ways we can optimize supply chain functions. It might be technical, like using Ruan's mighty transportation and warehouse management systems to design plans strictly using our customers' own business rules. Or it might be operational, like driver management, sourcing carrier capacity, and upstream process improvement. The point is, it's a custom solution that's also flexible – so we can continue to meet the changing needs of our customers. And we know we are.

THE RUAN REMEDY TO COVID-19



OK, so we really don't have a remedy for the Coronavirus per se. But we do know how we've responded to it, and how that response affected our customers when they needed us most. We even have some ideas on how COVID-19 is reshaping the trucking industry's future.

When "social distancing" started to become a household phrase, Ruan was already beginning to pivot. We redirected resources from customer accounts that were starting to slash output and assigned those people, trucks, and trailers to grocery chains and other businesses that were experiencing the most demand. Because Ruan is a customer-focused company, we also released some customers from their transportation commitments, which proved to be a "win-win-win situation," according to Ruan President Dan Van Alstine.

"We wanted to provide employment for our driver team members," he said. **"We wanted to create some economic relief for those customers affected. And we wanted to create solutions for customers that are facing a surge in volumes."**

Van Alstine said Ruan's IT team also jumped in to build an electronic portal for operations staff to show assets that weren't being used so others could find more capacity. At all times, Ruan was mindful to maintain transparency and communication with customers – not only to continue our strong customer service, but also to ease nerves.

PIVOTING TO MEET CUSTOMER NEEDS

- + REDIRECTED ASSETS TO HIGH-DEMAND VERTICALS
- + RELEASED SOME CUSTOMERS FROM THEIR TRANSPORTATION COMMITMENTS
- + BUILT AN ELECTRONIC PORTAL TO FIND MORE CAPACITY
- + HIGH-LEVEL OF TRANSPARENCY AND COMMUNICATION

"That ability to quickly pivot to show all of our demand, and then be able to solve it, had a huge impact on our ability to serve customers, keep drivers employed, and generate some revenue for Ruan," Van Alstine said.

Keeping employees healthy will continue to be a priority within the trucking industry, with equal attention placed on preventing disease and preventing accidents and injuries. Other operational adjustments will likely linger as well, such as employees working remotely. Customers have to put emergency plans in place, and be open to alternative options for their businesses. Ruan continues to help customers by identifying more efficient or lower-cost ways of doing things, such as centralized billing or on-site support.

"The most important thing is listening to our customers," Van Alstine said. "Where there are issues, we're creating action plans."