



# Welcome!

Jeff Tucker, CEO

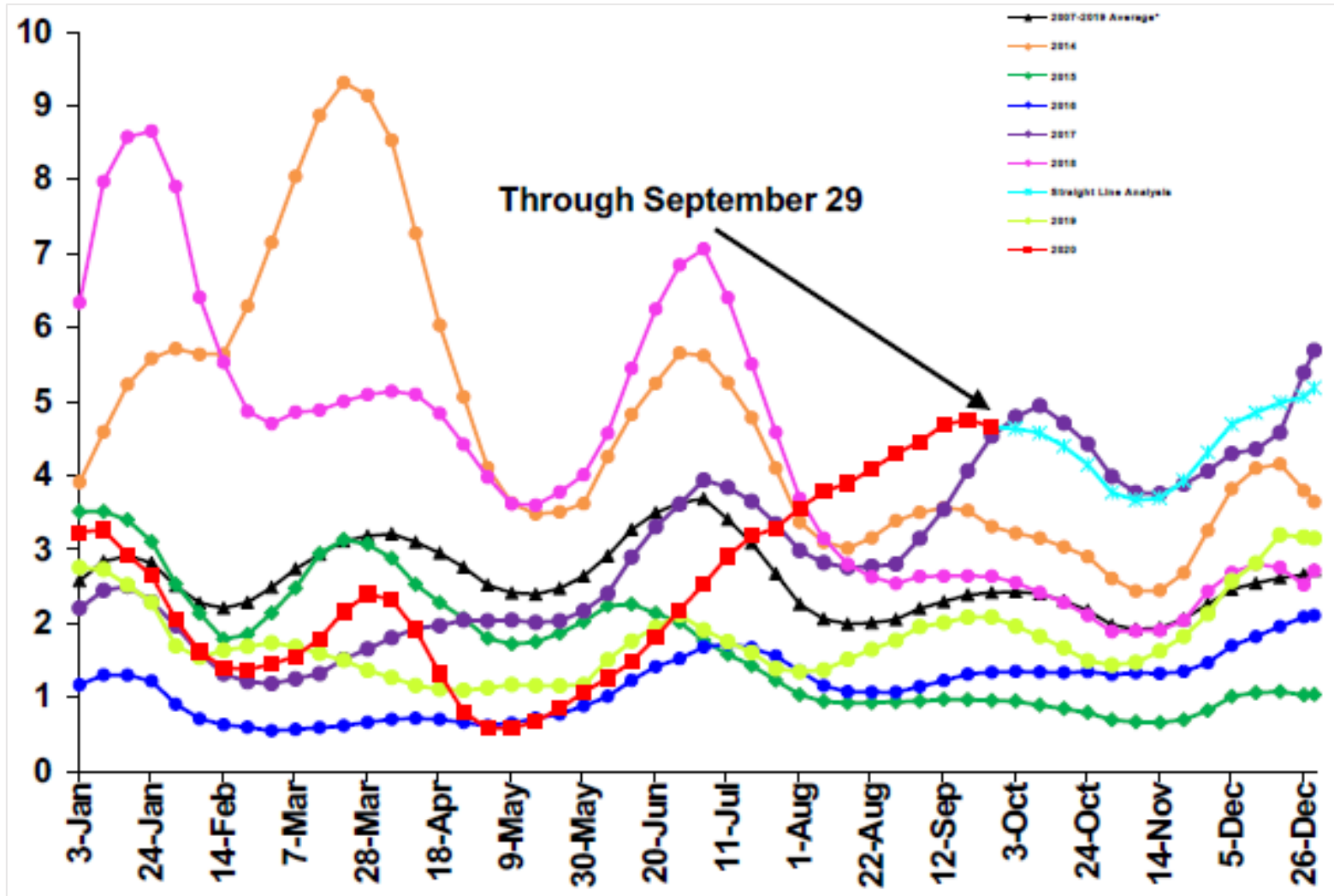
Tucker Company Worldwide

# Today's Discussion

- The market today
- A case study of two shippers competing on the same shelves
- Steps you can take today to set yourself up for success amidst this capacity crisis



# Morgan Stanley Freight Demand Index



Source: Morgan Stanley Research; Sept. 30, 2020 Report

# Does Anyone Else Feel Like They've Lived a Century in 2020?

## TRUCKING'S CENTURY OF AMERICAN ECONOMIC HISTORY IN 9 MONTHS

January 2020 - September 2020

**JAN. - FEB.**

*History's "level market"*

Equilibrium tilting toward a buyer's market. China's closures have slowed down imports.



**MARCH**

*History's "1918 Spanish Influenza"*

COVID-19 hits the U.S. It is the biggest global pandemic since the Spanish flu.



**EARLY APRIL**

*History's "Roaring '20s"*

(For about two weeks) toilet paper is flying off the shelves.



**APRIL - MAY**

*History's "Great Depression"*

\*Crickets.\* Drivers are taking loads below cost in the hopes of a rebound.



**JULY - AUG.**

*History's 2003, 2014, and 2018 capacity crises*

A Frankenstein-like perfect storm of the 2000's capacity crises.



**PRESENT**

Trucking demand continues to increase, reaching all-time seasonal highs.

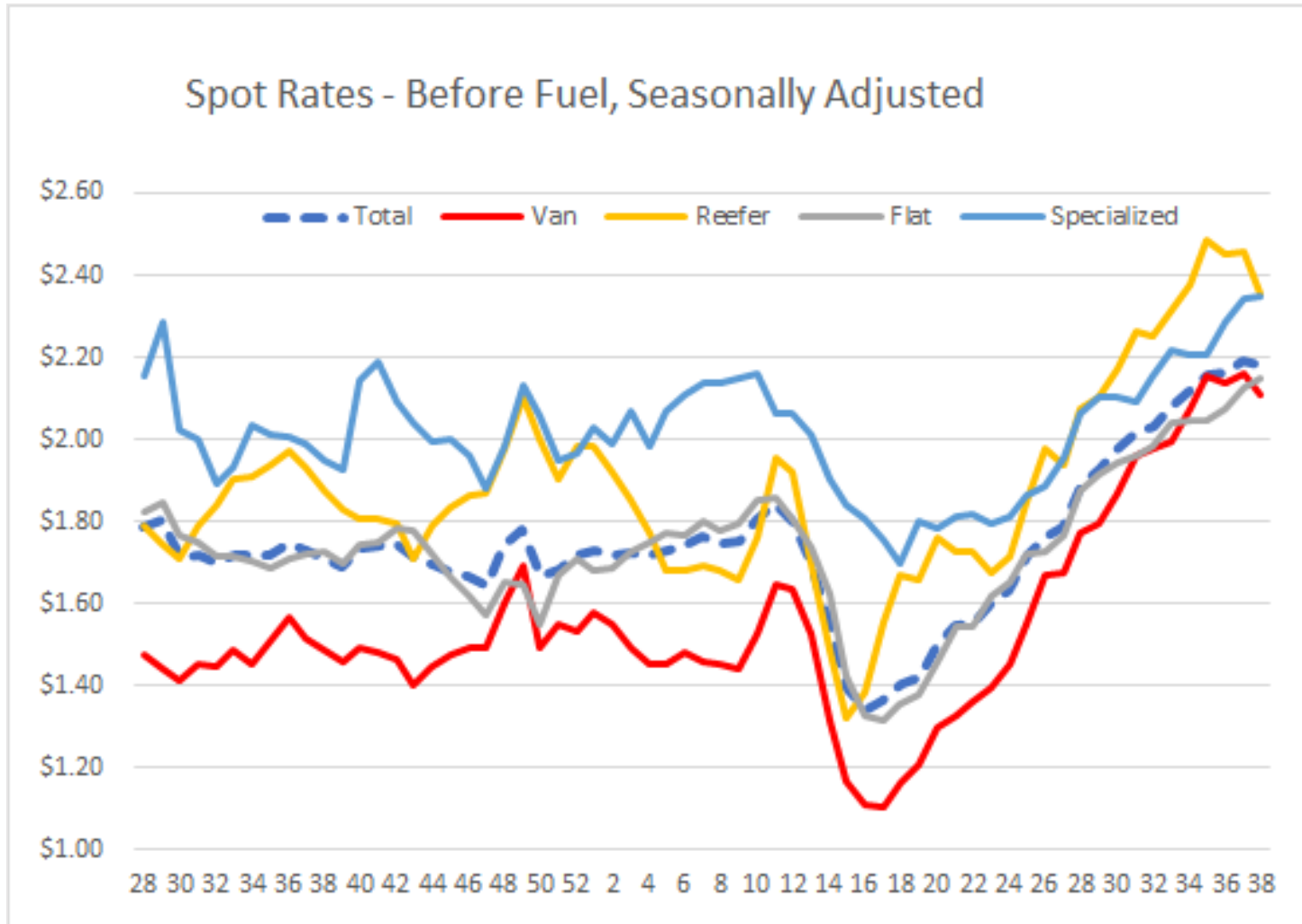


# Freight Tender Rejections at Nearly 25%. Overflow to the Spot Market



Source: FreightWaves SONAR

# Resulting in Skyrocketing Rates (Again)



Source: Truckstop.com

# Every Temperature-Controlled Shipper Will be Impacted When Vaccines Become Available

**8,000**



**-20°F**

**VS.**



**-4°F to -94°F**



# 5 Stages of Grief in a Tight Market

## Denial

- Nah. It'll pass. *"Just pick it up. You committed."*

## Anger

- WTH?! They're out of their minds. *"There is no way I'm paying that. I'm giving my business to someone else."*

## Bargaining

- *"OK, listen. I didn't mean what I said. What's it going to take for you to handle this volume?"*

## Depression

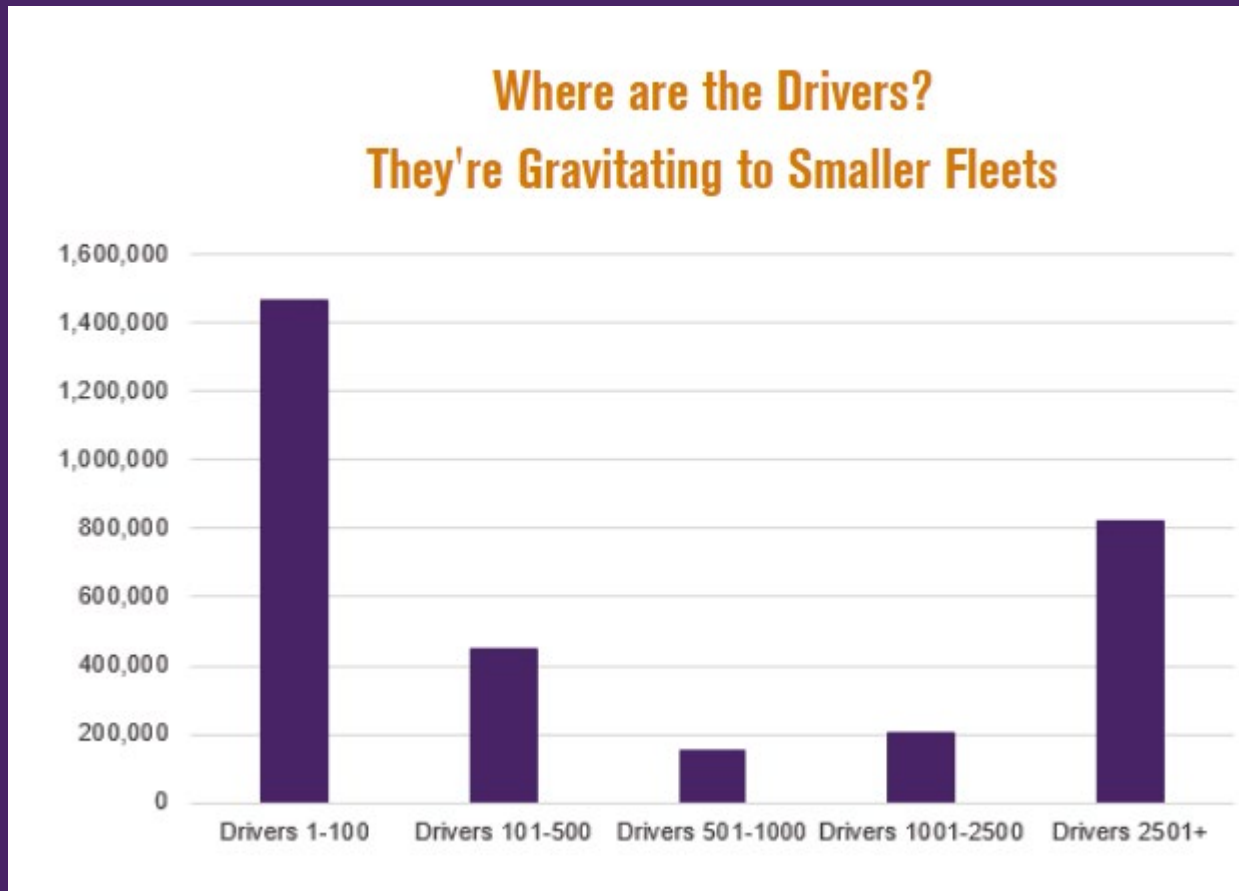
- How am I going to explain this to the CFO? How didn't I see this coming?

## Acceptance

- There's no coming back from that. But if I do, I'll be better prepared next time.



# Most Shippers Haven't Learned That Large Asset-Based Carriers are Necessary, but Their Utility has Faded

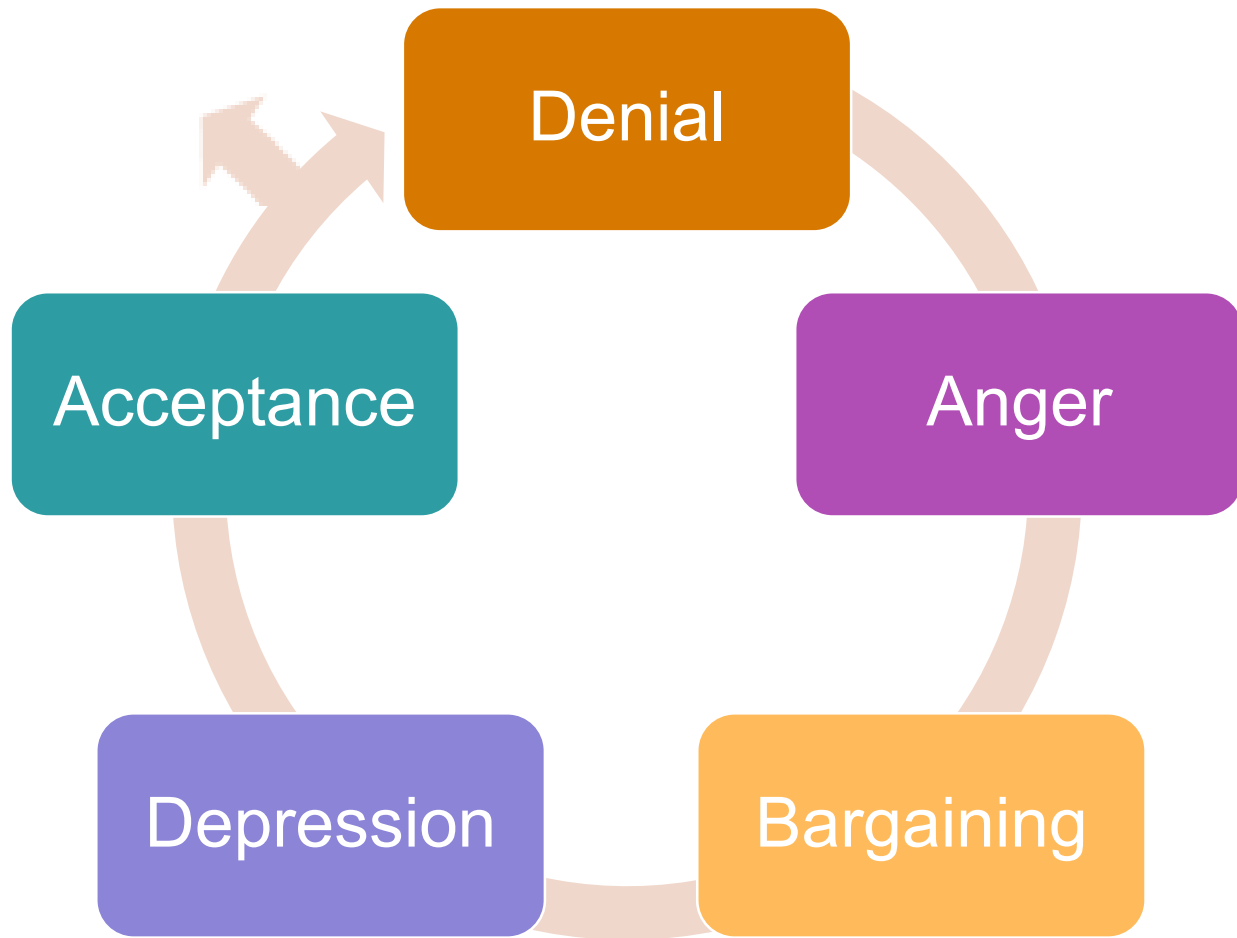


# You Can't Afford to Ignore Smaller Fleets

## Carrier Data, August 2020 vs. February 2012 (8 years, 6 months)

93.4%	= 1-19 trucks
27.0%	= 1-19 trucks percent of all drivers
21.7%	=1-19 trucks percent of all tractors
807,220	= 1-19 total driver count
390,875	= drivers added in last 8 years to 1-19 truck fleets.
93.9%	= increase in driver count 1-19 truck fleets
3.4	= average number of drivers in 1-19 truck fleets
2.8	-average number of trucks in 1-19 truck fleets
4.83	= average number of trucks in fleet sizes 1-100 trucks (trucks=power units)
84.0%	--> average fleet size of 1-100 trucks shrank by 15.4%, or about 1 truck

# Don't Allow Them to Become a Cycle



# A Tale of Two Customers: Vested vs. Close to the Vest in a Capacity-Starved Environment

## Customer #1

- Took a holistic approach, involving all stakeholders, such as transportation, planners, security, 3PLs, and third-party warehouse distribution centers.

## Customer #2

- Held transportation-only meetings, where the messages and tactics in dealing with same market issues were usually not shared within the organization.

# Competing to be a Top Shipper?



Preplan. The more lead time, the better.



Make a bathroom and/or driver area available.



Be flexible. Allow drivers to arrive onsite early. A truck in hand...



Nix late fees and penalties. Pay detention.



Offer on-site parking for hours of service breaks.



Be sure to mention if your product is clean and palletized.



Operate as a first come, first served facility.



Consider being more flexible on your insurance requirements.

# It's Not About Asset-Based vs. Non-Asset-Based. It's About Performance.



**FREE  
RESOURCE**

# Shipper of Choice Best Practices

[www.nitl.org](http://www.nitl.org)

The National Industrial Transportation League  
& Truckload Carriers Association

## VOLUNTARY GUIDE TO **Good Business Relations for Shippers, Receivers, Carriers, and Drivers**

*These guidelines are not intended to serve as industry standards or to create a legal right or responsibility of any party. However, shippers/receivers and motor carriers/drivers agree that it is in their mutual interest to subscribe to the following guidelines to govern their relations.*







# Thank you



Jeff Tucker, CEO, Tucker Company Worldwide



856-317-9600, ext. 122



[jefft@tuckerco.com](mailto:jefft@tuckerco.com)



[www.tuckerco.com](http://www.tuckerco.com)